

# Examining the Impact of Strategic Learning on Strategic Agility

Wael Mohamad Subhi Idris<sup>1</sup> & Methaq Taher Kadhim AL-Rubaie<sup>1</sup>

<sup>1</sup> Business Administration, Jinan University (Tripoli – Lebanon), The Hashemite Kingdom of Jordan

Correspondence: Wael Mohamad Subhi Idris, PHD Student, Business Administration, Jinan University (Tripoli – Lebanon), The Hashemite Kingdom of Jordan. E-mail: waelbsc@yahoo.com

Received: February 16, 2013

Accepted: March 20, 2013

Online Published: April 27, 2013

doi:10.5430/jms.v4n2p70

URL: <http://dx.doi.org/10.5430/jms.v4n2p70>

## Abstract

The main aim of this study is to examining the Impact of Strategic Learning on Strategic Agility in Elba House Company in Jordan. The study adopts the demonstrative analytical approach to achieve their objectives. A total of (55) individual, (47) were respondents and answered the questionnaire distributed. The study finding that the strategic learning (strategic knowledge creation, strategic knowledge distribution, strategic knowledge interpretation and of strategic knowledge implementation) has significant impact on strategic agility in Elba House Company in Jordan.

Therefore, the officials in Elba House Company in Jordan can use the current findings to develop specific plans and strategies for strategic learning based on the objective basis according to the company needs of skills and expertise to develop and improve the performance levels. As well as, Elba House Company in Jordan must owning the strategic vigilance to improve the strategic agility.

**Keywords:** strategic learning, strategic agility, Elba House Company and Jordan

## 1. Introduction

Business environments experienced rapid transformation and have had positive and negative effects on business organizations according to their responsiveness, adaptation and competitive capabilities. This information raised two vital questions: Firstly, why do some organizations have the ability to succeed and transcend its competitors while others fail? Secondly, what distinguishes responsive and adaptive organizations (agile) from organizations that fail to respond quickly and adapt to rapid changes in the business environment?

Organizations that experienced success realized that continuity and sustainability of said success in the long term depends on strategic agility and the need to achieve entrepreneurship and excellence in the field. Once achieved, the organizations learn and benefit from their experiences and continual improvement to capitalize on market opportunities. Knowledge allows the seizing of those opportunities; relying on Strategic Agility to form the basis of organizational success and sustainability in enhancing, reconfiguring value through penetrating new markets, adoption of new business models, and achieving innovation compared with competitors.

Contemporary ideological developments in the strategic management field urge organizations to break the siege and bring what is new and unique. One of those goals of Strategic Learning aims to change the knowledge base of the organization, improve their capabilities and activate relationships with its environment through adapting with internal and external variables. In the same context, Strategic Learning is a fundamental pillar that has its impacts on the Strategic Agility of business organizations as a strategic solution to address the challenges faced by organizations in the business environment. Accordingly, the current research modestly contributed to aid the organizations wishing to achieve strategic successes.

These developments have become an urgent need for organizations that operate in an environment characterized by rapid changes and intense competition witnessed by the markets. Ability to survive depends on superiority over competitors through reinforcement of their capabilities and core competencies, becoming a pioneer in its field in terms of identifying the customer's needs and desires and inventing new ways of doing business. These activities need Strategic Agility to be implemented. As a result of the above, the current study came to focus on the nature of Elba House Company dealing with those changes and determining the level of strategic learning contribution in the Elba House Company in achieving Strategic Agility and presenting recommendations that can enhance organizational performance.

### *1.1 Study Objectives*

Based on the information stated above, the researchers seek to examine the impact of Strategic Learning on Strategic Agility at Elba House Company in Jordan.

### *1.2 Significance of the Study*

The Significance of the current study stems from the following considerations:

- 1) Present philosophical studies according to the strategic perspectives which seeks to achieve strategic integration between learning organizations to gain Strategic Agility.
- 2) Presenting what organizations can benefit from to achieve strategic agility
- 3) The current study has placed forward an ideological modernity element in the propositions concerning the link between Strategic Learning and Strategic Agility.
- 4) Lies to provide an information base can be employed in the organization to meet current and future changes by updating its working methods and increasing their efficiency and effectiveness.

