RELATIONSHIP BETWEEN INFORMATION COMMUNICATION TECHNOLOGY ADOPTION IN MICROFINANCE INSTITUTIONS AND ACCESS TO FINANCIAL SERVICES IN TANZANIA

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ABSTRACT

Access to financial services is limited to the large population worldwide. This study mainly intended to examine a relationship between ICT adoption in microfinance institutions and access to financial services, particularly availability, convenience and affordability in Tanzania. A cross-section study design was conducted in two regions on 77 selected microfinance institutions. An exploratory factor analysis was employed to reduce variables to a manageable size, while retaining original information. The study used structural equation modelling with the help of Analysis of Moment Structures version 21. Five factors were grouped from 29 variables. Only one path leading from ICT adoption to availability of financial services was found statistically significant. This implies ICT plays a key role in financial service delivery to clients via electronic delivery channels. Hence, services become available to everybody regardless of location and time.

Keywords: ICT Adoption, Access to financial services.

1. Introduction

Access to financial services is central to human development and a catalyst for state growth (Cracknell, 2012; Jeanty, 2016; Honohan., 2006; Fischer, 2014). Adequate access to financial services is one of the solutions, which minimises income inequalities and poverty among citizens in any country (Rabobank, 2005; Rojas-Suarez, 2010). Microfinance institution (MFI) is one of the well-known sources of money supply that provides access to financial services for low income earners (Ellis, Lemma, & Rud, 2010). Financial services include savings, loans, remittance and insurance (Odhiambo, 2009; Burgess & Pande, 2003). MFIs target constrained people, who are unable to offer sufficient collateral and excluded by

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well-established financial institutions, including commercial banks (Kessy., 2009; Robinson., 2003).

Although MFIs are mushrooming across the globe, evidence shows large populations remain unbanked. According to World Bank (WB) reports, about two billion people do not have access to formal financial services. This comprises countries in Asia, Latin America and Africa (Hossain & Sarker, 2015). Further results indicate that less than a quarter of adult populations have access to financial services in sub-Saharan Africa (SSA) (Koblanck, 2013). In Tanzania, data shows 40 per cent of adults have accounts at financial institutions (WB, 2014). Limited access to financial services implies that financial products are inaccessible, unaffordable, unavailable of banking services, inflexible and unacceptable by some citizens (WB, 2017).

To access financial services adequately, some studies suggest adoption of different advanced operational methodologies such as information communication technology (ICT) in MFIs (Kipesha, 2013; Bada, 2012; Claessens, 2006). ICT facilitates communication, data capturing, processing and transmission of information (Beckinsale & Ram, 2006; Boar, 1997) through the use of computers, mobile phones, the internet, applications, hardware and networks (Ashrafi & Murtaza, 2008). Furthermore, ICT can form new delivery channels, which reach low income earners through branchless banking. Effects of ICT have been appreciated in broadening services, easy processing and in innovative products (Emmanuel & Sife, 2008; Khanna & Gupta, 2015). ICT adoption in MFIs also increases efficiency and effectiveness (Ssewanyana, 2009; Kumar & Rao, 2012), expands services to the unbanked population (Jawadi, Jawadi, & Dechamps, 2010; Shamim, 2007; Osabuohien, 2008), reduces operational costs (Eid, Trueman, & Ahmed, 2006; Akanbi & Oladejo, 2012) and increases staff productivity (Apulu & Latham, 2011; Harindranath, Dyerson, & Barnes, 2008; Brynjolfsson & Hitt, 2003).

Despite positive effects of ICT on MFIs' performance, still large populations in developing countries do not have access to financial services (Hossain & Sarker, 2015; Koblanck, 2013). This limited access to financial services was observed in the MFIs, which have low management support in adopting ICT, high ICT investment costs, weak technological connectivity and low control of risks and fraud on electronic transactions (Triodos-Facet, 2011; Ashta, 2010; Sjauw-Koen-Fa & Vereijken, 2005). Consequences of these obstacles delay MFIs to adopt seriously sophisticated and advanced ICT in their operations (Kipesha, 2013). As a result, negative effects on availability, convenience and final retail prices on financial services.

Although, previous studies pointed out the effects of ICT on MFIs' operational performance, especially an increase in efficiency, improved staff productivity, increased service delivery and a reduction in costs (Kairu & Rugami, 2017; Musa & Khan, 2010). This study observed a knowledge gap of the contribution of ICT adoption to access to financial services. Therefore, there is a need to understand how ICT adoption in MFIs contributes directly to access to financial services, particularly in making financial services available, convenience and affordable to large populations. Objectively, this study determines the

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relationship between ICT adoption in MFIs and access to financial services in Tanzania.

2. Literature Review

1.1.Theoretical Framework

Two theories guided this study in explaining the relationship between ICT adoption in MFIs and access to financial services through actual usage of electronic delivery channels. The theories are Davis' (1989) Technology Acceptance Model (TAM) and Roger's (1995) Diffusion of Innovation Theory (DOI). TAM was employed to bring out the relevance of accepting new technology in MFIs and its usefulness in operational performance. The theory focused on understanding the causal relationship between the use of external variables and perceived ease of use and perceived usefulness in the actual use of the system. 'Perceived usefulness' refers to the degree to which an individual believes that using a particular application system will enhance his or her job performance and 'perceived ease-of-use' is expressed as the degree to which an individual person believes that using a particular system will be free from effort (Davis., 1989). TAM has proved to be useful and is employed in different disciplines such as health care, including telemedicine (Holden & Karsh, 2010; Hu, Chau, Sheng, & Tam, 1999), ICT such as mobile phones, the internet, websites, e-learning (Bacha, Čeljob, & Zoroja, 2016; Kwon & Chidambaram, 2000; Venkateswara & Hanumantha, 2012), e-government (Chan, Thong, Venkatesh, Brown, Hu, & Tam, 2010) and agriculture (Amin & Li, 2014).

Another theory that has been used in this study is Diffusion of Innovation (DOI), which tries to explain that technology permeates organisations and individuals' lifestyles and its effects on the overall performance and access to services. Individuals or organisations perceive technology is new in which they may refer innovation regardless of the time of invention within or outside their communities. Thus, innovation is defined as an idea, practice or object, while diffusion is the process by which innovation or perceived new technology is communicated through certain channels over time among members of a social system (Rogers., 2003). DOI has been employed extensively in different studies, including ICT (Echchabi & Aziz, 2012), banking (Al-Jabri & Sohail, 2012; Yahaya, Yusoff, Idris, & Haji-Othman, 2014) and health (Cain & Mittman, 2002).

