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EXAMINING THE ROLE OF LEARNING ORIENTATION ON COMPETITIVENESS OF MANUFACTURING FIRMS IN KENYA

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ABSTRACT

Learning orientation is a key strategic undertaking that helps to improve the competitiveness of any business undertaking. This study aimed at examining the role of learning orientation and what moderating role that top management commitment will have on competitiveness of manufacturing firms in Kenya. Manufacturing sector is a very dynamic and vibrant and this calls for the players in the industry to be vigilant and creative in order to serve the market appropriately. To achieve the set objectives, hypotheses were developed and tested. The theoretical arounding of the study basically relied on the dynamic capabilities and upper echelon theories. The study adopted descriptive survey design that targeted 134 manufacturing firms who were members of the Kenya Association of Manufacturers, Machakos and Central Kenya Region Chapters of which a census was undertaken. Primary data was collected using a semi structured questionnaire that were administered to the management of the manufacturing firms that were under investigation and this generated both quantitative and qualitative data. The data collected was edited, coded, processed and analyzed using SPSS version 26 for both descriptive and inferential statistics generation. The study adopted various analysis to determine the relationship that existed. Regression analysis done was used to determine the relationship between the hypothesized variables and Analysis of Variance (ANOVA) used to establish the relationship between the independent and dependent variable. The overall study findings revealed that learning orientation has a positive and statistically significant role on competitiveness of manufacturing firms in Kenya whereas the top management commitment has a positive moderating role. Based on the findings the study concludes that manufacturing firms should encourage learning and knowledge management amongst the staff as this lead's commitment to goals of the organization and serving the customers appropriately. In order for the firm to be competitive it calls for top management commitment in regard to allocation of resources, staff being involvement in all undertakings and them being allowed to be independent in their operations as this encourages them to serve dedicatedly and resources should be availed that are necessary for the firm to serve its clients diligently.

Key words: Competitiveness, Dynamic Capabilities, Learning Orientation, Manufacturing Firms, Top Management Commitment

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INTRODUCTION

The adoption of improved managerial and theoretical approaches in management is critical to any firm due to the change in the nature of competition in the manufacturing sector that is due to environmental demands change in consumer preferences. Due to these environmental demands in order for an organization to serve its customers appropriately and continue making profit they have to re-adjust and adopt strategies that will make them improve their competitiveness and remain relevant. The external environment in the modern day are characterized by rapid and often unforeseen changes that are as a result of major shifts in economic and political forces that bring a lot of uncertainty to organizations (Wright et al., 2005) this means organization have to come up with strategies or initiatives that will guide them to overcome the challenges.

Business environment is very dynamic and has become more complex and in order to be competitive, organizations are required to develop strategies that can help them respond to the changes, the nature of competition and the changing scope and intensity in order to survive. This calls for organizations have to adapt new and improved approaches to management or strategy. Organization's strategy is one of the central concepts of management for any organization, it defines and communicates what is created, how, for whom and why it's valuable (Huff et al., 2009) and is an important pillar on the firm's structure, activities and investments as it helps in identifying the organization's problems and developing solutions to them through creation of new capabilities and improving its competitiveness. Strategy adopted by the firm will mainly be influenced by its structure, activity, investments and its relation to the market and business performance (Valos & Bednall, 2010). In order to adopt to the changes in the environment, organizations have to realign to a given strategy in form of strategic orientation.

Strategic orientations are decisions and principles undertaken by a firm which directs their activities and generate a behaviour that is intended to achieve sustainable competitive advantage and improve its performance in the business environment (Hakala & Kohtamaki, 2011). This may be in in form of procedures, operations, standards and choice implementation styles which directs and guides the organization activities and operations in its internal and external environment (Ifua et al., 2021). The fundamental assumptions underlying strategic orientation is that substantive strategy informs strategic actions that a firm will have to undertake (Lau & Bruton, 2011). Organizations adopt various orientations as it helps them in identifying a certain proclivity that gives it a strategic direction as noted by Pleshko and (2008)that Nickerson can improve their competitiveness. This guides how a firm packages and controls resources it has in quest of emerging market opportunities and exploitation of existing markets (Hughes & Morgan, 2008; Menor & Roth, 2007).

Manufacturing firms have a critical role to play in the development of any country. The sector help in creation of high and stable level of employment, generation of income and plays a key role in distribution of income. Manufacturing sector is also known to be an important engine for growth and antidote for unemployment, creator of wealth and threshold for sustainable development as observed by Bigsten and Söderbom (2006). The sector not only plays a catalytic role but also presents vital criteria that is used in assessing the nation development as most countries that are major players in the global economy have transformed by developing a strong and virile manufacturing sector (Kauser et al., 2014). Manufacturing is broadly defined as a process of transforming ideas into products and services and it is a wealth creating sector and a base for development of the tertiary segment in most developing countries (SEDA, 2012). Manufacturing sector is a catalyst for national development through wealth and employment creation, contributions to Country's Gross Domestic Product (GDP) and poverty alleviation among the citizens (Shen et al., 2015).

Manufacturing sector's contribution towards the global economy can't be understated as most of developed countries in the world are also highly industrialized for instance Germany, Japan, China and United States of America. Since 1970's United States of America, has been leading in the manufacturing sector. According to United States Report (2010) 73.3% of the World share of manufacturing is owned by the following Countries United States of America, China, Japan, Germany, Republic of Korea, Italy, United Kingdom, France, India and Mexico. China has in recent times has been ranked first in the term of manufacturing performance (Levinson, 2015). Africa though abundantly endowed with natural resources that are raw materials of the manufacturing sector, it still relies heavily on imports due to lack of capabilities to transform these resources into industrial products and finished products (AfDB, 2014). Manufacturing firms operating in Africa face many challenges due to the modern global business environment and in this regard most of African Governments have put in place various measures that aim at transforming the sector to play its rightful role in the economy. The Nigerian manufacturing sector is one of the biggest in the continent and it accounted for 9% of the Nigerian's GDP in 2020, and is currently ranked 29th largest economy in the world. This clearly demonstrates that the sector has the potential of generating massive economic payback in terms of creating employment opportunities and repositioning the country as a key exporter yet the sector is underutilized (Manyong, et al., 2005) yet it hasn't been utilized fully.