## **2. Theoretical Review**

### *2.1 Strategic Learning*

Strategic Learning occurs in organization content, when mistakes are discovered and fixed by re-thinking problematic regulations, policies and methods. Kuwada (1998: 772) pointed that Strategic Learning reflects the ability of organization to acquire knowledge and redefine the strategic path. Thomas, et.al (2001: 330-345) reported that Strategic Learning represents a specific priority for learning areas based on strategic assumptions, meaning that learning is generated to define Strategic Orientation. In another context, Thite (2004: 28-42) emphasize that Strategic Learning is a tactic aimed to learn dynamic capabilities. Hsu and Fang (2009) confirm that Strategic Learning is a capability practiced to help organizations formulate strategies and achieve their objectives. Charlotta (2012: 500) argues that Strategic Learning is a strategic process focused on strategic implications of learning process related to an organization's understanding of external environment. In addition this includes diagnosing existing opportunities and investments best for the organizational advantage. Finally, from our perspective, Strategic Learning refers to a process based on learning to formulate and implement new strategies for continuous adaptation to the environment and their variants.

Regarding the Strategic Learning importance, Thomas, et.al (2001) indicates that Strategic Learning provides insights on how the organization acquires, interprets, distributes and activates knowledge to generate sustainable competitive advantage. Morales and Montes (2006:23-35) confirm that the implementation of Strategic Learning processes would provide the organization with a series of mechanisms, which lead to many advantages such as generating superior performance to compete and maintain a competitive.

Berghman (2006, 40) shows that the Strategic Learning leads to an increase of the dynamic capabilities of the organization and the ability to increase the strategic innovation initiatives. Through this, Tallon (2008:21-36) illustrates that Strategic Learning enhances the organization's capabilities to respond to changes in their working environment.

### *2.2 Strategic Agility*

Strategic Agility takes the shape of the hallmark of a contemporary organization. The theoretical and practical studies provided a variety of concepts of Strategic Agility as a factor explaining how the organizations perform their work to outperform competitors in a turbulent environment.

Strategic Agility is described by (D'Aven, 1994: 25) as flexibility and speed that gives organizations the ability to change the business in order to respond to changes in their markets and face substantial risks. According to Weill, et.al, (2002: 61) Strategic Agility refers to a broad concept that surrounds range business initiatives that the organization could be easily implement. In another context, Sull & Bryant (2006: 1-6) define Strategic Agility as the ability to exploit opportunities that slow down the competitor's exploitation of the same opportunity. Cutter (2006: 1-3) illustrates that the Strategic Agility indicates the organization's ability to deal with the ambiguous external environment and uncertain business factors. In the same context, Doz and Kosonent (2006:1-23) determine Strategic Agility as the ability to make strategic shifts on a time basis, by adopting re-orientation and re-innovation. Becker (2007: 1-9) presented another concept of Strategic Agility that represents the process of structured orientation towards change to achieve maximum success.

Finally, Beltrame (2008, 1-6) described Strategic Agility as the process of adapting strategic orientations of the organization by responding to the changing environmental conditions. In summary, Strategic Ability is the perfection

of change, by adapting agility in the organization to maximize strengths and provide what it necessary for the organization's survival.

### 2.3 Strategic Learning and Strategic Agility Relationship

In the context of the relationship between Strategic Learning and Strategic Agility, Kuwada (1998, 719-736) confirms that Strategic Learning plays a key role in enabling organizations to achieve agility in the development process of a product, whereas the progress of a diligent search to gain knowledge and skill gives organizations the ability to solve a range of obstacles in a short period of time. Also it was found that the success of organizations was built through Strategic Learning, knowledge acquisition converting that knowledge into new products and capabilities. Bhatt and Grover (2005) refer to Strategic Learning as an important dimension of dynamic capabilities in business organizations. This situation represents one aspect of Strategic Agility and of an important requirement needed by contemporary organizations that face continuing cases of environmental uncertainty and intensive competition. Pietersen (2008: 1-27) stresses the role of Strategic Learning in achieving Strategic Agility in organization through suggesting new ways for organization's leadership in a world characterized by rapid changes. In this case, the Strategic Learning is an organizational tool generating innovative business strategies and developing an effective set of leadership skills. In addition, Mackinnon, et.al (2008: 1-6) explained that the organization must focus on learning and knowledge, whereas the techniques, networks communication and integrated infrastructure of information system are essential to enable Strategic Agility in organizations.

