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Organizational Learning Capability, Perceived Organizational Support and Growth of Auto Parts Manufacturing Firms in Nigeria

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Abstract
This study investigated the relationship between Organizational Learning Capability and Growth of Auto Parts manufacturing firms in Nnewi business cluster, Nigeria; and to ascertain whether Perceived Organizational Support would play a moderating role. A sample size of 75 was selected from a population of 103 employees of seven auto parts manufacturing firms. 72 copies of the questionnaire were eligibly filled and data was analyzed using Pearson's Product Moment Correlation Coefficient with the aid of SPSS version 21. The findings showed that whereas risk taking does not substantially enhance growth, interaction with the external environment serves as a catalyst for growth. Findings also revealed that Perceived Organizational Support moderates the relationship between Organizational Learning Capability and Growth. It was therefore recommended that managers of auto parts manufacturing firms should cautiously take risk and interact with the external environment in multiple ways, while making sure that employees are properly taken care of, and their contributions appreciated. The role of government to providing enabling environment for SMEs to thrive was emphasized.
Keywords: Organizational Learning Capability, Perceived Organizational Support, Growth

1. INTRODUCTION

With a composition of about 95% of total enterprises in the world, small and medium scale enterprises remain critical components of the economic matrices of nations. This is especially because of their pivotal role as drivers of growth and development. Unarguably, the importance of SMEs is reflected in their contributions to employment generation as well as their demonstrably proven characteristics as incubators of innovativeness and centres for balance of trade efficiencies (Cooney & Madiners, 2004; Bartels, May, Carpetta & Schivardi, 2003; Sangosanya, 2011; Birch, 1981).

Owing to the magnitude of importance ascribed to SMEs, government of nations, policy makers, technocrats, scholars and business experts have paid acute attention to the growth and success of entrepreneurial concerns. Thus, it seems both governments and scholars have reasoned that economic growth remains an impossibility if firms do not grow. (Bishop, Mason & Robinson, 2009).

Alongside the various measures taken by governments to catalyze the growth of SMEs are the greatly fragmented and multifaceted scholarly studies and recommendations geared towards the same objective (Forkouh, 2015; Zhou & Wit, 2009). For example, governments mostly in developed and transition economies have increased their commitment to entrepreneurial growth by improving accessibility to funds through credit schemes, loans and grand policy initiatives. Governments and establishments in Africa and less developed economies have done their little bit to enhance the growth of SMEs (Eniola, 2014), but there seems to be negligible impact due, perhaps, to global financial crisis, inflation and systemic corruption.

Management literature is saturated with scholarly renditions about the nature of firm growth, challenges to growth and the relationship between SME growth and diverse study variables (e.g in Beck & Demirguc-Kunt, 2005; Olawale & Garwe, 2010; Hall, 1987; Altinay, et al, 2015). Olawale and Garwe (2010) reviewed the factors that influence the growth of SMEs and categorized them as managerial, locational, infrastructural, labour, regulatory and information technology factors.

The managerial factor stated above is closely knitted with the Resource- Based View because the growth of firms is a combined output of firm-based resources, competencies and daily tasks (Nelson & Penrose, 1959; Winter, 1982). One of these competencies that may be capable of leveraging firm growth is Organizational Learning Capability (OLC). Capabilities are the strategic competencies of organizations reflected in the combined qualifications, knowledge, and other human assets which are expressed when tasks are being carried out and resources are being utilized (Prahalad & Hamel, 1990; Amit & Schoemaker, 1993).

Notable scholars (e.g. Gomez, et al, 2003; Bahadori, 2012) have submitted that OLC is a crucial driver of firm growth, innovation and productivity, as well as a veritable tool for competitive advantage (Porter, 1990; Grant, 1991). These encomiums poured on OLC are justified because, in the main, it is the vehicle through which the organizational learning process is optimized in a dynamic and demanding business environment.

Generally, firms possess characteristics such as risk-taking, dialogue, participative decision making, managerial commitment, interaction with environment, knowledge transfer and integration, system orientation, team consciousness, open attitude and experimentation, and purposefulness/goal orientation (Alikhani &

Fazlollahtabar, 2014; Chiva, Alegre & Lapiedra, 2007; Bhatnagar, 2006; Goh & Richards, 1997).

Viewed against the background of the submissions made above, it should be noted that employees and management are central to the growth of any organization. Besides, it is the management and employees of organizations that participate in the learning process. Therefore, organizational learning and growth of firms could be disrupted if employees are not satisfied, do not put in their best or keep leaving the organization. One way of keeping employees in the organization and enabling them to perform for optimal firm growth is through organizational support (Colakoglu, Culha & Atay, 2010). It is pertinent to note, therefore, that employees' perception of how the management of firms appreciate their contributions and care about them may influence the amount of effort they put in towards the achievement of organizational goals (Aselage & Eisenberger, 2003).