Manufacturing sector in Kenya is involved in the production of variety of products and services that are mainly divided into the following fourteen key sectors based on either the product they produce or raw material used and they are; building, mining

and construction sector, chemical and allied sector, energy, electrical and electronic sector, food and beverage sector, leather and footwear sector, metal and allied sector, motor vehicle assemblers and accessories sector, paper and board sector, pharmaceutical and medical equipment sector, plastic and rubber sector, services and consultancy sector, textile and apparel sector, timber, wood and furniture sector and finally fresh produce sector (KAM, 2018). Performance of manufacturing firms have been on a decline however, competitiveness can be enhanced through adoption of market orientation as this helps in creation of capabilities that the manufacturing firm can adopt to become competitive as noted by Al-Barghouthi (2014). This helps the manufacturing firms to be constantly vigilant to the market development and be responsive to the ever-changing needs of the customers.

Study objectives

- To examine the role of learning orientation on competitiveness of manufacturing firms in Kenya.
- To examine the moderating role of top management commitment on learning orientation and competitiveness of manufacturing firms in Kenya

Statement of the problem

Manufacturing sector plays a key role in the economy of any country as it helps in stimulating and sustaining high productive growth, boosting employment opportunities and building the country's competitiveness through exports. Over the years Kenya has been able to develop a robust manufacturing sector which is primarily driven by agriculture and its contribution towards the GDP has reduced from 9.3% in 2016 to 7.2% 2021 despites it potential to contribute 30% of the GDP (Economic Survey, 2022). Manufacturing sector is vital in the promotion of enterprise culture, creation of jobs and provision of services and goods to the public within the economy (Oyondo, 2004) which is the key government agenda. Competition and change in consumer demands have

necessitated manufacturing firms to be proactive and come with better ways through which they can be served better such as development of products that are appealing, meeting of customers' standards and being strategic in the way they operate.

The Government of Kenya on acknowledging the significance of the sector, has developed several policy documents that are aimed at improving manufacturing sector and making it play the critical role in the national development (Economic Survey, 2022). The policy documents developed over years include Vision 2030 blue print that intends to make Kenya a middle income country by the year 2030, MTP III, Sessional Paper No. 9 of 2012 on National Industrialization Policy Framework for Kenya 2012-2030, Buy Kenya Build Kenya Strategy of 2017 and most recently the Bottom up Economic Transformation Agenda (BETA). These initiatives aim at creating and having a conducive environment for the manufacturing sector to play since the sector is a powerful escalator to economic development for Kenya (Rodrik, 2017).

Empirical evidence on learning orientation shows that it has a mixed influence on competitiveness of the manufacturing firms (Tajeddini, 2016, Hussain, Shah & Khan, 2017). Consequently, some studies have apparently been clear that the relationship between strategic orientations on firms' competitiveness is not always positive (Hao & Song, 2016).

LITERATURE REVIEW

Theoretical Framework

Dynamic Capability Theory

The dynamic capability theory was advanced by Teece et al., (1997) in a book entitled dynamic capabilities and strategic management and postulates that the competitive advantage of a firm rests on the processes it has and which are distinct from one organization to another. According to Teece (2017) a capability is the capacity to utilize resources to perform a task or an activity against opposition and circumstances. Hence dynamic

capabilities are described as organizational capacity to assimilate, shape and revamp external and internal proficiencies with a view to quickly changing surrounding (Gicheru & Kariuki, 2019). It also incorporates how well the firm coordinate and combine resources they own which always shapes the organizations specific assets positions and the evolution path it adopts. While resources according the RBV refer to the physical, human and organization assets, Cantwell (2016) suggested that dynamic capabilities are learnt and become stable patterns of behaviour through which a firm systematically generates and modifies its way of undertaking activities. Dynamic capability approach examines how firms are able to integrate, build and configure their specific competencies they own be they internal or external into new competencies that match changes taking place in the turbulent environment (Teece, 2014).

Dynamic capabilities are significant as they enable organization to continuously renew operational competences and thus leading to attainment of long term competitive advantage (Protogerou, et al., 2012). The theory is based on the assumption that firms with greater dynamic capabilities will always perform better than those with less dynamic capabilities, this therefore calls for the firms that are operating in dynamic environment to continuously renew and regenerate their internal and external capabilities in order to remain competitive (Barretto, 2014). This theory assumes that competitiveness of a firm lies in using dynamic capabilities sooner more judiciously or more fortuitously than the competitors thus meaning in order to maintain competitiveness, firms are required to continually generate new competitive advantages (Deya, 2016). Dynamic capabilities are usually hard to develop and difficult to transfer because they are tacit and usually embedded in a unique set of relationships that a firm has built over a long period of time. This is because dynamic capability regularly acts as a buffer between the resources an organization has and the fluctuating business situation by aiding the

enterprises to change its resource base and thereby maintain a viable competitive advantage which might otherwise be eroded. The theory emphasizes on creation of policies and plans for executives of successful and developing organizations as they work to adapt to a broad ranging sporadic change and development while upholding the fewest proficiency requirement to improve organization survival (Ibrahim, et al., 2018).

