

**EFFECT OF ORGANIZATIONAL LEARNING ON  
PERFORMANCE OF FIRMS IN THE MARITIME INDUSTRY IN  
KENYA**

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## DECLARATION

I declare that the work contained therein is my own work and has not been submitted at all to other university for examination.

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This MBA proposal was submitted for review with my approval as an appointed supervisor

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## **ABBREVIATIONS AND ACRONYMS**

<b>BC</b>	<b>:-Bandari College.</b>
<b>IMCO</b>	<b>:-International Maritime Consultative Organization.</b>
<b>IMO</b>	<b>:-International Maritime Organization.</b>
<b>INMP</b>	<b>:-Integrated National Maritime Policy.</b>
<b>KMA</b>	<b>:-Kenya Maritime Authority.</b>
<b>KPA</b>	<b>:-Kenya Ports authority.</b>
<b>MET</b>	<b>:-Maritime Education Training.</b>
<b>OL</b>	<b>:-Organizational Learning</b>
<b>ROA</b>	<b>:-Return on Assets.</b>
<b>ROI</b>	<b>:-Return on Investment.</b>
<b>SOLAS</b>	<b>:-Safety of Life at Sea.</b>
<b>STCW</b>	<b>:-Standard of Training, Certification and Watch keeping.</b>

## **ABSTRACT**

The oceans have great potential that would be of great benefit to a country. In Kenya in particular, the industry handles 92% of its international trade, but the potential has not yet been exhausted. Development approaches such as agriculture, while the maritime sector is driven by gaps in maritime infrastructure, rules and regulations, as well as general and political educational influences. Training, security, etc. The development of human resources is essential for the development and enhancement of maritime growth. In this context, attention needs to be paid to maritime education and training (MET). Organizational learning includes, in particular, the course of generating, storing and disseminating information in a business. An organization progresses over time as it gathers skills and knowledge. The sole purpose of this study is to assess the impact of organizational learning on the performance of the maritime sector in Kenya. The theory of organizational learning as anchoring theory and two more complementary theories on knowledge-based theory and the theory of transactive memory. The target group was 9 companies in the maritime sector. The study adopted a cross-sectional survey as a research design. Primary data was collected using questionnaires that were later analyzed using the Statistical Package for Social Science. The study found that there is a strong positive correlation between organizational learning and organizational performance. The study concluded that measuring organizational performance is an important indicator of how well the organization is improving the effectiveness of organizational learning. The study has shown that other factors influence the overall performance of the business, such as: B. technical support and availability of resources. Finally, the study recommends the analysis of training needs, followed by appropriate evaluation and monitoring programs to ensure that the identified training programs improve the organization's performance.

## **CHAPTER ONE: INTRODUCTION**

This section covers the concept of organizational learning in relation to organizational performance. The chapter outlined the pictorial framework that will depict the objectives of this paper whose theme is effect of organizational learning on organizational performance. The chapter will further highlight the context of the study, the major theories that will anchor the study and fit the inspiration of the investigation.

### **1.1 Background of the Study**

Organizational learning is understood as a process of change in thought and action that is embedded and influenced both individually and in the institutions of the organization (Schulz, 2001). According to (Lopez & Esteves, 2013), Knowledge as a resource of a company is considered as a decisive factor for the company's success due to its innovation contribution. For ultimate success, any organization must learn as a means for it to adapt to its dynamic environment for survival and sustainability. Knowledge is seen as a crucial resource in businesses and economies (Yi, 2009).

In today's vibrant and swiftly changing work environment as well as globalizing economy, the performance of organizations is related to the growth of individual performance, ability, understanding and handiness (Covey, 1989; Covey, 2004; Jones et al., 2000). A number of authors suggest that organizations will not constantly carry out and attain sustainable benefit in a rapidly changing environment exclusive of adapting the culture (Appelbaum & Galagher, 2000; Argyris & Schon, 1996; Barnes, 1991; Cairns, 1998; Carley, 1992; Dixon, 1994; Senge, 1990).

This study was anchored on the Organizational Learning Theory (OL) as founded by Weick. The theory states that, for an organization to sustain its competitiveness in an environment which is dynamic, it must have the ability to Change their goals and actions and to achieve these goals, it is through learning process (Argote, Linda; Miron-Spektor, Ella, 2011). Other supporting theories include Knowledge Based Theory (KBT) and Trans active Memory Theory (TMT). Knowledge Based Theory (KBT) was founded by Penrose and further advanced by other researchers (Wernerfelt 1984, Barney 1991, Conner 1991). KBT sees knowledge as the strategically most important resource of the company (Alavi & Leidner, 2001). Finally, Trans active memory theory (TMT) founded by Wegner. The theory argues that, each individual member has the ability to provide external support to all. (Moreland & Argote, 2003) in such a way that, it enables them to gain advantage benefit from everyone to acquire information and proficiency simply by adopting a good shared understanding of each other.

Oceans contain resources that have enormous potential which if harnessed would be of great benefit to a country. The maritime industry in Kenya drives 92% of its international trade, however its full potential is yet to be harnessed (KMA Strategic Plan, 2013-2018). Kenyan maritime industry is faced with lack of policy integration and inter-agency collaboration leading to slowing down of gain from the maritime sector (Karigithu, 2016). Failure to integrate the policies and to put into consideration the inter-connectedness of industries around the sea has led to lack of coherent in dealing with maritime issues which lead to hampering growth in the sector. The focal motivation of this study is to classify the key development approaches which will bring focus to the maritime industry, while (MET) takes the Centre stage.

### **1.1.1 Organizational Learning**

Competitive advantage of any organization depends on effective knowledge management (Chen & Chen, 2006). As a result, superior learning processes and knowledge sharing practices have been used as a source of viable benefit to its organization. Organizational learning is defined as “the linking bridge between working and innovating (Brown & Duguid, 1991). This directly links learning to action as well as implying to useful continuous improvement. Organizational learning is regarded a most important resource of attaining planned regeneration of an endeavor (Crossan, Lane & White, 1999).

The main purpose of an individual within an organization where knowledge is shared is to integrate individual understanding into managerial policy, making it a prerequisite for expectations (Nonaka, 2007). This ability of individuals towards distribution of information is the main reason for the growth of organizations (Gupta & Govindarajan, 2000). Organizational learning is a process social in nature, which involves interactions among many individuals. This process finally leads to a well-informed decision-making process. According to (Kumaraswamy & Chitale, 2012). Knowledge sharing is key to organizational learning. It leads to turning employees into more confident decision makers, making them better in problem solving, more creative and innovative thinkers and proficient in their decision making through provision of insights, competence and skills to attain best performance.

The concept of organizational learning includes the process of creating, exchanging, storing, and sharing knowledge within an organization. As (Nonaka, 2007) puts it, the key aim of knowledge sharing is the ability to integrate individual knowledge of a managerial policy, which is alleged as a essential obligation forthcoming. This knowledge becomes broad touching on every topic that could enhance growth and development of the organization holistically.

### **1.1.2 Organizational Performance**

Organizational performance is the ability and degree to which companies achieve its business objectives (Elenkov, 2009). The ability and possibility of achieving and maintaining high performance and productivity in organizations has proven to be the key challenge facing management in today's dynamic and rapidly changing environmental. Performance of the firm is the ability of the firm to successfully and sustainably complete its functions in a way that it is able to meet its goals. Each organization will strive and harness its efforts in ensuring its goals are met by coming up with new ideas, being creative and innovative.