There is an abundance of literature on SME growth, Organizational Learning Capability and Perceived Organizational Support (e.g. in Hassan & Hassan, 2015; Altinay, et al, 2015; Onag & Tepeci, 2014; Forkouh, 2014; Akhtar, Khan & Mujtaba, 2013). Most of these studies focused on OLC and Organizational Innovativeness, and Performance (Onag & Tepeci, 2014; Tohidi & Mandegari, 2012; Vidal & Chiva, 2012). Literature on firm growth centered around determinants, challenges, measurement, entrepreneurial attitude, effect on economy, human resource practices (Choe, Loo & Lau, 2013; Zhou & Wit, 2009; Bishop, Mason & Robinson, 2009; Wiklund, 1998, Delmar, 1997; Penrose, 1959). A very close literature to the current study is that of Altinay, et al (2015) who studied the interactional relationship between organizational learning capability, entrepreneurial orientation and SME growth in Northern Cyprus. However, there appears to be paucity of research work on whether OLC could have a relationship with growth of SMEs (Wales, Gupta & Mousa, 2013; Hakala & Kohtamaki, 2011) and to know if Perceived Organizational Support (POS) can moderate the relationship, especially in a developing country like Nigeria. Herein lies the gap in literature, and it is based on this that this study focuses on organizational learning capability and growth of auto-parts manufacturing firms in Nigeria, using perceived organizational support as a moderating variable.

1.1 *Statement of the Problem*

With production shares of 24% for China, 21.1% for Japan, 15.5% for USA, 7% for Germany and 2% for India, Nigeria appears to be inconsequential in the world map in respect of global auto parts production (Promexico, 2013). There is a rising growth prospect for the global auto parts manufacturing industry due to the fact that more people tend to hold their cars for longer years, thereby increasing the demand for after-market replacement parts. Thus, the auto parts manufacturing firms in countries such as Poland, Russia, Slovenia, India and China have flourished in quantum dimensions. To this end, European clusters have generated 6% sales growth rate per annum since 2010, and a projected operating margin of 7.5% as at 2015 (Economic Outlook, 2014).

As the global auto parts industry keeps expanding, fresh opportunities become available for less developed countries to align their firms in order to reap the full benefits of globalization. Undoubtedly, Nigeria presents a great window for investment in the automotive matrix. Such investments have a spill-over effect on the car repairs and services sector which will experience radical transformation with an increased local automotive manufacturing.

Despite of the opportunities that abound in the automotive industry, evidences suggest that the Nigerian auto parts manufacturing firms are still grappling with endemic growth related negative indices, which if not properly addressed would deprive the local industry from maximizing the global value chain. For instance, Proshare (2016) reported that the automotive assembly segment of the Nigerian manufacturing sector shrank by -0.5% y/y which only had a growth rate of 23.6% in 2014. Central Bank of Nigeria purchasing managers index (PMI) for March, 2016 reveals that the transportation equipment sector had a decline in growth rate/contribution to GDP (cenbank.ng, 2016). This scenario appeared despite the projection that in 2015, Nigeria's automobile sector would contribute about 4.5% in the world's automobile sales due to the government's investment drive in the sector (Venturesafrica.com, 2013).

However, amid stiff competition from foreign auto manufacturing companies, a local cluster worthy of note is the Nnewi cluster in Nigeria which applies locally grown methods and processes and knowledge gained from Taiwan to remain afloat in a harsh business environment (Oyelaran-Oyeyinka, 1997). According to Abiola (2006), the problems faced by manufacturing firms such as those of the Nnewi cluster are: high tariffs, crime and corruption, inefficient electricity, poor roads, finance, rent and import duties. Others are fierce competition, infrastructural deficit, low domestic customer base, high exchange rate, low government participation and other factors (Chete, Adeyinka, Ogundele & Howard, 2013; Medee, 2015).

As it is with the performance of SMEs, the growth of automotive parts manufacturing firms does not depend only on the aforementioned factors. There are several other critical factors which could influence the growth of manufacturing SMEs. Various models such as the neoclassical theory, optimum firm size concept, the law of proportionate effect by Gilbrath and managerial theories have been put forward to explain the growth dynamics of manufacturing firms (Sangosanya, 2011).