DOI has five distinct features, which determine innovation adoption, including relative advantage, compatibility, complexity, trialability and observability. Relative advantage refers to the degree to which innovation is considered to have more benefits than DOI. This means that clients perceive usefulness of the latest technology over a traditional one (Roberts & Amit, 2003). Compatibility refers to the degree to which a service is perceived as consistent with users' existing values, beliefs, habits and present and previous experiences (Chen, Gillenson, & Sherrell, 2004). Observability of innovation describes the extent to which innovation is visible to members of a social system and benefits can be easily observed and communicated (Rogers., 2003). Trialability is defined as the capacity to experiment new technology before adoption (Al-Jabri & Sohail, 2012). Observability is defined as the degree to which results of innovation are visible to others (Rogers., 2003).

Presented theories (TAM and DOI) provide in-depth understanding of the subject matter. The review

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indicates that ICT adoption is beneficial to MFIs' operations and individuals' access to financial services. The theories indicate that technology is more likely to be adopted if it has positive effects on individuals or MFIs. In addition, intensity of adopting ICT differs among MFIs and individuals based on budget requirements.

1.2.Empirical framework

1.2.1. Effects of ICT on Operational Performance

Over the last decades ICT adoption proved to have strong and positive correlation with operational performance in the banking industry (Kairu & Rugami, 2017; Omanyo, 2014; Agbolade, 2011). Studies by Jawadi et al. (2010), Kombe and Wafula (2015), and Wasilwa and Omwenga (2016) revealed that ICT adoption contributed to expansion of financial services and enhanced performance through cost reduction. Sonja (2010) urged that IT adoption significantly increased efficiency on determining loan overdue and calculation of charges and penalties automatically. A study by Musa and Khan (2010) found that adoption of Point of Sale (POS) technology in MFIs operation enhanced implementation strategy and increased outreach through increased staff productivity. ICT adoption is considered as a catalyst and enabler for the MFIs to compete at a global scale due to improved efficiency, effectiveness, service delivery and enhanced customer and supplier relationship (Alam & Noor, 2009; Dangolan, 2011). Well-established technological infrastructure and devices in MFIs facilitates automation of loan application, approval, funds disbursement and tracking loan repayment (Singh & Padhi, 2015).

However, there is no evidence, which shows whether operational performance contributes to access to financial services in the unbanked population. Some studies show that access to financial services is affected by high costs of hardware, software and the internet, unstable network, financial literacy and security of information and fraud (Busler & Ssewanyana, 2007; Kevin, Bernard, & Ronald, 2013; Attom, 2013). For instance, clients spend much on services consumed because MFIs lease technology from mobile service providers to facilitate deposit accumulation, loan disbursement and loan repayment, as clients pay for services (Riggins & Weber, 2013). Further findings by Ray and MacMillan (2005) found that there were no direct effects of different ICT resources employed on the performance of customer service delivery.

1.2.2. ICT Adoption and Access to Financial Services

ICT adoption can benefit clients in the context convenient services, saving time and overcome distance barriers (Honohan., 2006). Another benefit of ICT adoption is smooth facilitation and transformation of regular banking services (Bada, 2012; Irechukwu, 2000). For example, mobile and internet banking contribute significantly to account opening, deposits, bill payment, balance enquiry and printing statements (Wasilwa & Omwenga, 2016; Thulani, Tofara, & Langton, 2009). Furthermore, mobile phones can serve not only as voice call conversations, but also monitor to customer account at anytime and anywhere through a short message services (SMS), whereby it is easy to view an account balance and track transactions (Enu & Gberbi, 2015; Nganga & Mwachofi, 2013; Vota, 2016).

Another study by Hossain and Ahmed (2014) explored the benefits and challenges of mobile banking service deployment for MFIs in South Africa. The study revealed that most of the MFIs deployed mobile banking for loan repayment and cash in and cash out services. Bada (2012) also investigated the extent to

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which MFIs used ICT to deliver business services in Uganda and results showed that ICT was crucial to service delivery to clients. Asare and Sakoe (2015) examined the effects of electronic banking products on financial service delivery in Ghana and found that electronic banking enabled customers to select products conveniently regardless of time and place. Dangolan (2011) found that ICT in the banking system of Iran contributed to saving time and cutting down expenses. According to a study by Wu, Li and Lin (2010), tustomer perception on online banking is high compared to other banking delivery channels in Taiwan.

Conversely, Munsaka (2009) found that retail prices of financial products could be affected by high investment costs and broadband services. A study by Luka and Frank (2012) revealed that customers were not comfortable with bank charges injected by MFIs. Maiyaki and Mokhtar (2010) also found that availability of electronic facilities such as ATM, online banking and mobile banking had no significant influence on customer's choice of financial institutions. Regardless multiple electronic modes of payment that exist and available in India, still many citizens prefer cash mode of payment (Khanna & Gupta, 2015).

Based on literature reviewed in this study, the following hypotheses were tested:

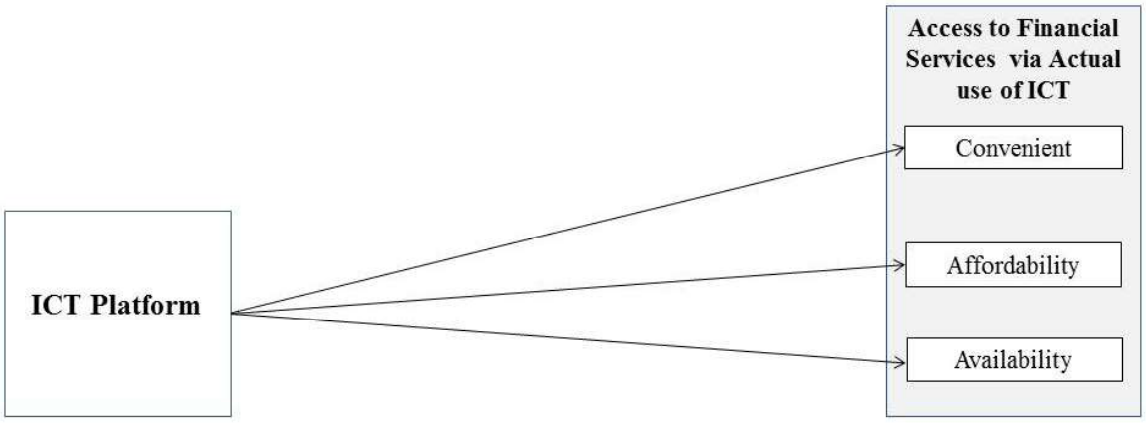
Hypothesis 1: There is a relationship between ICT adoption in MFIs and availability of financial services.

Hypothesis 2: There is a relationship between ICT adoption in MFIs and convenience of financial services.

Hypothesis 3: There is a relationship between ICT adoption in MFIs and affordability of financial services.

