

RESEARCH ARTICLE

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The role of organizational learning in achieving institutional success in insurance companies in Oum El Bouaghi Province, Algeria

Dr. Sahbi Djamel Eddine ^{1*}, Dr. Benreghida Mohamed Mahdi ²

¹ Business Incubator and Local Development Laboratory

¹ Faculty of Economic, Commercial and Management Sciences, Abbas Laghrour University Khencela, Algeria. Email: djameleddinesahbi@gmail.com

² Business Incubator and Local Development Laboratory

² Faculty of Economic, Commercial and Management Sciences, Abbas Laghrour University Khencela, Algeria. Email: benreghida.mohamedmahdi@univ-khencela.dz

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Abstract

The study aims to examine the organizational learning in achieving institutional excellence in the assurance organizations in state of Oum El Bouaghi. The descriptive analytical methods were used; the research community included all the administrative managers. A sample random of 34 employees was selected to represent the research community. The primary data were collected using a questionnaire. The questionnaire's validity and reliability ascertained. The findings shows that there is statistically significant impact of organizational learning dimensions on institutional excellence. The study recommends granting employees greater autonomy to apply their knowledge and skills in addressing organizational challenges without bureaucratic constraints. Additionally, the study recommends encouraging direct communication among employees and reducing the reliance on formalized interactions within the organization.

Keywords: organizational learning, Institutional excellence, knowledge

JEL classifications codes: L12, L25, O31

1. Introduction.

in today's highly competitive and rapidly changing business environment, driven by

globalization, technological advancements, and continuous innovations, organizations face numerous challenges. The survival and sustainability of these organizations increasingly depend on their ability to differentiate themselves and maintain a unique position relative to competitors. Achieving this distinctiveness not only serves the interests of all stakeholders but also ensures a competitive advantage, enabling organizations to withstand various market pressures.

Consequently, institutional excellence has become a key objective for all types of organizations. It is regarded as both a philosophy and a modern management approach that emphasizes excellence across all organizational practices, operations, and activities. By effectively and simultaneously leveraging all organizational resources, institutions can create unique value that meets the needs of all stakeholders, within a framework that fosters a culture of learning, creativity, and continuous improvement.

Organizational learning is a modern concept in management sciences and organizational sociology, referring to the process by which organizations acquire knowledge and experience, develop their ability to adapt to environmental changes, and improve their

long-term performance. Organizational learning focuses on how organizations gain, analyze, and utilize information in decision-making and process improvement within the organization. Organizational learning stems from the idea that organizations are not merely a sum of the individuals working within them, but are entities capable of collective learning through knowledge and experience sharing, applying lessons learned to avoid previous mistakes and enhance innovation. This learning occurs at multiple levels, including individual learning, group learning, and institutional learning. The importance of organizational learning lies in its ability to help organizations survive and evolve in a changing environment, increase efficiency, enhance competitiveness, and improve organizational culture while encouraging innovation and continuous development.

Through the foregoing, we pose the following main problem: **What is the role of organizational learning in achieving institutional excellence in assurance organizations in the state of Oum El Bouaghi?**

In order to answer the problem of the study, the following hypotheses were relied on:

- **Main Hypothesis:** There is a statistically significant relationship between **organizational learning** and **institutional excellence** in assurance organizations in the state of Oum El Bouaghi.
- **Sub-H01:** There is a statistically significant relationship between **Knowledge acquisition** and **institutional excellence** in assurance organizations in the state of Oum El Bouaghi.
- **Sub-H02:** There is a statistically significant relationship between **Knowledge dissemination** and institutional excellence in assurance organizations in the state of Oum El Bouaghi.

- **Sub-H03:** There is a statistically significant relationship between **knowledge utilization** and institutional excellence in assurance organizations in the state of Oum El Bouaghi.