One factor that may be very crucial among the managerial theories which could influence growth in

manufacturing firms is Organizational Learning Capability (OLC). Mcelwee and Warren (2000) argue that low human resource capabilities amount to poor growth of SMEs in less developed nations. In the same line of argument, Bishop, Mason and Robinson (2009) submitted that differences in learning capabilities, dynamic - and other firm-level capabilities could account for differences in growth rates of firms.

In view of the above scholarly submissions, it could be inferred that OLC may have the potency of correlating with the growth rate of manufacturing firms in Nigeria. The question which readily comes to mind is that: is there going to be a surge in the growth of auto-parts manufacturing firms if they improve on their learning capabilities? This study, therefore, is set to explore the relationship between organizational learning capability and the growth of auto-parts manufacturing firms in Nigeria.

2. REVIEW OF RELATED LITERATURE

2.1 *The global auto parts and accessories manufacturing industry*

This industry comprises all firms or companies that manufacture parts and accessories for Original Equipment Manufacturers (OEM) and for the aftermarket. Apart from engines, tyres, bodies and chasis, these firms produce brake systems, electrical parts, steering and suspension, filters, airbags, seats, radiators, exhaust systems etc. The industry is experiencing a decline in revenue growth in developed economies such as United States, France and Germany, but is having a significant growth in emerging economies such as the BRICS (Brazil, Russian Federation, India, China and Singapore) nations (Power, 2010; Eisenstein, 2010). It is estimated that the industry will contribute not less than 3.8% growth rate and 3.4% GDP to the global economy. Its growth revenue is estimated at $1.7 trillion which represents 4.3% growth rate over a period of five years (www.ibisworld.com). Growth in profit is expected to tow same trajectory.

The following tables show the top 100 auto parts companies and their production shares in the global manufacturing economy:

Table 2.1: Auto Parts Production Share by Country as at Dec. 2012.

Country	China	Japan	USA	Germany	Mexico	S. Korea	Brazil	India	Italy	Thailand	Others
%	24	21.1	15.5	7.4	5.3	4.8	3	2	1.7	1.6	13.9

Source: Promexico (2013).

Table 2.2: Auto-Parts Production Share by Region as at Dec. 2012

Region	Asia-Pacific	North America	European Union	Latin America	Others
Amount in Billions	766,271	309,328	185,625	52,269	75,808
%	55.5	22.1	13.3	3.7	5.4

Source: Promexico (2013).

From the tables above, it could be inferred that Africa is conspicuously absent in the global auto parts and accessories industry. This does not mean that African countries are barren of such firms, but it is a pointer that manufacturing firms in Africa need to put up efforts to catch up with global demand and integrate themselves into the global value chain. There are a number of auto-parts manufacturing firms in Africa. Such could be found in Ghana (Mytelka & Farinelli, 2000), South Africa (Alfaro, et al, 2012) and Nigeria (Zeng, 2008; Taura & Watkins, 2014).

2.2 *Automotive Parts Manufacturing in Africa: The Case of Nnewi Auto-Parts Cluster in Nigeria*

Porter (2000) defines industrial cluster as "a geographically proximate group of interconnected companies and associated institutions in a particular field, linked by commonalities and complementarities". The importance of clusters is underscored not only by their capacity to mitigate the disadvantages inherent in the small size of SMEs but also in their ability to build technological capacity and enhance competitiveness in both domestic and international markets. An example of a flourishing cluster on the African continent is the Nnewi Auto-Parts manufacturing cluster which has continued to grow despite the closure of several SMEs in the country and in the face of competitive forces, poor policy implementation and dearth of infrastructure. Through reliance on local ideas, internal learning mechanisms as well as networking and technical cooperation from China, Taiwan and other countries, Nnewi has continued to manufacture auto-parts which are not only supplied to the local markets but also to the West African sub-region. According to Abiola (2006), Nnewi contributed 80% to the auto parts needs of Nigeria in the mid-1990's. This may have been possible due to inculcation of organizational learning and the development of organizational learning capability which involves the courting of new ideas during equipment installation and other processes as well as the building of inter-firm connections both internally and externally (Abiola, 2006).

2.3 *Organizational Learning Capability*

Organizational Learning Capability is the catalyst of organizational learning which drives the firm to optimal performance and success (Dibella, Nevis & Gould, 1996; Hult & Ferrel, 1997). It could be defined as the total

organizational and managerial features, practices and competencies which improves the learning function of the organization thereby enabling the optimization of the organization's stock of knowledge. Goh and Richards (1997) submitted that it is the organizational and managerial characteristics or factors that facilitate the organizational learning process or allow an organization to learn. OLC has since been treated by scholars as a multidimensional construct. For example, Goh and Richards (1997) developed an organizational learning scale which comprises "clarity of mission and vision, leadership, experimentation, transfer of knowledge, and team work and group problem-solving as its dimensions". Subsequently, Jerez-Gomez (2005) arrived at four dimensions: "managerial commitment, system perspective, openness and experimentation, and knowledge transfer and integration". Also, Chiva, Vidal and Lapiedra (2007) dimensionalized OLC into "experimentation, risk-taking, interaction with external environment, dialogue, and participative decision making".