Mugambi and K'Obonyo (2012) point out that, debates and discussions on the factors that influence organizational performance have not yet been exhausted due to methodological flaws and contextual application. On the other hand, Measurement of firms' performance is an essential indicator of the success of the firm, yet the performance of the firm needs to be assessed so as it can highlight the strengths and all the available opportunities for improvement and reduce gaps (Khadra & Rawabdeh, 2006) within the organization.



Ahmed, Lim and Zairi (1999) suggest that, measurement systems considered to be effective are those which are highly integrated, well balanced, and designed to outline important inputs, outputs and process variables as well as have the ability to incorporate both monetary and non- monetary or operational events like the balanced scorecard approach (Hitt, 1996). Every organization needs to be agile and adapt to its ever-changing environment so as it can achieve and sustain its success. This can only be achieved through a sustainable competitive advantage. Bernardin & Russel (2009) defines performance to be the record of the result which is gained from the function of certain activities in a given period of time. To achieve that excellent performance, it is imperative that organizations develop their employees, empower them with knowledge to enable them to become more productive and better in decision making process.

### **1.1.3 Maritime Industry in Kenya**

By definition, maritime can be referred to as doing business by the sea or any other trade relating to water resources navigation. As such, maritime industry covers a wide scope which constitutes various sectors such as marine environmental protection; ports and transport corridors; exploitation of resource like fisheries; extractive industries like offshore mining; and recreational and leisure activities, such as cruise shipping, sports fishing, diving and boating. Under the Kenya's Jurisdiction. The water surface of the ocean is estimated at 128,015 square kilometers and a distance of 200 naval miles off the coast, while navigable domestic canal comprises roughly 10,700 square kilometers (KMA Strategic Plan 2013-2018). This jurisdiction holds economic potential for fishing, seaweed cultivation and deep-sea mining among many other activities.

Basically, in Kenya, the industry makes up about 13 sectors, 15 subsectors and 87 different activities in the public and private sector while all the business of all these maritime activities is generally interconnected (Republic of Kenya 1981). Basically, it depicts the fact that, a decision in one sector will definitely affect the performance of another sector which may be caused by the multiplicity of players in the sector to spur the country's gains in the blue economy. In this regard, it is imperative for the subsectors to be monitored regularly so as to ensure they do not operate as disparate entities but must refer and synchronize their operations with each other.

Conscious efforts must be made to draw out the potential in each sector in a way that, the sectors complement each other to grow the industry as a whole and the national economy generally. This will call for a need of sustained effort to exploit how various sectors plus human activities centered on the maritime industry are connected to one another. It is for this reason; an integrated and cross-sector maritime policy approach becomes imperative. The Integrated National Maritime Policy (INMP) becomes the best tool to drive the industry's development and enable all the subsectors of the national economy to contribute (Karigithu, 2016). The policy acts as the basis for national development plans.

There was a need to develop an international recognized body of maritime law so as to ensure standard application of regulations on matters such as safety and environment for efficiency in trade. In 1958, the International Maritime Consultative Organization (IMCO) was developed with key responsibility of adopting legislation on matters which relate to maritime safety and pollution prevention, as well as acting as a custodian of International Maritime Organization (IMO).

In 2004, Kenya Maritime Authority (KMA) was created and became the semi-autonomous agent in charge of regulatory oversight over the Kenyan maritime industry as well as to strengthen the government's maritime administration in Kenyan waters (KMA Strategic Plan, 2013-2018). The Kenya's maritime domain is manned under a fully-fledged state department for Shipping and Maritime Affairs. The department becomes the vision carrier for the sector, aiding in articulating the policies needed and to bring fresh thinking for the benefit of the industry and the economy as a whole (Karigithu, 2016). The creation of the department gave the maritime sector new visibility which helps focus on and integrate national development agenda with maritime domain issues.

## **1.2 Research Problem**

Organizations are moving from relatively stable to relatively unstable environment with rapid changing market conditions. The concept of organizational learning becomes the critical means through which organizations can attain its strategic competitiveness (Crossan, Lane & White, 1999). This becomes an outstanding organizational skill and can only occur when organizations have the capacity to develop a deeply rooted program of culture, education, training and mentoring to promote learning in organizations (Grant, 1996).

Consequently, firms that have The ability to learn offers a better chance to perceive events, to predict uncertainties and prevailing styles within the market (Day, 1994: Sinkula, 1994: Tippinns & Sohi, 2003). Organizational performance is viewed as the ability and degree to which companies can achieve its business objectives (Elenkov, 2002). Organizational performance can be measured in terms of organizational learning, profitability, or other financial benefits in knowledge management.

(Hubbard, 2009) argues that measuring enterprise performance is considered complex because stakeholder expectations regarding the economic, environmental, and social responsibilities of a business (corporate social responsibility) change regularly. Organizational learning leads to changes at three levels: level of individual employees, group level and finally organizational level. Change in the level of individual staff will be the primary key to individual empowerment manifesting itself into high levels of productivity hence improved performance. (Angel, 2006).

The maritime industry is demanding in nature. It takes time to train people in the sea, and the sea is unforgiving of those with an unprofessional attitude (Cullinane, 2010). Organizational learning becomes paramount in human resource capacity building which remains key to developing the maritime domain. Effective training of managers and other workers in firms in the maritime industry in Kenya has itself been a daunting task in the country and so far the industry itself is least understood by many (Musa, 2000).

Efforts towards training and learning within firms in the maritime industry in Kenya can be traced back since 1963 right after the period of independence. This was achieved through a cadet training program which by then was aided by the British government. Unfortunately, the training scheme collapsed following the collapse of the East African Community in 1977. This led to creation of an understanding gap of qualified mariners in Kenya (Wainaina, 1989; Olango, 1996 & Musa, 2000). The collapse of the training scheme forced the Kenyan seafarers who had the desire to attain internationally recognized Certificate of Competence to attain training abroad making it very expensive and less viable hence attracting less people (Musa, 2000).

With keen attention and focus on seafarers' education and training, Kenya can become a net exporter of workforce to the global shipping industry in reference to the economic and social pillars of Vision 2030 (KMA 2012c). The years before 2000 were characterized by large numbers of Kenyan seafarers on foreign sea going ships. However most of these seafarers during this period of time went into shipping professions simply as ratings and later managed to progress up the ladder through promotions but lacked academic qualifications (Nthina, 2013).

Several research works have been carried out with respect to the concept of organizational learning but different in terms of context. Nthia (2013), did a study on implementation of (MET) with main focus on human and technological challenges facing MET in Kenya. Musa (2000) and Olango (1986) submitted their dissertations to the World Maritime University (WMU) on (MET). However, at the time of writing their dissertation, no legal framework had been developed that would facilitate establishment of MET in Kenya. These studies only made preposition on whether Met could be established and left the knowledge gap of how this knowledge can be shared, integrated, stored and retrieved for use as a way of enhancing organizational learning in the maritime industry.