1.1. Objectives of the Study:

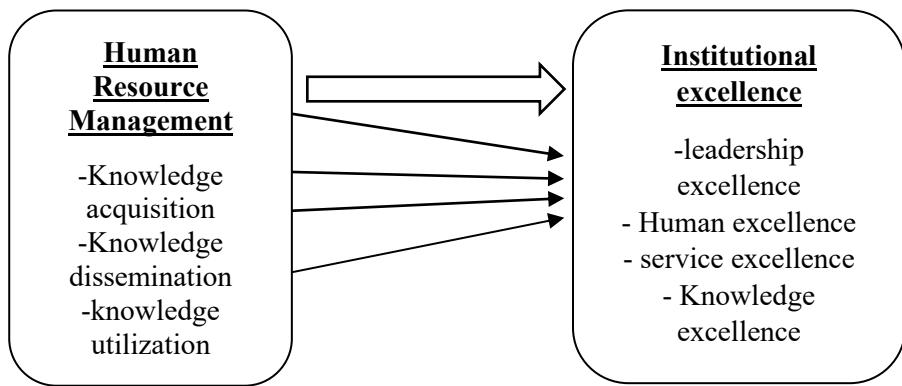
The study aims to

- Understand the theoretical aspects of organizational learning and institutional excellence.
- Identifying the level of importance of organizational learning and institutional excellence in the organizations under study.
- Identifying the contribution of organizational learning (recruitment and selection, training, compensation and rewards, career development) in achieving institutional excellence.

1.2. Study methodology:

The study use the descriptive analytical approach-using questionnaire to collect data, the community of the study included all the administrative managers of the assurance organizations in the stat of Oum El Bouaghi. In this study, 42 questionnaires were distributed. The total valid returned questionnaires were 34, which the number of the study sample. The data were analyzed by (SPSS) version 25. The validity and reliability of the questionnaire were confirmed by Cronbach's Alpha coefficient. The results indicates that Cronbach's Alpha for all variable was equal to 0.959. the normality of the distribution was also confirmed by Kolmogorov- Smirnov test. The results indicate that the test was equal to 0.148, which is significant at the level of significance 0.05.

Fig 1. Research model



Previous studies:

- (Mohamed, et al., 2018). *Effect of institutional excellence and employee performance on organizational productivity within the healthcare sector in the UAE.* This study aimed to assess the impact of institutional excellence and employee performance on organizational productivity within the healthcare sector in the UAE. The data was collected from 256 employees of the Health Authority Abu Dhabi and analyzed using Structural Equation Modeling (SEM) via Smart PLS 3.0. The study found that institutional excellence has a positive impact on organizational productivity.
- (Arbab & Mahdi, 2018) *Human resource management practices and institutional excellence in public organizations.* The study aimed to examine the impact of human resource management practices on institutional excellence in Sudanese public organizations. Descriptive and analytical methods were used, and the statistical population included all employees in Sudanese public organizations. A random sample of 245 employees was selected. Primary data were collected using a questionnaire and analyzed with SPSS. The results showed a statistically significant effect of human resource management practices on institutional excellence in Sudanese public organizations.
- (Chen & Zheng, 2022) *Influence of Organizational Learning and Dynamic Capability on Organizational Performance of*

Human Resource Service Enterprises: Moderation Effect of Technology Environment and Market Environment. This study explored how organizational learning (along with dynamic capabilities) affects the performance of human resource service enterprises, with the role of technology and market environments as moderating factors. The findings confirmed that organizational learning plays a significant role in enhancing organizational performance

- (Alsabbagh & AL Khalil , 2017) *The Impact of Organizational Learning on Innovativeness (An Empirical Study on the Education Sector in Damascus City).* This study aimed to measure the impact of organizational learning on innovation in universities (education sector) in Damascus. A sample of 383 academic and administrative staff was surveyed, and results showed that all dimensions of organizational learning had a positive and statistically significant effect on innovation

1) The concept of organizational learning

Despite the extensive research in this field, it remains very difficult to agree on a single definition or concept of organizational learning. This is due to a range of factors, the most important of which are: (Vajih & Saadatb, 2016, p. 220)

- Organizational learning is considered a multidisciplinary concept, which has led to the emergence of various theories and

concepts, each corresponding to its respective field of specialization.

- The use of organizational learning across multiple domains, such as information processing, product innovation, organizational change, organizational culture, and others.
- The concept encompasses multiple levels of analysis, ranging from the individual level to the organizational level.