More recently, Onag and Tepeci (2014) grouped eleven dimensions of organizational learning capability based on the works of Goh and Richards (1997), Jerez-Gomez (2005), Chiva, Vidal and Lapiedra (2007) and Vidal, et al (2012). These eleven dimensions are: "Openness and Interaction with the environment; Experimentation; Managerial Commitment; Participative Decision-Making; Leadership Commitment; and Empowerment; Clarity of Purpose and Mission; Knowledge Transfer; and Risk-taking".

The industry under investigation seems to share most of the characteristics of the management and organizations as dimensionalized by Chiva, Vidal and Lapiedra (2007) – these being: Experimentation, Risk-Taking, Interaction with the External Environment, Dialogue and Participative Decision-making. Experimentation is the degree of acceptance of new ideas and perspectives. Risk taking is the extent to which ambiguity is tolerated in the face of uncertainty and errors. It is also described as the propensity to trade-off a substantial part of the firm's resources amid opportunities, with a moderate chance of regrettable failure (Lumpkin & Dess, 1996; Miller & Friesen, 1983). Interaction with the environment is a measure of the extent to which relationship networks are created within the external environment. Dialogue is the unabated organization-wide quest into the activities, beliefs and conclusions that influence daily decision making process, while participative decision-making is the measure of the degree of input employees make when decisions are taken. This, study exhaustively looks into "risk-taking", and "interaction with the external environment" dimensions of OLC.

2.4 *Firm Growth*

Firm growth is an increase in the amount of desirable outcomes such as sales, revenue, employment output, size, etc. It is also viewed as an improvement in form and substance due to developmental processes just as it is in natural systems, wherein internal shifts lead to increment in size and changes in the properties of the study element (Penrose, 1959). Nelson and Winter (1982) argued that growth is evidence of an optimal mix of the resources, competencies and daily activities of the firm. Most empirical literature have a bias for sales as a measure of growth because it is a pointer to assets growth and employee growth (Ardishvili, et al, 1998; Flamholt, 1986).

Other measures of growth are industry specific, such as increase in number of seats for cinema halls, bed spaces for hospitals or number of fleet for transportation firms (Bolton, 1971). To policy makers, employment growth through entrepreneurial activity attracts great attention because of its capacity to improve quality of life (Davidson & Wkilund, 2000).

2.4.1 *Determinants of Firm Growth*

Several scholars (e.g. Zhou & Wit, 2009; Davidsson, Achtenhagen & Naldi, 2005) have itemized the determinants and barriers of firm growth. The determinants enhance growth and are classified into three broad areas, viz: individual determinants which comprise "personality traits, need for achievement, risk taking propensity, locus of control, self efficacy, extraversion, growth motivation, individual competencies and personal background"; the organizational determinants include firm attributes, firm strategies, firm-specific resources, organizational structure and dynamic capability; the last factors are "environmental determinants" which are made up of "dynamism of environment, heterogeneity, hostility and munificence" (Dess & Beard, 1984; Zhou & Wit, 2009).

Storey (1994) itemized the factors influencing small firm growth into: (1) entrepreneur's resources, (2) the firm and, (3) strategy. Entrepreneur's resources consist of 15 sub-factors (e.g. motivation, education, management experience, etc). The firm's factors are made up of 6 sub-factors (e.g. age, sector, legal form, etc), while, strategy comprises 14 sub-factors (e.g. workforce training, external equity, market positioning, etc). Specifically for clusters, Rosenfeld (2002) submitted that, the economic success of business clusters are dependent of 3Cs – Concepts, Connections and Competencies. Concepts factors are: innovation, imitation and competition, entrepreneurial energy. Connections factors comprise networking and networks, connections and intermediaries; while competencies involve specialized workforce, industry leaders' attitudes, talent and tacit knowledge.

