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ABSTRACT

The purpose of the study was to analyze the relationship between learning capability and export performance of manufacturing firms in Kenya. The study adopted a mixed method approach in data collection where a triangulation research design was employed and both quantitative and qualitative data was collected and analyzed concurrently. A total population of 130 individuals from 26 export manufacturing firms located within Kiambu County were sampled. Both stratified random sampling and random sampling techniques were used to select a sample of 98 respondents from the target population. The researcher adopted questionnaire as the primary data collection tool. Inferential data analysis was done using Pearson correlation coefficient. Hypothesis testing was done using Chi-square test where p-value and F-statistic were computed at 95% confidence level to test whether there were any significant relationships between dynamic capability elements and export performance of manufacturing firms in Kenya. The results revealed positive and significant relationship between learning capability and export performance of manufacturing firms in Kenya. The results also revealed that operational capabilities significantly moderate the relationship between learning capability and export performance of manufacturing firms in Kenya. The study recommended that for manufacturing firms in Kenya to increase their export performance: they should create an atmosphere for the development and enhancement of organizational learning capabilities by encouraging employees to advance their skills and abilities through seminars and trainings, allow for new idea generation, conduct market research, trade fairs and invest in tools and resources to analyze market trends so as to keep ahead of market situations. Thus, the study results provided a clearer understanding of the contribution of learning capability on firms operating in dynamic environments such as the export markets.

Keywords: *Dynamic Capability, learning capability, operational capability, external environment, manufacturing firms, export performance*

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INTRODUCTION

The development of global value chains has facilitated the rapid integration of emerging regions into the global economy, which are increasingly exerting competitive pressures on traditional manufacturing nations. In particular, China, India and Brazil have recorded very high growth rates of manufactured exports, while Africa largely remains a supplier of raw materials (UNIDO, 2013).

The manufacturing sector is widely considered to be the ideal industry to drive Africa's development mainly due its labor-intensive, export-focused nature. Furthermore, it's also more sustainable and less vulnerable to external shocks than commodities for instance. However, manufacturing export earnings in most African countries only account for around 25% of total exports (World Bank, 2013) as compared to exports of East and South Asian countries' that account for roughly 75% of total exports. The manufacturing sector in Kenya is a key economic driver that accounts for over 70% of the industrial sector contribution to GDP (KIPPRA, 2013) and is a major force in terms of value addition, employment and exports. However, results from the KNBS Economic Survey (2018) also showed that Kenya's trade with East African Member states dropped from \$1.21 billion in 2016 while exports to Africa continued to fall for a second year to \$ 2.23b in 2017 largely due to a slowdown in manufacturing sector.

The competitive advantage of the business firm appears to rest on the development and deployment of intangible assets, relationships and human capital. The dynamic capabilities framework is an entrepreneurial approach that emphasizes the importance of business processes both inside and outside the firm and also in linking the firm to external partners. It also recognizes the importance of critical resources and good strategy (Teece, 2014). Few empirical studies have been conducted to show how exporting firms can develop and nurture dynamic capabilities along with assessing how

effectively these capabilities perform their function and enable a firm to be consistent with environmental changes (Barreto, 2010). Firm responses are driven by their dynamic capabilities (Zollo & Winter, 2002) and their ability to build and reconfigure internal and external competences to address the rapidly changing environment. According to Abala (2012), most studies have focused on firm competencies and export performance in developed countries with few studies relate to sub-Saharan Africa, and therefore the need to investigate how firms from developing countries like Kenya can create, extend or modify these capabilities to support internationalization performance (Musuva, Ogotu, Awino & Yabs, 2013). This study analyzed the relationship between strategic response capabilities and operational capabilities on export performance of manufacturing firms in Kenya.

The following hypotheses were used to establish the relationship between learning and operational capabilities on export performance.

Ho₁: Learning capabilities are not significantly related to export performance of manufacturing firms in Kenya.