Table No. 01: Definition of Organizational Learning

Reference	Definition
(Dixon, 1991, p. 31)	It is the process through which knowledge related to the organization's operations and inputs is developed, along with its relationship to the environment in which it operates.
(Schulz, 2002, p. 415)	Organizational learning refers to the change occurring in organizational knowledge through the enhancement and transformation of the organization's knowledge and experiences.
(Abbasi, Akbari, & Tajeddini, 2015, p. 120)	It is the development and acquisition of new knowledge and skills as a response to internal and external stimuli, leading to a permanent change in collective behavior and enhancing the organization's efficiency and effectiveness.
(Uddin, Fan, & Das, 2016, p. 44)	It is the continuously evolving process aimed at creating new knowledge and transferring it to where it can be utilized and exploited. This, in turn, leads to the creation of further new knowledge, which can be leveraged when needed.
(Asabbagh & AL Khalil, 2017, p. 536)	It is the acquisition of new knowledge by individuals who have the ability and willingness to use it in decision-making and to influence others within the organization.
(Argot, Lee, & Park, 2020, p. 5402)	It is the process through which experience in performing a specific task is converted into knowledge, which in turn leads to organizational change and enhances future performance.
(Bates & Khasawneh, 2005, p. 98)	Organizational learning encompasses all managerial activities related to collecting, distributing, and interpreting information, which have both tangible and intangible impacts on the culture and philosophy of the organization.
(Chiva, Ghauri, & Alegre, 2014, p. 689)	Organizational learning is the process through which an organization changes or modifies its mental models, rules, processes, and knowledge, while also maintaining and improving its performance.

Source: prepared by the authors

Based on the previous definitions, it can be concluded that organizational learning is characterized by the following features:

- Organizational learning aims to adapt the organization's processes through targeted activities (Templeton, Lewis, & Snyder, 2002)
- Organizational learning provides the organization with several economic advantages, as it enhances the organization's ability to easily apply its skills in response to various external changes. (Hoe & McShane, 2010, p. 364). In contrast, failing to focus on organizational learning reduces the organization's chances of success and decreases efficiency and productivity, making organizational development impossible. ((Ahakwa, Yong, Tackie, Odai, & Dartey, 2021, p. 2100).

- A learning organization is one that facilitates the learning of its members and adopts necessary changes to continuously achieve competitiveness. Organizational learning is seen as an ongoing process aimed at learning through reliance on learning as a core value to achieve competitive advantages that allow the organization to survive and withstand competitive pressures. The ability to compete is no longer related to the quantity of resources accumulated by the organization in the era of the knowledge economy. The focus has shifted more towards encouraging learning and knowledge accumulation within the organization and benefiting from it. There has been a significant shift in focus from simply maximizing wealth within the organization to an era where knowledge and learning have become more crucial and decisive for survival

and growth, as well as enhancing the organization's competitiveness compared to its competitors. (Tan & Olaore, 2021, p. 110)

2) **Organizational Learning processes**

It refers to a set of processes aimed at embedding the knowledge acquired by individuals and groups into the various operations and activities of the organization, through knowledge acquisition, information distribution, information interpretation, and organizational memory.

2.1. **Knowledge acquisition**

It refers to the extraction, organization, and structuring of knowledge from various sources by individuals. This process requires encouraging and motivating individuals to acquire new insights and engage in continuous learning. Therefore, knowledge acquisition heavily depends on the willingness and desire of individuals to share their knowledge with others. For this reason, communication is one of the most effective mechanisms to achieve this (Ravikumar, et al., 2022, p. 828).

It can also be considered as the process aimed at creating and developing the necessary skills, ideas, and relationships to acquire knowledge. An example of this includes engaging in conversations with competitors at trade fairs, maintaining regular communication with customers, and conducting market research. (Hoe & McShane, 2010, p. 365)

2.2. **Knowledge dissemination :**

It is the process through which knowledge is shared and disseminated throughout the organization. An example of this includes discussions among employees about work plans and methods, organized meetings to discuss workers' needs, and other similar activities. (Hoe & McShane, 2010, p. 365)

The concept of knowledge dissemination differs from that of knowledge transfer and exchange, although the terms are often used interchangeably to refer to the same idea. While knowledge exchange involves sharing the sources of knowledge acquisition, the term knowledge transfer is used to describe its movement between different units, departments, or organizations. It cannot be considered as communication, despite its close relationship with it. (Zheng , 2017, p. 52)

2.3. **Knowledge utilization:**

It refers to the process of directing and utilizing knowledge in various organizational processes within the organization. It represents the actual application of knowledge to guide the organization's strategic direction, solve problems, and improve efficiency .(Turulja & Bajgorić, 2018, p. 03)

This phase begins when knowledge is applied in the business context, making it widely available. Knowledge is then used by members of the organization to develop a better understanding of the work, as well as to make informed and accurate decisions. (Hoe & McShane, 2010, p. 365)

3) **Levels of Organizational Learning**

The concept of organizational learning is multidimensional, as it can occur at different levels, ranging from the individual to the group. It involves a series of processes that ensure the transformation of various available data and information into knowledge, which is then stored at the organizational level for use when needed.

