ORGANIZATIONAL LEARNING CAPABILITY AND PERFORMANCE OF DEPOSIT-TAKING MICROFINANCE INSTITUTIONS IN KENYA

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ABSTRACT

This study examined the influence of organizational learning capabilities on performance of deposit-taking microfinance institutions in Kenya. The theoretical framework was anchored on the resource-based view theory, dynamic capability theory, organizational learning theory, knowledge-based view theory and social learning theory. The study employed the positivist research philosophy and the quantitative non-experimental research methodology. The study utilized the correlational research design to test noncausal relationship between the study variables without the researcher controlling any of them. The target population consisted of 214 managers comprising of 107 branch managers and 107 operations managers of deposit-taking microfinance institutions in Kenya. A self-administered structured survey questionnaire was used to collect primary data. A cross-sectional survey-based approach was used. The collected data was coded, edited, and entered into the Statistical Package for Social Sciences (SPSS) version 26 to create a data sheet that was used for statistical analysis. Descriptive statistics and inferential statistics were used for data analysis. The Pearson's product moment correlation analysis was performed to confirm or deny the relationship between the study variables. The correlation results indicated that individual level learning capability, group level learning capability, organizational level learning capability and inter-organizational level learning capability had positive and significant relationship with performance of deposit-taking microfinance institutions in Kenya. The multiple regression results indicated that individual level learning capability, group level learning capability, organizational level learning capability and inter-organizational level learning capability had positive and significant influence on performance of deposit-taking microfinance institutions in Kenya. The policymakers should initiate policy review to encourage project managers to implement the organizational learning capabilities to foster the performance of deposit-taking microfinance institutions. Future researchers should examine the moderating influence of environmental turbulence on the relationship between organizational learning capabilities and firm performance in other regions or sectors.

Key Words: *Learning Capability, Individual Level, Group Learning, Organizational, Inter-Organizational Level*

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INTRODUCTION

Microfinance institutions (MFIs) have been successful in providing financial services to low-income households and small businesses in developing countries. The MFIs have become a critical tool for promoting financial inclusion and supporting economic development in developing countries (Abebe & Kegne, 2023a). The MFIs have helped to increase access to credit, savings and insurance, which has enabled households to invest in education, health and other productive activities (Wakibi *et al.*, 2024). However, while the MFIs play a great role to the underserved clients, MFIs often operate in complex and challenging environments, characterized by economic, social and political uncertainties (Abebe & Kegne, 2023b). In the current era, for developing countries, empowerment as a mechanism for poverty alleviation, is becoming a challenge (Ul Haq, 2021). Although microfinancing has been targeted as a tool to address poverty through the provision of credit to the poor and marginalized economic functions, the main objective upon which these institutions are founded is yet to manifest primarily in developing economies (Chikwira, Vengesai, & Mandude, 2022). While the dynamism of the microfinance sector has benefited microfinance banks, resulting in significant transformation in the number of users served as well as the diversity of products and services offered, numerous microfinance banks have ended up with a liquidity ratio that is much lower than the required limit (Kiio, 2023).

In the Saudi Arabian context, Parveen and Javaid (2024) examined the influence of organizational learning and organizational innovation on firm performance, encompassing both financial and non-financial aspects. The results indicated that organization learning significantly enhances both financial performance and non-financial performance. The findings indicated that organizational innovation positively influences firm performance. The results showed that the combined impact of organizational learning and innovation strongly influences overall firm performance.

In the Spanish context, Sanzo, Santos, García and Trespalacios (2012) examined the moderating influence of interpersonal trust on the relationship between organizational learning and performance of SMEs. The findings indicated that organization learning had a positive and significant relationship with firm performance. The results indicated that organization learning had a positive and significant influence on firm performance. The results indicated that interpersonal trust had significant moderating influence on the relationship between organizational learning and performance of SMEs.

In Egypt, Abo El-ata (2023) studied the effects of OL, in the context of organizational, group, individual, feed forward, and feedback, on the dynamic capability dimensions of Egyptian public sector pharmaceutical firms, focusing on ability to seize opportunities, sense threats and opportunities, risk management, and reconfiguration using statistical methods. The study found that OL has a strong, positive, and significant impact on the organizational dimensions of risk management, sensing threats, and reconfiguration.

Maclean *et al.* (2023) sought to understand how OL impacts performance in a lower-middle income country (Ghana) through an empirical survey and established that performance of firms was significantly boosted by organizational learning dimensions; nonetheless, this association is strongly mediated by the firms' competitive strategies. Knowledge management capabilities has a strong and positive influence on the performance of water utility firms in Botswana in the context of employe attraction and retention, customer service, according to a study by Mzwinila *et al.* (2022). Bai and Fallah, (2020), examining the relationship between OLC culture and firm performance in Tunisia's Ministry of sports and youth sports using empirical data, established that OLC significantly impacted the overall performance of the ministry. Dewah *et al.* (2020), analyzed how knowledge loss could affect public broadcasting corporations'

performance of Botswana, South Africa, and Zimbabwe, through an empirical study and found that the firms performed below expectation because they lost vital knowledge to their competitors via loss of employees, and did not take steps to enhance acquisition of knowledge by their respective staff.

In a study of SMEs in Meru County of Kenya focusing on knowledge acquisition and how this affects firm performance, Gatuyu and Kinyua (2020), found that to a moderate degree, SMEs in Meru County adopted knowledge acquisition techniques and practices. The performance of SMEs in Meru County was significantly improved by the knowledge acquisition methodologies. A correlation coefficient of 0.781 indicates a substantial association between the studied variables, which is consistent with the study findings (Gatuyu & Kinyua, 2020). According to the study's findings, SMEs have improved their ability to acquire knowledge by utilizing consultations, current technology, mentorship programs, and capacity building. In Kenya, Mwangi, Thuku, and Kangethe (2021) investigated the availability of formal knowledge management activities in the software business. These included creation of virtual communities, expert localization, establishment of knowledge taxonomies, knowledge transfer, knowledge sharing, knowledge incubation, mentorship, collaborative software development, creation of entrepreneurship initiatives, as well as providing a building block towards knowledge economies. They discovered no official study or open initiative for knowledge management in software development in the region and proposed a hybrid approach for use in knowledge management initiatives, concentrating on software development. Choge et al. (2018) looked into how organizational competences affected the banking industry's organizational competitive advantage in Kenya, focusing on 25 banks in Eldoret town, Uasin - Gishu County. According to the analysis, there was a 62.0% chance that organizational abilities would be predictive of competitive advantage. The

organization competencies displayed significant and favorable B values of .565 (Choge et al., 2018); additionally, there was a strong and positive association between it and competitive advantage (.787). In a study of how knowledge management strategies impact the performance of banks in Kenya, Njenga (2022) found that commercial banks with a combination of strategies, including strategic human resource management practices, tend to perform better. External-oriented knowledge management (KM) strategy was the highest predictor of performance, followed by explicit-oriented KM, tacit-oriented KM, and internal-oriented KM.