Upper Echelon Theory

The study was also anchored on the upper echelon theory that was developed by Hambrick and Mason in 1984. The theory holds that the firm's outcome are the reflection of values and cognitive bases of its leaders (Carpenter et al., 2004). This is found on the premise that the firm's outcome is directly linked to the knowledge, experience and expertise of those individuals who hold leadership role in the organization (Carpenter & Fredrickson, 2001). The theory suggests that human have limited capacity of information processing at any given time, and as a result their decision on and response to certain elements in the environment are determined by leaders' disposition and personal tendencies. This is a behavioural processing model that is based on two core ideas namely; executives act on the basis of their personalized interpretation of the strategic situation they face according to their own personal preferences and biases. Secondly, this personalized construal are a function of the executive experiences, values and personalities. The essence of the model is that decision makers are unique given his or her knowledge, value biases, familiarities and preferences (Cannella & Holcomb, 2005). Though various firms may have resources in equal measure the competitiveness will be determined with the top leaders of the firm, how they do the investment or use the same resources. This means that the top management perceptions of their corporate environment influence the strategic choices they make which eventually affects the competitiveness of the firm. This theory will be used to inform the objective on top management commitment.

Learning Orientation

Learning orientation is defined as the organization propensity to create and use knowledge in order to attain competitive advantage (Calantone & Cavusgil, 2002) or it is the collective capacity derived from cognitive and experiential process and involves the acquisition, exchange and use of knowledge (Baba, 2015). This means that learning orientation is concerned with how organization obtain and share information related to changes in marketplace, customers expectation based on needs in order to create a product that are superior than competitors (Pett & Wolff, 2016). Learning orientation hence is the ability of an organization to develop new knowledge or insights that have the potential of influencing strategic behaviour. Firms aligned to learning orientation often encourage their staff to adopt a cycle of continuous learning which enables the firm to "think outside the box" as the current business environment requires firms to pursue the process of learning, changing behaviour and improving performance faster than their competitors in order to be ahead. Learning orientation is a strategic resource that influence how an organization operate in the market place (Dukeov, et al, 2020) as it helps them move from being reactive and employees are given opportunity to question the way it operates and assumptions underlying business practices (Mahmoud, et al., 2016).

Constructs for learning orientation as proposed by Faisal (2018)classification commitment to learning, open mindness and shared vision. Commitment to learning is defined as the extent to which an organization places value on learning and the ability to think, reason and the effects of their action (Wang 2008). A firm shows commitment to learning through proactively identifying market change trends that affects its operation in future and actively adjusting business strategies and practices (Mishra & Mohanty, 2018) and thus, with the dynamism in manufacturing sector, a strong commitment is critical for it to be competitive. Open mindness is the extent to which

an organization proactively questions long held routines, assumptions and beliefs. Open mindness firms proactively disrupt the procedures, long held processes, assumptions beliefs, techniques and routines needed to make the organization competitive (Adomu, 2014) and through this it facilitates brainstorming of ideas by allowing the employees to question business practices that respond to market requirements (Dukeov, et al., 2020). Shared vision is the extent to which an organization develops and holds universally understood focus (Wang, 2008). This involves bring all individuals in an organization at similar level of understanding and this construct can be termed as a building block for the learning orientation as it provides direction for learning (Herath Karunaratne, 2017). Shared vison helps the employees of the organization to have a common understanding on what need to be captured for customers, competitors and other stakeholders in the industry. Shared vision welcomes the individuals' efforts towards the same direction in order to share information that could influence in a positive way the knowledge base of the organization by bringing in high level of energy, dedication and resolution by all the individuals focused to a common goal which ensures harmony thought the organization (Eshlaghy, et. al., 2011).

A study undertaken by Sawaean and Ali (2020) on the impact of entrepreneurial leadership and learning orientation on organizational performance of Small and Medium Enterprises in Kuwait. The research used a questionnaire to survey 384 organizations and found out that learning orientation has a positive and significant implication to the organization performance. Wolf et al. (2015) in a study on small firms' growth as a function of both learning orientation and entrepreneurial orientation didn't identify any significant relationship between learning orientation and the firm's performance. Pett and Wolff (2016) conducted a study in Brazil on entrepreneurial and learning orientation in high and low performing small and medium manufacturing enterprises. The

study concluded that learning orientation has a significant relationship. Suliyanto and Rahab (2012) in a study role of market orientation and learning orientation in improving innovativeness and performance of small and medium enterprises that investigated 150 SME in Bunyumas Regency. The study concluded that performance is not influenced by learning orientation. The study also concluded that the for a firm to be competitive firms must have learning capabilities and employees identify with the organizations mission. The firms indicate that firms should strengthen their learning orientation and innovativeness to improve business performance.

Top Management Commitment

Top management is a small group of influential executives at the top of the organization who report directly to the Chief Executive Officer (Filkenstein et al., 2010) and they have huge influence on the success of any given firm due to their value and orientation. This team play a very important role in organization action and outcomes and it is attributed to traits they hold (Kinuu, 2014). Top management commitment is a continuous and active demonstration by the organizations executives in providing vision, through leadership and resource allocation so as to make the firm competitive. As a team, they are charged with the responsibility of setting and communicating the firm's vision, goals, manages the firm, allocates resources, makes sure that time is prudently managed, empower and encourage staff (Amoako-Gyampah, et al., 2018).

This team is critical to the organization's successful realization of its goals (Williams, et al, 2014) and they play an important role in decision making such as what new products to be produced and when (Eisenhardt, 2013), they commit financial resources and time (Zu, et al., 2008) and influence culture that encourage achievement of specified goals (Feng & Zhao, 2014). Top management task is to align opportunities and threats in the external environment with the organization internal strengths and weakness. lt is generally

acknowledged that strategic decisions a firm undertakes are majorly influenced by the beliefs, values and management philosophies of the top management team who act as strategists hence their commitment helps in building trust between employees in the organization. Organizations that are competitive have leaders who are totally committed to what is being undertaken and they are able to finance such activities.