These three hypotheses and their relationship between ICT adoption in MFIs and access to financial services through actual usage of ICT can be seen in Figure 1.

Figure 6: Model of ICT Adoption on Access to Financial Services



3. Methods

3.1. Study Area

The study was carried out in Kilimanjaro and Dar es Salaam regions, which were selected because they had many MFIs (FDST, 2013). Located in northern Tanzania, Kilimanjaro Region has more than 1.6 million people and six districts with 116 MFIs. Dar es Salaam is situated in eastern part of Tanzania with

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more than 5 million people. Dar es Salaam is the commercial capital city of Tanzania and has five districts with 188 MFIs distributed across the region.

3.2. Sample Size Calculation

Sample size was calculated based on the standard formula detailed by Naing et al, 2006 with 95 per cent confidence interval, which gives the confidence level value of 1.96 from the normal distribution table. Marginal error of 5 per cent with 0.3 estimated value for the proportion of sample, which gives the minimum sample size in absence of known population. The target sample size was 322 clients for MFIs and this sample size was within the range as suggested by Sekaran (2000) that the sample size should range between 30 and 500 depending on the sampling design. Kline (2011) recommend that it was important to determine the minimum sample size that met the desired satatistical power as per model requirements before data collection.

A total of 77 MFIs (22 in Kilimanjaro and 55 in Dar es Salaam) from the regions, which provided financial services during the survey, were included. Each selected selected MFIs was visited and inofrmation was collected from clients. All clients, who attended MFIs for financial services on the days of the survey, were eligible and interviewed.

3.3. Study Design and Data Collection

A cross sectional study design was deployed to 77 MFIs to examine a relationship between ICT adoption and access to financial services for it suited the purpose. A structured questionnaire was developed as the main survey instrument to gather data from selected MFIs. The questionnaire consisted of a five-point Likert scale and respondents were asked to indicate the extent to which they agreed/disagreed with various statements. In addition, the questionnaire consisted of closed and open ended questions for gathering respondents' characteristics.

Field enumerators were trained on survey procedures and questions on the questionnaire for face to face was also administered. A random sampling technique was applied to select MFIs from the list given by respective districts. On the day of data collection, the first four clients, who visited the MFIs' office, were requested to be interviewed by researcher assistants with supervision from the researcher. The latter quested and they recorded responses in the questionnaire. This method reduced missing values and also improved the validity and reliability of data.

The questionnaire was designed in a manner that the respondents did not reveal their names and the name of the respective of MFIs for commercial confidentiality and sensitivity of financial information. Operational variables in the questionnaire were collected in a standard procedure to achieve the results and test the hypotheses of the study. A total of 303 questionnaires out of 322 were completed during the

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survey. Data was collected for 12 weeks.

3.4. Data Management and Analysis

Data were entered in the Statistical Package for Social Sciences (SPSS) version 20, a computer software programme. Data cleaning and analysis was performed using SPSS. The study applied a deductive approach to test hypotheses by either approving or disapproving, then the theory was confirmed, modified or abandoned.

A descriptive analysis was carried out to obtain frequencies, mean and standard deviations of various variables using SPSS. The results were presented in form of tables and graphs for easy interpretation of the findings. Furthermore, descriptive statistics were also used to obtain data patterns and check for outliers and missing values. An exploratory factor analysis (EFA) was employed to reduce variables to a manageable size into five factors, while retaining as much original information as possible. The study used Structural Equation Modelling (SEM) with the help of Analysis of Moment Structures (AMOS) version 21. SEM was employed to determine multiple relationships of independent and dependent variables simultaneously. After sampled data fitted the model well, hypotheses were tested and interpreted for examining a relationship between ICT adoption and access to financial services. A significance test of individual path parameters was tested by z-statistics=1.96, which is referred to as Critical Ratio (C.R.). The C.R greater than 1.96 was considered significant.

3.5. Ethical Clearance

A protocol of this study was approved by the Vice Chancellor of the University of Dar es Salaam and granted an institutional ethical clearance submitted to regional secretariats. All participants in the study were asked for oral informed consent before collecting data and they had a right to withdraw from the study at any time without they wanted.

4. Results

4.1. Respondents' Characteristic

Table 1 presents respondents characteristics from two regions (Kilimanjaro and Dar es Salaam). The results show that 67.3 per cent of the respondents were recruited from Dar es Salaam, while 54.1 per cent of the respondents were male. This implies that more males were recruited and attended for financial services in the MFIs during the survey than females. Furthermore, results shows that 47.2 per cent of the respondents were aged 20-30 years. The respondents were relatively young people. Demand for financial services increases as age increases and also this group has a high rate of ICT usage on different services. Respondents' income was generally low. Less than 10 per cent of the respondents would receive Sh1,000,000 and above per month. The output coincides with the study design as MFIs intend to offer financial services to low income earners.

Table 5: Respondents' Characteristics

Item	Frequency	Percent

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Region	Dar es Salaam	204	67.3
	Kilimanjaro	99	32.7
Sex	Male	164	54.1
	Female	139	45.9
Age *(Years)*	20-30	143	47.2
	31-40	119	39.3
	41-50	29	9.6
	≥ 60	12	4.0
Income	< 500,000	155	51.2
	500,000-1,000,000	128	42.2
	> 1,000,000	20	6.6

4.2. Factor Analysis

The factor analysis was conducted via principal component analysis with orthogonal varimax rotation. The Bartlett Test of Sphericity and Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy were used to validate the use of factor analysis. In Table 2 shows that the value of KMO is meritorious, fall between 0.80 and 0.89 and Bartlett's Test of Sphericity is significant ($P<0.05$) suggesting that factor analysis can be conducted (Kaiser, 1970).

Table 6: KMO and Bartlett Test Sphericity

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.860
Bartlett's Test of Sphericity	Approx. Chi-Square	6555.578
	df	595
	Sig.	.000

Several studies have given different cut off values for the retention of items based on the value of factor loadings, varying from 0.35 to 0.50 (Hair Jr, Black, Babbin, & Anderson, 2010). In this study, loadings of 0.50 or more are considered practically significant. Table 3 presents results of the exploratory factor analysis. The remaining items were grouped into four factors. First, factor is availability with six items. Second, it is affordability with six items. Third, it is ICT adoption with six items and fourth, it is convenience with four items as shown in Table 3.

