

ORGANIZATIONAL LEARNING ORIENTATION AND SUSTAINABLE COMPETITIVE ADVANTAGE: TOWARDS MORE ACCOUNTABLE GOVERNMENT-LINKED COMPANIES

Nur Nadiah Zulkarnain¹, Nik Herda Nik Abdullah¹,
Jamaliah Said², Md. Mahmudul Alam³

¹Faculty of Accountancy,
Universiti Teknologi MARA, Malaysia

²Accounting Research Institute,
Universiti Teknologi MARA, Malaysia

³School of Economics, Finance & Banking, College of Business,
Universiti Utara Malaysia, Sintok, Malaysia

ABSTRACT

Government-linked companies (GLCs) are organizations in which the government owns at least 20% of the issued and paid-up capital. GLCs are expected to be actively involved in learning orientation to reflect a high level of accountability to taxpayers' money. This study assessed the status of the current level of organisational learning orientation among GLCs in Malaysia. Primary data were collected by conducting a questionnaire survey on 134 executives and managers of GLCs in Malaysia. The data included opinions on 10 factors of organisational learning practices. A five-point Likert scale was used for evaluation. The data were analysed through descriptive statistics. Furthermore, the reliability of the data was tested with Cronbach's alpha test, and data validity was tested by conducting a normality test and evaluating skewness and kurtosis. Data consistency was tested through a factor analysis. A total of 74.6% of the respondents stated that they focus on the factors of organisational learning. Federal-owned GLCs place more emphasis on organisational learning than state-owned GLCs. This study recommends that the practices of organisational learning of GLCs in Malaysia be improved by emphasising that employee learning is an investment rather than an expense. Employees should view themselves as partners in charting the direction of the organisation and should not be afraid to reflect critically on the shared assumptions about how the organization is managed. Unsuccessful organizational endeavours must be analysed, and the lessons learned should be communicated widely among employees.

Keywords: *organizational learning, government linked companies, risk, sustainable competitive advantage, Malaysia*

ARTICLE INFO

Article History :

Received : 5 November 2015

Accepted : 22 March 2016

Published : 30 June 2016

INTRODUCTION

Resource-based view (RBV) theory focuses on transforming the valuable resources of an organisation to help the organisation achieve its goals (Barney, 1991). RBV states that organisations that can fully utilise their resources, such as raw materials and skills, have the opportunity to gain competitive advantages over their competitors (Grant, 1991). Maximising resources provides organisations a sustainable competitive advantage (Macfarlane, 2014). A competitive advantage refers to a situation in which an organisation can create or improve its product and make it superior to those of competitors. A sustainable competitive advantage will help organisations cope with the changes in the environment and remain successful (Ketchen & Short, 2014) by achieving a long-term competitive advantage that would be costly and difficult to imitate by others (Papulova & Papulova, 2006).

A sustainable competitive advantage provides many benefits, given that it is a powerful source to achieve superior performance and create value for the organisation (Gupta & Benson, 2011). According to Barney (1991), organisations can create competitive advantages by obtaining valuable, rare, inimitable resources and capabilities. Obtaining such resources would lead to value creation and sustainability if an organisation is able to obtain such resources. Kraaijenbrink and Spender (2011) stated that without value creation, an organisation would have no added value; thus, the organization cannot exist in the market. Value creation can improve the performance of an organisation by maximising earnings per share, ensuring high levels of operational effectiveness and allowing the organisation to remain competitive (Gholami, 2011). Thus, value creation indirectly helps organisations implement strategies to improve their efficiency and competitiveness (Porter, 1997).

However, not all of these resources would lead to a competitive advantage or value creation because according to Kraaijenbrink and Spender (2011), people may perceive values differently. What one perceives as valuable may not be valuable for other people. Moreover, organisations experience difficulty achieving sustainability and coping with rapid changes in the environment because of globalization and increased competition. Therefore, organisations must be able to offer or create something new to differentiate themselves from their competitors. According to Prieto and