Ho₂: Operational capabilities do not significantly moderate the relationship between learning capability and export performance of manufacturing firms in Kenya

LITERATURE REVIEW

Knowledge Based Theory

A knowledge-based perspective of the firm assumes that the services delivered by tangible resources depend on how they are combined and applied, which is in turn a function of the firm's knowhow. This knowledge is embedded in and carried through multiple entities including organization culture and identity, routines, policies, systems, and documents, as well as individual employees (Alavi & Leidner, 2001). The basic components of KM are knowledge creation (internal and external learning), retention

and transfer (organizing and making available important knowledge) (Cegarra & Sanchez, 2011). KM is “a way for managers to cope with the heightened complexity of an increasingly global marketplace” (Wang *et al.*, 2009). It involves the application of knowledge through the operationalization of organizational practices to store and disseminate knowledge (Alavi & Leidner, 2001).

Market knowledge accumulates with increased commitment in specific markets: It concerns ‘institutional knowledge’ of government, institutional frameworks, rules and norms, knowledge of local conditions and opportunities and ‘business knowledge’ of the resources, capabilities and market behaviors of suppliers, competitors, and local clients and their customers (Johanson & Vahlne, 2009; Schweizer *et al.*, 2010). Internationalization knowledge embraces abilities to search for information, to identify and evaluate opportunities, screen country markets, evaluate strategic partners, and manage customs operations and foreign exchange (Prashantham & Young, 2011). Learning capabilities as underpinned in this study, is developed by a firm’s capability to gather knowledge that helps lateral internationalization into new geographic markets by aiding their strategic market entry decisions (Fletcher & Harris, 2011), and has to be integrated internally and coordinated with other firm’s resources in order to be useful (Johanson & Vahlne, 2009).

Dynamic Capabilities Theory

Dynamic capabilities concept has evolved as a complementary paradigm to the competitive forces approach and the RBV (Helfat *et al.*, 2007). Dynamic capabilities paradigm has come to the strategic management research agenda since the former resource-based view did not adequately explain how and why certain firms have competitive advantage in situations of rapid and unpredictable change

(Eisenhardt & Martin, 2000). Capabilities have been identified as those activities that are collectively-learned and routine-based with the ability to initiate the emergence of some pattern over time in an organization (Winter, 2012). In this view, Helfat and Winter (2011) briefly summarized the various definitions of organizational capability, noting that a capability is in place when ‘the organization (or its constituent parts) has the ability to perform a particular activity in a reliable and at least minimally satisfactory manner’. The capabilities view endeavors to help explain interfirm heterogeneity, enterprise evolution, and organizational longevity (Teece, 2019)

Pavlou & Sawy (2011) explained that sensing the environment is captured by the construct of market orientation, learning capabilities by absorptive capacity and integrating resources by collective and coordinating activities by coordination capability. This leads to a concept of intersection and causality of all elements and sub elements as a basic reference in the modeling of the dynamic capabilities. Moreover, Pavlou & Sawy (2011) explain that sensing capabilities consist of three basic routines; generating market intelligence, disseminating market intelligence, and responding to market intelligence, learning capabilities consist of four basic routines i.e., acquiring, assimilating, transforming, and exploiting knowledge, integrating capabilities consist of three basic routines; contributing individual knowledge to the group, representation of individual & group knowledge, interrelation of diverse knowledge inputs to the collective system, and coordinating capabilities consist of four basic routines; assigning resources to tasks, appointing right persons to right tasks, identifying synergies among tasks, activities, and resources, orchestrating activities. All these factors are about sub elements of the basic routines in driving elements of enabling process and have causality relationship each other in reconfiguring dynamic capabilities (Rengkung, 2018).