In a study undertaken by Feng and Zhao (2014) on top management support, inter-organizational relationships and external involvement focusing on manufacturing firms in China found that communication from the top management, the way it flows is very critical to the firm in terms of competitiveness as it will have an impact on how the duties will be undertaken.

A study undertaken by Yunus, et al. (2013) in Kang Valley, Malaysia entitled Green IT adoption, towards environmental sustainability: the moderating role of top management enforcement, it was noted that top management commitment plays a vital role in achieving the vision of the organization. The study recommended that the top management team need to conversant with the environmental requirements and align organization vision to the reality and that based on the study, vision of the organization could be attained by encouraging the change of communication by encouraging focus on the desired vision. Hence the top management commitment is critical in achieving the organization vision of being competitive.

According to a study undertaken by Tarigan et al., (2020) in the Indonesian manufacturing business, it was found that the top management team has a role in in setting purchasing strategy with the suppliers and through this makes a firm to be competitive.

In a study undertaken by Irungu (2007) on a cross sectional study on firms listed at Nairobi Stock Exchange established that the effect of top management commitment varies from one sector

to the other while a study undertaken by Song et al. (2010) on the impact of internal communication found a positive relationship in internal communication between the chief information officers (CIO) and TMT to promote innovation in the organization.

In a study undertaken by Helpap (2016) in German on the impact of power distance orientation on recipients' reaction to participatory versus programmatic change communication, it concluded that participatory communication is more likely to lead to change. Research has also shown that employee's commitment to change is influenced by how change is communicated specifically, the quality of communication (Rogiest, et al., 2015), direction of communication (Helpap, 2016, Hill, et al. 2012) and leaders communication style (Luo, et al, 2016). Barrick et al (2017) noted that TMT which exhibit high cohesion and communication positively influence organization performance.

Competitiveness of manufacturing firms

Competitiveness is the firm's capability to create, manufacture or sell goods and services that are better to those supplied by rivals, taking into consideration both prices and non-price attributes of the products. Competitiveness is very critical in the present dynamic economic environment as it can lead the firm's survival, growth and accomplishment (Oral & Kettani, 2009). Due to the stiff competition in the manufacturing sector this requires the organization to be competitive in its undertaking so as to survive as this enables the organization to be able to defend and enhance its position in the market.

This According to Selcuk (2016) competitive firms are expected to exhibit higher growth in terms of sales, revenue, better returns on investment, higher market share, higher market access and control over distribution channels that is delivery flexibility. Competitiveness is essential for a firm as it helps it to compete effectively and benefit from the prospects that are existing in the environment (Kiraka et al., 2013). This study adopted measures of competitiveness from a study undertaken by

Aswini (2013) which include quality, market share and productivity. Quality adoption is an important aspect in a globalized and competitive economy and standards are essential strategy for continued existence of organization and achievement of their goals (Abdi et al., 2018). Quality is an important factor as it aligns customers' expectations and market perspectives of what constitutes competitiveness.

Market share is believed to be an essential indicator of competitiveness or how well the firm is doing in comparison to other businesses in the same industry (Farris, et al., 2017). Firms need to build a company's client base and this requires one to pay a substantial attention to market share, which in turn boasts customers happiness as it assures effective supply of services at lowest possible relative costs (Aswini, 2013). Primary goal of any firm's competitiveness is to increase its effectiveness and efficiency and this helps in improving its ability to deliver goods and services to the customer (Kaplan & Norton, 2001). Competitive firms are effective and timely response to the ever changing tastes and preferences of the consumer. Due to this most firms focus to being efficient and flexible in the manufacturing methods and how to serve the customer (Awino & Gituro, 2011). This calls for different strategies that manages the flow of goods from point of production to the point of use.

METHODOLOGY

This study adopted positivism as the research philosophy that argues knowledge is grounded on facts and no abstractions or personal position of the individuals is considered. A survey research design was employed in the data collection as this enabled the researcher to have a larger sample size to generate data and test the research hypothesis. The target population was the 134 medium and large manufacturing firms that were registered members of Kenya Association of manufacturers (KAM) and belonged to Machakos and Central Kenya Chapter and this constituted the unit of analysis of which a

census was undertaken of all the 134 manufacturing firms. Data was collected by the use of semi structured questionnaire that generated both the qualitative and quantitative data for scrutiny. The data was analysed by use of Statistical Package for Social Science (SPSS) Version 26 computer software. The analysed data generated descriptive statistics which included measures of central tendency, measures of dispersion and measures of association and inferential statistics. Correlation, linear regression, multiple regression analysis are key statistical tests that were undertaken to analyze the effect of each variable on each other. Analysis of Variance (ANOVA) was used to examine the degree of association between the variables in the research. The research model was as follows

 $Y = \beta_0 + \beta_i X_i + \mathcal{E}$ without the moderator

 $Y = \beta_0 + \beta_i X_i + \beta_2 X_{1*} Z + \mathcal{E}$; with the moderator

Where Xi is learning orientation, Z the top management commitment Y is competitiveness, β_0 is Constant, β_1 is the coefficients for the individual independent variables

FINDINGS

Response rate

A total of 121 questionnaires were administered to 121 manufacturing firms out of which 101 were dully filled and returned representing a response rate of 83.47%. This response rate was considered to be satisfactory to make conclusions for the study based on an observation made by Mugenda and Mugenda (2003) who noted that a 50% response rate is adequate, 60% response rate is good and above 70% is very good to make conclusion of a given study. Therefore, for this study a response rate of 83.47% is very good. This good response rate recorded is attributed to the data collection procedure employed where the researcher obtained a research permit from National Commission for Science Technology and Innovation (NACOSTI) and use of research assistant to drop and pick the questionnaires and carry out interviews.