Statement of the Problem

The MFIs have become a critical tool for promoting financial inclusion and supporting economic development in developing countries (Abebe & Kegne, 2023a). The MFIs have helped to increase access to credit, savings and insurance, which has enabled households to invest in education, health and other productive activities (Wakibi *et al.*, 2024). However, while the MFIs play a great role to the underserved clients, MFIs often operate in complex and challenging environments, characterized by economic, social and political uncertainties (Abebe & Kegne, 2023b). Although microfinancing has been targeted as a tool to address poverty through the provision of credit to the poor and marginalized economic functions, the main objective upon which these institutions are founded is yet to manifest primarily in developing economies (Chikwira, Vengesai, & Mandude, 2022). While the dynamism of the microfinance sector has benefited microfinance banks, resulting in significant transformation in the number of users served as well as the diversity of products and services offered, numerous microfinance banks have ended up with a liquidity ratio that is much lower than the required limit (Kiio, 2023).

Despite playing a critical role in enhancing and ensuring financial inclusion, a majority of the deposit-taking MFIs are facing financial headwinds, with reports indicating that many are struggling,

raising economic concerns (Okafor, 2023). In Kenya, only 4 of the 13 the deposit-taking MFIs reported profits in 2022, with the deposit-taking MFIs' losses rising to Ksh980 million ($6.57 million) from Ksh722 million ($4.84 million). Each of the four MFBs reported earnings of Ksh17 million ($114,090), Ksh36 million ($241,610), and Ksh131 million ($879,190) (Okafor, 2023). In Kenya, the microfinance banks have experienced rising net losses for the 2022/2023 financial year, with net losses rising 77% to KES 13 billion, due to low revenues/ income (Otieno, 2023). The trend clearly suggests that the microfinance banks are facing distress in their performance (CBK, 2023). In an environment with a huge demand for financial services at the low level, the microfinance banks in Kenya should be thriving. However, literature and reports show this is not the case, and factors such as organizational learning and knowledge management could be the cause.

Suboptimal efficiency plagues 15% of MFIs (Yow, 2021). These issues threaten MFI sustainability and their ability to serve low-income communities. A 2022 Microfinance Institutions Performance report highlights the challenge: ineffective learning capabilities hinder adaptation to a changing environment (Sharif, 2020). This limits MFIs' ability to identify market trends and customer needs, impacting their product competitiveness and overall performance. This underscores the need for a strategic focus on fostering a culture of learning and experimentation within MFIs to improve adaptation and performance.

Research Objectives

The general objective of this study was to examine the influence of organizational learning capabilities on performance of deposit-taking microfinance institutions in Kenya. The specific objectives were:

- To determine the influence of individual level learning capability on performance of microfinance institutions in Kenya.
- To assess the influence of group level learning capability on performance of

deposit-taking microfinance institutions in Kenya.
- To examine the influence of organizational level learning capability on performance of deposit-taking microfinance institutions in Kenya.
- To establish the influence of inter-organizational level learning capability on performance of deposit-taking microfinance institutions in Kenya.

Research Hypotheses

In this study, four hypotheses were tested.

- H01: Individual level learning capability has no significant influence on performance of deposit-taking microfinance institutions in Kenya.
- H02: Group level learning capability has no significant influence on performance of deposit-taking microfinance institutions in Kenya.
- H03: Organizational level learning capability has no significant influence on performance of deposit-taking microfinance institutions in Kenya.
- H04: Inter-organizational level learning capability has no significant influence on performance of deposit-taking microfinance institutions in Kenya.

LITERATURE REVIEW

Theoretical Framework

Resource Based View Theory

The resource-based view (RBV) theory (Barney, 1991; Penrose, 1959; Wernerfelt, 1984) emerged in the 1980s, when a number of strategic-management scholars began theorizing that a firm earns rents from leveraging its unique resources (Teece, 2023a). The RBV theory (Barney, 1986; Barney, Ketchen Jr, & Wright, 2011) proposes that the valuable, rare, inimitable and non-substitutable (VIRN) resources give a firm the ability to be more competitive (Chatterjee, Chaudhuri, Vrontis, & Thrassou, 2023). The RBV theory provides the

underpinning theoretical framework to examine the influence of organizational learning capabilities on performance of deposit-taking microfinance institutions in Kenya. The RBV theory suggests that the VRIN resources are difficult to monetize directly through contracting arrangements that would allow other firms to utilize the resources in exchange for service fees (Vieira, Jaramillo, Agnihotri, & Molina, 2023).

The RBV theory holds that firms can earn sustainable super normal returns if they have superior resources, which are protected by some form of isolating mechanism preventing their diffusion through industry (Teece, 2023b). The RBV theory provides the underpinning theoretical framework to examine the influence of individual level learning capability, group level learning capability, organizational level learning capability and inter-organizational level learning capability on performance of deposit-taking microfinance institutions in Kenya. The RBV theory assumes that when individuals learn and acquire new knowledge and skills, they can develop unique capabilities that are difficult for competitors to imitate and the capabilities can then be leveraged by firms to create a competitive advantage (Chatterjee *et al.*, 2023). The RBV theory assumes that the VIRN framework is used to help companies identify certain resources and capabilities that can provide them with a sustained competitive advantage (Alvarez, Newman, Barney, & Plomaritis, 2023).

In recent years, the RBV theory has been criticized for its inability to explain how resources are developed and duplicated and failure to consider the impact of dynamic market environments (Teece, Pisano & Shuen, 2021). The RBV theory has been criticized for being a static theory that has failed to develop into a competitive advantage especially in dynamic environment fostered by rapid technological change (Priem & Butler, 2021). In response to criticisms labelled against the RBV theory, the dynamic capability theory emerged (Teece, 2023a).

Dynamic Capability Theory

The dynamic capability (DC) theory (Eisenhardt & Martin, 2000; Teece, Pisano, & Shuen, 1990) emerged in response to criticisms labelled against the RBV theory (Teece, 2023a). The DC theory addresses the particular shortcomings of the RBV theory as a means for firms to evolve in changing environments and maintain a competitive edge (Hällerstrand, Reim, & Malmström, 2023). The DC theory is, therefore, considered an extension for RBV theory to deal with the changes occurred in the environment due to digital technologies (Teece, 2023). The DC theory is concerned with how firms can sustain and enhance their competitive advantage, notably when facing changing environments (Solem, Fredriksen, & Sørebø, 2023).

The DC theory suggests that firms require complementary capabilities to be able to deploy available resources to match market conditions to drive firm performance (Teece *et al.*, 2021). The RBV theory provides a relevant theoretical framework to examine the influence of individual level learning capability, group level learning capability, organizational level learning capability and inter-organizational level learning capability on performance of deposit-taking microfinance institutions in Kenya. The DC theory assumes that when individuals learn and acquire new knowledge and skills, they can develop unique capabilities that are difficult for competitors to imitate and the capabilities can then be leveraged by firms to create a competitive advantage (Chatterjee *et al.*, 2023).