Much as (Nthia, 2013), (Musa, 2000) et al, studied the organizational learning on different aspect, their context differs and generalization of their findings to the maritime industry may not be accurate, leading to knowledge gaps that were not addressed in previous studies. The purpose of this study is to unravel arising problem by addressing the following question. Does the concept of organizational learning affect the performance of companies in the maritime industry in Kenya?

### **1.3 Research Objective**

The aim of the study was to determine the impact of organizational learning on the performance of the maritime industry in Kenya.

### **1.4 Value of the Study**

This study sought to provide an insight on the Kenyan maritime sector to various stakeholders especially the policy makers and highlight the key areas that can be looked into for more investment and revenue generation, such as, how well training programs can be linked with job availability in the Maritime industry. The study provides suggestions favorably in enabling Kenya to achieve its vision of providing maritime education and training (MET) which will meet globally accepted standards as projected in the KMA Strategic Plan (KMA 2012).

The study acts as a reference to other researchers and future academic institutions in the same field by providing material on how the concept of organizational learning will impact the growth and development of maritime industry in Kenya. The body of knowledge in this study is of benefit for the purpose of replication and inspiration to other researchers. The findings may also highlight other important relationships between strategic management practices and organization performance.

Finally, the study aims to contribute largely to the existing body of knowledge and provide information for practical application and realistic solutions to the maritime industry as a means of growing the nascent maritime sector in Kenya. There is a great need for Kenya as a country to focus not only on land centric projects but also consider development plans in the maritime industry. Currently the industry holds back any substantial development as a result of shortfalls in maritime infrastructure, maritime regulations and policy as well as Maritime Education and Training.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This part seeks to present the relevant literature and various theories that anchor as well as support the study. It will also give insight on the conceptual empirical link between the concept of organizational learning and organizational performance as well as highlighting various factors contributing to this relationship. Finally, the chapter reviews empirical studies based on organizational learning with respect to organizational performance by highlighting the works of other researchers and concludes with the summary of the literature while manifesting the knowledge gap.

### **2.2 Theoretical Foundation**

This section presents the main theory that anchors the study as well as the supporting theories. The main anchoring theory discussed, is the Organizational Learning theory (OLT). Other supporting theories discussed include Knowledge Based Theory (KBT) and Trans Active Memory Theory (TMT).

#### **2.2.1 Organizational Learning Theory**

Organizational learning theory (OL) was originally founded by Weick (1979). The theory asserts that, an organization can sustain its competitive advantage in a dynamic environment by changing its goals and actions which enable them to reach those goals through learning process. As a result, firm's actions will and must change in response to changes in its environment. The importance of knowledge is largely highlighted by Organizational learning theory (Cummings & Whorley, 2009).

This is in line with the Knowledge Based View (KBV) which argues that, firms have their primary role of creation and application of knowledge (Spender, 1996). Organizational Learning Theory received partly overlapping criticisms which is supposed to inhibit theory development. Organizational learning theory is assumed to lack theoretical integration, and research is mainly done in non-cumulative way. It is also assumed that organizational learning theory does not provide useful knowledge for practitioners and that the theory is assumed to be used in a metaphorical sense (Katz & Kahn, 1978).

### **2.2.2 Knowledge Based Theory**

Knowledge Based Theory (KBT) also referred to as Knowledge Based View (KBV). The theory was originally developed by Penrose (1959) and further expounded by others (Wernerfelt 1984, Barney 1991, Conner 1991). In this theory organizations are depicted as repositories of knowledge and competence. It argues that, Knowledge is completely changed into goods and services suitable to market needs to meet the challenges of competition (Kogut and Zander, 1992). Grant (1996). Knowledge Based View emphasizes that knowledge is a fundamental source of human productivity.

The theory is strongly based on the premise to facilitate knowledge, which is mainly implicit and is able to be the main source of sustainable benefit. This information will be difficult for the competitors to reproduce (Barney, 1991). KBV is considered a product of resource-based thinking (Grant, 1996, Decarolis & Deeds, 1999). The significance of knowledge as a resource is explained by the resource-based theory, pointing out that performance differences between enterprises are largely due to the different resources and capabilities of enterprises.



Organizational knowledge formation is understood as a process of providing and expanding the knowledge resources created by individuals as well as crystallization and linking to the knowledge of the organization (Senge: 1999). Some researchers consider Knowledge Based Theory is an extension of organizational learning capable of informing research and providing new insights for organizations, (Kogut & Zander, 1992, Kogut & Zander, 1996). The theory does not explain the adequacy of knowledge in as far as achieving a complete success of the concept of organizational learning. It is for this reason the theory emphasizes on the use of strategic alliances for accessing other firm's resources and increase knowledge enhancement and capacity in critical functional areas. This is because the kind of knowledge required at any given time cannot be developed by own abilities (Madhok, 1996). At the same time, one cannot manage knowledge the same way as other resources. This is because knowledge management resembles the creation of suitable contexts and cultivation, since by nature, knowledge is dynamic.

### **2.2.3 Trans Active Memory Theory**

Trans-Active Memory Theory (TMT) founded by Wegner, 1987 argues that, individual members within an organization can have the ability to serve as external memory aids to each other, (Wegner, 1987). This will enable them to make use of each other's knowledge and expertise simply by developing and adopting a good shared understanding amongst them. For knowledge Based Theory to remain relevant within an organization, Trans active memory systems need to exist. Trans-active memory systems will ultimately enable members of the groups within an organization to better utilize the knowledge. (Moreland &Argote, 2003).

It is still assumed, organizational learning depends highly on the main features of individual memories (Hastie et al 1984, Johnson & Hasher 1987). Small groups of members in an organization who are co-located may at the initial point use surface information to infer rough estimates of “who knows what” (Weighner, 1986). The small groups can later attain high accuracy in the attribution of expertise to other members of the group (by either group training or group discussions) through common shared experience (Moreland, Argote & Krishnan, 1998) Based on Trans active Memory Theory, a learning organization needs mechanisms for ensuring the individuals memory can be downloaded into information system and make it available to everyone long after the individual has moved on to other organizations (Britton, 1997). If learning is to be vested and locked in the heads of individuals, an organization will then become vulnerable if those individuals are to leave or something is to affect their memory, hence the need to develop organizational memory.

### **2.3 Empirical Literature Review and Research Gaps**

Several studies were carried out with the aim of investigating the relationship between organizational learning and performance; as a result, they provided evidence of a positive relationship. However, Crossan et al. (1999) contend that, convergence has not occurred on how organizational learning impacts organizational performance. They attribute this to the fact that different researchers apply organizational learning to different domains. Bontis et al. (2002) also concluded the relationship between organizational learning and the performance is positive but focuses on learning levels on three levels: individuals, groups and organizations.

Tippins and Sohi (2003) highlighted five distinct phases that differentiate them in the organizational learning process (ie information gathering, information dissemination, shared interpretation, declarative memory, and procedural memory) have a positive impact on the company's performance. Darroch and McNaughton (2003) provide evidence that the entire process of organizational learning leads to better performance.

Finally, Zheng et al. (2010) found that knowledge management plays a mediating role in the relationship between organizational culture, structure, strategy and organizational effectiveness. Igor Gurkov and Yaroslav Kuz'minov (1995) study on Organizational Learning in Russian privatized enterprises Which they identified the main factors influencing the variance in learning to be age and length of service in the organization. It was also observed that formal education and mastering new skills had a contribution. The study concluded that there was great ability of "learning by doing" by the managers, thus, there is a need for further recognition of training requirements and learning chances in the Russian private sector.