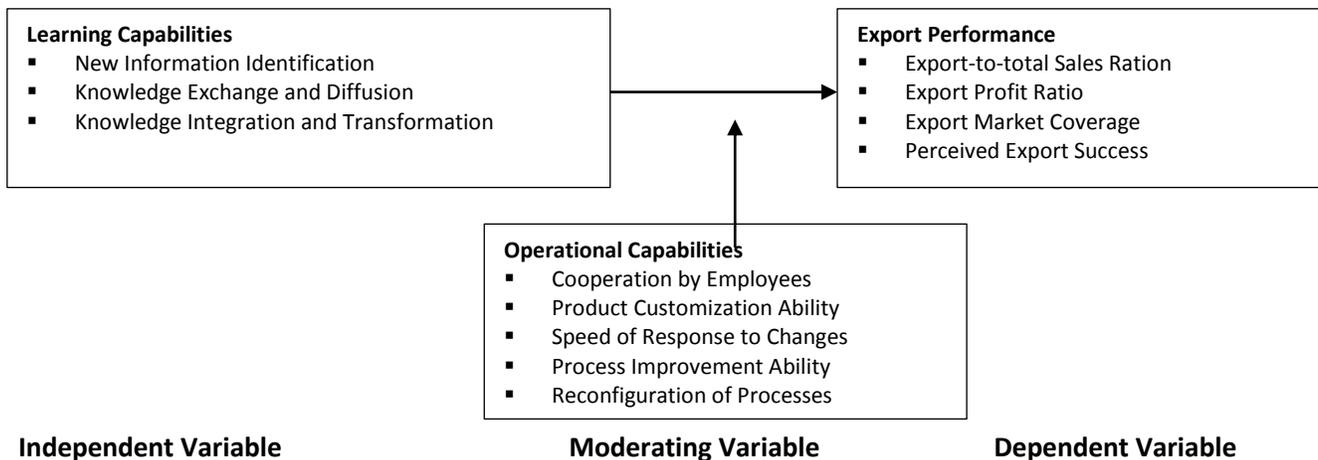


Figure 1: Conceptual Framework

Empirical Review

The analysis of organizational learning has become an increasingly important study area over recent years. It is one of the reasons for growing importance of learning in organizational concepts is fast changing environments, the need for innovation and human resource in the organization. An empirical study by Alegre *et al.* (2011) supported the perspective that a firm's export intensity depends on its product innovation performance, by also taking into account that the latter is affected by its learning capability and argued that these key antecedents are subject to managerial intentionality and are assumed to enhance learning-based aspects of internationalization.

A study was done by Chiva, Ghauri and Alegre (2013) on organizational learning, innovation and internationalization on Spanish firms. The study on complex systems sought to highlight and bring a better understanding on the way in which organizational learning, innovation and internationalization interact and evolve. They conducted case studies from two different Spanish clothing companies and collected data through a triangulation research for a period of two years. The results of their study indicated that organizational learning, innovation and internationalization are key elements in the dynamics of an organization. Their

study however fell short of additional elements in the dynamic capability framework and other moderating effects of variables on the relationship between learning capability and internationalization.

An empirical study was carried out by Thakur and Chaudhuri (2015) and focused on determining the barriers to becoming a learning organization faced by Indian banks. They collected data from 368 participants and analyzed it using descriptive statistics, correlation and ANOVA. Their results revealed that learning environment and employee empowerment were the most barriers encountered by these India banks. Their study concluded that the dimension 'learning environment' which consists of help, experimentation, openness and time for reflection and employee empowerment needed to be attended to by the banks as soon as possible if they want to become learning organizations.

Abiodun (2016) studied the impact of strategic learning orientation, entrepreneurial orientation and reconfiguring capabilities on export performance of sme's in Nigeria. He collected data from a sample of 230 SME's in Nigeria. From his study results, he concluded that the managerial implication of learning orientation impact on export performance implies that export growth is optimal at very high levels of response to export information which is promoted by

commitment to learning, open-mindedness, shared vision, acquisition and distribution of export information and management of mental model. He argued that learning orientation -export performance implication represents area of building a cumulative body of relevant knowledge about entrepreneurship and stresses the fact that exporting SMEs are likely to benefit from pursuing learning orientation. Also the importance of openness and interacting with the environment in organizational learning was identified as one of the important parameters in the organizational learning capability.