In the current research, the researchers benefited form studies to prepare literature review and connectivity between study variables, in addition scale used in study.

## 3. Conceptual Study Framework and Hypotheses

### 3.1 Conceptual Study Framework

Figure (1) illustrates the Conceptual Study framework which indicated that there are two variables. First, Strategic Learning which was considered as independent variable includes four factors: Strategic knowledge creation, Strategic knowledge distribution, Strategic knowledge interpretation and of Strategic knowledge implementation these four factors were impact on strategic agility as the dependent variable. We suggest that practicing the strategic learning factor leads to strategic agility.

### 3.2 Research Hypotheses

Therefore, to investigate the impact of independent variable on dependent variable, the researchers developed one major hypothesis:

H<sub>1</sub>: Strategic Learning (Strategic knowledge creation, Strategic knowledge distribution, Strategic knowledge interpretation and of Strategic knowledge implementation) has significant impact on Strategic Agility.

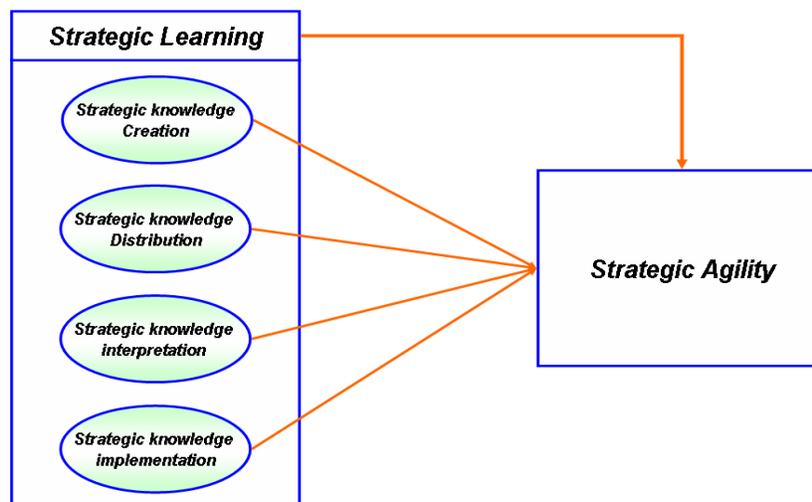


Figure 1. The conceptual study framework

## 4. Research Methodology

This study adopts the demonstrative analytical approach, aiming to examine the impact of Strategic Learning on Strategic Agility.

#### 4.1 Sampling and Data Collection

The study is an applied based on the data collected from study sample workers in Elba House Company in Jordan. A total of (55) individuals divided between (5) managers, (16) head of section, (16) engineers and (18) production supervisors, (47) were respondents and answered the questionnaire distributed. Table 1 presented the demographic characteristics of the study sample.

#### 4.2 Data Analysis

To analysis data collected from the responses Statistical Package for Social Sciences (version. 20) was used through descriptive analysis (mean, standard deviation) of underlying study variables and analytical through multiple regression analysis to examine the impact of Strategic Learning on Strategic Agility in Elba House Company in Jordan.

#### 4.3 Measurement

To achieve study objectives required a scale for analysis the study variables "Strategic Learning and Strategic Agility". We have identified Strategic Learning as independent variable consisting four factors and (19) items: ("5" items for strategic knowledge creation, "5" items for strategic knowledge distribution, "5" items for strategic knowledge interpretation and "4" items for strategic knowledge implementation). In the measurement of the strategic learning factors the researcher depends on the scale developed by Charlotta (2012) in a Seven Likert-scale ranging from ("1" Do Not Agree to "7" Agree Completely).

Table 1. Demographic characteristics of the study sample

No.	Variables	Categorization	Frequency	Percent
1	Age	30 years or less	8	17
		From 31 – 34 Years	13	28
		From 35 – 39 years	22	47
		40 Years More	4	9
2	Work Experience	Less than 5 Years	5	11
		6-10 Years	17	36
		11-15 Years	19	40
		More than 16	6	13
3	Job title	Managers	3	6
		Head of Section	13	28
		Engineers	14	30
		Production Supervisors	17	36

#### 4.4 Reliability Coefficients

The reliability was assessed through calculating Cronbach Alpha ( $\alpha$ ) values. In the scale reliability, Cronbach Alpha coefficients are 0.74 which was at a minimum acceptable level (Hair, et..al, 2006). Cronbach Alpha values presented in Table 2 showed a good acceptable reliability coefficient.