Organizational Learning Theory

The organizational learning (OL) theory (Elkjaer, 2004; Argyris, 2015; Argyris & Schön, 1996; Argyris & Schön, 1997; Argyris & Schön, 1978) dates back to the late 1970s, a period when researchers focused on the concept of organizational learning from a psychological viewpoint (Ramage, 2021). The OL theory was developed by Chris Agris and Donald Schon in the 70s. The OL theory is based on the idea that people learn from their mistakes (Walker & Buch, 2024). The OL theory suggests that successful organizations have the capacity to learn sooner,

better and more quickly than their rivals and employ this learning in their working process (Yang, Thoo, Ab Talib, & Huam, 2024). The OL theory provides a relevant theoretical framework to examine the influence of organizational learning capabilities on performance of deposit-taking microfinance institutions in Kenya. The OL theory advocates that organizations can improve performance and adaptability by continuously learning from their experiences (Al-Omoush, Garcia-Monleon, & Iglesias, 2024).

The OL theory suggests that organizational learning involves individual level learning, group level learning, organizational level learning and inter-organizational level learning (Anand & Brix, 2022). The OL theory advocates that individual level learning involves a single employee learning new information, ideas and skills, while group level learning involves working as a group to solve a problem or understand an idea for organizational success (Geraldo Schwengber, 2024). The OL theory proposes that both organizational level learning and inter-organizational level learning are essential for organizations to improve their performance and remain competitive (Piria, Gorli, & Scaratti, 2023). The OL theory provides a relevant theoretical framework to examine the influence of individual level learning capability, group level learning capability, organizational level learning capability and inter-organizational level learning capability on performance of deposit-taking microfinance institutions in Kenya. The OL theory focuses on how organizations acquire and apply knowledge to improve their performance (Al-Omoush *et al.*, 2024).

Knowledge Based View Theory

The Knowledge-Based View (KBV) is a theoretical framework that emerged from the Resource-Based View (RBV) of the firm, and it posits that knowledge, as an intangible resource, is a critical source of sustained competitive advantage. The KBV theory asserts that knowledge can be considered as the most critical organizational resource, and it should be appropriately managed to gain and sustain a competitive edge in the market. This literature review will critically examine the conceptualization and empirical applications of the KBV theory, exploring its theoretical foundations, key assumptions, and empirical evidence in both academic and business contexts.

The KBV theory highlights the importance of inter-organizational level learning as a means of acquiring new knowledge and enhancing competitive advantage. The theory posits that knowledge can be a critical source of competitive advantage, and firms can gain access to new knowledge and capabilities through collaborations and alliances with other organizations. For instance, a firm can collaborate with another firm to develop new products, services, or technologies, leveraging each other's knowledge and expertise to achieve better outcomes. Furthermore, the KBV theory emphasizes the importance of knowledge integration and leveraging as critical components of inter-organizational level learning. Knowledge integration involves the ability to combine and synthesize different types of knowledge to create new knowledge and capabilities, while knowledge leveraging involves the ability to exploit existing knowledge to enhance organizational performance. By integrating and leveraging knowledge effectively, organizations can enhance their competitive advantage and achieve better outcomes.
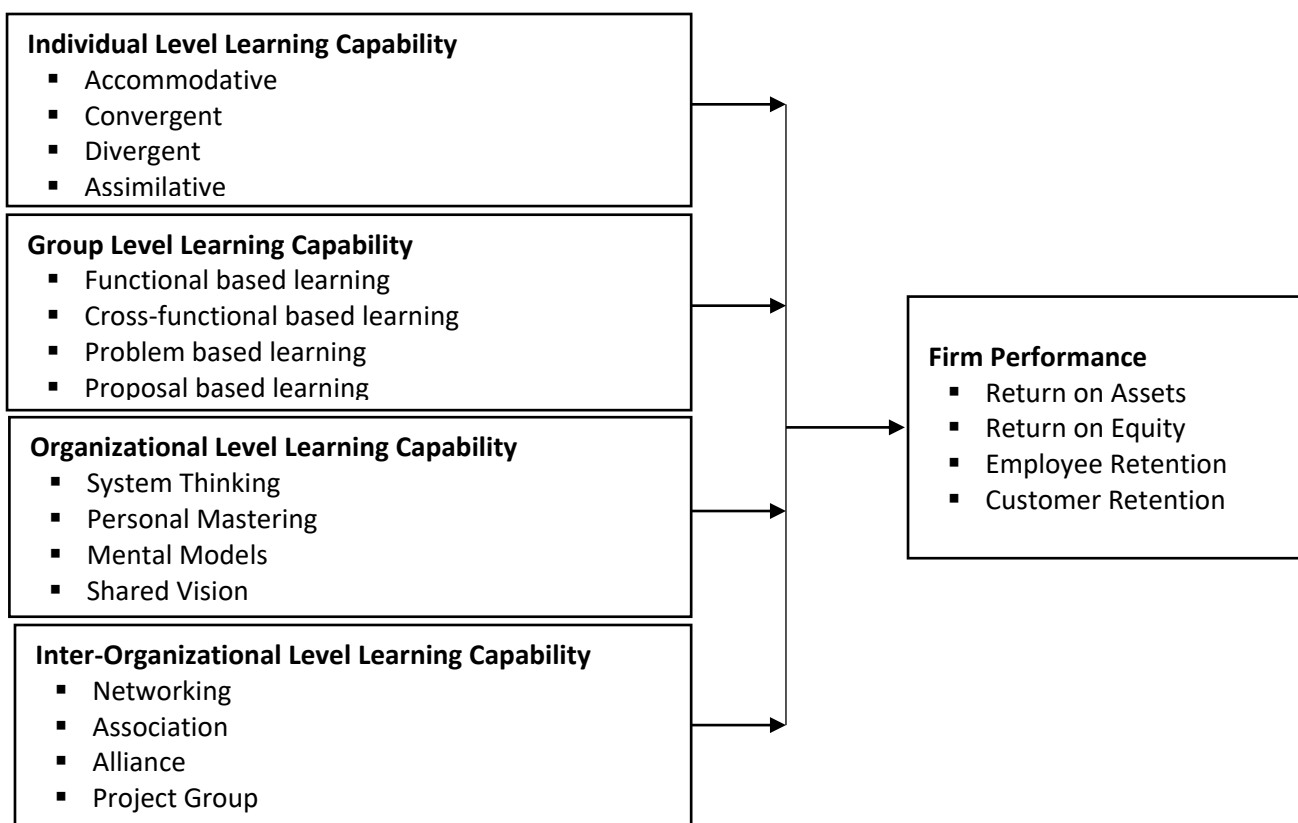
Social Learning Theory

The Social Learning Theory, developed by Albert Bandura, can be applied to understand the relationship between organizational learning and organizational performance. According to the Social Learning Theory, individuals learn through observation, imitation, and modelling of others' behaviours. Applied to organizations, this theory suggests that employees can learn from their peers, managers, and other organizational members, which can influence organizational learning processes and subsequent performance. In the context of organizational learning, the Social Learning Theory highlights the role of social interactions and observational learning in shaping

individuals' knowledge acquisition and behaviour within the organization. Employees can observe and imitate the behaviours of their colleagues, leaders, and role models, thus learning new skills, approaches, and strategies. This observational learning can occur through various channels, such as formal training sessions, on-the-job experiences, mentoring relationships, or even informal interactions.