A study conducted by Adeola and Assadinia (2018) on the effect of export market-oriented culture on export performance in Sub-Saharan African economies, aimed at examining how export learning capability and export environmental turbulence serve as mechanisms and boundary conditions to link export market oriented culture to export performance. The researchers undertook a quantitative approach to analyze longitudinal data of 249 small and medium sized exporting firms in Nigeria. They found that export market oriented culture positively influences export performance and also export learning capability mediates the relationship between export market oriented culture and export performance. Their study however did not consider other internal organizational moderators that influence the relationship between export learning capability and export performance.

METHODOLOGY

The researcher used a mixed methods approach in hypothesis testing that allowed for collection, testing and analysis of data to accurately indicate the relationships that exist between dynamic capability variables, operational capabilities and export performance in this study. The researcher conducted a triangulation research design in which both quantitative and qualitative data was collected and analyzed. A Descriptive research design was used to

collect quantitative data in order to address the longitudinal changes occurring at the firm level within a historical context of the firm and how they relate with its present export performance.

The Kenya Association of Manufacturers had clustered nine regions in Kenya which were: Athi-River, Coast, Eldoret, Nairobi and surrounding area, Naivasha, Nakuru, Nyanza/Western, Nyeri and Thika and surrounding area. There were 31 companies registered by Kenya Association of Manufacturers under manufacturing and exporting industries under the Thika and surrounding area (KAM, 2014), out of these 26 registered manufacturing exporting companies were identified for this study based on their active export activity. In order to bring homogeneity and increase data validity to this research, Kiambu County in Kenya was selected due to the concentration of manufacturing industries. To ensure reliable data was obtained, the researcher targeted the management team in each firm to include; the firm manager, two heads of department and two supervisors in charge Finance and Sales & Marketing departments. This brought the total population to comprise of 130 individuals. The sampling frame that was used in the study comprised of manufacturing firms contained within Thika and surrounding area and classified under the manufacturers and exporters in the KAM's 2014 directory.

The study used Yamane (1967) simplified formula to calculate sample size of 90 from the population of 130 individuals. From the already identified exporting companies in Kiambu County, both purposive and stratified random sampling was carried out in order to select a representative sample for this study. CEO's / Managers and Heads of Departments were purposively selected from each firm while the supervisors were selected using a stratified random sampling technique.

A survey questionnaire was used as the primary data collection tool. This allowed collection of both quantitative and qualitative data. The study also made use of secondary data that was obtained through collecting historical data collected from both internal and external sources of the target firms. Secondary data at the firm level included those found in organizational annual reports and other internal documents, books, journals, websites and databases.

The data was analyzed using both descriptive and inferential statistics. Correlation analysis was used to test the strength of the relationships between variables. Analysis of Variance (ANOVA) was used to test whether the independent variables have a combined effect on the dependent variable, while multiple linear regression analysis was used to express the hypothesized relationships between independent variables and dependent variables each tested separately.

FINDINGS AND DISCUSSION

The study used a five point Likert scale to collect data on the respondent's level of agreement with the various statements used to establish the relationship between dynamic capabilities and export performance of manufacturing firms in Kenya. Percentages, measures of central tendency (mean) and measures of spread (standard deviation) were used to present the study findings. The study analyzed descriptive statistics for the following observed statistics; learning capabilities and operational capabilities on export performance. The study aimed at finding out the relationship between learning capabilities and export performance of manufacturing firms in Kenya. Respondents were probed on the various indicators of learning capability and export performance and responses categorized in a five-point Likert scale ranging from Strongly Agree, Agree, Neutral, Disagree and Strongly Disagree. The results were as presented in table 1 below.