In Kenya, several empirical Studies were done with key focus on understanding the organizational learning with its effect on organizational performance. Musa H Musa (2000) conducted a study in a model Maritime Education and Training (MET) in East Africa and concluded that the maritime education and training sector in Kenya requires a great deal of development and improvement. The development aspect concerns the MET system touching both education and training, examination and certification processes. Finally, if this institution were to be established, then it requires the full support from the government and all the stakeholders.

Kanga'ta Charles (2015) has conducted a study on organizational learning and operational performance in the hospitality industry in Kenya and found that learning organizations have the additional benefit of increasing operational performance in terms of contextual factors. Organizations committed to the learning discipline should look forward to increasing operational efficiencies, which translate into increased operational performance. The study finally recommended future studies to continually measure the effectiveness of the tacit learning in operational performance.

Samuel Nzioka (2010) study investigated the relationship between organizational learning and performance in commercial banks in Kenya and concluded that there is a strong positive correlation between the dimensions of organizational learning and organizational performance. However, generative learning appears to contribute more to an organizations performance than adaptive learning. Therefore, increasing organizational learning increases an organizational performance.

#### **2.4 Summary of Literature and Knowledge Gap**

This chapter covered the relevant literature review which presented the research study of the concept of organizational learning and performance in maritime industry in Kenya. The chapter further discussed the theoretical foundation in detail outlining the Organizational Learning Theory, Knowledge Based View and Trans active Memory Theory. Both international and local empirical studies have been reviewed to highlight the knowledge gap and concluded that, nurturing learning is a top priority in today's business world because it contributes to competitive advantage through enhancing organizational performance and effectiveness, Azmi (2008).

Thus, it becomes critical for an organization to develop strategies that are strongly geared to the skills that would enhance the organization's performance, enabling an organization to find its unique position. According to Porter (2004), the performance of the organization is determined by its ability to find a unique position. However the studies highlighted above mostly focused only on the formal education concentrating only on maritime education. According to Senge; "Real learning gets to the heart of what it means to be human.

Senge (1990) supports this idea by stating that, the major source of a sustainable competitive advantage in the future for any organization lies in the ability for that organization to learn as well as emphasizing that learning itself considered a for the survival of organizations in today's dynamic and turbulent environment. This project sought to incorporate organizational learning as a wholistic concept within an organization so as it can touch on both formal and informal part of the learning process, at the same time touching on all knowledge necessary for the firms to improve its performance.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This part discusses the methods which will be there in the process of collecting data, analyzing data and reporting of the results. The chapter will further highlight the research design, population of study and data collection instrument to be used. It will also discuss the data analysis methods that will deal with to accomplish the goal of the study.

### **3.2 Research Design**

The study was conducted to examine the relationship between organizational learning and performance. To meet this goal, the study employed a cross sectional survey to give a detailed and in depth study. The design was descriptive in nature provided an opportunity to the researcher to determine and understand the effect of organizational learning on performance of firms in the maritime industry. Descriptive on the other hand portrays an accurate profile of persons, events or situations (Robson, 2002). The study did not require any sampling technique, thus it was a census study since data was collected and analyzed from every possible member of the population. This is supported by the data with the plan of the population being relatively small and available within reach.

### **3.3 Population of the Study**

The population of the study covered specific firms which make up the maritime industry in Kenya. These firms include, Kenya Ports Authority (KPA), Kenya Maritime Authority (KMA), Beach Management Unit (BMU), Kenya fisheries, Kenya National Shipping Line (KNSL) in charge of the Ship Agency, Bandari College and Mission to Seamen seafarers' welfare. The respondents for this study was a number of (five) 5 to (ten) 10 top managers from each of the mentioned firms.

### **3.4 Data Collection**

Primary data was used in the study and analyzed. The data was collected using questionnaires which were administered through drop and pick method targeting the respective respondents. Research instruments are very helpful tools to a research study in obtaining information relevant to the research (Wilkinson & Birmingham, 2003).

The questionnaires are divided into three different parts. Part one contains the general information of the respondents as well as the firm. Part two contains questions on the level of organizational learning in the firms. Finally, part three contains questions on the performance level of the organization. The questionnaires were semi structured containing both open and closed questions with descriptive statements about effects of organizational learning on the performance of firms in the maritime industry.

### **3.5 Data Analysis**

The nature of data collected was both quantitative and qualitative thus descriptive statistical tools of analysis based on frequency distribution and percentages were used (Mugenda, 2003) to enable comparisons by establishing statistical relationship between organizational learning and organizational performance. Findings of this study are presented in charts and tabular form for further interpretation and reporting to enable the reader to compare the trend of the distribution more vividly. The data was analyzed by multiple linear regressions. The whole process of data analysis involved noting down of the completion part of the questionnaire. Descriptive math's involved percentages mean scores and standard deviations. Pie charts, tables and graphs have been used properly to emphasize the data for ease of understanding and analysis.

## **CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSIONS**

### **4.1 Introduction**

This part discussed the results, analysis, and outcome of data collected from various respondents in the organization. The data were interpreted according to the research question and the objectives of the study. The main objective of the study was to examine the impact of organizational learning on the performance of companies in the maritime industry in Kenya. The research tool used in this study was a questionnaire designed according to the purpose of the study. The section is structured as follows; the first section contains demographic analysis results based on descriptive statistics. The second section presents the results on the impact of organizational learning on the performance of companies in the maritime industry in Kenya using the inferential statistics of regression and correlation. The last section is the discussion of research findings from the analysis both at the descriptive and inferential levels.

### **4.2 Response Rate**

The research had a target of nine (9) firms in the maritime industry for data collection targeting a number of Sixty-Five (65) senior level management team members from the nine firms within the maritime industry. Out of these, fifty-two (52) Individuals from six firms gave their response constituting a Response rate of 80%, sufficient for data analysis. This answer was made possible after several telephones and set off for them to by asking the respondent to assist in the study.



### 4.3 Demographic Characteristics

Demographic characteristics of the respondents were taken into consideration. This information was based on the gender distribution of the respondents, their number of years worked in the organization and their job designation. The durations were coded and the response distributions.

#### 4.3.1 Gender Distribution

The study sought after the gender distribution of employees in firms operating in the maritime industry. Data was obtained through an open-ended question that respondents were required to fill in. The main purpose was to establish distribution of gender within the maritime industry. The outcomes are summed up in Table 4.1.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Female	16	30.8	30.8	30.8
Male	36	69.2	69.2	100.0
Total	52	100.0	100.0	

**Table 4.1 Gender Distribution**

**Source: Research Data, (2018)**

According to table 4.1, it is clear evidence that, from the response distributions, the Female are few only constituting to 16 out 52 respondents who filled the Questionnaires. This represents 30.77% of the total respondents while the Females were 36 individuals which represented 69.33% of the total respondents. This is an indication that the maritime industry is highly dominated by the male since majority of the workers in the maritime sectors, especially those that responded were males and minority is of female gender.

### 4.3.2 Number of Years Worked in an Organization

The study sought to know the number of years the respondents have worked in their respective firms within the maritime industry. This was to ensure the information provided is from well experienced persons to make it reliable and valid. The range ranged from less than 5 years to more than 26 years.