Table 2. Reliability analysis of strategic learning and strategic agility

Variables	Dimensions	No of Items	Cronbach alpha
Strategic Learning	strategic knowledge creation	5	0.819
	strategic knowledge distribution	5	0.795
	strategic knowledge interpretation	5	0.773
	strategic knowledge implementation	4	0.772
Strategic Agility	-	8	0.873
Overall Questionnaire		27	0.914

## 5. Results

### 5.1 Study Variables Description

The descriptive analysis of strategic learning factors presented in table (3) that demonstrates the general mean scores (6.414) for strategic learning which indicate high degree of strategic learning that Elba House Company in Jordan characterized it. On the other hand, every strategic learning factors notes that the mean scores ranged between (6.212) for strategic knowledge creation factor and (6.476) strategic knowledge creation factor which indicate high degree.

Table 3. Descriptive statistics of strategic learning factors

No.	Strategic Learning Factors	Mean	Standard Deviation
strategic knowledge creation	1 we focus on acquiring knowledge of strategies that involve experimentation and high market risks	6.212	0.883
	2 We prefer to collect market information with no identifiable strategic needs to ensure experimentation	6.489	0.718
	3 Our aim to acquire knowledge develop projects that lead us into new areas of learning such as new markets and technological areas	6.446	0.829
	4 We collect novel information and ideas that go beyond our current market and technological experiences	6.553	0.716
	5 Our aim to collect new information that forces us to learn new things in product development	6.531	0.620
strategic knowledge creation mean and standard deviation		6.446	0.578
strategic knowledge distribution	6 Within our firm sharing strategic information is the norm	5.787	1.061
	7 Within our firm, strategically important information is easily accessible to those who need it most	6.531	0.803
	8 Representatives from different departments within our firm meet regularly to discuss new strategically important issues	6.765	0.476
	9 Within our firm, strategically important information is actively shared between different departments	6.680	0.555
	10 When one department obtains strategically important information, it is circulated to other departments	6.638	0.735
strategic knowledge creation mean and standard deviation		6.480	0.506
strategic knowledge interpretation	11 When faced with new strategically important information, our managers usually agree on how the information will impact our firm	6.595	0.711
	12 In meetings, we seek to understand everyone's point of view concerning new strategic information	6.489	0.952
	13 Groups are prepared to rethink decisions when presented with new strategic information	6.170	0.601
	14 When confronting new strategic information, we are not afraid to reflect critically on the shared assumptions we have about our organization	6.574	0.616
	15 We often collectively question our own biases about the way we interpret new strategic knowledge	6.553	0.618
strategic knowledge creation mean and standard deviation		6.476	0.469
strategic knowledge implementation	16 Strategic knowledge gained by working groups is used to improve products, services and processes	6.148	0.779
	17 The decisions we make according to new strategic knowledge are reflected in changes to our organizational systems and procedures	6.212	0.657
	18 Strategic knowledge gained by individuals is input into the organization's strategy	6.319	0.783
	19 Recommendations by groups concerning the use of strategic knowledge are adopted by the organization	6.170	0.962
strategic knowledge creation mean and standard deviation		6.212	0.618
strategic learning mean and standard deviation		6.414	0.423

For Strategic Agility variable. The researcher uses scale developed by Tallon & Pinsonneault (2011) in a Seven Likert-scale from (“1” strongly disagree to “7” strongly agree). The descriptive analysis of Strategic Agility variable presented in Table 4.