Table 7: Exploratory Factor Analysis

Constructs	Factor Loadings

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	1	2	3	4
Receive alert on financial transaction update	.801			
Check balance of loan repayment	.773			
Check balance of savings	.759			
Repayment of loans	.739			
Deposit money	.648			
Enquire about financial services offered	.568			
Low service charges		.900		
Saving more money		.826		
Increase in dividends		.805		
Obtain more than one loan		.774		
Get micro insurance claim on time		.665		
Low maintenance charges		.564		
Mobile technology			.894	
Internet or website			.829	
Voice call			.796	
Local area network			.773	
SMS			.768	
Email or electronic data			.675	
Borrow money through download or online				.919
Easy process of borrowing money				.890
Open account through download or online				.841
Easy process in acquiring micro-insurance				.741

4.3. Cronbanch's Coefficient of Reliability, Mean and Standard Deviation of Constructs

Items in study constructs were tested for reliability. Table 4 shows that computed Cronbanch's alpha coefficients of the constructs or factors are above 0.6. The Cronbanch's alpha coefficients of 0.6 and above are considered more acceptable (Kline, 2011; Hair et al., 2010).This indicates that all items in factorial groups in this study are sufficient reliable measures.

Table 4 shows the computed mean and standard deviation value of the items in each construct-based on the five Likert scale. Results in Table 4 indicate that the overall mean value score of ICT adoption, availability and convenience are below 3. This implies that respondents were satisfied on the contribution of ICT to MFIs business. While the mean value of affordability construct was above 3, it implies that the respondents were not satisfied that ICT contributed to affordable services. However, the computed standard deviation values of all constructs were less than 3.This implies that the variability of the responses is small from the respondents.

Table 8: Mean, Standard Deviation and Cronbanch's alpha

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Construct	No. of Items	Mean	Standard Deviation	Cronbanch's alpha
ICT Adoption (ADO)	6	2.66	1.048	0.887
Availability (AVA)	6	2.32	.713	0.783
Convenience (CON)	4	2.40	.823	0.879
Affordability (AFO)	7	3.16	1.006	0.875

Notes: Mean scores based on a five-point scale, where 1= Strongly Agree and 5= Strongly Disagree.

4.4. Model Fit Measurement

The model fit comprises a measurement model and a structure model. The measurement model uses a confirmatory factor analysis (CFA) to validate sampled data if fits a hypothesised model of related constructs. The constructs of the hypothesised model were correlated by using two headed arrows in AMOS version 21 with a degree of freedom (df)) of 550. The AMOS version 21 generated fit statistics as follows: Chi-square = 1994.727; RMSEA= 0.093; GFI=0.739; CFI=0.769; TLI=0.750; NFI=0.708; Chi-square/df = 3.627. All generated fit indices do not fall within acceptable criteria. Hence, the model is rejected and subjected to modification.

In this study, the hypothesised model was rejected based on goodness-of-fit statistics, consideration for an alternative model that fits data is necessary (Lei & Wu, 2007). Modification of the model went through deleting weak factor loadings one after another. Thereafter, redundant items were paired or deleted one of the items preferable with a lower factor loading. Remaining factor loadings reported in the CFA output were above 0.69. New fit statistics generated from AMOS version 21 with degree of freedom (df) of 94 are: Chi-square=185.226; RMSEA = 0.065; GFI = 0.940; CFI = 0.969; TLI = 0.960; NFI = 0.940; Chi-square/df = 1.970. The results fall within acceptable limits as suggested in previous research using AMOS (Kline, 2011; Hair et al., 2010). Hence, the model fit the data well.

The overall hypothesised model was tested with the sample data and converted and executed into AMOS version 21. The results of fit statistics output met minimum requirements with degree of freedom of 97 as follows: Chi-square=193.004; RMSEA=0.057, GFI=0.927, CFI=0.967, TLI=0.960, NFI=0.937, Chi-square/df = 1.990.Thus, the model fits the data well and was subjected for hypotheses testing.

4.5. Hypotheses Testing

Subsequent to the model fits the data well, interpretation and examination for statistical significance of the parameter estimate (path coefficients and standard error) is proper. The significance test of individual parameters is tested by z-statistics, which is referred to as Critical Ratio (C.R.) obtained, when estimate divided by Standard Error (S.E) (Ullman, 2006). As a rough reference, the absolute value of this ratio greater than 1.96 may be considered statistically significant at the 0.05 level, otherwise the hypothesis can be rejected (Kline, 2011).

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Results in Table 5 show a positive standardised regression coefficient or weights of the path leading from ICT adoption to availability. The standardised regression coefficient of the path from ICT adoption to availability of financial services was 0.313 with the critical ratio (C.R) value of 4.886 above z-test value of 1.96. This implies a significant and positive contribution to the relationship between ICT adoption and availability of financial services. Another positive standardised regression coefficient of the path leading from ICT adoption to convenience was 0.060 associated with the critical ratio (C.R) value, which is less than z-statistics value of 1.96. The path indicates an insignificant relationship between ICT adoption and convenience of financial services. However, the positive standardised regression weight indicates that ICT use contributes to accessibility of financial services. The standardised regression coefficient of the path leading from ICT adoption to affordability is 0.078, which is a positive association with the critical (C.R) value given, which is below z-statistics value of 1.96. The path indicates that there is no statistically significant relationship between ICT adoption and affordability of financial services. However, the positive standardised regression weight indicates that ICT use has little contribution to make financial services affordable.

Table 9: Unstandardised and Standardised Regression Weights of the Relationship between ICT Adoption and Access to Financial Services

			Unstandardised Estimate	S.E.	C.R.	P	Standardised Estimate
CON	<---	ADO	0.079	0.079	1.003	0.316	0.06
AFO	<---	ADO	0.102	0.078	1.304	0.192	0.078
AVA	<---	ADO	0.283	0.058	4.886	***	0.313

5. Discussion

This study aims at assessing the relationship between ICT adoption in MFIs and access to financial services (availability, convenience and affordability). The findings provide some explanation to help understand how ICT adoption and access to financial services relate to each other. Availability of financial services is significant and is associated with ICT adoption. This implies that ICT platforms (mobile technology, the internet, websites and telephones) facilitate financial services to be available in unbanked communities. Results of this study coincide with previous studies of Karjaluoto, Mattila, & Pento (2002) , Bada (2012), Hosain and Ahmed (2014), Monyoncho (2015), Chale and Mbamba (2014) and Thulani et al. (2009), found that ICT adoption was related significantly to financial service delivery such as money deposits, withdrawals, money transfers and bill payments. Mohammed, Siba and Sreekumar (2009) also concluded that internet banking transformed traditional banking to a growing banks with a significant number of clients with high deposits. Another study conducted in Bangladesh concluded that mobile phone banking contributed to expansion of services via virtual bank accounts to many unbanked individuals (Rayhan, Sohel, Islam, & Mahjabin, 2012).