Table 1: Response Rate

| Response | Frequency | Percent |
|--------------------------|-----------|---------|
| Well filled and returned | 101 | 83.47% |
| Non –returned | 20 | 16.53% |
| Total | 121 | 100.0% |

Demographic characteristic of the firms

Sector

The firms under study were found to belong to the following 14 sectors as classified by Kenya Association for Manufacturers

Table 2: Sector

| Sector | Frequency | Percentage |
|--------------------------------------|-----------|------------|
| Building, Mining and Construction | 4 | 3.96 |
| Chemical and allied | 15 | 14.85 |
| Energy, Electrical and Electronic | 1 | 1.0 |
| Food and Beverage | 38 | 37.62 |
| Leather and Footwear | 3 | 2.97 |
| Metal and Allied | 8 | 7.92 |
| Motor Vehicle and Accessories | 2 | 1.98 |
| Paper Board and Packaging | 11 | 10.89 |
| Pharmaceutical and medical equipment | 5 | 4.95 |
| Plastic and rubber sector | 14 | 13.86 |
| Total | 101 | 100 |

A majority of the firm that responded were in the food and beverage sector at 37.62% while the least was energy, electrical and electronic sector which accounted for 1% of the total percentage. This finding shows how diverse the manufacturing sector in Machakos and Central Kenya Chapters of Kenya Association of Manufacturing is and this result is similar to other studies done that found out that food and beverage sector has largest representation (Kidombo, 2007).

Workforce Size

On the issue of workforce size, the study found out that 27.7% of the firms had between 100-199

employees, medium enterprises have up to 300 employees and large enterprises have up to or over 1000 employees. The workforce size is summarized in Table 3.

employees, 37.6% of the firms had between 200-

399 employees and 34.7% of the firms had over 400 employees and above. The result of the study

showed that the majority of the manufacturing

firms that participated in this study were medium

and large enterprises. This conforms to the

classification by World Bank as noted by Newman

et al. (2018) that micro enterprises have up to 10

employees, small enterprises have up to 50

Table 3: Workforce Size

| Number of employees | Frequency | Percentage |
|---------------------|-----------|------------|
| 100-199 | 28 | 27.7 |
| 200-399 | 38 | 37.6 |
| Over 400 | 35 | 34.7 |
| Total | 101 | 100 |

Period of Operation

The study sought from the valid responses for how long the firm has been in operation. The respondents were required to indicate in the

continuum the period for which the firm has been in operation as this was considered as an important demographic data as shown in Table 4.

Table 4: Period of Operation

| Period of Operation | Frequency | Percentage | |
|---------------------|-----------|------------|--|
| Less than 5 years | 17 | 16.8 | |
| 6-10 years | 21 | 20.8 | |
| 11-15 years | 25 | 24.8 | |
| 16-20 years | 18 | 17.8 | |
| More than 20 years | 20 | 19.8 | |
| Total | 101 | 100 | |

From the study findings, firms that have been in operation for less than 5 years were 16.8%, those in operation for between 6-10 years were at 20.8%, those between 11-15 years were at 24.8%, between 16-20 years were at 17.8% those above 20 years were at 19.8%. Age of manufacturing firm is a factor that affects its survival and competitiveness as mature have developed and operationalized strategic orientation and this helps them to be competitive. Firms age indicate the enterprise resilience, expertise and knowledge in the market dynamism (Atikiya, 2015, Coad et al., 2013) hence a majority of the respondents have been in operation for over 6 years which is an indication of them being competitive. Age is a critical determinant of

firm's survival based on the industry /sector life cycle (Esteve-Perez et al, 2017).

Type of Business Enterprise Ownership

Type of business enterprise ownership, the results were as follows; 30.5% were sole proprietorship, 32.5% were partnership and 37.5% were limited companies as indicated in Table 5 Majority of the responses indicated that they are limited company. This indicated that most of the manufacturing firms have protected from personal liabilities and as a company they can be able to cope with other business uncertainty that arises in the environment and that is why most of them are registered as companies.

Table 5: Type of Business Enterprise Ownership

| Type of ownership | Frequency | Percentage | |
|---------------------|-----------|------------|--|
| Sole proprietorship | 31 | 30.7 | |
| Partnership | 33 | 32.7 | |
| Limited Company | 37 | 36.6 | |
| Total | 101 | 100 | |

ISO Certification

On certifications of the firms the results were as shown in Table 6 of which firms that had certification in Quality Management System (QMS), Environmental Management System (EMS) and Health and Safety Standards (HSS) were 46 representing 45.5%, those that had only QMS were 25 representing 24.8%, Health and Safety Standards were 17 representing 16.8% while those that had EMS were 13 representing 12.9%.

Table 6: Certification

| Certification | Frequency | Percentage | |
|---------------------------------|-----------|------------|--|
| Quality Management System | 25 | 24.8 | |
| Environmental Management System | 13 | 12.9 | |
| Health and Safety Standards | 17 | 16.8 | |
| All Three Certifications | 46 | 45.5 | |

Average Increase/Decline in Revenue

The respondents were asked to state the approximate percentage increase/decline on return on asset for the firms have been making for the last five years. 40.6% of the firms reported average

increase on ROA of between 0-20 percent, 23.8% reported average increase of between 21-40%. For over 61% of average increase on ROA was recorded by 17 firms accounting to 17.8 %. As shown in Table 7.