Table 4. Descriptive statistics of strategic agility variable

No.	Strategic Agility	Mean	Standard Deviation
20	Our company responds to changes in aggregate consumer demand.	6.234	0.937
21	Our company customizes a product or service to suit an individual customer.	6.297	1.019
22	Our company reacts to new product or service launches by competitors.	6.148	0.955
23	Our company introduces new pricing schedules in response to changes in competitors' prices.	6.425	0.744
24	Our company expands into new regional or international markets.	6.468	0.776
25	Our company change (expand or reduce) the variety of products / services available for sale.	6.489	0.655
26	Our company adopts new technologies to produce better, faster and cheaper products and services.	6.361	0.704
27	Our company switches suppliers to avail of lower costs, better quality or improved delivery times.	6.361	0.818
strategic agility mean and standard deviation		6.348	0.519

As shown in Table 4, the general mean scores (6.348) which indicate high level of strategic agility Elba House Company in Jordan characterized it.

### 5.2 Study Hypotheses Testing

**H<sub>1</sub>:** Strategic Learning (Strategic knowledge creation, Strategic knowledge distribution, Strategic knowledge interpretation and of Strategic knowledge implementation) has significant impact on strategic agility.

Through using multiple regressions analysis, significant impact of strategic learning on strategic agility.

Table 5 illustrates that Strategic Learning (Strategic knowledge creation, Strategic knowledge distribution, Strategic knowledge interpretation and of Strategic knowledge implementation) has a significant impact on strategic agility. The regression model achieve a high degree of fit, as reflected by “R” and “R<sup>2</sup>” value (0.848) , (0.719), which asserted that (0.848) of the explained variation in strategic agility can be accounted for Strategic Learning (Strategic knowledge creation, Strategic knowledge distribution, Strategic knowledge interpretation and of Strategic knowledge implementation). On the other hand, the Table 5 for the executive data set indicated the slope value of (0.462), (0.651), (0.693) and (0.646) for the regression line. This suggested that for a one unit increase in Strategic Learning (Strategic knowledge creation, Strategic knowledge distribution, Strategic knowledge interpretation and of Strategic knowledge implementation) the respective organization can significantly predict a (0.462), (0.651), (0.693) and (0.646) increase in strategic agility. As well as Table 5 shows that the analysis of variance of the fitted regression equation is significant with F value of (26.908). This is an indication that the model is a good one. Since the p-value is less than (0.05), it shows a statistically significant relationship between the variables at (0.95) confidence level. The results also indicate that strategic learning factors impact on the strategic agility of Elba House Company in Jordan with a coefficient of (0.462) for Strategic knowledge creation, (0.651) for Strategic knowledge distribution, (0.693) for Strategic knowledge interpretation and (0.646) for Strategic knowledge implementation. Therefore, the hypothesis of significant impact is accepted. Thus, Strategic Learning (Strategic knowledge creation, Strategic knowledge distribution, Strategic knowledge interpretation and of Strategic knowledge implementation) has significant impact on strategic agility in Elba House Company in Jordan. This further supported the study hypothesis.

Table 5. Summary of multiple regression results – impact of strategic learning (strategic knowledge creation, strategic knowledge distribution, strategic knowledge interpretation and of strategic knowledge implementation) on strategic agility in Elba House Company in Jordan

R	R <sup>2</sup>	F Calculate	Degree of Freedom	Sig*	β	T Calculate	Sig*		
0.848	0.719	26.908	Regression	4		S K creation	0.462	4.027	0.000
			Residual	42	0.000	S K distribution	0.651	6.456	0.000
						S K interpretation	0.693	8.107	0.000
						SK implementation	0.646	5.748	0.000
Total	46								

## 6. Conclusions and Implications

This current study provides an applied examining of the impact strategic learning on strategic agility. The applied study shows that Strategic Learning factor (Strategic knowledge creation, Strategic knowledge distribution, Strategic knowledge interpretation and of Strategic knowledge implementation) were significant impact on strategic agility.

The results of regression analyses meet with Kuwada (1998), Bhatt and Grover (2005) and Mackinnon, et.al (2008) finding.