ICT adoption and convenience of financial services is insignificant. This is contrary to the output of Enu

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and Gberbi (2015), Asare and Sakoe (2015), Akanbi and Oladejo (2012) and Basweti, Masese and Martin (2013), who found that ICT use in the banking sector was related to accessibility in managing accounts, withdrawals, deposits and money transfrers regardless of time and location. Finally, the insignificant output of the relationship between ICT adoption and affordability of financial services is inline with the findings of Luka and Frank (2012), who found that clients were not comfortable with bank charges although ICT was used in banking services. Similar to Munsaka (2009), who studied the impact of ICTs on development, found that constraints of ICT affected consumer prices of final products.

5.1. Limitations of the Study

This study has several limitations. First, it does not include new emerging or sophisticated ICT platforms, which are commonly used by people or large organisations. It mainly focuses on basic or minimum ICT use in MFIs because they have budget constraints to invest in new emerging or sophisticated technology. Hence, further studies are recommended to include new emerged technology such as automatic teller machines, management information systems, points of sale and social media to produce innovative products and become competitive in the provision of financial services.

Second, the study does not cover ICT literacy. Hence, further studies are recommend to examine the contribution of ICT literacy to MFIs and access to financial services. According to Roger's Diffusion Innovation theory, an innovation decision process is knowledge in which an individual becomes aware of the innovation and how to use new technology (Rogers, 2003).

5.2. Conclusion

Most of the MFIs employ ICT platforms such as computers, the internet, websites, LAN, mobile and fixed phones to perform daily operations and enhance access to financial services to clients. A part from carrying out a business process, ICT plays a key role in financial service delivery to clients via electronic delivery channels. Hence, services are normally available to clients regardless of location and time.

The use of mobile phones and the internet is essential for communication between MFIs and clients. It is possible for clients to enquire about the availability of financial services offered by MFIs through sending SMS or making telephone calls to the MFIs personnel. In addition, clients can browse on the website to understand available financial services and information and download forms for membership account and borrowing money.

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A LITERATURE REVIEW ON ORGANISATIONAL LEARNING AND LEARNING ORGANISATIONS

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Abstract

The survival of any organisation, particularly, a profit oriented organisation depends to a large extent, on how well it can adapt to environmental changes, accepts changes and do better in terms of its operations. This conceptual paper reviewed some extant literatures on organisational learning and learning organisations with a view to answering the following question: First, how do you identify a learning organisation when you see one? Secondly, what is the conceptual difference between organisational learning and learning organisation? Thirdly, what are those impediments that deprive organisation from becoming a learning organisation? Fourthly, what benefits do organisations derive from being a learning organisation? Furthermore, it attempted to pinpoint some examples of learning organisations in Nigeria and USA. The contributions of the different approaches to the study of organisation learning and learning organisation are analyzed, and some areas are suggested where the transfer of analytical concepts may improve understanding.

Accordingly, this paper supports the proposition that organisation learning culture has direct influence on organisational organisational innovativeness, which is directly tied to long-term organisational success. It is recommended, therefore, that all organisations that want to remain competitive should focus on becoming a learning organisation.

Keywords: learning organisation, organisational leaning, knowledge transfer, competitive advantage

Introduction

An organisation's capability to learn has been linked to a fundamental source of competitive advantage (De Geus, 1998, p. 71), which is why Hussein and Ishak (2006) insisted that organisational learning helps to improve an organisations competitive advantage as well as responsiveness to change. Interestingly, "business executives and intellectuals have come to realize that knowledge assets and intellectual capital can best serve as a source of competitive advantage in comparison with the total dependence of traditional factors of production" (Morgan, 2000, p. 1). This lends a support to the fact raised by Handy (1990) over three decades ago, that the value of a firm's organisational learning capabilities and knowledge assets is frequently several times that of its material assets. This study will review several literatures on organisational learning and learning organisation to explore the various areas that

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organisations can benefit by focusing on the organisational learning process and its outcome (learning organisation).

Meaning of Organisational Learning

According to Saadat and Saadat (2016), the first to introduce the concept of organisational learning into the literature were Kurt and March. However, another study has it that Cangelosi and Dill (1965) were the first to introduce the topic of organisational learning with empirical analysis. Be that as it may, the quantum of debate on whether organisational learning should be conceptualized as a change in cognitions or behaviour has greatly reduced in recent times (Easterby-Smith, Crossan, & Nicolini, 2000), owing to the great acceptance in recent literature that learning involve both a change in cognition as well as change in behaviour. In other words, it is almost a universal postulation that learning involves both cognition and doing.

Organisational learning is defined as a change in the organisation's knowledge base that occurs due to past experience (Fiol & Lyles, 1985). Learning organisation has been described as an outcome or product of organisational learning, which is complex and multidimensional in aproach. That is why Jones and Hendry (1994, p.157) view organisational learning as a process going on in the learning organisation.
According to Cyert, and March, (1992) the creation of knowledge, the retention of knowledge, and the transfer of knowledge, which altogether can be classified as organisational learning, can be conceptualized as formal activities which are a function of experience.
Organisation learning is hereby viewed as a "multilevel process where members individually and collectively acquire knowledge by acting together and reflecting together" (Scott, 2011, p. 1).
Accordingly, this paper proposes that learning organisation culture have direct effects on organisational performance and organisational innovativeness, potentially leading to long-term organisational success.

Approaches to the study of organisational learning

There are two major approaches to the study of organisational learning are:
Cognitive and behavioural approach.

One of the cognitive theorists, Day (1994, p. 89) defined organisational learning as "the process of developing open-minded inquiry and informed interpretation." Taking into cognizance the fact that, an organisation can acquire knowledge without a corresponding change in behaviour; some researchers have defined organisational learning as a change in the range of potential behaviors (Huber, 1991). According to Huber (1991), an organisation is said to learn when any of its units acquires knowledge that it recognizes as potentially useful to the organisation. Scott, (2011) defines organisational learning as the "acquisition of new insights whereby learners develop new cognitive maps or belief systems" (p. 3).
According to her, whether there is an accompanying shift in behaviour or not, it is immaterial, as far as there is awareness within the individual or organism that there is a change in assumptions, belief and

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interpretive schemas, learning is said to have occurred.

There are scholars that support the cognitive-behavioural approach to the study of organisational learning. These theorists insist that for learning to take place, both the belief system and behaviour, by way of action, must be involved. Aryris (1977) in trying to establish a relationship between behaviour and action, defined learning as the discovery and correction of errors (Malek-poor Gol Sefidi, 2006). Here, learning is viewed as a change in cognition as well as a change in behaviour.
Alvani (2008) also supported Aryris opinion when he defines organisational learning as "the process of finding errors and mistakes and resolving and correcting them" (Senge, 2003, p. 47).