**Table 4.2 Years of Experience in the Maritime Firm**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 5	3	5.8	5.8	5.8
	6-10	16	30.8	30.8	36.5
	11-15	16	30.8	30.8	67.3
	16-20	10	19.2	19.2	86.5
	21-25	4	7.7	7.7	94.2
	Above 26	3	5.8	5.8	100.0
	Total	52	100.0	100.0	

**Source: Research Data, (2018)**

The study found that 5.8% of respondents had worked for more than 26 years in their respective Maritime Firm, 7.7% worked for among 21-25 Years, 19.2% had worked between 16-20 Years, 30.8% had worked among 11-15 Years, 30.8% had worked between 6-10 Years while 5.8% had worked for between 5 years and below. From the findings, it confirms that the respondents are experienced employees in the organization and have vast information on the activities of the organization as shown in table 4.2

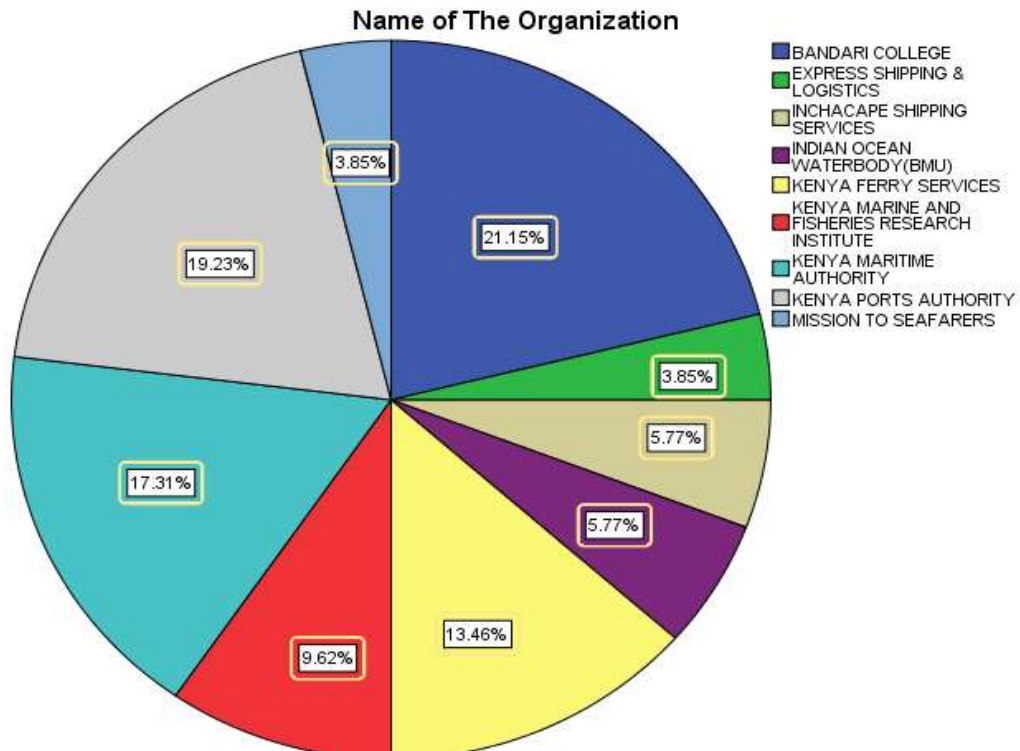
### 4.3.3 List of Firms in the Maritime Industry with the Number of its Respondents

The study had a target of 11 firms in the maritime industry. However, only 8 out of 11 firms filled in the questionnaires making a response of 73%. Mugenda & Mugenda (1999) argues that, a response of 50% is adequate for analysis and reporting: a response of 60% is good and a response of 70% and above is excellent. Therefore, this response was adequate for analysis and reporting.

**Table 4.3 Name of the Maritime Organization**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid BANDARI COLLEGE	11	21.2	21.2	21.2
EXPRESS SHIPPING & LOGISTICS	2	3.8	3.8	25.0
INCHACAPE SHIPPING SERVICES	3	5.8	5.8	30.8
INDIAN OCEAN WATERBODY(BMU)	3	5.8	5.8	36.5
KENYA FERRY SERVICES	7	13.5	13.5	50.0
KENYA MARINE AND FISHERIES RESEARCH INSTITUTE	5	9.6	9.6	59.6
KENYA MARITIME AUTHORITY	9	17.3	17.3	76.9
KENYA PORTS AUTHORITY	10	19.2	19.2	96.2
MISSION TO SEAFARERS	2	3.8	3.8	100.0
Total	52	100.0	100.0	

**Source: Research Data, (2018)**



**Figure 4.1 Pie Chart Showing the Response Per Organization in Percentage**

**Source: Research Data, (2018)**

In this context, it is evidenced that Eight (8) various organizations within the Maritime sector in Mombasa were contacted and requested to fill in the Questionnaire, in so far as responding to the questionnaires is concerned. They were, Bandari College, which is part of Kenya Ports Authority whose response constituted to 21.2% of the Total response, Express Shipping & Logistics at 3.8%, Inchcape Shipping Services 5.8%, Indian water body (BMU) at 5.8%, Kenya Ferry Services at 13.5%, Kenya Marine and Fisheries Research Institute constituted 9.6%, Kenya Maritime Authority, 17.5%, Kenya Ports Authority had 19.2% while Mission To Seafarers response constituted to 3.8% of the Total possible response. This information was presented in both figure 4.1 and table 4.3.3.

#### 4.4 Organizational Learning

The researcher prepared a set of questions to address the application of the concept of organizational learning in the various organizations. The study tried to determine if organizational learning really exists in various organizations and its effect to the performance of these organizations.

##### 4.4.1 Relevance of Training Programs to the Nature of Work in the Organization

The study sought to establish how relevant the training programs within the various organizations according to the nature of work of such organization. This is to identify whether the training programs are in line with the objectives of the organization.

**Table 4.4: Your Organization has Training Programs Relevant to the Nature of its Work**

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	2	3.8	3.8	3.8
Uncertain	3	5.8	5.8	9.6
Valid Agree	26	50.0	50.0	59.6
Strongly Agree	21	40.4	40.4	100.0
Total	52	100.0	100.0	

**Source: Research Data, (2018)**

According to Table 4.4 the response distributions of the employees in various Maritime organizations in Mombasa in relation to whether organization has training programs relevant to the nature of its work was recorded. Response were given on a 1-vote scale disagrees, 2-disagree, 3-not sure, 4 agree, 5-vote too. A greater percentage of 50% representing 26 respondents out of 52 agree that organization has training programs relevant to the nature of its work. 21 of the respondents representing 40.% strongly agree that organization has training programs relevant to the nature of its work. 3 respondents 5.8% are not certain that organization has training programs relevant to the nature of its work. 2 respondents disagree organization has training programs relevant to the nature of its work. This therefore is a clear sign that greater part of the respondents in maritime industry do agree that organization has training plan relevant to the nature of its work.

#### **4.4.2 Employees Attend Training Programs.**

The study sought to establish whether employees from organization within the maritime industry attend training programs as a means of developing and growing their knowledge and skills. This seeks to identify whether firms in the maritime industry allow their employee to attend training. It is necessary for organization to identify training programs for its employee and ensure that employees attend regular training to keep up with the needs of ever demanding nature of maritime industry.