Social learning facilitates the transfer of knowledge and expertise from experienced employees to novices or new team members. Through observation and imitation, individuals can acquire valuable knowledge, skills, and best practices from their peers, which can enhance their performance and contribute to overall organizational learning. Employees often look up to respected and successful colleagues as role models. Observing the behaviours and outcomes of these individuals can influence others to adopt similar practices, resulting in improved performance across the organization. The Social Learning Theory emphasizes the importance of collaborative learning. When individuals engage in collaborative tasks, share ideas, and observe each other's approaches, they can learn from one another and collectively enhance their performance. By leveraging the principles of the Social Learning Theory, organizations can create a supportive learning environment, encourage knowledge sharing, promote collaboration, and provide opportunities for employees to observe and learn from each other. This, in turn, can enhance organizational learning processes and contribute to improved individual and overall organizational performance.

Conceptual Framework

Individual Level Learning Capability
- Accommodative
- Convergent
- Divergent
- Assimilative

Group Level Learning Capability
- Functional based learning
- Cross-functional based learning
- Problem based learning
- Proposal based learning

Organizational Level Learning Capability
- System Thinking
- Personal Mastering
- Mental Models
- Shared Vision

Inter-Organizational Level Learning Capability
- Networking
- Association
- Alliance
- Project Group

Firm Performance
- Return on Assets
- Return on Equity
- Employee Retention
- Customer Retention

Independent Variables   Dependent Variable

Figure 1: Conceptual Framework

Empirical Review

Smith and Johnson (2021) conducted a comprehensive investigation on The Impact of Organizational Learning Capabilities on Microfinance Institutions in Spain and Germany. This global study focused on the financial inclusion dynamics within microfinance institutions across Europe, specifically examining Spain and Germany.

Employing a mixed-methods approach, the researchers conducted quantitative data analysis of financial reports and qualitative interviews with key stakeholders. The study uncovered a positive correlation between robust organizational learning capabilities and improved financial performance in both Spanish and German microfinance institutions.

Garcia and Fernandez (2020) did a study on the Adaptive Learning Strategies in Microfinance: A Longitudinal Study of UK and Italian Institutions. This research focused on the United Kingdom and Italy, contributing valuable insights to the global understanding of the relationship between organizational learning capabilities and microfinance institution performance. Through a longitudinal design, the study tracked changes in organizational learning practices and financial indicators over three years, revealing a significant positive impact on financial sustainability and outreach in both the UK and Italy.

Adeyemi and Nwankwo (2019) conducted a study on The Role of Organizational Learning in Nigerian Microfinance Institutions. Concentrating on the Nigerian microfinance sector, the researchers employed a case study methodology. Through interviews, observations, and document analysis, they explored organizational learning processes. The findings indicated that microfinance institutions with robust organizational learning mechanisms exhibited greater adaptability to dynamic market conditions in Nigeria, leading to improved financial performance and increased outreach to underserved communities.

Omondi and Mwangi (2022) did a study on The Impact of Organizational Learning on Kenyan Microfinance Institutions. Using a mixed-methods approach involving surveys and financial data analysis, the study found that Kenyan microfinance institutions emphasizing organizational learning experienced higher levels of innovation, resulting in increased client satisfaction and financial sustainability.

Wambua and Kimani (2021) did a study on the effects of Organizational Learning in Kenyan Microfinance institutions. Focusing on a specific microfinance institution in Kenya, the researchers employed a qualitative approach, including in-depth interviews and document analysis. The study highlighted the critical role of organizational learning in cultivating a culture of continuous improvement, ultimately enhancing financial sustainability and community impact.

Otieno and Kariuki (2020) conducted a study on Adaptive Learning Strategies in Microfinance in Kenya. Using a quantitative research design involving surveys and financial data analysis, the study revealed a positive correlation between strong organizational learning capabilities and improved financial indicators in the Kenyan microfinance context, emphasizing the importance of adaptive learning strategies in navigating local economic challenges and opportunities.

Husein et al (2021), sought to investigate the association between learning organization culture and organizational performance in Public Institutions of Higher Education in Malaysia. 40 Public institutions of higher education were used as a sample size. Questionnaires were used to collect the data. Descriptive research design and quantitative method was employed in analysis. Correlational analyses were used to determine the existence of the relationship between continuous learning and organization performance. The findings showed that continuous learning was highly associated with organizational performance.

Amulyoto (2021) conducted a study on organizational learning practices and their impact on performance among donor agencies in Nairobi,

while Khakina (2020) established the determinants of success in NGOs. They both concluded that organizational learning was a major tribute to the success of non-governmental organizations and they are increasingly embracing the concept of organizational learning, however, they could not conclusively assume the same impact in competitive firms.

Njuguna (2020) conducted a study on how organizational learning influences Small and Medium Enterprises performance in Nairobi, Kenya and concluded that organizational learning has a positive influence on performance in SMEs but concluded that more research needed to be carried out in larger firms as efficiencies and performance may differ. Therefore, this study sought to examine the effect organizational learning on organizational performance in food manufacturing firms in Nairobi County.

METHODOLOGY

The correlational, cross-sectional survey design was employed to examine the hypothesized non-causal relationships at a single point in time. The target population consisted of 214 managers comprising of 107 branch managers and 107 operations managers of deposit-taking microfinance institutions in Kenya, as per the Central Bank of Kenya's (CBK, 2023)'s database as at 31st December, 2023. The Yamane (1967)'s formula was used to determine the sample size and verify that the sample size is sufficiently large at 95% confidence level and 5% significance. population. Therefore, the minimum recommended sample size consisted of 140 managers comprising of 70 branch managers and 70 operations managers of deposit-taking microfinance institutions in Kenya. The proportionate stratified random sampling technique was used to select a sample size. The research relied on primary data collected. Prior to the actual data collection procedures, researcher obtained permission to conduct research from the Jomo Kenyatta University of Agriculture and Technology. A cross-sectional survey-based approach was utilized to collect primary data. The

pilot study was carried out with a pilot trial sample size of 30 managers comprising of 15 branch managers and 15 operations managers of deposit-taking microfinance institutions in Kenya. In this study, the Cronbach's alpha coefficient was calculated to measure of the internal consistency reliability of the survey items of the constructed survey questionnaire. The collected data was coded, edited, and entered into the Statistical Package for Social Sciences (SPSS) version 26 to create a data sheet that was used for data analysis.