In the opinion of Mayo (1994), organisational learning consists of all the methods, mechanics and processes which are used in the organisation in order to achieve learning. Learning is about taking action. It is about using the information that we gather to create knowledge management systems and statistical databases and then using that knowledge to improve the organisation" (Giesecke & McNeil, 2004). The implication of this is that we cannot infer learning when knowledge is acquired but not applied in our daily activities.

Similarly, Pentland (1992) defined organisational learning as the capacity of an organisation to act competently. Some researchers have also measured knowledge by assessing characteristics of an organisation's products or services (Helfat & Raubitschek, 2000) or its patent stock (Alcacer & Gittleman, 2006).
Organisational learning is the process of improving actions through better knowledge and understanding. Organisational learning is the development of insights, knowledge and associations between past actions, the effectiveness of those actions and future actions (Fiol, & Lyles, 1988, p. 811).
Aligned with this more liberal view of the organisational learning process are: Cummings and Worley (1997, p. 492), who suggest that, organisational learning is a process aimed at helping organisations to develop and use knowledge to change and improve on their performances on a continuous basis. The concept of learning organisation has been linked to innovation and performance in organisations (Power & Waddell, 2004; Watkins & Marsick, 1993; 1999). The capacity for change and continuous improvement to meet the challenges in our ever changing environment in which organizations operate has been linked with the capability of these organisations to learn (Armstrong & Foley, 2003; Senge, 1990).

Generally speaking, learning involves knowledge acquisition, knowledge sharing, knowledge utilization and also new success. (Gumusluoglu, & Ilsev, 2009), therefore learning cannot take place by means of merely theoretical thinking. It has to be achieved through bodily experiencing and recognition, and by action.
According to Huber (1991) the "knowledge acquisition construct consists of five processes: The first is drawing on knowledge available at the organisation's birth, which can be construed to mean foundation learning" (p. 88). The second is learning from experience, which has to do with what individuals have

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learnt before. The third is learning by observing other organisations, which can be called role modeling. The fourth is grafting on to itself components that possess knowledge needed but not possessed by the organisation, and finally noticing or searching for information about the organisation's physical environment.

Grant (1996b) specifies that organisational learning capability is a consequence of sophisticated assimilation of knowledge, where productive activity is a function of the firm's capacity to harness and integrate knowledge attributed to multiple individuals and groups.

However, Morgan (2000) advised that caution should be exercised here in noting that organisational learning capability depends upon the firm's mechanisms and processes of knowledge integration, rather than the extent of knowledge that individuals and groups possess per se" (p. 23). For that purpose, learning needs a robust environment to thrive and that environment is one that gives time for the reflection of past actions and outcomes. The very implication of the above is that learning will only thrive when organisational members are prepared to accept some unpalatable truths about their thinking and actions.

Furthermore, it will not thrive in a blame culture in the sense that mistakes are inevitable and a consequence of learning. Such an environment makes a distinction between 'mistakes' that are due to irresponsibility and lack of forethought and those that are genuine explorations of a new idea or a new way of working and thinking.

On the basis of the above, individuals and teams must be encouraged to be innovative and creative and the only way to be innovative is to explore alternatives without limits, and to take thoughtful and calculative risks where desirable. For the simple reason that all the experiments are not bound to succeed we need to make several trials. When we encounter challenges, we do not need to think of them as failures; rather we need to call them legitimate explorations of the space of possibilities, as part of the search to find new ways of working or doing things.

Organisational learning occurs in a context (Glynn, Lant, & Milliken, 1994), which includes both the internal environment and the external environment. The internal environment has to do with those variables that are within the control of organisational managers. They include structures, people, and processes. The external environments are those variables outside the control of organisation managers such as competitors, clients, political, economic and legal systems of the business operating environment. The environment can vary along many dimensions, such as volatility, uncertainty, interconnectedness and munificence. The environmental context affects the experience the organisation acquires.

Dimensions of organisational learning

Management Training conveys the idea of making people more alike than different in some respect and trying to deemphasize individual differences in some particular area. Many organisations spend considerable time, energy, and money to make their managers more alike than different. Instilling company values and philosophy and inculcating the organisation's climate and norms are examples of

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exposing managers to ideas and ideals they are expected to emulate and to think similarly about (Reilly, 1998). A good example of management training include salary and payroll administration, data and information processing,

Management development means legitimizing individual differences, giving opportunities for managers to develop and actualize his or her potentials, and encouraging him or her to be more unique in their own personal characteristics.

Many organisations invest so much resource to management developmental programs, like educational advancement program, which will enable the individual to develop his own already built in competences. The assumption made here is that increased self-awareness and understanding can lead to attitudinal or behavioural changes that will increase an individual's personal effectiveness and ultimately the effectiveness of the organisation (Reilly, 1998, p. 1).

Organisational development involves policies and programs designed for inculcating in employees the right attitudes, skills and knowledge necessary for success in an employee's job function (Fajana, 2002). According to Beckhard (1969) organisational development is a planned process of cultural change, utilizing behavioural science knowledge as a base for interventions aimed at increasing the organisation's health and effectiveness. The focus of organisational development is not solely on the individual person and his or her growth in the organisation. Rather, the focus is on how the individual relates to his or her own work group and how his or her group interfaces with other groups in the organisation (Reilly, 1998)

The choice of learning approach employed is a dependent on the organisation objective, given the specific kind of change desired in the organisation. Whether the change is directed at reducing individual differences, legitimizing individual differences, or enhancing group/intergroup collaboration, performance is the key issue.

Benefits of Organisational Learning

Organisational learning results in technological innovation, process improvement and product enhancement (Gomes, & Wojahn, 2017). In fact, organisational learning will lead to a higher level of competiveness and it is considered a panacea for long term organisational success and growth. It has been established that there is a positive relationship between the degree of organisational turbulence and organisational learning. That means that the greater the changes in the external environment of a business organisation, the greater the need for organisational learning. In the absence of organisational learning there will be stagnation and the organisation will not be able to adjust to environmental changes. . According to Senge (1990), knowledge creation and organisational learning can create a new approach of continuous improvement leading to the increase of organisational performance. One of the reasons why organisational learning is important is that

Organisations that have a low level of organisational learning will not be able to adjust to environmental changes which are a consequence of technological innovation. This will invariably limit the ability of the

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organisation to remain competitive and it will lead the organisation to early death. Thus, one of the strategic values of an organisation lies in becoming a "learning organization". These organizations have an enterprise architecture that converts the firm into a place of learning, so the organization can make appropriate approaches to changing environment (Kogut & Zander, 1996; Garcia etal., 2007), cited in *Ramírez, Morale, & Rojas (2011).*

Levels of organisational learning

In every organisation, there are basically three levels of organisational learning:

***The individual level*:** Learning at the individual level entails getting a person cumulative or new ideas and information belonging to his environment, understanding them, interpreting and experimenting them and then, adjusting his behaviour in terms of obtained results using conceptual and cognitive processes (Saadat, & Saadat, 2016).