**Table 4.5: Your Organization Ensures Employees Attend the Training Programs so as to Grow and Develop their Skills and Knowledge.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	1	1.9	1.9	1.9
Uncertain	5	9.6	9.6	11.5
Valid Agree	24	46.2	46.2	57.7
Strongly Agree	22	42.3	42.3	100.0
Total	52	100.0	100.0	

**Source: Research Data, (2018)**

Table 4.5 shows the response distributions of the employees in various Maritime organizations in Kenya in relation to whether your organization ensures employees attend the training programs so as to grow and develop their skills and knowledge. The answers were given on a scale of 1-vote not at all, 2-part not 3 - not sure, 4-part, 5-part. A greater percentage of 46.2% representing 24 respondents out of 52 agree that their organization ensures employees attend the training programs so as to grow and develop their skills and knowledge. 22 of the respondents representing 42.3% strongly agree while 5 respondents making 9.6% are not certain that their organization ensures employees attend the training programs to grow and develop their skills and knowledge. This therefore is an obvious hint that majority of the respondents in maritime industry do agree that their organization ensures employees attend the training programs so as to grow and develop their skills and knowledge.

#### 4.4.3 Training Programs Meet Organization Objectives.

The study sought to determine whether the training programs are in line to adopting the concept of organizational learning in the organization which in the end will meet the organization objectives. It is necessary for organizations to adopt training programs that will encourage organizational learning and in the end, it will lead to meeting the goals and objectives of the organization.

**Table 4.6: Your Organizational Training Programs in Line to Adopting Organizational Learning Meet your Organization Objectives**

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	3	5.8	5.8	5.8
Uncertain	11	21.2	21.2	26.9
Valid Agree	20	38.5	38.5	65.4
Strongly Agree	18	34.6	34.6	100.0
Total	52	100.0	100.0	

**Source: Research Data, (2018)**

Table 4.5 shows the response distributions of the employees in various Maritime organizations in Mombasa in relation to whether their organizational training programs in line to adopting organizational learning meet your organization objectives. Response were given on a scale of 1-Strongly Disagree, 2-Disagree, 3- Not certain, 4- Agree, 5-Strongly Agree. A greater percentage of 38.5% representing 20 respondents out of 52 agree that their organizational training programs in line to adopting organizational learning meet your organization objectives. 18 of the respondents representing 34.6% strongly agree that their organizational training programs in line to adopting organizational learning meet your organization objectives. 11 respondents 21.2% are not certain that their organizational training programs in line to adopting organizational learning meet your organization objectives.



#### 4.4.4 Implementation and Evaluation Analysis

Implementation of programs needs to be followed by evaluation process for improvement and compliance. Apart from identifying training needs and training programs, there is a need to evaluate training programs both before and after implementation process. This is to ensure sustainable success of the identified programs to meet its key objectives and organization objectives at large.

**Table 4.7 Your Organization has Implementation and Evaluation Analysis of the Training Programs**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	1	1.9	1.9	1.9
Disagree	3	5.8	5.8	7.7
Uncertain	12	23.1	23.1	30.8
Agree	18	34.6	34.6	65.4
Strongly Agree	18	34.6	34.6	100.0
Total	52	100.0	100.0	

**Source: Research Data, (2018)**

Table 4.7 shows the response distributions of the employees in various Maritime organizations in Mombasa in relation to whether their organization has implementation and evaluation analysis of the training programs. Response were given on a scale of 1-Strongly Disagree, 2-Disagree, 3- Not certain, 4- Agree, 5- Strongly Agree. A greater percentage of 34.6% representing 18 respondents out of 52 agree that their organization has implementation and evaluation analysis of the training programs. 18 of the respondents representing 34.6% strongly agree that their organization has implementation and evaluation analysis of the training programs. 12 respondents 23.1% are not certain that their organization has implementation and evaluation analysis of the training programs. This therefore is an apparent signal that majority of the respondents in maritime industry do agree that their organization has implementation and evaluation analysis of the training programs.

#### 4.4.5 Willingness to Attend Training by Employees

The study sought to establish how willing employee's employee are to attend training in the organization. Employees attitude at times tend to hamper organizational learning within the organization. It is important for the organization to identify the position of its employees and encourage them to attending the training programs.

**Table 4.8 Employees in your Organization are Willing to Attend the Training Programs.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	2	3.8	3.8	3.8
Uncertain	9	17.3	17.3	21.2
Valid Agree	21	40.4	40.4	61.5
Strongly Agree	20	38.5	38.5	100.0
Total	52	100.0	100.0	

**Source: Research Data, (2018)**

Table 4.8 shows the response distributions of the employees in various Maritime organizations in Kenya in relation to whether Employees in their organization are willing to attend the training programs. Response was given on a scale of 1-Not at all, 2-Small Extent, 3- Moderate extent, 4-Great Extent, 5-Very great extent. A greater percentage of 40.4% representing 21 respondents out of 52 agree that Employees in their organization are willing to attend the training programs.20 of the respondents representing 38.5% agree to a very great extent,9 respondents making 17.3% agree to a Moderate extent and 2 respondents agree to a small extent that Employees in your organization are willing to attend the training programs. This therefore is an understandable clue that majority of the respondents in maritime industry do agree to greater extent that their various Employees in their organization are willing to attend the training programs.

## 4.5 Organizational Performance

The main objective of the study was to determine effect of organizational learning on performance of firms in the maritime industry in Kenya. The study sought to establish if organizational learning improved performance of the organization. This was established by posing several questions to the respondents in regards to their organizational performance.

### 4.5.1 Employees Meet their Performance 100%.

Individual Employees performance is a function of general performance of the organization. The study sought to establish if employees do meet their daily set goals as a way of meeting their performance by 100%. Performance of an organization is the key indicator of whether an organization is meeting its goal.

**Table 4.9 All the Employees in the Organization Meet their Performance 100%.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	3.8	3.8
	Disagree	6	11.5	15.4
	Not Certain	17	32.7	48.1
	Agree	24	46.2	94.2
	Strongly Agree	3	5.8	100.0
Total	52	100.0	100.0	

**Source: Research Data, (2018)**

According to table 4.9 response distributions of the employees in various Maritime organizations in Mombasa in relation to whether all the employees in the organization meet their performance 100% is presented. Response was given on a scale of 1- Strongly Disagree, 2-Disagree, 3- Not certain, 4- Agree, 5-Strongly Agree. A greater percentage of 46.2% representing 24 respondents out of 52 agree that All the employees in the organization meet their performance 100%.3 of the respondents representing 5.8% strongly agree that All the employees in the organization meet their performance 100%. 6 respondents making up 11.5% are not certain that all the employees in the organization meet their performance 100%. 6 respondents disagree that all the employees in the organization meet their performance 100%. This therefore is a apparent suggestion that majority of the respondents in maritime industry do agree that All the employees in the organization meet their performance 100%.

#### **4.5.2 Organization Improved its Level of Customer Satisfaction**

The study sought to determine whether organizations improve their levels of customer satisfaction as a means main purpose of each organization is to have a sustainable success as a means of attaining its competitive advantage. This can be achieved through high levels of customer satisfaction which will reflect to the performance of the organization.