Table 7: Average Percentage increase/Decline on ROA for the last Five Years

| Average Percentage Increase/Decline on ROA | Frequency | Percentage |
|--|-----------|------------|
| 0-20 | 41 | 40.6 |
| 21-40 | 24 | 23.8 |
| 41-60 | 19 | 18.8 |
| 61-80 | 11 | 10.9 |
| 81-100 | 6 | 5.9 |

Descriptive statistics

The third objective of the study was to examine the role of learning orientation on the competitiveness of manufacturing firms in Kenya. Nine research questions were posed to the respondents and the results are presented in Table 8, where the

researcher also requested the respondents to what degree they agreed with various statement posed in relation to how learning orientation affect manufacturing firms in Kenya. The constructs for learning orientation were commitment to learning, open mindness and shared vision.

Table 8: Descriptive Statistics for Learning Orientation

| Learning Orientation | SD | D | N | Α | SA | μ | SD |
|--|------|-------|------|-------|-------|------|------|
| Commitment to learning | | | | | | | |
| All employees are committed to the goals | | | | | | | |
| of the firm | 5.9% | 5.0% | 6.9% | 41.6% | 40.6% | 4.06 | 1.11 |
| There is a commonality of purpose in our | | | | | | | |
| organization | 5.9% | 7.9% | 6.9% | 41.6% | 37.6% | 3.97 | 1.14 |
| Employees view themselves as partners in | | | | | | | |
| charting the course of the organization | 5.0% | 5.0% | 4.0% | 44.6% | 41.6% | 4.13 | 1.05 |
| | | | | | | 4.05 | 1.10 |
| Open Mindness | | | | | | | |
| As a company we allow our staff to be | | | | | | | |
| independent in their dealings | 5.0% | 5.9% | 5.9% | 40.6% | 42.6% | 4.10 | 1.08 |
| The firm change culture as need may arise | | | | | | | |
| depending on circumstances | 5.9% | 10.9% | 2.0% | 42.6% | 38.6% | 3.97 | 1.18 |
| The firm always relooks at processes from | | | | | | | |
| time to time | 6.9% | 8.9% | 4.0% | 40.6% | 39.6% | 3.97 | 1.19 |
| | | | | | | 4.01 | 1.15 |
| Shared vision | | | | | | | |
| Firm's employees have the high level | | | | | | | |
| energy to serve | 3.0% | 6.9% | 5.0% | 44.6% | 40.6% | 4.13 | 1.00 |
| The firm is dedicated to serving our clients | 5.9% | 7.9% | 6.9% | 40.6% | 38.6% | 3.98 | 1.15 |
| The firm ensures harmony is maintained at | | | | | | | |
| all times | 5.0% | 3.0% | 8.8% | 38.6% | 44.6% | 4.15 | 1.04 |
| | | | | | | 4.09 | 1.06 |
| Learning orientation | | | | | | 4.05 | 1.10 |

n= 101, μ= Mean SD= Standard Deviation

^{1 =} Strongly Disagree, 2 = Disagree, 3 = Not Sure, 4 = Agree and 5= Strongly Agree

On commitment to learning, which basically dwelt on how employees are commitment to goals, purpose of the firm and being partners in the organization. The calculated mean from the respondents was 4.05 and standard deviation of 1.10 which implies that majority of the respondents agreed on the statement. This is line with Calantone and Cavusgil, (2002) observation that an organization that has propensity to create and use knowledge attains competitive advantage. On the constructs of open mindness which mainly discussed on the role learning in organization, from the findings from the study the calculated mean was 4.01 with a standard deviation of 1.15 which implies that majority of the respondents agreed on the statement. These findings are reinforcing observation made by Wong et al. (2012) that management enhances Knowledge business performance and competitiveness as it helps the organization to use knowledge that can improve its

performance through capturing, sharing and using productive knowledge within the organization. For shared vison, the calculated mean was 4.09 with a standard deviation of 1.06 which implies that majority of the respondents agreed on the statements regarding the constructs. These findings are in agreement with Jain and Moreno (2015) which noted a significance correlation between organization learning and organization performance.

Top Management Commitment

The second objective of the study was to examine the moderating role of top management commitment on competitiveness of manufacturing firms in Kenya. Nine research questions were posed to the respondents and the results are presented in Table 9 where the researcher also requested the respondents to what degree they agreed with various statement posed in relation to how the top management commitment.

Table 9: Descriptive Statistics for Top Management Commitment

| Top Management Commitment | SD | D | N | Α | SA | μ | SD |
|---|------|------|------|-------|-------|------|------|
| Communication | | | | | | | |
| Decision made by management are clearly | | | | | | | |
| communicated to the staff | 5.0% | 4.0% | 6.9% | 39.6% | 44.6% | 4.15 | 1.05 |
| Communication reinforces values of the | | | | | | | |
| organization | 6.9% | 4.0% | 7.9% | 41.6% | 39.6% | 4.03 | 1.13 |
| Top management maintains an open and | | | | | | | |
| transparent communication | 5.9% | 2.0% | 5.0% | 47.5% | 39.6% | 4.13 | 1.03 |
| | | | | | | 4.10 | 1.07 |
| Resource allocation | | | | | | | |
| There is adequate human resource allocation | 4.0% | 7.9% | 3.0% | 40.6% | 44.6% | 4.14 | 1.07 |
| There is adequate budgetary allocation | 9.9% | 2.0% | 5.9% | 40.6% | 41.6 | 4.02 | 1.21 |
| Top management team assigns duties to the | | | | | | | |
| juniors | 6.9% | 8.9% | 4.0% | 42.6% | 37.6 | 3.95 | 1.19 |
| | | | | | | 4.04 | 1.16 |
| Involvement | | | | | | | |
| Top management involves all staff in strategy | | | | | | | |
| implementation | 5.0% | 5.0% | 6.9% | 41.6% | 41.6% | 4.10 | 1.06 |
| Top management are personally involved in | | | | | | | |
| firms' activities | 5.9% | 8.9% | 6.9% | 40.6% | 37.6% | 3.95 | 1.16 |
| Management ensures that employees are | | | | | | | |
| aware of the importance of strategic | | | | | | | |
| orientation | 7.9% | 4.0% | 6.9% | 41.6% | 39.6% | 4.01 | 1.16 |
| | | | | | | 4.02 | 1.13 |
| Top Management Commitment | | | | | | 4.05 | 1.12 |

n= 101, μ= Mean SD= Standard Deviation

^{1 =} Strongly Disagree, 2 = Disagree, 3 = Not Sure, 4 = Agree and 5= Strongly Agree