According to (Hollingshead, (1998) specialisation and distribution of knowledge among organisational members create barriers for them to effectively identify, retrieve and transfer knowledge when in need as cited in (Su, Huang, & Contractor, 2010).

The group level: When individuals share and interact with other individuals what they have learnt at the individual level, it becomes group level learning. Here, individual share their learning with other individual, interprets together, and obtains a group assumption. The essence here is on communication. Reagans, Argote, and Brooks (2005) studied group learning by examining joint-replacement surgery in teaching hospitals. They concluded that "increased experience working together in a team promoted better coordination and teamwork.

Organisational level: When groups come together to share their knowledge they have acquired through the process of communication, these learning are now transformed into an acceptable instructions for all organisational members and will be made assessable to everyone who needs them (Amir Kabiri, 2006). There are three main factors that trigger the study of organisational learning using the organisation as a unit of analysis.

First, is the organisational knowledge memory, which defines the major processes it uses to acquire knowledge (Metcarfe, & Gibbons, 1989). Secondly, in the aspect of technological development, emphasis should be placed on core competences of individuals and groups (Pavitt, 1991; Prahalad, & Hamel, 1990). Finally, there should be routines which operationalise the organisation memories and knowledge bases (Nelson, & Winter, 1982)

Process of organisational learning

Organisational learning involves five stages; from the process of knowledge acquisition to knowledge sharing to knowledge interpretation to knowledge maintenance and finally to knowledge utilization (Huang, 2010).

According to Argyris and Schon (1978, p. 323), “organisational effectiveness must be experienced before one can claim that organisational learning has taken place”

Su, et al, (2010), while citing Rulke, & Galaskiewicz, (2000), warned that “organisations should not

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indiscriminately embrace a centralised structure or reject a decentralised structure of knowledge and learning networks. While centralisation may entail efficiency and convenience for information seeking, decentralisation may facilitate the distribution of critical information" (p. 592)

"Organisational learning is as natural as learning in individuals as they attempt to adjust and survive in an uncertain and competitive world" (Dodgson, 1993, p. 380).

Mechanism of organisational learning

Mechanisms of organisational learning are includes the following elements:

1. Learning Environment
2. Identification of learning and development needs
3. Implementation of learned knowledge in practice
4. Fulfilling of learning and development needs (Riahi 2009)

5. The development of research and development is one of the institutionalized learning mechanisms (Mowery, 1981)

Factors that contribute to organisational learning

1. Corporate strategy: how organisation is structured to learn from mistakes.
2. Resource allocation: exploration and exploitation.
3. Recognition for the employees' motivation for learning.

Hashemi (2006) identified nine main factors that affect organisational learning as follows: systems thinking, team learning, mental models, ideal and vision commons, skill and domination personals, experimenting with new approaches, learn from past experiences, learning from others, and knowledge transfer.

Research has shown that organisation leaders have a very great impact on effective learning. Leaders, who view knowledge as valuable asset, tend to have a positive approach to organisational learning (Appelbaumn & Reichards, 1998). Organisations must, therefore design themselves as laboratories for learning in terms of acquiring, generating, sharing and using knowledge based resources continuously towards innovation and performance enhancement and acquisition, sharing and use of knowledge resources must involve all members of the organization (Khandekar, & Sharma, 2006, p. 688).

Furthermore, it is important that muribond methods of thinking should be reviewed; no wonder, Aryris (1977) advised that for double loop learning to take place it requires that underlying assumptions and norms should be open to objective evaluations. According to him, dilemmas and paradoxes are much more likely to occur in more advanced and successful systems given that deep-seated issues have long been engrained during the early stages of development. Similarly, West and Burnes (2000) maintained that, although organisational learning may be an important factor in building an organisation's competitiveness, it cannot and does not guarantee success on its own.

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Khandekar and Sharma (2006) in their study on organisational learning and performance, found that the organisational learning, which largely gets reflected through HRM activities, has a positive correlation with organisational performance.

According to Dunphy and Griffths, (1998) organisational learning provides an important route to performance, success and competitive advantage for the organisations

The Concept of a Learning Organisation

Learning organisations are organisations that are skilled at creating, acquiring and transferring knowledge, and at modifying their behaviour to reflect new knowledge and insights (Garvin, 1993, p. 80; Giesecke, & McNeil, 2004). Learning organisation is a very new concept in the field or management sciences. "Learning organisation is a form of an ideal organisation that promotes and facilitates learning of all its members" (Hussein, Mohamad, Noordin, & Ishak, 2013).

According to Yadav and Agarwal (2016), the concept of learning organisation was introduced by Peter Senge in 1990. According to him, Peter Senge was a senior lecturer of leadership and sustainability at MIT's Sloan School of Management and was also the founding chairman of the Society of Organisational Learning. Senge (1990) defined a learning organisation is an organisation that encourages and facilitates learning in order to continually transform itself to survive and excel in a rapidly changing business environment"

Learning organisations are where learning and work are integrated in an ongoing and systematic manner in order to support continuous individual, group and organisational improvements (Watkins, & Marsick, 1996). The implication of the above definition is that people that work in a learning organisation see learning as a continuous process and learn from virtually everything they do.

Griego, Geroy and Wright (2000) define learning organisation as an organisation that sought for transformation and excellence through interrupted and continuous organisational renewal and gradually mastering the subject matter". The process of creating learning organisations, there is a need to unlearn several uncooperative behaviours that are not favourable to the acquisition of knowledge and embrace new practices which have to do with: Learning Culture, Continuous Experimentation, Network Intimacy, Information Systems, Reward Systems, Human Resource Practices, and Leaders' Mandate (Yadav, & Agarwal, 2016, p. 19).

Characteristics of learning organisation

According to Sery, (2004), as cited in Gilaninia, Rankouh, & Gildeh, 2013, p. 47)

1) In learning organisation information runs smoothly at all levels of the organisation

2) Learning is done simultaneously at four levels of individual, group, intergroup, and organisational level.

3) Learning organisation has bright and consensus visions about the future, growth and development of the organisation and the employees.

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4) Learning organisation has a kind of reflective thinking and insights about people, organisation and management (Sery, 2004)

According to Iles and Sutherland, (2001), learning organisation can be distinguished in terms of organisational structure, organisational culture, information systems, human resources practices, and leadership.