**Table 4.10 Your Organization has Improved its Level of Customer Satisfaction**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Small Extent	2	3.8	3.8
	Moderate extent	11	21.2	25.0
	Great Extent	23	44.2	69.2
	Very great extent	16	30.8	100.0
	Total	52	100.0	100.0

**Source: Research Data, (2018)**

Table 4.10 shows the response distributions of the employees in various Maritime organizations in Mombasa in relation to whether their organization has improved its level of customer satisfaction. Response were given on a scale of 1-Not at all, 2-Small Extent, 3- Moderate extent, 4-Great Extent, 5-Very great extent. A greater percentage of 44.2% representing 23 respondents out of 52 agree that their organization has improved its level of customer satisfaction to Great extent.

16 of the respondents representing 30.8% agree to a very great extent that their organization has improved its level of customer satisfaction. 11 respondents 21.2% agree to a Moderate extent that their organization has improved its level of customer satisfaction 2 respondents agree to a small extent that their organization has improved its level of customer satisfaction. This therefore is a comprehensible hint that majority of the respondents in maritime industry do agree to greater extent that their various organization has improved its level of customer satisfaction.

#### **4.5.3 Customer Complaints Declined Substantially**

The study sought to establish whether organizational learning helps improve performance through decline in the number of customer complaints. Low levels of customer complaints will translate to high levels of customer satisfaction. This will finally reflect in high level of organizational performance. Organizational learning equips the employees with the right information, skills and know how that will enable the employee to provide not only satisfactory results but delightful ones to the customer.

**Table 4.11 The Number of Customer Complaints has Declined Substantially**

	Frequency	Percent	Valid Percent	Cumulative Percent
Small Extent	3	5.8	5.8	5.8
Moderate extent	16	30.8	30.8	36.5
Valid Great Extent	23	44.2	44.2	80.8
Very great extent	10	19.2	19.2	100.0
Total	52	100.0	100.0	

**Source: Research Data, (2018)**

Table 4.11 shows the response distributions of the employees in various Maritime organizations in Mombasa in relation to whether their number of customer complaints has declined substantially. Response was given on a scale of 1-Not at all, 2-Small Extent, 3- Moderate extent, 4-Great Extent, 5-Very great extent. A greater percentage of 44.2% representing 23 respondents out of 52 agree that number of customer complaints has declined substantially. 10 of the respondents representing 19.2% agree to a very great extent that their number of customer complaints has declined substantially. 16 respondents 30.8% agree to a Moderate extent that their number of customer complaints has declined substantially. 3 respondents agree to a small extent that their number of customer complaints has declined substantially. This therefore is an obvious clue that majority of the respondents in maritime industry do agree to greater extent that the number of customer complaints from their various firms has declined substantially.

#### 4.5.4 Organization's Level of Performance

The study sought to establish whether by application of organizational learning, if organizations are ranked high in their levels of performance. The researcher needs to determine how each of the organization is rated in their level of performance after adopting the concept of organizational learning.

**Table 4.12 Your Organization is Rated High in its Level of Performance**

	Frequency	Percent	Valid Percent	Cumulative Percent
Small Extent	1	1.9	1.9	1.9
Moderate extent	11	21.2	21.2	23.1
Valid Great Extent	29	55.8	55.8	78.8
Very great extent	11	21.2	21.2	100.0
Total	52	100.0	100.0	

**Source: Research Data, (2018)**

Table 4.12 shows the response distributions of the employees in various Maritime organizations in Kenya in relation to whether their organization is rated high in its level of performance. Response was given on a scale of 1-Not at all, 2-Small Extent, 3- Moderate extent, 4-Great Extent, 5-Very great extent. A greater percentage of 55.8% representing 29 respondents out of 52 agree that their organization is rated high in its level of performance. 11 of the respondents representing 21.2% agree to a very great extent, 11 respondents 21.2% agree to a Moderate extent and 1 respondent agree to a small extent. This therefore is a clear evidence that majority of the respondents in maritime industry do agree to greater extent that their various organization is rated high in its level of performance.

## 4.6 Organizational Learning and Organizational Performance

The study sought to establish effect of organizational learning on performance. Organizations are moving from relatively stable to unstable environment with rapid ever-changing condition in the maritime industry. In this regard organizational learning becomes critical means through which organizations can attain its performance. This because organizations within the environment of learning become more flexible and faster to respond to new challenges than competitors.

### 4.6.1 Improved Efficiency Through Organizational Learning

Organizational learning results to employees within the organization to have the ability to continually expand their capacity of creating desired results. This is achieved through improved levels of efficiency of individuals within the organization. Through organizational learning employees manage to become self-directed, self-driven and constantly have the ability to analyze the needs and values of their customers which will result to improves efficiency.

**Table 4.13 Your Organization has Improved its Efficiency Through Organizational Learning to Meet your Organization Objectives.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	1	1.9	1.9	1.9
Disagree	1	1.9	1.9	3.8
Uncertain	6	11.5	11.5	15.4
Agree	28	53.8	53.8	69.2
Strongly Agree	16	30.8	30.8	100.0
Total	52	100.0	100.0	

Source: Research Data, (2018)



Table 4.13 shows the response distributions of the employees in various Maritime organizations in Kenya in relation to whether various Maritime organizations training programs in line to adopting organizational learning meet your organization's objectives. Responses were given on a scale of 1-Strongly Disagree, 2-Disagree, 3-Not certain, 4- Agree, 5-Strongly Agree. A greater percentage of 53.85% representing 28 respondents out of 52 agree 16 respondents representing 30.8% also strongly agree that their organization has improved its efficiency through organizational learning to meet the organization Objectives.

Only 6 respondents 11.5% are not sure of whether their organization has improved its efficiency through organizational Learning to meet their organization objectives, while only 1 respondents disagree, and 1 person strongly disagree. This therefore is an apparent sign that, majority of the respondents in maritime industry does agree that their various organization has improved its efficiency through organizational Learning and meet their organization Objectives.

#### **4.6.2 Improved Level of Performance Through Organizational Learning**

The study sought to identify how important organizational learning is to enhance the performance of firms in maritime industry. The maritime industry is risky in nature and the sea is unforgiving of those with an unprofessional attitude. Thus, there is a need of reducing nature's danger by reducing human error due to ignorance through organizational learning.

**Table 4.14 Your Organization has Improved its Level of Performance Through Organizational Learning to Meet your Organization Objectives.**

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	2	3.8	3.8	3.8
Not Certain	22	42.3	42.3	46.2
Agree	28	53.8	53.8	100.0
Total	52	100.0	100.0	

**Source: Research Data, (2018)**

Table 4.14 shows the response distributions of the employees in various Maritime organizations in Mombasa in relation to whether various Maritime organizations has improved its Level of performance through organizational Learning meet the organization Objectives. Responses were given on a scale of 1-Strongly Disagree, 2-Disagree 3- Not certain,4- Agree, 5-Strongly Agree. A greater percentage of 53.8% representing 28 respondents out of 52 agree that their organization has improved its Level of performance through organizational Learning meet the organization Objectives. 22 of the respondents representing 42.3% are not sure that their organization has improved its Level of performance through organizational Learning meet the organization Objectives. Only 2 respondents 3.8% do not agree that their organization has improved its Level of performance through organizational Learning meet the organization Objectives.