2.4.2 *Barriers of Firm Growth*

Barriers are those factors that constitute impediment to firm growth (Davidsson, 1989). Barriers could be financial or institutional in nature. Examples of institutional barriers are legal issues, taxation, government restrictions and regulations, while, financial barriers include credit restrictions, unavailability of external debt and equity capital. Financial institutions tend to place more interest charges on loans collected by SMEs (Stiglitz and Weiss, 1981). Specifically for business clusters, Rosenfeld (2002) listed barriers as: "deficit in physical structure, inaccessibility to capital, weak institutional structure for technology, regional insularity and lock-in, lack of skills and opportunity to acquire them, and cluster hierarchies".

2.5 *Perceived Organizational Support*

Perceived Organizational Support is employees' general perception as regards the degree of management's appreciation for their contributions and the level of care directed towards them by management. Such perception serves as a barometer to gauge the propensity of the "personified organization" to appreciate work effort through reward and to release the needed amount of praise and recognition (Eisenberger, Huntington, Hutchison & Sowa, 1986). It is based on the assumption that employees develop positive emotions towards the organization if they perceive that the organization will react positively when they fall sick, make mistakes or perform very highly, and can fairly satisfy their pecuniary needs in a meaningful and lively work environment. Such positive emotions, when developed, could lead to increased employee commitment and performance which culminates into greater organizational effectiveness and success (Colakoglu, Culha & Atay, 2010; Buchanan, 1974).

POS is an organizational support theory (Shore and Shore, 1995) which draws its strength from social exchange theory (Steers, 1977; Gould, 1979) and presupposes that a reciprocal action takes place when a positive treatment is given to a person (Gouldner, 1960).Thus, the anticipated favourable outcomes of POS are for both the workers (e.g. increased pay, job satisfaction, positive feeling) and the firm (e.g. reduction in absenteeism, lateness, increase in commitment). In a review of literature, Rhoades and Eisenberger (2002) submit that the antecedents of POS are "fairness, supervisor support, and organizational rewards and job conditions", while its outcomes are increase in organizational commitment, job commitment, job involvement, employee job performance, reduction in job related stress, withdrawal behavior, and an increase in intention to stay.

2.6 *Relationship between Organizational Learning Capability and SMEs Growth*

The towering literature on OLC have suggested the possibility of its effect on the growth of firms. For instance, Fang, et al (2011) argued that learning capabilities are tangential to organizational growth and innovation. In a similar scholarly trajectory, Floyd and Wooldridge (1999) had submitted that organizations could achieve sustainable growth levels if they step up their learning capabilities, while Baker and Sinkula (2009) echoed that favourable outcomes such as increment in market share, profit level and competitive edge are bound to manifest when a copious dose of risk taking, proactiveness and innovation in injected into the organization. Both the deterministic and learning approaches to the firm clearly point out that OLC serves as a growth catalyst, but the deterministic approach specifically stipulates that the variation in firm size, management and members characteristics, and external environment account for differences in firm's growth. Scholars (e.g. Covin, et al, 2006; Madsen, 2001) have attributed rapid growth of firms to innovativeness, risk propensity and proactive behaviour.

However, there appears to be no agreement in respect of the relationship between OLC and firm growth. This could be due to the fact that causal relationships are difficult to be established between the two constructs (Yeo, 2003) in the midst of several intervening variables (Prieto & Revilla, 2006). In the light of the above, some studies conducted under entrepreneurial orientation which contains sub-dimensions of OLC model established links to growth. For instances, Barkham, et al (1996) studied UK SMEs and found out that interaction with the environment in the form of having close network with professional bodies significantly influences turn-over growth. In a related study in France, Delapierre, et al (1997) submitted that technologically oriented firms experience increased growth due to intricate connectivity of networks that guarantee interaction with bigger organizations and research institutions. Moreover, Braggs (1999) concluded that growth of firms is enhanced when they participate in joint ventures, engage in networking and form strategic alliances. In this regards, we argue that firms get quick access to information, develop better technology discover new markets, and deliver improved customer service when they interact with the external environment.

Many researchers (e.g. Popper & Lipshitz, 2000) have emphasized risk taking and error accommodation as critical components of organizational learning. Thus, organizational environments are designed to create a climate of risk taking and acceptance of mistakes in order to arrive at positive organizational outcomes. John, et al (2008) studied American firms and found out that risk taking has a positive relationship with sales and asset growth. Their finding synchronized with the work of Peng (2015) who studied Japanese firms and found out that risk taking impacted positively on sales and asset growth of large private and medium sized firms. The

performance of agro processing SMEs in Kenya was reported to be sympathetic to increased risk taking. This was found out in a study by Wambugu, et al (2015) who extracted the element of risk taking in entrepreneurial orientation and tested it against growth and profitability. The study resonated with the earlier works of (Yang, 2008; Wang & Poutziouris, 2010; Ahimbisibwe & Abaha, 2013; Rao, 2012).