According to the literature on the subject, organizational learning has been identified at three main levels: individual learning, team learning, and collective or organizational-level learning.

3.1. **Individual Learning**

Individual learning results from the accumulation of information by the individual and the acquisition of new knowledge related to their environment, in addition to understanding, interpreting, and experiencing it. This process leads to the improvement and modification of the individual's behavior.

Learning at the individual level is crucial in the broader context of organizational learning. It is not merely a collection of individual learning processes, but rather an interaction between individuals within the organization, between the organization and other organizations, and between the organization and its organizational culture. (Wang & Ahmed, 2003, p. 15)

3.2. **collective learning/ group learning**

Group-level learning occurs when individuals interact and share the knowledge they have acquired at the individual level with others. Together, they interpret this knowledge to

form collective assumptions, which leads to the improvement and guidance of the group's behavior.

3.3. Organizational Learning

Organizational learning occurs when groups share their knowledge through communication, and this learning is transformed into guidelines or practices that are accepted by all members of the organization and made available to those who need it. (Odor, 2018, p. 04)

What further emphasizes the importance of organizational learning is its significant role in accelerating and activating the change process necessary for effectively adapting to emerging changes. It enables the organization to gain a competitive advantage if it is able to change its products, structures, or strategies more quickly or more effectively than its competitors. (Rerup & Levinthal, p. 35)

3.4. Organizational Memory

It refers to the process of storing, retaining, and retrieving knowledge for future use. Organizational memory plays three key roles within the organization: an informational role (storing information for future decision-making), a regulatory role (reducing transaction costs for new decision-making), and a political role (relying on information as a source to maintain and enhance the organization's competitiveness).

New knowledge is of great importance to the organization, and it can be leveraged by integrating it with existing knowledge within the organization. This integration enables the organization to outperform its competitors, especially in terms of identifying and capitalizing on opportunities. (Bloodgood, 2019, p. 46)

2. Institutional excellence

The concept of excellence is holistic and comprehensive, meaning that it cannot be reflected in one area of an organization if performance falters in other areas. True excellence within an organization requires balance across all sectors, marked by two key characteristics: the first being the pursuit of excellence as a central objective of management, and the second that every decision, system, and action stemming from management must also embody excellence. These two aspects are inseparable and complement each other one cannot be achieved without the other. (Al hilaa, Mazen J, Youssef M, & Samy S, 2017, p. 22)

3.1. Institutional excellence definition

Institutional excellence refers to the highest level of performance. Achieving excellence largely relies on the commitment of everyone within the organization, as well as the effective use of specific management tools, techniques, and practices.

(Amalnick & Zadeh, 2017, p. 58)

Table.3 represents some definitions of institutional excellence.

Researcher	Definition
Moullin 2007	Institutional excellence refers to the exceptional practices of managers in leading organizations and creating value for customers and other stakeholders. (Moullin, 2007, p. 182)
Husain 2010	It is a set of organizational characteristics that an organization must adhere to in order to achieve business success. (Hussain, Khalid, & Waheed, 2010, p. 40)
Anonymous 2016	It is a continuous effort to establish an internal framework of standards and processes designed to engage and motivate employees, enabling them to deliver products and services that meet customer requirements while aligning with business expectations. (Mohamed, et al., 2018, p. 6200)
Lasrado 2020	It implies an organization's ability to excel and achieve superior performance by concentrating on key pillars that are fundamental components of business excellence. (Lasrado & kassem, 2020, p. 174)

Source: prepared by the authors.

Based on the previous definitions, institutional excellence can be defined as the integration of a range of outstanding decisions, practices, and resources, aimed at achieving superior levels of performance that meet the needs and expectations of all stakeholders.

Importance of Institutional excellence

The concept of institutional excellence has been at the core of management theory and practices. (AlHalaseh & Al-Rawadyeh, 2020, p. 17).