Table 1: Measurement of Learning Capabilities

Construct	%					Mean	SD
	SA	A	N	D	SD		
Management encourages employees to identify valuable routines in their work areas	1.4	45.8	29.2	23.6	0.0	3.3	0.8
Firm's management looks favorably on carrying out changes in any area to adapt to and/or keep ahead of new market situations	20.8	41.7	27.8	9.7	0.0	3.7	0.9
Provision of adequate tools and resources to analyze market trends	18.1	27.8	33.3	16.7	4.2	3.4	1.1
Rewarding innovative ideas that work	30.6	33.3	25.0	6.9	4.2	3.8	1.1
Encourages employees to improve the work process by experimentation and innovation	26.4	23.6	34.7	13.9	1.4	3.6	1.1
New ideas suggested by personnel are not taken seriously by management.	15.3	38.9	31.9	9.7	4.2	3.5	1.0
Management often get the chance to talk to other personnel about successful plans in order to find out the reason of success	0.0	55.6	27.8	16.7	0.0	3.4	0.8
Encouragement for personnel to solve the problems cooperatively, before discussing them with managers	13.9	61.1	20.8	4.2	0.0	3.8	0.7
Failures are discussed in our organization in a productive way	27.8	44.4	23.6	2.8	1.4	3.9	0.9
System exists for learning from successful functionality of other organizations	4.2	15.3	58.3	19.4	2.8	3.0	0.8
Sharing of new work processes that can be efficient in the	23.6	52.8	20.8	2.8	0.0	4.0	0.8

organization							
Formation of unofficial groups to solve the problems of the organization	41.7	45.8	9.7	2.8	0.0	4.3	0.8
Employees usually attend seminars to learn new customer or market trends	5.6	48.6	15.3	15.3	15.3	3.1	1.2
Following on what competitors are doing and adopting useful practices and techniques	6.9	55.6	29.2	6.9	1.4	3.6	0.8

n= 72, SA= Strongly agree, A=Agree, N=Neutral, D=Disagree, SD=Strongly disagree,SD=Standard deviation.

From the results in table 1, 62.5% of the respondents agreed that their firms looked favorably on carrying out changes in any area to adapt and keep ahead of market situations. On management, 47.2% agreed that management engaged employees to identify valuable routines in their work areas, 45.9% agreed that they were provided with adequate tools and resources to analyze market trends while 63.9 % agreed that innovative ideas that work were rewarded. A further 50% agreed that they encouraged employees to improve the work process by experimentation and innovation. 55.6% of the respondents agreed that they also got a chance to talk to other personnel about successful plans and 75% agreed that they encouraged employees to solve problems cooperatively before discussing them with their managers. On learning from each other, 76.4% agreed that sharing of new work processes can improve efficiency in their organization, 87.5% also agreed that formation of unofficial groups helped to solve problems in an organization whereas 62.5% of the respondents were on agreement that following on what competitors were doing and adopting useful practices and techniques was useful to a firm. From the study, it was noted that the mean of fourteen

response statements used to measure learning capability ranged from 3.0 to 4.3. The respondents had different views as far as whether systems existed for learning from successful functionality of other organizations was concerned as some employees felt that the systems existed while others felt that the systems were not adequate depending on the organization they worked for, with a mean of 3 and a standard deviation of 0.8.

Correlation Analysis

Before proceeding to perform a regression analysis, it was important to conduct a correlation analysis of the study variables in order to explore the existing relationships among the variables of interest. Pearson Product correlation coefficient (r) was used in showing the magnitude and direction of the relationships between the study variables. The correlation coefficient (r) ranges between positive 1 through 0 and negative 1. When r is positive the regression line will have a positive slope and when negative it will have a negative slope. Tables 2 showed the results of the correlation analysis between the independent variables and export performance.

Table 2: Correlation between Learning Capability and Export Performance

		Learning Capability	Export Performance
Learning Capability	Pearson Correlation	1	.621**
	Sig. (2-tailed)		.000
	N	72	72
Export Performance	Pearson Correlation	.621**	1
	Sig. (2-tailed)	.000	
	N	72	72

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

As shown in Table 2, the results revealed that learning capabilities (X1) is positively related to export performance ($r=0.621^{**}$, $P<0.01$). Therefore, an increase in learning capabilities increase export performance of manufacturing firms.