Despite the positive effect risk taking may have on growth of firms, there are other empirical studies which have produced contrary evidences. For instance, in a study on microfinance clients in Tanzania by Boermans and Willebrands (2012), it was found out that risk aversion accounted for business success. The finding was in conformity with the earlier works of Singh (1989), Tang and Tang (2007) and Willebrands, et al (2012). From the foregoing literature, it seems a matter of utmost expediency to embark upon an empirical investigation in order to ascertain if OLC could have an impact on the growth of auto-manufacturing firms, specifically in Nnewi auto parts cluster of Nigeria.

The following hypotheses are hereby developed:

Organizational Learning Capability has a positive and significant relationship with growth of auto parts manufacturing firms in Nigeria.

Dividing this hypothesis along the chosen dimensions of OLC gives:

(1) Risk-taking has a positive and significant relationship with growth of auto parts manufacturing firms in Nigeria.
(2) Interaction with the external environment has a positive and significant relationship with growth of auto parts manufacturing SMEs in Nigeria.

2.7 *The Mediating Role of Perceived Organizational Support*

Social Exchange Theory contributions are replete with evidences of the mediating role played by POS in the hypothesized relationships of several constructs (e.g. Park, et al, 2016; Millissa, 2013; Loi, Hang-Yue & Foley, 2006; Moorman, Blakely & Nierhoof, 1998). More specifically, Hassan and Hassan (2015) found out that POS mediates the relationship between empowering leadership and job performance, organizational citizen behavior and reduced withdrawal behavior. Also, Zumrah, Boyle and Fein (2012) studied public sector workers in Malaysia and concluded that POS does not moderate the relationship between learning and transfer of training but predicts the transfer of training. POS is known to have direct effect on effective commitment (LaMastro, 1999; Ucar & Otken, 2010), and a negative relationship with turnover (Tumwesigye, 2010; Islam, et al, 2013; Kalidass & Bahron, 2015; Allen, Shore & Griffeth, 2003). A closer literature to this current study is the work of Neves and Eisenberger (2014) who studied over 300 employees and supervisors of various firms in Portugal and found out that POS has a strong relationship with risk taking via failure-related trust.

Moreso, Edmondson (1999), and Zellmer-Bruhn and Gibson (2006) indicated that organization support in teams enhances learning attitude. From the foregoing revelations, it seems appropriate to reason that Perceived Organizational Support may have a moderating influence on the hypothesized relationship between of OLC and firm performance – more specifically on growth.

The following hypothesis is hereby formulated:

(1) Perceived Organizational Support moderates the relationship between Organizational Learning Capability and Firm Growth.

3. METHODOLOGY

This study adopted the *ex post facto* design since the variables are not subject to manipulation. Specifically, it is a cross sectional survey and causal study because: (i) the population being studied is heterogeneous, (ii) explanation concerning the relationships of hypothesized variables are sought which involves the collection of data at a single period in order to arrive at a generalization about the population (Cooper & Schindler, 2003; Krishaswami, Sivakumar & Mathirajan, 2009).

The population comprises 103 employees and SMEs owners from seven (7) auto parts manufacturing firms. These firms were selected out of the 73 manufacturing firms registered with the Nnewi Chamber of Commerce (www.nnewichambersofcommerce.com). Thus, Krejcie and Morgan (1970) table was used to determine the sample size which falls at 81. As a result, 81 copies of the questionnaire were self-administered to the employees and owners of the selected firms in order to elicit responses regarding their perceptions of the constructs contained in the instrument. A total of 75 were retrieved from the respondents out of which 3 were poorly filled and unusable. Data contained in the remaining 72 copies of the questionnaire were capture and analyzed, using the Statistical Package for Social Sciences (SPSS) version 21.

3.1 *Measurement of Variables*

"Risk-taking and Interaction with the Environment" dimensions of OLC were adopted from the work of Chiva, Alegre and Lapiedra (2007). Two items were used to describe risk-taking (Amabile, et al 1996; Isaksen, et al 1999) – e.g. "people are encouraged to take risk in the enterprise". The interaction with external environment

dimension comprises three statement items derived from Pedler, et al (1997) – e.g. "there are systems and procedures for receiving, collecting and sharing information from outside the enterprise".). Growth was observed through statement items adopted from the work of Venkatraman (1989). These items basically reflected sales and employment growth. An additional item which reflected employment growth was reflected in the instrument of the current study. An example of these items is "sales growth position reflective to competition". Perceived Organizational Support construct was operationalized by eight statement items from the short version of The Survey of Perceived Organizational Support (SPOS) by Eisenberger (1984). All the items were rated on a five-point Likert-Like scale, where 1 = strongly disagree and 5 = strongly agree.