Institutional excellence is a comprehensive and integrated concept that reflects the evolution and development of management thought. The concept was introduced to emphasize the need for a holistic approach—one that combines the elements necessary to build organizations on a solid foundation, enabling them to adapt to changes and external conditions. It ensures full coherence and consistency among an organization's components while leveraging its competencies to excel in the market, ultimately benefiting stakeholders, employees, and customers. (Jumaah, 2019, p. 2901)

Institutional excellence is a fundamental aspect of the business concept that drives the development of positive outcomes. It is closely linked to an integrated approach to managing the company's performance, which results in the continuous delivery of progressive value. This, in turn, contributes to the firm's sustainability, enhances its effectiveness and capabilities, and fosters both organizational and personal learning (Alhihi, Tambi, & Yusof, 2020, p. 624)

Dimensions of Institutional excellence

a- Leadership Excellence : refers to a leader's ability to capitalize on organizational opportunities to drive continuous development, embrace business challenges, and formulate competitive strategies. This enables the organization to enhance its overall capabilities, allowing it to effectively navigate a turbulent and rapidly changing business environment.(Al-Adaileh, 2017, p. 89)

Excellence in leadership is one of the most crucial pillars of modern management.

Contemporary management demands superior leadership capabilities, as leaders must be able to keep pace with the developments and changes brought about by the knowledge age.

b- Service Excellence refers to the development of services with unique characteristics that set them apart. Organizations with service excellence have the opportunity to set premium prices. For example, if the supplier increases input prices, the organization may be able to pass these costs onto its customers, who may not easily find alternative products due to the exceptional quality of the service offered. (Al shonaki & Abu naser, 2016, p. 70)

c- Human Excellence :Human resources, driven by experience, knowledge, and professionalism, are considered a key competitive advantage that organizations strive to maintain and continually develop in order to sustain their market position. This type of organizational asset is particularly difficult for competitors to replicate. Given the rapid changes in the business environment, organizations must prepare to respond to new challenges and opportunities. To do so, they need to empower their employees through ongoing training and development, ensuring they can rely on their skills and abilities to adapt to the evolving business landscape.(Al-Eida, 2020, p. 166)

d- Knowledge Excellence: Knowledge is a combination of experiences, values, information, and insights that forms a framework for evaluating and integrating new experiences and information. Its source and application reside in the minds of those who possess it. Often, knowledge becomes an integral part not only of documents but also of processes, practices, and regulatory standards.(Abdel Gani, 2018, p. 25).

3. Finding

3.1.The Relative Importance of the Study Variables Dimensions

To achieve the first objective of the study, which is to identify the relative importance of the study variables, the arithmetical average, the standard deviation and the relative importance of respondent's responses were calculated for all the dimensions of human

resource management and institutional excellence as shown the following two table

Table 4. Dimensions of organizational learning.

Dimensions of organizational learning	Arithmetical Average	Standard Deviation	Relative importance	ranking	level
Knowledge acquisition	3.6756	0.93559	72.912%	2	High
Knowledge dissemination	3.6824	0.80621	73.648%	1	High
knowledge utilization	3.2500	1.13429	65.000%	3	High

Source: Prepared by authors based on SPSS.25.

Table 4 shows the arithmetical average, standard deviation and relative importance of the dimensions of organizational learning. The arithmetical average ranging between 3.25 and 3.6756, while the standard deviation ranging between 0.80621 and 1.13429, the relative

importance ranging between 65% and 73.684%, and the level is high for all dimensions, but to varying degrees, where they were in the following order: **Knowledge dissemination, Knowledge acquisition, knowledge utilization**

Table 5. Dimensions of institutional excellence.

Dimensions of of institutional excellence	Arithmetical Average	Standard Deviation	Relative importance	ranking	Level
Leadership excellence	3.4657	0.71277	69.314%	3	High
Service excellence	3.6059	0.67237	72.118%	2	High
Human excellence	3.3588	0.74959	67.176%	4	High
Knowledge excellence	3.7059	0.7403	74.118%	1	High

Source: Prepared by authors based on SPSS.25.

Table 5 shows the arithmetical average, standard deviation and relative importance of the dimensions of institutional excellence. The arithmetical average ranging between 3.3588 and 3.7059, while the standard deviation ranging between 0.67237 and 0.74959, the relative importance ranging between 67.176% and 74.118%, and the level is high for all dimensions, but to varying degrees, where they were in following order: knowledge

excellence, service excellence, leadership excellence, human excellence.

3.2. Correlation Between the Dimensions of Human Resource Management and Institutional excellence

To achieve the third objective of the study, person coefficient was calculated between the dimensions of human resource management and institutional excellence as shown the following table

Table 6. Correlation between institutional excellence and dimensions of organizational learning

	Dimensions of organizational learning			
	Knowledge acquisition	Knowledge dissemination	knowledge utilization	Total
Institutional excellence	0.581**	0.646**	0.603**	0.724**

Source: prepared by authors based on SPSS.25.