Test of Hypotheses

Multiple regression analysis was carried out in order to examine the relationships as proposed by the research model. According to Cooper and Schindler (2003) regression analysis can be used determine the strength of the relationship between the independent and dependent variables and to determine the combined effect of all the independent variables on the dependent variable. The study tested two hypotheses which included: H_{01} : Learning capabilities are not significantly related to export performance of manufacturing firms in Kenya; Operational

capabilities do not significantly moderate the relationship between learning capabilities and export performance of manufacturing firms in Kenya

The first objective of the study was to establish the relationship between learning capabilities and export performance of manufacturing firms in Kenya. In order to achieve this objective, the following hypothesis was formulated and tested; H_{01} : *Learning capabilities are not significantly related to export performance of manufacturing firms in Kenya*. A regression analysis was conducted to establish the relationship between learning capabilities and export performance of manufacturing firms in Kenya. The regression analysis results for Learning capability and export performance were as shown in Tables 3, 4 and 5.

Table 3: Model Summary for Learning Capability

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.621 ^a	.386	.377	.26058

a. Predictors: (Constant), Learning Capability

As shown in table 3 above, the linear regression model indicated $R^2 = 0.386$, this meant that 38.6% of export performance in manufacturing industries can

be explained by learning capability. R of 0.621 indicated positive correlation between learning capabilities and export performance.

Table 4: ANOVA for Learning Capability

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.986	1	2.986	43.981	.000 ^b
	Residual	4.753	70	.068		
	Total	7.740	71			

a. Dependent Variable: Export Performance

b. Predictors: (Constant), Learning Capability

The results of Analysis of Variance (ANOVA) as depicted in table 4 above indicated regression coefficients ($F= 43.981$, P value <0.05). Since P value was less than 0.05, it implied that there exists a

significant relationship between learning capabilities and export performance of manufacturing firms in Kenya.

Table 5: Coefficients for Learning Capability

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.090	.256		4.250	.000
	Learning Capability	.469	.071	.621	6.632	.000

a. Dependent Variable: Export Performance

The results in table 5 implied that for every 1-unit increase in learning capabilities, export performance of manufacturing firms in Kenya is predicted to increase by 0.469. The second objective of the study was to establish the moderating effect of operational capabilities on the relationship between learning capabilities and export performance of manufacturing firms in Kenya. In order to achieve this objective, the following hypothesis was formulated and tested; *H05*:

Operational capabilities do not significantly moderate the relationship between learning capabilities and export performance of manufacturing firms in Kenya. In order to test the hypothesis a moderated multiple regression analysis was used to estimate and test the moderating effect of operational capability on the relationship between learning capability and export performance of manufacturing firms. The results were as depicted in Table 6 model summary.

Table 6: Model Summary for Operational Capability, Learning Capability and Export Performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
						F Change	df 1	df2	
1	.621 ^a	.386	.377	.26058	.386	43.981	1	70	.000
2	.655 ^b	.429	.413	.25301	.043	5.251	1	69	.025

a. Predictors: (Constant), Operational Capability, Learning Capability

Table 7: ANOVA for Operational Capability, Learning Capability and Export Performance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.986	1	2.986	43.981	.000 ^b
	Residual	4.753	70	.068		
	Total	7.740	71			
2	Regression	3.369	2	1.684	26.588	.000 ^c
	Residual	4.371	69	.063		
	Total	7.740	71			

a. Dependent Variable: Export Performance

b. Predictors: (Constant), Learning Capability

c. Predictors: (Constant), Learning Capability, X1Z (learning capability*operational capability)

Table 8: Coefficients for Operational Capability, Learning Capability and Export Performance

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.090	.256		4.250	.000
	Learning Capability	.469	.071	.621	6.632	.000
2	(Constant)	1.384	.275		5.031	.000
	Learning Capability	.196	.130	.260	1.505	.137
	X1Z	.053	.022	.424	2.456	.017

a. Dependent Variable: Export Performance, X1Z: learning capability*operational capability

From the results R-square changed from 38.6% to 42.9% after addition of the interaction term, indicating that operational capability enhances the relationship between learning capability and export performance of manufacturing firms. The results also indicated that the moderation is significant since p in model 2 was greater than 0.05. Thus it was concluded that operational capability has significant moderation effect on the relationship between learning capability and export performance of manufacturing firms in Kenya.