- Organisational structure: Learning organisations have managerial hierarchies that enhance opportunities for employee, career and service user involvement in the organisation.
- Organisational culture: Learning organisations have strong cultures that promote openness, creativity, and experimentation among members. They encourage members to acquire process and share information, nurture innovation and provide the freedom to try new things, to risk failure and to learn from mistakes.
- Information systems: Learning organisations require information systems that improve and support practice and that move beyond those used in traditional organisations where information is generally used for control purposes.
- Human resources practices: People are recognised as the creators and users of organisational learning. Accordingly, human resource management focuses on provision and support of individual learning. Appraisal and reward systems are designed to measure long-term performance and to promote the acquisition and sharing of new skills and knowledge.
- Leadership**:** Learning organisations, like all other form of an ideal organisation, depends heavily on effective leadership. Leaders communicate a plausible vision of the learning organisation, by providing the support and interpersonal helping needed to transform and sustain an organisation growth path.

Another unique way to identify a learning organisation is that managers and employees encourage work related learning, the exchange of information between employees to bring about innovation and continuous organisational improvements (Giesecke, & McNeil, 2004, p. 4)

Furthermore, a learning organisation does not just learn for immediate utilization, but it also encourages anticipatory learning. This is a situation where an individual acquires new knowledge and apply that new knowledge in the performance of his task. Indeed, in a learning organisation, mistakes are not viewed as failures, rather they are viewed as opportunities to learn and improve on organisational outcomes.

"Learning organisation has a superior competitive advantage because they have brand equity which their competitors cannot match, and they attract and retain the best talent" (Wilhelm, 2017, para. 5)

Some studies have emerged linking capabilities as a source of competitive advantage and also accounts for the sustenance of these advantages (Amit, & Schoemaker, 1993). It goes therefore to suggest that since capabilities can only be derived from learning; organisational learning has unquestionably become a source of competitive advantage.

In a learning organisation, the value of continuous learning is espoused, driven and modeled by the

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organisational heads, to the extent that every organisational member knows and is convinced that continuous learning is both a means to an end and an end itself (Garvin, 1993, para. 5)

In a true learning organisation, there is open and unrestricted communication and people at all levels are included in most communications and there is an assumption that every member of the organisation "needs to know" what is happening at every point in time (Wilhelm, 2006)

Further, there is a presumption that senior organisational leaders must show that they are continuously learning by communicating what they are learning as they learn. There is also reward for people that have shown they are indeed learning with both monetary and non monetary reward like recognition, growth jobs, and promotions.

To be a learning organisation provides a competitive advantage: learning organisations are superior competitors, they have brand equity their competitors cannot match, and they attract and retain the best talent

When we consider these features and advantages, virtually all organisations will strive to be one. But, the question remains, how many organisations are really a learning organisation?

Examples of some learning organisations

A look at some organisations in Nigeria based on the above characteristics of a learning organisation, show that most of them are not close to what is called a learning organisation. However, a few of them can be classified as fitting into the description of a learning organisation. Example of such an organisation in Nigeria includes Nigerian Breweries Plc and Guinness Nigeria Plc.

Nigerian Breweries: has continuously improves products and develops new ones, always with the consumers at the center of its focus. It perceives unrecognized marketplace needs and creates new products to fill them. It makes it almost impossible for consumers to choose outside the wide product range. It ensures that all consumer segments are adequately served in terms of product and price variability. It engages all its members on continuous product innovations through extensive research and feedback from consumers. This is a confirmation of Pedler, Burgoyne, and Boydell (1991) postulated a learning organisation as "an organisation that facilitates the learning of all of its members and continuously transforms itself in order to meet its strategic goals" (p. 1)

Guinness Nigeria Plc: It continuously invents and implements new technologies and by recognizing the lifetime value of their customers, it treats them as long-term assets by maintaining and exceeding on customers' expectations. Guinness has not so much expanded its produce base like Nigerian breweries, but it has constantly upheld its uniqueness by continuously learning to provide innovations into the already existing products to ensure that those brands are not lost to competitors. It focuses on personal mastery by continually having a deep, focused and personal vision, channeling energies to courses of action that seem viable, by building patience, and by seeing things objectively, and by not being in a hurry to launch new

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products (Appelbaum, & Goransson, 1997)

Below are some examples of a learning organisation in the United States, according to CLO (2016)

General Electric: Its robust learning center provides learning on a continuous basis by the organisational leaders, as these learning are transferred to other organisational members without restriction. It prides itself in imbibing continuous learning as part of its culture.

Goldman Sachs: It has learning center provides comprehensive learning to a large pool of its managerial staff on a continuous basis and the learning is transferred to other organisational members.

Microsoft**:** Microsoft successfully made the massive shift in mindset from desktop computers to Internet when its marketplace changed. It has been steadfast in terms of continuous learning and improvement of processes.

Honda, and Corning are two other examples of organisations that have imbibed the organisational learning culture. These companies have become adept at translating new knowledge into new ways of behaving. They have actively managed their learning process to ensure that it is continuous and well planned (Garvin, 1993)

Summary and Conclusion

Organisational learning and Learning organisation are two different concepts. Organisational learning is a process that leads to an ideal state of a learning organisation. In fact, all learning organisations have organisational learning as part and parcel of their organisational culture. A learning organisation is one that helps to enhance organisational learning by creating structures, strategic fittings and strategic crafting.

Organisations need to constantly learn so that they will be able to cope with the future challenges that are brought about by dynamic technological changes. At the same time, it must continuously unlearn certain old assumptions that are no longer valuable and in tune. Once a learning organisation is developed, management must ensure that the tempo of learning must not be allowed to stop. In fact, the tempo must be increased on a continuous basis. Most times, when organisations achieve initial success, they tend to stop learning because they feel they have arrived, and that is the main reason why most companies fail after achieving initial success.

When organisations are young, they tend to be fluid, flexible and be willing to learn, but as they achieve initial success and grow, flexibility gives way to rigidity and there is loss of vigor and willingness to learn. It is that initial success that brought failure to them because they feel they have arrived and therefore, they see nothing new to learn. The people in the organisation relax and enjoy their fortune. They have lost environmental sensibilities and this has made them to be blind to new opportunities in the business

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environment. Before they realize what is happening, their competitors have already overtaken them and that marks their downfall.

Learning should be engrained as part of their organisation philosophy and core organisational value and culture. It is only by so doing that organisation will be able to face tomorrow when it actually comes. Furthermore, for effective double loop learning to occur at the organisational level, there is a need for organisational leaders to appreciate the value of learning as a panacea for organisational sustainability. Finally, organisational leaders should make a gradual but holistic shift from their traditional role of figurehead, company spokesman, and resource allocator to a broader cross functional role of encouraging constructive dialogue, experimentation of ideas, which will create an environment capable of facilitating open communication.

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