FINDINGS

Descriptive Results

Descriptive Results for Individual Level Learning Capability

On a 5-point Likert scale ranging from 1 = strongly disagree to 5 = strongly agree, the respondents were required to indicate their level of agreement or disagreement on individual level learning capability in deposit-taking microfinance institutions in Kenya. The descriptive results indicated that the respondents agreed that in their organization, people prefer to accommodate new perspectives on issues while working in teams to complete tasks as reflected by a mean score of 3.93 and standard deviation of 0.324. The descriptive results indicated that the respondents agreed that in their organization, people embrace systematic approach to problem-solving to isolate the best possible solution from a wide array of possibilities as reflected by a mean score of 3.91 and standard deviation of 0.344.

The descriptive results indicated that the respondents agreed that in their organization, people embrace creative problem solving to find solutions to unconventional problems as reflected by a mean score of 3.90 and standard deviation of 0.334. The descriptive results indicated that the respondents agreed that in their organization, people embrace assimilation of thoughts to adapt to the ever-evolving world as reflected by a mean score of 3.94 and standard deviation of 0.358. The descriptive results indicated that there was

agreement among the respondents with regards to individual level learning capability as reflected by a mean score of 3.92 and standard deviation of 0.307.

Table 1: presents the descriptive results for individual level learning capability in deposit-taking microfinance institutions in Kenya.

Table 1: Descriptive Results for Individual Level Learning Capability

Individual Level Learning Capability	n	Mean	Std. Deviation
In my organization, people prefer to accommodate new perspectives on issues while working in teams to complete tasks.	105	3.93	.324
In my organization, people embrace systematic approach to problem-solving to isolate the best possible solution from a wide array of possibilities.	105	3.91	.344
In my organization, people embrace creative problem solving to find solutions to unconventional problems.	105	3.90	.334
In my organization, people embrace assimilation of thoughts to adapt to the ever-evolving world.	105	3.94	.358
Individual Level Learning Capability (X_1)	**105**	**3.92**	**.307**

1 = Strongly Disagree; 2 = Disagree; 3 = Neither Agree nor Disagree; 4 = Agree; 5= Strongly Agree

Descriptive Results for Group Level Learning Capability

On a 5-point Likert scale ranging from 1 = strongly disagree to 5 = strongly agree, the respondents were required to indicate their level of agreement or disagreement on group level learning capability in deposit-taking microfinance institutions in Kenya. The descriptive results indicated that the respondents agreed that there is a free and open communication within their work group as reflected by a mean score of 3.94 and standard deviation of 0.351. The descriptive results indicated that the respondents agreed that cross-functional teamwork is a common practice within their work group as reflected by a mean score of 3.92 and standard deviation of 0.332.

Table 2: Descriptive Results for Group Level Learning Capability

Group Level Learning Capability	n	Mean	Std. Deviation
There is a free and open communication within my work group.	105	3.94	.351
Cross-functional teamwork is a common practice within my work group.	105	3.92	.332
People are encouraged to interact within my work group.	105	3.95	.341
People are encouraged to solve problems within my work group.	105	3.96	.342
Group Level Learning Capability (X_2)	**105**	**3.94**	**.319**

1 = Strongly Disagree; 2 = Disagree; 3 = Neither Agree nor Disagree; 4 = Agree; 5= Strongly Agree

The descriptive results indicated that the respondents agreed that people are encouraged to interact within their work group as reflected by a mean score of 3.95 and standard deviation of 0.341. The descriptive results indicated that the respondents agreed that people are encouraged to solve problems within their work group as reflected by a mean score of 3.96 and standard deviation of 0.42. The descriptive results indicated that there was agreement among the respondents with

regards to group level learning capability as reflected by a mean score of 3.94 and standard deviation of 0.319. Table 2: presents the descriptive results for group level learning capability in deposit-taking microfinance institutions in Kenya.

Descriptive Results for Organizational Level Learning Capability

On a 5-point Likert scale ranging from 1 = strongly disagree to 5 = strongly agree, the respondents were required to indicate their level of agreement or disagreement on organizational level learning capability in deposit-taking microfinance institutions in Kenya. The descriptive results indicated that the respondents agreed that in their organization, people receive support when presenting new ideas as reflected by a mean score of 3.94 and standard deviation of 0.347. The results indicated that the respondents agreed that in their

organization, people are encouraged to take risks as reflected by a mean score of 3.91 and standard deviation of 0.349.

The descriptive results indicated that the respondents agreed that people are encouraged to share information within the organization as reflected by a mean score of 3.93 and standard deviation of 0.348. The results indicated that in their organization, as reflected by a mean score of 3.95 and standard deviation of 0.345. The descriptive results indicated that there was agreement among the respondents with regards to organizational level learning capability as reflected by a mean score of 3.93 and standard deviation of 0.315. Table 3: presents the descriptive results for organizational level learning capability in deposit-taking microfinance institutions in Kenya.

Table 3: Descriptive Results for Organizational Level Learning Capability

Organizational Level Learning Capability	n	Mean	Std. Deviation
In my organization, people receive support when presenting new ideas.	105	3.94	.347
In my organization, people are encouraged to take risks.	105	3.91	.349
People are encouraged to interact within the organization.	105	3.93	.348
People are encouraged to share information within the organization.	105	3.95	.345
Organizational Level Learning Capability (X$_3$)	**105**	**3.93**	**.315**

1 = Strongly Disagree; 2 = Disagree; 3 = Neither Agree nor Disagree; 4 = Agree; 5= Strongly Agree

Descriptive Results for Inter-organizational level learning capability

On a 5-point Likert scale ranging from 1 = strongly disagree to 5 = strongly agree, the respondents were required to indicate their level of agreement or disagreement on inter-organizational level learning capability in deposit-taking microfinance institutions in Kenya. The descriptive results indicated that the respondents agreed that in their organization, people are encouraged to interact with the competitors, customers, technological, suppliers and other stakeholders as reflected by a mean score of 3.93 and standard deviation of 0.369. The descriptive results indicated that the

respondents agreed that in their organization, people are encouraged to think from a global perspective as reflected by a mean score of 3.90 and standard deviation of 0.367.

The descriptive results indicated that the respondents agreed that their organization works together with the outside community to meet mutual needs as reflected by a mean score of 3.94 and standard deviation of 0.368. The descriptive results indicated that the respondents agreed that in their organization, there are systems and procedures for receiving, collating and sharing information from outside as reflected by a mean

score of 3.91 and standard deviation of 0.366. The descriptive results indicated that there was agreement among the respondents with regards to inter-organizational level learning capability as reflected by a mean score of 3.92 and standard deviation of 0.359. Table 4: presents the descriptive results for inter-organizational level learning capability in deposit-taking microfinance institutions in Kenya.