DISCUSSION

The results of this study found that exporting firms in Kenya adopt learning capabilities. The results obtained from the correlation model showed a strong positive correlation between learning capabilities and export performance of manufacturing firms in Kenya (Pearson correlation value = 0.621, significant value = 0.000). The study prediction results obtained from the regression model between learning capabilities and export performance of manufacturing firms in Kenya also indicated $R^2 = 0.386$, this meant that 38.6% of export performance in manufacturing industries in Kenya can be explained by a unit change of learning capability. Results also indicated that operational capabilities moderate the relationship between learning capability and export performance.

From the study, it was evident that manufacturing firms in Kenya had put mechanisms in place for the development of learning capability. Most manufacturing firms encouraged employee learning through supporting new idea development, providing opportunities in decision making, rewarding innovative ideas, conducting staff trainings and supporting risk taking and problem solving.

However, export markets are dynamic in nature and for firms to be able to keep up with the ever changing environment, firms have to ensure that they are open and interact with external environment too, so that they are able to improve existing products and

services. The analysis shows that Kenyan manufacturing firms are able to follow on what competitors are doing and adopting useful practices and techniques. However, from the responses, Kenyan firms require to put more emphasis on providing adequate resources to analyze market trends and put systems that will allow learning and modeling from successful functionality of other organizations.

CONCLUSION

The findings of this study led to the conclusion that there is a positive relationship between learning capability and export performance of manufacturing firms in Kenya. The study findings indicated that export manufacturing firms in Kenya are able identify new information by carrying out changes in work areas to adapt and keep ahead of market situations, through conducting market studies and trade fairs. Apart from this, the firm's management should also engage employees to identify valuable routines in their work areas and ensure provision of adequate tools and resources to analyze market trends. The study also noted that the manufacturing firms encourage knowledge exchange and diffusion among employees by allowing employees to solve problems cooperatively as well as giving them a chance to talk to each other about successful plans. The firms should also encourage employees to improve the work process by experimentation and innovation in order to benefit more from learning capabilities. On knowledge integration and transformation, the firms put a lot of emphasis on sharing of new work processes to improve efficiency, solving problems effectively and following on what competitors are doing so as to adopt useful practices and techniques.

Manufacturing firms that are either exporting or aim to export their products should improve their learning capabilities as well as operational capabilities. This involves providing opportunities where employees can enhance their skills and

knowledge through trainings and seminars, encouraging innovation through work experimentation, being open minded to new ideas as well as having a culture of knowledge sharing among the firm employees or units. Manufacturing firms should also encourage operational capabilities through ensuring that organizational activities run efficiently and flexibly, without wasting resources, through adoption of unique skills, processes and routines that aim at: improving existing processes; developing unique products that meet customers' needs; creating healthy and stable relationships with people of different internal functional areas; reacting quickly and easily to changes in input or output requirements; ability to make necessary changes to restore its processes and routines to match the market environment.

The study thus recommended that for manufacturing firms in Kenya to increase their export performance, they should create an atmosphere for the development and enhancement of organizational learning capabilities. This would encourage employees to advance their skills and abilities, allow for new idea generation, innovation and knowledge sharing among employees. The study recommends that management should be able to identify new export market information in order to keep ahead of market situations, through conducting market research, trade fairs and investments in tools and resources to analyze market trends. Apart from this, the firm's management should also engage employees to identify valuable routines in their work areas and allow participation in seminars and trainings so as to improve in their work areas.

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