On communication, the calculated mean was 4.10 with a standard deviation of 1.07 which implies that majority of the respondents agreed on the statement. This is in line with a study undertaken by Seligman et al. (2005) who found out a strong relationship between character, strength and education, with better educated people exhibiting greater strength of character among the top management team. On resource allocation the findings from the had a calculated mean was 4.04 with a standard deviation of 1.16 which implies that majority of the respondents agreed on the statement. This finding corrobates an observation by Gupta et al. (2017) who stated that longer tenured TMT members tend to be more socialized with the overall firm's belief structure which leads to cohesiveness and improve how communication is done in an organization. On involvement the findings from the study had a calculated mean was 4.02 with a standard deviation of 1.13 which implies that majority of the respondents agreed on the statement. This is in line with the findings of Helpap (2016) who noted that the impact of specific communication strategy on employee commitment depends on the direction, quality of communication and leaders' communication style.

Competitiveness

The respondents were asked to indicate their opinion regarding competitiveness of the manufacturing firms in Kenya. The responses were rated on a five-point likert scale as presented in the Table 10 below.

Table 10: Descriptive Statistics for Competitiveness

| Competitiveness | SD | D | N | Α | SA | μ | SD |
|--|------|------|--------|---------|---------|------|------|
| Productivity | | | | | | | |
| Manufacturing lead time has improved in | | | | | | | |
| our firm | 6.9% | 4.0% | 2.0% | 43.6% | 43.6% | 4.13 | 1.11 |
| We have the ability to respond to market | | | | | | | |
| disruptions in a quick way. | 4.0% | 7.9% | 5.9% | 40.6% | 41.6% | 4.08 | 1.07 |
| We have made high investment in | | | | | | | |
| machinery to improve our productions. | 7.9% | 5.0% | 5.9% | 39.6% | 41.6% | 4.02 | 1.18 |
| | | | | | | 4.08 | 1.12 |
| Quality product | | | | | | | |
| Customer requirements are met in terms of | | | | | | | |
| quality | 4.0% | 6.9% | 5.0% | 45.5% | 38.6% | 4.08 | 1.04 |
| Products that we offer are of high quality | 9.9% | 5.0% | 1.0% | 43.6% | 40.6% | 4.00 | 1.23 |
| We have a formal quality check system | 5.9% | 4.0% | 8.9% | 41.6% | 39.6 | 4.05 | 1.09 |
| | | | | | | 4.04 | 1.12 |
| Return on assets | | | | | | | |
| We have been making profit over years | 7.9% | 4.0% | 6 3.0% | 6 42.6% | 6 42.6 | 4.08 | 1.15 |
| The asset base of the firm has been | | | | | | | |
| improving over years | 4.0% | 5.9% | 6.9% | 6 37.6% | 45.5% | 4.15 | 1.05 |
| Profit received is ploughed back to the firm | 7.9% | 3.0% | 6.9% | 6 43.6% | 6 38.6% | 4.02 | 1.14 |
| | | | | | | 4.08 | 1.11 |
| Competitiveness | | | | | | 4.07 | 1.12 |

n= 101, μ= Mean SD= Standard Deviation

1 = Strongly Disagree, 2 = Disagree, 3 = Not Sure, 4 = Agree and 5= Strongly Agree

The respondents were asked to indicate the extent to which manufacturing firm's productivity in regard to lead time, ability to respond to market disruption and investment in productivity machinery the findings from the study had a calculated mean was 4.08 with a standard deviation

of 1.12 which implies that majority of the respondents were in agreement that lead time has improved and the firm has the ability to respond to the market disruption in a quick way.

On quality of products the findings from the study had a calculated mean of 4.04 with a standard deviation of 1.12 which implies that majority of the respondents agreed on the statements that the customers' requirements are met in terms of quality and firms have adapted formal quality checks.

Regression Analysis

The study sought to assess the role of market orientation on competitiveness of manufacturing firms in Kenya, Figure 1 shows the distribution of scatter plot information on the market orientation.

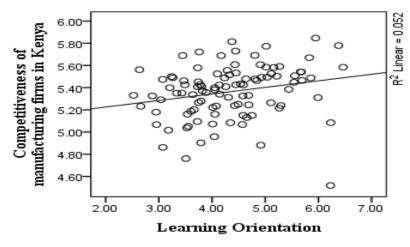


Figure 1: Regression Analysis

The finding in table 11 shows R² value of 0.052 when the moderator is not available indicating 5.2% and 0.112 was recorded when moderator available indicating 11.2% in the variation of competitiveness of manufacturing firms in Kenya was explained by

learning orientation as illustrated in the summary model table 10 The remaining 94.8% in model 1 and 88.8% in model 2 of competitiveness of manufacturing firms in Kenya is explained by other factors not included in the model.

Table 11: Model Summary for Regression Analysis for Learning Orientation (X₁) and Competitiveness of manufacturing firms in Kenya.