Table 4: Descriptive Results for Inter-Organizational Level Learning Capability

Inter-Organizational Level Learning Capability	n	Mean	Std. Deviation
In my organization, people are encouraged to interact with the competitors, customers, technological, suppliers and other stakeholders.	105	3.93	.369
In my organization, people are encouraged to think from a global perspective.	105	3.90	.367
My organization works together with the outside community to meet mutual needs.	105	3.94	.368
In my organization, there are systems and procedures for receiving, collating and sharing information from outside.	105	3.91	.366
Inter-organizational level learning capability (X_4)	**105**	**3.92**	**.359**

1 = Strongly Disagree; 2 = Disagree; 3 = Neither Agree nor Disagree; 4 = Agree; 5= Strongly Agree

Descriptive Results for the Performance of Deposit-Taking Microfinance Institutions

On a 5-point Likert scale ranging from 1 = strongly disagree to 5 = strongly agree, the respondents were required to indicate their level of agreement or disagreement on the performance of deposit-taking microfinance institutions in Kenya. The descriptive results indicated that the respondents agreed that relative to the competitors, their firm's return on assets was much better as reflected by a mean score of 3.93 and standard deviation of 0.347. The descriptive results indicated that the respondents agreed that relative to the competitors, their firm's market share growth was much better as reflected by a mean score of 3.94 and standard deviation of 0.346. The descriptive results indicated that the respondents agreed that

relative to the competitors, their firm's customer retention was much better as reflected by a mean score of 3.95 and standard deviation of 0.343.

The descriptive results indicated that the respondents agreed that relative to the competitors, their firm's employee retention was much better as reflected by a mean score of 3.96 and standard deviation of 0.345. The descriptive results indicated that there was agreement among the respondents with regards to the performance of deposit-taking microfinance institutions as reflected by a mean score of 3.95 and standard deviation of 0.339. Table 5: presents the descriptive results for the performance of deposit-taking microfinance institutions in Kenya.

Table 5: Descriptive Results for Performance of Deposit-Taking Microfinance Institutions

Firm performance	n	Mean	Std. Deviation
Relative to the competitors, firm's return on assets is much better.	105	3.93	.347
Relative to the competitors, the firm's market share growth is much better.	105	3.94	.346
Relative to the competitors, firm's customer retention is much better.	105	3.95	.343
Relative to the competitors, the firm's employee retention is much better.	105	3.96	.345
Firm Performance (Y)	**105**	**3.95**	**.339**

1 = Strongly Disagree; 2 = Disagree; 3 = Neither Agree nor Disagree; 4 = Agree; 5= Strongly Agree

Autocorrelation Test Results

The Durbin Watson statistic was used as the test for autocorrelation in a regression model's output. Available literature postulates that the Durbin-Watson statistic is used to test for autocorrelation in a regression model's output (Cameron & Golenko, 2023). Autocorrelation is the assumption that the errors of prediction are independent of one another (Toledo & Shannon-Baker, 2023). From the autocorrelation test results, the value of the Durbin-Watson test statistic was 2.056, falling within the optimum range of 1.5 to 2.5, suggesting that there was no severe autocorrelation detected in the in the residual values in the datasets. Generally, when the Durbin-Watson statistic falls within the optimum range of 1.5 to 2.5, then there is no severe autocorrelation detected in the in the residual values in the datasets (Hair & Alamer, 2022). Table 6: below represents autocorrelation test results.

Table 6: Autocorrelation Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.898^a	.806	.798	.167	2.185

a. Predictors: (Constant), Inter-Organizational Level Learning Capability (X_4), Individual Level Learning Capability (X_1), Organizational Level Learning Capability (X_3), Group Level Learning Capability (X_2)

b. Dependent Variable: Firm Performance (Y)

Multicollinearity Test Results

The multicollinearity test was conducted by examining the Variable Inflation Factor (VIF) and tolerance values for all variables. Existent literature posits that the multicollinearity test can be done by examining the VIF values and the tolerance values (Saunders, 2024). From the multicollinearity test results, the tolerance values were greater than 0.1, while the VIF values were less than 10, signifying that there was no severe multicollinearity among the predicator variables. Generally, the assumption of absence multicollinearity is not violated, when the VIF values are less than 10 and the tolerance values are greater than 0.1 (Hair *et al.*, 2021).

Table 7: Multicollinearity Test Results

Variable	Collinearity Statistics		Decision
	Tolerance	VIF	
Individual level learning capability (X_1)	.737	1.356	No Multicollinearity
Group level learning capability (X_2)	.561	1.784	No Multicollinearity
Organizational level learning capability (X_3)	.649	1.541	No Multicollinearity
Inter-organizational level learning capability (X_4)	.621	1.610	No Multicollinearity

a. Dependent Variable: Firm Performance (Y)

Correlation Results

The Pearson's product moment correlation analysis was performed to confirm or deny the relationship between the study variables. The correlation results indicated that individual level learning capability had a moderately strong positive and significant relationship with performance of deposit-taking microfinance institutions ($r = 0.579$, $p \leq 0.05$) in Kenya. The correlation results showed that group level learning capability had a strong positive and significant relationship with performance of deposit-taking microfinance institutions ($r = 0.743$, $p \leq 0.05$) in Kenya. The correlation results indicated that organizational level learning capability had

strong positive and significant relationship with performance of deposit-taking microfinance institutions (r = 0.725, p ≤ 0.05) in Kenya. The correlation results showed that inter-organizational level learning capability had a strong positive and significant relationship with performance of deposit-taking microfinance institutions (r = 0.710, p ≤ 0.05) in Kenya.

Table 8: The Pearson's Correlation Results

Variable		X_1	X_2	X_3	X_4	Y
Individual Level Learning Capability (X_1)	Pearson Correlation	1				
	Sig. (2-tailed)					
	n	105				
Group Level Learning Capability (X_2)	Pearson Correlation	.489**	1			
	Sig. (2-tailed)	.000				
	n	105	105			
Organizational Level Learning Capability (X_3)	Pearson Correlation	.312**	.522**	1		
	Sig. (2-tailed)	.001	.000			
	n	105	105	105		
Inter-Organizational Level Learning Capability (X_4)	Pearson Correlation	.390**	.535**	.516**	1	
	Sig. (2-tailed)	.000	.000	.000		
	n	105	105	105	105	
Firm Performance (Y)	Pearson Correlation	.579**	.743**	.725**	.710**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	n	105	105	105	105	105

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

Regression Results

A standard multiple linear regression analysis was performed with the performance of deposit-taking microfinance institutions as the dependent variable and individual level learning capability, group level learning capability, organizational level learning capability and inter-organizational level learning capability as the predictor variables. The standard multiple linear regression analysis, α = .05 (two-tailed), was conducted to examine the extent to which, if any, of the linear combination of the predictor variables (individual level learning capability, group level learning capability, organizational level learning capability and inter-organizational level learning capability) was able to predict the performance of deposit-taking microfinance institutions in Kenya.

Model Summary

From the model summary table, the value of coefficient of correlation (R) was 0.898, the value of coefficient of determination (R^2) was 0.806, the value of the adjusted R^2 was 0.798, value of the Std. Error of the Estimate was 0.167, and the value of the Durbin-Watson statistic was 2.185. The R value of .898 suggested that there was a strong positive correlation between the organizational learning capabilities and performance of deposit-taking microfinance institutions in Kenya. The R^2 value of 0.806 suggested that the overall multiple regression model as a whole (the model involving constant, individual level learning capability, group level learning capability, organizational level learning capability and inter-organizational level learning capability) was able to significantly predict and

explain approximately 80.6% of the variance in performance of deposit-taking microfinance institutions in Kenya.