Several studies had shown very high internal consistency on these scales. The OLC recorded 0.74 and 0.84 for risk-taking and interaction with external environment respectively, in the earlier study of Chiva, Alegre and Lapiedra (2007). While the scales for growth and POS which were previously used by Venkatraman (1989) and Eisenberger (1984) respectively, returned acceptable levels of internal consistency. However, in this study the scales recorded Cronbach alpha values of .857 for risk taking, .812 for interaction with external environment, .812 for growth and .943 for POS. All these values satisfied the condition suggested by Nunnally (1978).

Validity of the instrument was ensured by drawing from the rich literature on organizational learning and Resource-Based View, Organizational performance and Organizational Support Theory. The researcher also went further to subject the instrument to the scrutiny, modification, correction and approval of scholars in the field and a sizeable number of managers in the auto parts sector during an interactive meeting between the researcher and the managers. This satisfies face and content validity.

Hypotheses were subjected to the Pearson's Product Moment Correlation Coefficient test with the aid of SPSS version 21. The choice of Pearson's Product Moment Correlation Coefficient as a tool for analysis was made after when data were transformed to satisfy the conditions of normality, linearity and homoscedasticity (Pallant, 2013).

3.2 *Findings of this Study*

The first hypothesis which states that "risk-taking has a positive and significant relationship with the growth of auto parts manufacturing firms in Nigeria" was tested by finding the correlation between risk-taking as a dimension of OLC and growth of the SMEs, while the second hypothesis which conjectured that "Interaction with the external environment has a positive and significant relationship with the growth of auto parts manufacturing SMEs in Nigeria" was tested by finding the correlation between interaction with the external environment as a dimension of OLC and growth. Both hypotheses were subjected to the Pearson's Product Moment Correlation Coefficient test with the aid of SPSS version 21, as shown in table 3.1.

Table 3.1: Correlations between Risk-Taking, Interaction with External Environ. and Growth

		Risk-Taking	Interaction with Ext. Environment	Growth
Risk-Taking	Pearson Correlation	1	.214	.183
	Sig. (2-tailed)		.071	.123
	N	72	72	72
Interaction with Ext. Environment	Pearson Correlation	.214	1	.830**
	Sig. (2-tailed)	.071		.000
	N	72	72	72
Growth	Pearson Correlation	.183	.830**	1
	Sig. (2-tailed)	.123	.000	
	N	72	72	72

**. Correlation is significant at the 0.01 level (2-tailed).

Results show that risk-taking had a positive but insignificant correlation with growth of the SMEs (r = .183, n = 72 and p = .123), while interaction with external environment has a high positive and significant correlation with growth (r = .830, n = 72 and p = .000). Thus, the first hypothesis was rejected, whereas, the second hypothesis was accepted.

Hypothesis three states that "Perceived Organizational Support moderates the relationship between Organizational Learning Capability and Firm Growth". Partial correlation was used to test this hypothesis through the SPOS scale as controlling scores. The result is shown on table 3.2:

Table 3.2: Showing the Moderating Effect of POS on the Relationship between OLC and Growth

Control Variables			Org. Learning Capability	Growth	Perceived Org. Support
-none-[a]	Org. Learning Capability	Correlation	1.000	.697	-.033
		Significance (2-tailed)	.	.000	.781
		Df	0	70	70
	Growth	Correlation	.697	1.000	.390
		Significance (2-tailed)	.000	.	.001
		Df	70	0	70
	Perceived Org. Support	Correlation	-.033	.390	1.000
		Significance (2-tailed)	.781	.001	.
		Df	70	70	0
Perceived Org. Support	Org. Learning Capability	Correlation	1.000	.772	
		Significance (2-tailed)	.	.000	
		Df	0	69	
	Growth	Correlation	.772	1.000	
		Significance (2-tailed)	.000	.	
		Df	69	0	

a. Cells contain zero-order (Pearson) correlations.

Analysis revealed that partial correlation between Organizational Learning Capability and growth was positively high ($r = .772$, $n = 69$, $p < .0005$), with strong levels of Organizational Learning Capability associated with growth. The reading on the zero order correlation ($r = .697$) points out that moderating for POS has mild positive influence on the relationship between OLC and growth. Therefore the third hypothesis was accepted.

The following findings were therefore made:

1) Risk-taking does not lead to significant improvement of growth of the Auto Parts manufacturing firms in Nigeria.
2) Interaction with the external environment serves as catalyst to the growth of the Auto Parts Manufacturing SMEs in the country.
3) Perceived Organizational Support slightly facilitates the growth of the Auto Parts Manufacturers.