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin- Watson |
|-------|-------------------|----------|----------------------|-------------------------------|-------------------|
| 1 | .227 ^a | .052 | .042 | .23097 | 2.035 |
| 2 | .334° | .112 | .094 | .22464 | 1.987 |

a. Predictors: (Constant), Learning Orientation and Learning Orientation *z(moderator) model 1 and 2

The Analysis of Variance (ANOVA) of the relationship between learning orientation and competitiveness of manufacturing firms in Kenya is presented in Table 12. The results indicated that the model was statistically significant as this was supported by the calculated F statistic of 5.377 and 6.169 for model 1 and model 2 respectively at the reported p value (0.000) which was less than the

conventional probability of 0.05 significance level. The results implied that learning orientation is a good predictor of competitiveness. The findings also agreed with that of Wong et al. (2012) who noted that learning oriented firm enhances its business performance and competitiveness as it can use the knowledge to improve its operation through capturing, sharing and using productive

b. Dependent Variable: Competitiveness of manufacturing firms in Kenya.

knowledge within the organization to improve on the areas that need attention and what consumers requires attention to.

Table 12: ANOVA for Learning Orientation (X₁)

| Model | | Sum of Squares | Degree of freedom | Mean Square | F | P-value |
|-------|------------|----------------|-------------------|-------------|-------|-------------------|
| | Regression | .287 | 1 | .287 | 5.377 | .022 ^b |
| 1 | Residual | 5.281 | 99 | .053 | | |
| | Total | 5.568 | 100 | | | |
| | Regression | .623 | 2 | .311 | 6.169 | .003 ^b |
| 2 | Residual | 4.946 | 98 | .050 | | |
| | Total | 5.568 | 100 | | | |

- a. Dependent Variable: Competitiveness of manufacturing firms in Kenya.
- b. Predictors: (Constant), Learning Orientation and Learning Orientation*Z (Moderator)

From the coefficient Table 13, T-test was also used to test the relationship between the predictor variable learning orientation and competitiveness of manufacturing firms in Kenya and there was significant relationship between the two variables with p-value= 0.000 < 0.05 for the model. Regression of coefficients results of the objective are summarized below in Table 13.

Table 13: Coefficients for Learning Orientation (X₁)

| Model | | Unstandardized | | Standardized | t | P-value |
|-------|-------------------------|----------------|------------|--------------|--------|---------|
| | | Coefficients | | Coefficients | | |
| | | В | Std. Error | Beta | | |
| 1 | (Constant) | 5.107 | .113 | | 45.348 | .000 |
| 1 | Learning Orientation | .059 | .025 | .227 | 2.319 | .022 |
| 2 | (Constant) | 4.892 | .138 | | 35.501 | .000 |
| 2 | Learning Orientation | .061 | .025 | .235 | 2.462 | .016 |
| | Learning Orientation *z | .054 | .021 | .246 | 2.580 | .011 |

a. Dependent Variable: Competitiveness of manufacturing firms in Kenya.

From Table 13 model 1 shows learning orientation beta of 0.059 (β =0.059, t = 2.319, p-value<0.022) implying it was statistically significant, concluding that learning orientation alone contributed 0.059 (5.9%) to the competitiveness of manufacturing firms in Kenya. Equally, in model 2 when top management commitment was introduced and combined with learning orientation, the beta significantly increased to 0.061 (β =0.061, t = 2.462, p-value<0.016, (β =0.054, t = 2.580, p-value<0.011) which is statistically significant. The model generated was Y=5.107+ 0.059X₁ when moderator (Top Management Commitment) was absent demonstrating that every unit of learning

orientation the value of competitiveness of manufacturing firms in Kenya changes by 0.059 and in model 2 Y= 4.892+ 0.061X₃+0.054X₁*Z

The findings are in agreement with a study undertaken by Suzana and Kasim (2010) on the relationship of knowledge management practices in enhancing organization performance in Malaysia which noted that knowledge management practices is significant in improving performance, hence an organization needs to undertake the use learning orientation as a competitive advantage tool.

This therefore implies that the null hypothesis **H**₀₁: Learning orientation has no significant role on the competitiveness of manufacturing firms in Kenya was rejected and thus concluded that learning orientation has a significant role on competitiveness of manufacturing firms in Kenya. Therefore, the study concluded that learning orientation influences competitiveness.

Further, the study suggests the use of the following model

Y (without moderator) = $5.107 + 0.059 X_1$ Y (With moderator) = $4.892 + 0.061 X_3 + 0.054X_1Z$

Discussion

The study sought to examine the role of learning orientation and the moderating role of top commitment management team on the competitiveness of manufacturing firms in Kenya. The descriptive analysis of the study variables revealed that commitment to learn, open mindness and shared vision are very critical in enhancing the competitiveness of a firm. The study revealed that most of the manufacturing firms have an inclination towards creating and utilizing knowledge and consider it a critical resource for their survival. The study also found out that top management team commitment has а moderating competitiveness especially in as learning orientation requires resource allocation, communication and need for their involvement.

CONCLUSIONS AND RECOMMENDATIONS

The study concluded that learning orientation has a significant role on the competitiveness of manufacturing firms in Kenya, through activities that are all geared towards utilization of knowledge to enhance competitiveness. The study concluded that resource allocation communication from the top management is key in making sure that the organization generates required knowledge. The study recommended that manufacturing firms should adopt activities that leads to commitment to learning, allow staff to be independent as this leads to them being creative hence generating knowledge. Policy makers should come up with ways that will enhance resource allocation and commitment to learning.

Suggestions for Future Research

This study focused on the manufacturing firms that are operating in the counties of Machakos, Kiambu, Nyeri, Meru, Kajiado and who are registered members of Kenya Association of manufacturers. Further research can be undertaken focusing on other areas not covered with this survey and take holistic view of strategic orientation.

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