The Adjusted R Square value of 0.798 suggested that the overall multiple regression model as a whole (the model involving constant, individual level learning capability, group level learning capability, organizational level learning capability and inter-organizational level learning capability) significantly predicted and explained approximately 79.8% of the variance in performance of deposit-taking microfinance institutions in Kenya. The Std. Error of the Estimate value of 0.167 suggested that there could be other factors not included in the model that could also predict and explain the variance in the performance of deposit-taking microfinance institutions in Kenya.

From the model summary table, the Durbin-Watson test statistic had a value of 2.185, falling within the optimum range of 1.5 to 2.5, implying that there was no severe autocorrelation detected in the in the residual values in the datasets. Existent literature posits that the Durbin-Watson statistics falling within the optimum range of 1.5 to 2.5 indicate that there is no severe autocorrelation detected in the in the residual values in the datasets (Hair & Alamer, 2022). Table 9: presents the model summary results.

Table 9: Model Summary[b] Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.898[a]	.806	.798	.167	2.185

a. Predictors: (Constant), Inter-Organizational Level Learning Capability (X_4), Individual Level Learning Capability (X_1), Organizational Level Learning Capability (X_3), Group Level Learning Capability (X_2)

b. Dependent Variable: Firm Performance (Y)

ANOVA

From the ANOVA (Analysis of Variance) table results, the overall multiple regression model as a whole (the model involving constant, individual level learning capability, group level learning capability, organizational level learning capability and inter-organizational level learning capability), achieved a high degree of fit, as reflected by R = 0.898[a], R^2 = 0.806, adj. R^2 = 0.798, F (4, 100) = 103.567, p < 0.05. The null hypothesis was that the linear combination of the predictor variables (individual level learning capability, group level learning capability, organizational level learning capability and inter-organizational level learning capability) was not able to significantly predict the performance of deposit-taking microfinance institutions in Kenya. The alternative hypothesis was that the linear combination of the predictor variables (individual level learning capability, group level learning capability, organizational level learning capability and inter-organizational level learning capability) was able to significantly predict the performance of deposit-taking microfinance institutions in Kenya.

The results suggested that the model (the model involving constant, individual level learning capability, group level learning capability, organizational level learning capability and inter-organizational level learning capability) as a whole was able to significantly predict the performance of deposit-taking microfinance institutions in Kenya. Subsequently, the null hypothesis was rejected in favor of the alternative hypothesis. Therefore, the linear combination of predictor variables (individual level learning capability, group level learning capability, organizational level learning capability and inter-organizational level learning capability) was able to significantly predict performance of deposit-taking microfinance institutions in Kenya. Table 10: presents the ANOVA results.

Table 10: ANOVA^a Results

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.489	4	2.872	103.567	.000^b
	Residual	2.773	100	.028		
	Total	**14.263**	**104**			

a. Dependent Variable: Firm Performance (Y)

b. Predictors: (Constant), Inter-Organizational Level Learning Capability (X_4), Individual Level Learning Capability (X_1), Organizational Level Learning Capability (X_3), Group Level Learning Capability (X_2)

Hypotheses Test Results

In this study, four null hypotheses were tested through a quantitative method at 5% level of significance (α = 0.05; t = 1.960) and 95% confidence level to statistically help draw acceptable and realistic inferences. Therefore, the decision rule was to reject the null hypothesis H_0i if the P ≤ 0.05, and otherwise fail to reject the null hypothesis H_0i if the P > 0.05. In hypotheses testing at 5% level of significance (α = 0.05) and 95% confidence level, the decision rule is to reject the null hypothesis H_0i if the P ≤ 0.05, and otherwise fail to reject the null hypothesis H_0i if the P > 0.05 (Bell *et al.*, 2022).

Hypothesis One Test Results

The first null hypothesis ($H_0$1) predicted that that individual level learning capability has no significant influence on performance of deposit-taking microfinance institutions in Kenya. The decision rule was to reject the null hypothesis $H_0$1 if the $\beta_1 \neq$ 0, t ≥ 1.960, P ≤ 0.05, and otherwise fail to reject the null hypothesis $H_0$1 if the β_1 = 0, t < 1.960, P > 0.05. The standard multiple regression results showed that individual level learning capability had a positive and significant influence on the firm performance (β_1 = 0.210; t = 4.090; p ≤ 0.05) in Kenya. Subsequently, the $H_0$1 was rejected, providing the empirical support for $H_1$1. Therefore, conclusion was made that individual level learning capability has a significant influence on performance of deposit-taking microfinance institutions in Kenya.

Hypothesis Two Test Results

The second null hypothesis ($H_0$2) predicted that group level learning capability has no significant influence on performance of deposit-taking microfinance institutions in Kenya. The decision rule was to reject the null hypothesis $H_0$2 if the $\beta_2 \neq$ 0, t ≥ 1.960, P ≤ 0.05, and otherwise fail to reject the null hypothesis $H_0$2 if the β_2 = 0, t < 1.960, P > 0.05. The standard multiple regression results indicated that group level learning capability had a positive and significant influence on the firm performance (β_2 = 0.303; t = 5.150; p ≤ 0.05) in Kenya. Subsequently, the $H_0$2 was rejected, providing the empirical support for $H_1$2. Therefore, conclusion was made that group level learning capability has a significant influence on performance of deposit-taking microfinance institutions in Kenya.

Hypothesis Three Test Results

The third null hypothesis ($H_0$3) predicted that organizational level learning capability has no significant influence on performance of deposit-taking microfinance institutions in Kenya. The decision rule was to reject the null hypothesis $H_0$3 if the $\beta_3 \neq$ 0, t ≥ 1.960, P ≤ 0.05, and otherwise fail to reject the null hypothesis $H_0$3 if the β_3 = 0, t < 1.960, P > 0.05. The standard multiple regression results indicated that that organizational level learning capability had a positive and significant influence on the firm performance (β_3 = 0.356; t = 6.506; p ≤ 0.05) in Kenya. Subsequently, the $H_0$3 was rejected, providing the empirical support for $H_1$3. Therefore, conclusion was made that organizational level learning capability has a significant influence on

performance of deposit-taking microfinance institutions in Kenya.

Hypothesis Four Test Results

The fourth null hypothesis (H_04) predicted that inter-organizational level learning capability has no significant influence on performance of deposit-taking microfinance institutions in Kenya. The decision rule was to reject the null hypothesis H_04 if the $\beta_4 \neq 0$, $t \geq 1.960$, $P \leq 0.05$, and otherwise fail to reject the null hypothesis H_04 if the $\beta_4 = 0$, $t < 1.960$, $P > 0.05$. The standard multiple regression results showed that inter-organizational level learning capability had a positive and significant influence on the firm performance ($\beta_4 = 0.282$; $t = 5.042$; $p \leq 0.05$) in Kenya. Subsequently, the H_04 was rejected, providing the empirical support for H_14. Therefore, conclusion was made that inter-organizational level learning capability has a significant influence on performance of deposit-taking microfinance institutions in Kenya.