Table 6 shows the correlation between institutional excellence and the dimensions of organizational learning t. The correlation between the total degree of institutional excellence and the dimensions of organizational learning (knowledge acquisition, knowledge dissemination, knowledge utilization) is in order 0.581, 0.646, 0.603, which are statistically significant at the level of significance 0.01. And the correlation between the total degree of organizational learning and the total degree of institutional

excellence is 0.724, which is significant at the level of significance 0.01.

3.3.Hypothesis Testing

The simple linear regression was used for testing the research hypothesis; the simple linear regression shows the impact of human resource management, recruitment and selection, training, compensations and reward, career development on institutional excellence, as shown the following table

Table 8. Hypotheses testing .

Main Hypothesis							
Variance source	Total Squares	Freedom Degree	Ave. Squares	R	R2	Test value F	Sig F
Regression	6.487	1	6.487	0.724	0.524	35.244	.000
Residual	5.890	32	0.184				
total	12.337	33					
Sub-H01							
Variance source	Total Squares	Freedom Degree	Ave. Squares	R	R2	Test value F	Sig F
Regression	4.175	1	4.175	0.581	0.337	16.289	.000
Residual	8.202	32	0.256				
total	12.337	33					
Sub-H02							
Variance source	Total Squares	Freedom Degree	Ave. Squares	R	R2	Test value F	Sig F
Regression	5.163	1	5.163	0.646	0.417	22,900	.000
Residual	7.214	32	0.225				
total	12.337	33					
Sub-H03							
Variance source	Total Squares	Freedom Degree	Ave. Squares	R	R2	Test value F	Sig F
Regression	4.494	1	4.494	0.603	0.363	18,243	0.000
Residual	7,883	32	0.296				
total	12.337	33					

Source: prepared by authors based on SPSS.25.

Main Hypothesis: the table shows a high value of calculated F equal to 35.244, which is significant at the level of significance 0.01, and confirmed by the value of coefficient of determination R2= 0.524, the variation in **organizational learning** explain 52.4% of the variation in **institutional excellence**, and therefore the main hypothesis is accepted.

Sub-H01: the table shows a high value of calculated F equal to 16.289, which is

significant at the level of significance 0.01, and confirmed by the value of coefficient of determination R2= 0.337, the variation in **Knowledge acquisition** explain 33.7% of the variation in **institutional excellence**, and therefore the hypothesis 01 is accepted.

Sub-H02:the table shows a high value of calculated F equal to 22.900, which is significant at the level of significance 0.01, and confirmed by the value of coefficient of

determination $R^2 = 0.417$, the variation in **Knowledge dissemination** explain 41.7% of the variation in **institutional excellence**, and therefore the hypothesis 01 is accepted.

Sub-03: the table shows a high value of calculated F equal to 18.243, which is significant at the level of significance 0.01, and confirmed by the value of coefficient of determination $R^2 = 0.363$, the variation in **knowledge utilization** explain 36.3% of the variation in **institutional excellence**, and therefore the hypothesis 03 is accepted.

4. Conclusion

The purpose of this study was to examine the role of organizational learning in achieving institutional excellence within assurance organizations in the state of Oum El Bouaghi. The findings regarding employees' perceptions of organizational learning dimensions indicated that all dimensions—including knowledge acquisition, knowledge dissemination, and knowledge utilization—received high levels of positive responses. Similarly, employees' perceptions of institutional excellence dimensions revealed high levels of agreement across all dimensions. The results also demonstrated a positive and strong statistically significant correlation

between the overall degree of organizational learning and institutional excellence, as well as strong significant correlations between each dimension of organizational learning (knowledge acquisition, knowledge dissemination, and knowledge utilization) and institutional excellence. Furthermore, simple linear regression analysis showed a moderate, statistically significant impact of the overall organizational learning score, as well as each individual dimension, on institutional excellence. Accordingly, all the study hypotheses were supported.

Based on these findings, it can be concluded that organizational learning plays a critical role in achieving institutional excellence. Therefore, the study recommends aligning the various organizational learning processes to enhance institutional excellence and placing greater emphasis on knowledge utilization. This can be achieved by granting employees greater autonomy to apply their knowledge and skills in addressing organizational challenges without bureaucratic constraints. Additionally, the study recommends encouraging direct communication among employees and reducing the reliance on formalized interactions within the organization.