4. DISCUSSION OF FINDINGS

The finding which emanated from the test conducted on the first hypothesis shows that risk-taking does not have significant relationship on the growth of auto parts manufacturing firms in Nigeria. This synchronizes with the studies of Babb and Babb (1992), and Low and Macmillan (1988), but runs contrary to the findings of Wambugu and Gichira (2015), and Peng (2015). This could be as a result of divergent perceptions of risks exhibited by employees and owners of the business (Sarasvathy, Simon & Lave, 1998). The reason why risk has weak explanation on firm growth could also be as a result of powerful barriers to growth such as the poor state of infrastructure, financial challenges, etc that bedevil the automotive parts cluster in Nigeria (Oyelaran-Oyeyinka, 2004; Rosenfeld, 2002).

Networking with the external environment immensely explained a positive shift in growth. This finding is in sympathy with earlier work of Johannisson (1990), and Braggs (1999) who concluded that participation in networks and strategic partnering/information sharing increases the growth trajectory of firms. Networking aids the effective dissemination of ideas and information among clusters. Abiola (2006) noted that through various networking modes – such as cooperation with domestic and foreign firms, sharing of equipment, informal joint purchasing and sub-contracting – auto parts firms in Nnewi gained economies of scale and employment growth. It could also be that the deliberate networking and inter-firm learning/linkages cultivated by the firms accounted for the strong correlation with growth. Moreover, Ferreira, Azevedo and Ortiz (2011) studied 825 Portuguese manufacturing small scale organizations and found out that entrepreneurial networking positively and significantly influenced growth of the firms.

Perceived Organizational Support mediates the relationship between OLC and growth. This finding has an affinity with the submission of Neves and Eisenberger (2014), who established that POS has a positive influence on risk- taking through failure – related trust. Moreover, Rousseau, Sitkin, Burt and Camerer (1998) also concluded that POS - saturated employees tend to take high risk on behalf of the organization, especially when there is a high degree of trust between management and employees. The finding is also in concordance with the work of Nembhard (2008) who studied inter-organizational learning in healthcare organizations and found out that Organizational Support positively influenced inter-organizational learning. Elements of networking and interaction with external environment are parts of inter-organizational learning. This explains

why it does not come as a surprise when POS moderated the relationship between interaction with external environment and growth. Besides, Nembhard (2008) substantiated that inter-organizational learning could bring about process improvement. Unarguably, this may lead to improved growth.

4.1 *Recommendations*

Based on the findings, the following recommendations are hereby made:

1. In order to enhance growth, managers of auto parts manufacturing SMEs should increase the degree of firms' interaction with external environment by establishing more linkages and deepening the flow of information and ideas among related firms, both locally and abroad.
2. Managers of auto parts manufacturing firms in less developed nations like Nigeria should avoid taking high risks as this may not be of any positive effect on the growth fortunes of their firms.
3. Management of auto parts manufacturing firms should redouble their commitment to the welfare and wellbeing of members and appreciate employees' contributions in multiple ways.
4. Owners of auto parts manufacturing firms should create linkages and collaborate with Universities and Technical Schools in order to provide competitive managerial and technical skills relevant to the industry.
5. Government should formulate and implement robust policies geared towards the protection of local auto parts manufacturers from ravaging foreign competition, and synergize with relevant financial institutions to provide low interest funds to manufacturers.
6. Government should establish industry – specific, technological skills incubation (TESKI) centers in order to increase capabilities of firms.
7. Government should segment auto parts clusters as Strategic Economic Hubs (SEHs), and provide the necessary infrastructure such as: adequate electricity, robust ICT networks, functional roads and efficient water supply.

5. CONCLUSION

This study has further animated the vast literature on Resource-Based View, Organizational Support Theory and Firm Performance as it relates to Small and Medium Scale Enterprises in less developed economies. The various scholarly nuances were vividly captured and placed side by side with the organizational settings of Nnewi auto parts manufacturing cluster in Nigeria in order to arrive at an empirical reality. Even though much of the findings reflect the revelations of contemporary works, this study stands out as a testament that auto parts manufacturing firms in less developed countries should tread very carefully when it involves risk- taking. This paper thus submits that, it is far more risky to take risk for the sake of risk-taking. This position is antonymous to earlier scholarly contributions, especially those that emanated from developed nations. It is when managers of auto parts manufacturing firms take cautious risk, build loops of networking with external environment and demonstrate a supportive posture to their employees that accelerated growth could be guaranteed in the long-run.

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