The study provides empirical evidence of the Impact of strategic learning on strategic agility. Therefore, the officials in Elba House Company in Jordan can use the current findings to develop specific plans and strategies for strategic learning based on the objective basis according to the company needs of skills and expertise to develop and improve the performance levels. Elba House Company in Jordan must owning the strategic vigilance (competitive, technological, and environmental) to improve the strategic agility levels, achieve Entrepreneurship and excellence in its working field

## References

- Becker, Bob. (2007). *Strategic Agility: The Ultimate Competitive Advantage*. Retrieved from [www.sa-advantage.com](http://www.sa-advantage.com)
- Beltrame, Kieren. (2008). *Strategic Agility: Driving Business Efficiency without Eroding Competitive Advantage with Paper*. Business & Strategy Consulting Firm. Retrieved from [www.iproconhcm.co.uk](http://www.iproconhcm.co.uk)
- Berghman, Liselore. (2006). Strategic Innovation Capacity: A Mixed Method Study on Deliberates Strategic Learning Mechanisms. *Ph. D. Dissertation*, University of Rotterdam.
- Bhatt, G. D., & V. Grover. (2005). Types of information technology capabilities and their role in competitive advantage: an empirical study. *Journal of Management Information Systems*, 22(2), 253-277.
- Charlotta A. Sirén. (2012). Unmasking the capability of strategic learning: a validation study. *The Learning Organization*, 19(6), 497 – 517. <http://dx.doi.org/10.1108/09696471211266983>
- D'Aven, R. A. (1994). *Hypercompetition: Managing the Dynamic of Strategic Management*. Free Press, New York.
- Doz, Yves, & Kosonen, Mikko. (2006). Fostering Strategic Agility: In Search for Renewed Growth. Ckir Workshop, Iscan. Retrieved from [www.agilityconsulting](http://www.agilityconsulting)
- Hair, Joseph F., Black, William C., Babin, Barry J., Anderson, Roth E., & Tatham, Ronald L. (2006). *Multivariate Data Analysis* (6<sup>th</sup> ed.). Pearson Education International, New Jersey.
- Hsu, Ya-Hui, & Fang, Wenchang. (2009). Intellectual Capital and New Product Development Performance: The Mediating Role of Organizational Learning Capability. *Technological Forecasting and Social Change*, 76(5), 664-677. <http://dx.doi.org/10.1016/j.techfore.2008.03.012>
- Kuwada, Kotaro. (1998). Strategic Learning: The Continuous Side of Discontinuous Strategic Change. *Organization Science*, 9(6), 719-736. <http://dx.doi.org/10.1287/orsc.9.6.719>
- MacKinnon, W., Grant, G., & Cray, D. (2008). Enterprise information systems and strategic flexibility. *Proceeding of the 41<sup>st</sup> Hawaii International Conference on System Sciences*. Retrieved from [www.IEEE.com](http://www.IEEE.com)

- Morales, Victory, & Montes, Francisco, J. (2006). Antecedents & Consequences of Organizational Innovation & Organizational Learning in Entrepreneurship. *Industrial Management & Data Systems*, 106(1), 21-42. <http://dx.doi.org/10.1108/02635570610642940>
- Pietersen, William. (2008). *Strategic Learning: A Leadership Process for Creating and Implementing Break Through Strategies*. McGraw-Hill, Inc., USA.
- Sull, Donald, & Bryant, Ben. (2006). Discussion for Strategic Agility, Working Paper. Retrieved from [www.donsull.com/downloads/strategic\\_agility.pdf](http://www.donsull.com/downloads/strategic_agility.pdf)
- Tallon, Paul P., & Pinsonneault, Alain. (2011). Competing Perspectives on the link between Strategic Information Technology Alignment and Organizational Agility: Insights from A Mediation Model. *MIS Quarterly*, 35(2), 463-486.
- Tallon, Paul P. (2008). Inside the adaptive enterprise: an information technology capabilities perspective on business process agility. *Information Technology and Management*, 9(1), 21-36. <http://dx.doi.org/10.1007/s10799-007-0024-8>
- Thite, Mohan. (2004). Strategic positioning of HRM in knowledge-based organizations. *Learning Organization*, 11(1), 28-44.
- Thomas, James B., Sussman, Stephanie Watts, & Henderson, John C. (2001). Understanding "Strategic Learning": Linking Organizational Learning, Knowledge Management, and Sensemaking. *Organization Science*, 12(3), 331-345. <http://dx.doi.org/10.1287/orsc.12.3.331.10105>
- Weill, Peter, Subramani, Mani, & Broad Bent, Marianne. (2002). Building IT Infrastructure for Strategic Agility. *MIT Sloan Management Review*, 44(1), 57-65.