Table 11: Results of Hypothesis Tests

Research Hypothesis		β	t	Sig.	Decision
H_01:	Individual level learning capability has no significant influence on performance of deposit-taking microfinance institutions in Kenya.	.210	4.090	.000	Reject the H_01
H_02:	Group level learning capability has no significant influence on performance of deposit-taking microfinance institutions in Kenya.	.303	5.150	.000	Reject the H_02
H_03:	Organizational level learning capability has no significant influence on performance of deposit-taking microfinance institutions in Kenya.	.356	6.506	.000	Reject the H_03
H_04:	Inter-organizational level learning capability has no significant influence on performance of deposit-taking microfinance institutions in Kenya.	.282	5.042	.000	Reject the H_04

SUMMARY

The first specific objective was to examine the influence of individual level learning capability on performance of deposit-taking microfinance institutions in Kenya. The first null hypothesis (H_01) predicted that individual level learning capability had no significant influence on performance of deposit-taking microfinance institutions in Kenya. The Pearson's product moment correlation results indicated that individual level learning capability had a moderately strong positive and significant relationship with performance of deposit-taking microfinance institutions in Kenya. The standard multiple regression results showed that individual level learning capability had a positive and significant influence on performance of deposit-taking microfinance institutions in Kenya. Subsequently, the H_01 was rejected, providing the empirical support for H_11. Therefore, individual level learning capability has significant influence on performance of deposit-taking microfinance institutions in Kenya.

The second specific objective was to establish the influence of group level learning capability on performance of deposit-taking microfinance institutions in Kenya. The second null hypothesis (H_02) predicted that group level learning capability has no significant influence on performance of deposit-taking microfinance institutions in Kenya. The Pearson's product moment correlation analysis

results indicated that group level learning capability had a strong positive and significant relationship with performance of deposit-taking microfinance institutions in Kenya. The standard multiple regression results showed that group level learning capability had a positive and significant influence on performance of deposit-taking microfinance institutions in Kenya. Subsequently, the $H_0 2$ was rejected, providing the empirical support for $H_1 2$. Therefore, group level learning capability has a significant influence on performance of deposit-taking microfinance institutions in Kenya.

The third specific objective was to examine the influence of organizational level learning capability on performance of deposit-taking microfinance institutions in Kenya. The third null hypothesis ($H_0 3$) predicted that organizational level learning capability has no significant influence on performance of deposit-taking microfinance institutions in Kenya. The Pearson's product moment correlation results indicated that organizational level learning capability had a strong positive and significant relationship with performance of deposit-taking microfinance institutions in Kenya. The standard multiple regression results showed that organizational level learning capability had a positive and significant influence on performance of deposit-taking microfinance institutions in Kenya. Subsequently, the $H_0 3$ was rejected, providing the empirical support for $H_1 3$. Therefore, organizational level learning capability has no significant influence on performance of deposit-taking microfinance institutions in Kenya.

The fourth specific objective was to assess the influence of inter-organizational level learning capability on performance of deposit-taking microfinance institutions in Kenya. The fourth null hypothesis ($H_0 4$) predicted that inter-organizational level learning capability has no significant influence on performance of deposit-taking microfinance institutions in Kenya. The Pearson's product moment correlation results indicated that inter-organizational level learning capability had a strong positive and significant relationship with performance of deposit-taking microfinance institutions in Kenya. The standard multiple regression results showed that inter-organizational level learning capability had a positive and significant influence on performance of deposit-taking microfinance institutions in Kenya. Subsequently, the $H_0 4$ was rejected, providing the empirical support for $H_1 4$. Therefore, inter-organizational level learning capability has a significant influence on performance of deposit-taking microfinance institutions in Kenya.

CONCLUSIONS

The first specific objective was to examine the influence of individual level learning capability on performance of deposit-taking microfinance institutions in Kenya. Therefore, the first conclusion was that individual level learning capability has a significant influence on performance of deposit-taking microfinance institutions in Kenya. The second specific objective was to establish the influence of group level learning capability on performance of deposit-taking microfinance institutions in Kenya. Therefore, the second conclusion was that group level learning capability has a significant influence on performance of deposit-taking microfinance institutions in Kenya.

The third specific objective was to examine the influence of organizational level learning capability on performance of deposit-taking microfinance institutions in Kenya. Therefore, the third conclusion was that organizational level learning capability has a significant influence on performance of deposit-taking microfinance institutions in Kenya.

The fourth specific objective was to assess the influence of inter-organizational level learning capability on performance of deposit-taking microfinance institutions in Kenya. Therefore, the fourth conclusion was that inter-organizational level learning capability has a significant influence on performance of deposit-taking microfinance institutions in Kenya.

RECOMMENDATIONS

The study recommends that the managers should implement the organizational learning capabilities to foster performance of deposit-taking microfinance institutions. First, the managers should implement the individual level learning capability to foster performance of deposit-taking microfinance institutions. Second, the managers should implement the group level learning capability to foster performance of deposit-taking microfinance institutions. Third, the managers should implement the organizational level learning capability to foster performance of deposit-taking microfinance institutions. Fourth, the managers should implement the inter-organizational level learning capability to foster performance of deposit-taking microfinance institutions.

The study recommends that the policymakers should initiate policy review to encourage managers to implement the organizational learning capabilities to foster performance of deposit-taking microfinance institutions. First, the policymakers should initiate policy review to encourage managers to implement the individual level learning capability to foster performance of deposit-taking microfinance institutions. Second, the policymakers should initiate policy review to encourage managers to implement the group level learning capability to foster performance of deposit-taking microfinance institutions. Third, the policymakers should initiate policy review to encourage managers to implement the organizational level learning capability to foster performance of deposit-taking microfinance institutions. Fourth, the policymakers should initiate policy review to encourage managers to implement the inter-organizational level learning capability to foster performance of deposit-taking microfinance institutions.

Areas for Further Research

Despite its contributions to the literature, the study has certain drawbacks. First, the study focused on only four organizational learning capabilities, namely individual level learning capability, group level learning capability, organizational level learning capability and inter-organizational level learning capability. Therefore, it will be interesting for future researchers to examine the influence of other organizational learning capabilities on the performance of deposit-taking microfinance institutions. Second, the study focused on the influence of organizational learning capabilities on performance of deposit-taking microfinance institutions in Kenya. Therefore, it will be interesting for future researchers to examine the influence of organizational learning capabilities on performance of deposit-taking microfinance institutions in other regions or contexts. Third, the study focused on the direct influence of organizational learning capabilities on performance of deposit-taking microfinance institutions, without testing neither testing moderation influence nor mediating influence. Therefore, it will be interesting for future researchers to examine the moderating influence of environmental turbulence on the relationship between organizational learning capabilities and firm performance in other regions or sectors.

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