This therefore is a clear indication that majority of the respondents in maritime industry do agree that their various organizations that, their organization has improved its Level of performance through organizational Learning to meet the organization Objectives

#### **4.6.3 Awarding Employees After Completion of Training.**

The study sought to identify whether employees get to be awarded after completion of their training. Organizations need to award its employee as a means of motivating them to undertaking various training programs within the organizations. Right attitude of employees will improve the organizations performance.

**Table 4.15 Employees are Well Awarded After Every Completion of Their Training Program**

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	2	3.8	3.8	3.8
Disagree	4	7.7	7.7	11.5
Not Certain	13	25.0	25.0	36.5
Agree	23	44.2	44.2	80.8
Strongly Agree	10	19.2	19.2	100.0
Total	52	100.0	100.0	

**Source: Research Data, (2018)**

Table 4.15 shows the response distributions of the employees in various Maritime organizations in Mombasa in relation to whether various Employees are well awarded after every completion of their training program. Responses were given on a scale of 1-Strongly Disagree, 2-Disagree 3- Not certain, 4- Agree, 5-Strongly Agree. A greater percentage of 44.2% representing 23 respondents out of 52 agree that Employees are well awarded after every completion of their training program. 10 of the respondents representing 19.2% strongly agree that Employees are well awarded after every completion of their training program. 13 respondents 25% are not certain that Employees are well awarded after every completion of their training program. 4 disagree while 2 strongly disagree that Employees are well awarded after every completion of their training program This therefore is a understandable hint that majority of the respondents in maritime industry do agree that Employees are well awarded after every completion of their training program.

#### **4.6.4 Conducive Work Environment so as to Ensure High Levels of Performance**

The study sought to establish whether or not organizations provide conducive work environment so as to ensure high levels of performance. Employees' wellbeing and welfare is key into shaping up right attitude of the employees.

**Table 4.16 Your Organization has Provided a Conducive Work Environment so as to Ensure High Levels of Performance**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Disagree	1	1.9	1.9	1.9
Valid Not Certain	8	15.4	15.4	17.3
Valid Agree	28	53.8	53.8	71.2
Valid Strongly Agree	15	28.8	28.8	100.0
Valid Total	52	100.0	100.0	

Table 4.12 shows the response distributions of the employees in various Maritime organizations in Mombasa in relation to whether various organizations has provided a conducive work environment so as to ensure high levels of performance. Response were given on a scale of 1-Strongly Disagree, 2-Disagree, 3- Not certain, 4- Agree, 5- Strongly Agree. A greater percentage of 53.8% representing 28 respondents out of 52 agree that their organization has provided a conducive work environment so as to ensure high levels of performance. 15 of the respondents representing 28.8% strongly agree that their organization has provided a conducive work environment to ensure high levels of performance. 8 respondents 15.4% are not certain that their organization has provided a conducive work environment so as to ensure high levels of performance. Only 1 respondent strongly disagree that their organization has provided a conducive work environment so as to ensure high levels of performance. This therefore is a clear indication that majority of the respondents in maritime industry do agree that their organization has provided a conducive work environment so as to ensure high levels of performance.

#### 4.6.5 Organizational Learning as Key Strategy in Improving Performance

The study sought to establish whether or not organizational learning can serve as a strategy in improving performance of the organization. Strategy is a means used by organization to achieve its goals the ultimate goal for organizations is enhanced performance. In this regard, the researcher is out to examine if organizational learning can be used as a means to achieving high levels of organizational performance.

**Table 4.17 Your Organization Considers the Concept of Organizational Learning as Key Strategy in Improving the Organization Performance**

	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	4	7.7	7.7	7.7
Not Certain	5	9.6	9.6	17.3
Valid Agree	33	63.5	63.5	80.8
Strongly Agree	10	19.2	19.2	100.0
Total	52	100.0	100.0	

**Source: Research Data, (2018)**

Table 4.17 shows the response distributions of the employees in various Maritime organizations in Mombasa in relation to whether various organizations consider the concept of organizational learning as key strategy in improving the organization performance. Response were given on a scale of 1-Strongly Disagree, 2-Disagree, 3-Not certain, 4- Agree, 5-Strongly Agree. A greater percentage of 63.5% representing 33 respondents out of 52 agree that their organization considers the concept of organizational learning as key strategy in improving the organization performance. 10 of the respondents representing 19.2% agree that their organization considers the concept of organizational learning as key strategy in improving the organization performance.

5 respondents 9.6% are not certain that their organization considers the concept of organizational learning as key strategy in improving the organization performance. Only 4 respondents disagree that their organization considers the concept of organizational learning as key strategy in improving the organization performance. This therefore is a clear indication that majority of the respondents in maritime industry do agree that their organization considers the concept of organizational learning as key strategy in improving the organization performance.

#### **4.7 Effect of Organizational Learning on Performance of Firms in the Maritime Industry in Kenya Based on the Inferential Statistics of Correlation and Regression Output.**

The study sought to establish the relationship between organizational learning and organizational performance on firms in the maritime industry using correlation coefficient and regression output.

##### **4.7.1 Correlation Coefficients**

Correlation refers to the degree of extent to which variables within the study relate. The degree of relationship is measured in terms of coefficient of correlation, ( $r$ ) which determines the extent of correlation. Depending on the value of  $r$ ; there are seven (7) types of correlation. These include: Positive Perfect ( $r = 1$ ), Negative perfect ( $r = -1$ ), Positive Strong ( $R \Rightarrow 0.5$ ), Negative Strong ( $R \Rightarrow -0.5$ ), Positive Weak ( $R = <0.5$ ), Low negative ( $r = <-0.5$ ) and no correlation ( $r = 0$ ). The table below will describe various extents of correlations on the various factors and effects of Organizational Learning on Performance of Firms in the Maritime Industry in Kenya.

**Table 4.18 Correlation Coefficients**

		Correlations				
		Your organization has training programs to encourage organizational learning.	Your organization has implementation and evaluation analysis of the training programs.	Your organization ensures employees attend the training programs so as to grow and develop their skills and knowledge.	Organizational learning helps improve decision making in your organization.	The number of customer complaints has declined substantially
Your organization has training programs to encourage organizational learning.	Pearson Correlation	1	.675**	.414**	.447**	.148
	Sig. (2-tailed)		.000	.002	.001	.296
	N	52	52	52	52	52
Your organization has implementation and evaluation analysis of the training programs.	Pearson Correlation	.675**	1	.268	.287**	.149
	Sig. (2-tailed)	.000		.055	.039	.292
	N	52	52	52	52	52
Your organization ensures employees attend the training programs so as to grow and develop their skills and knowledge.	Pearson Correlation	.414**	.268	1	.370**	.146
	Sig. (2-tailed)	.002	.055		.007	.303
	N	52	52	52	52	52
Organizational learning helps improve decision making in your organization.	Pearson Correlation	.447**	.287**	.370**	1	.249
	Sig. (2-tailed)	.001	.039	.007		.075
	N	52	52	52	52	52
The number of customer complaints has declined substantially	Pearson Correlation	.148	.149	.146	.249	1
	Sig. (2-tailed)	.296	.292	.303	.075	
	N	52	52	52	52	52

**Source: Research Data, (2018)**

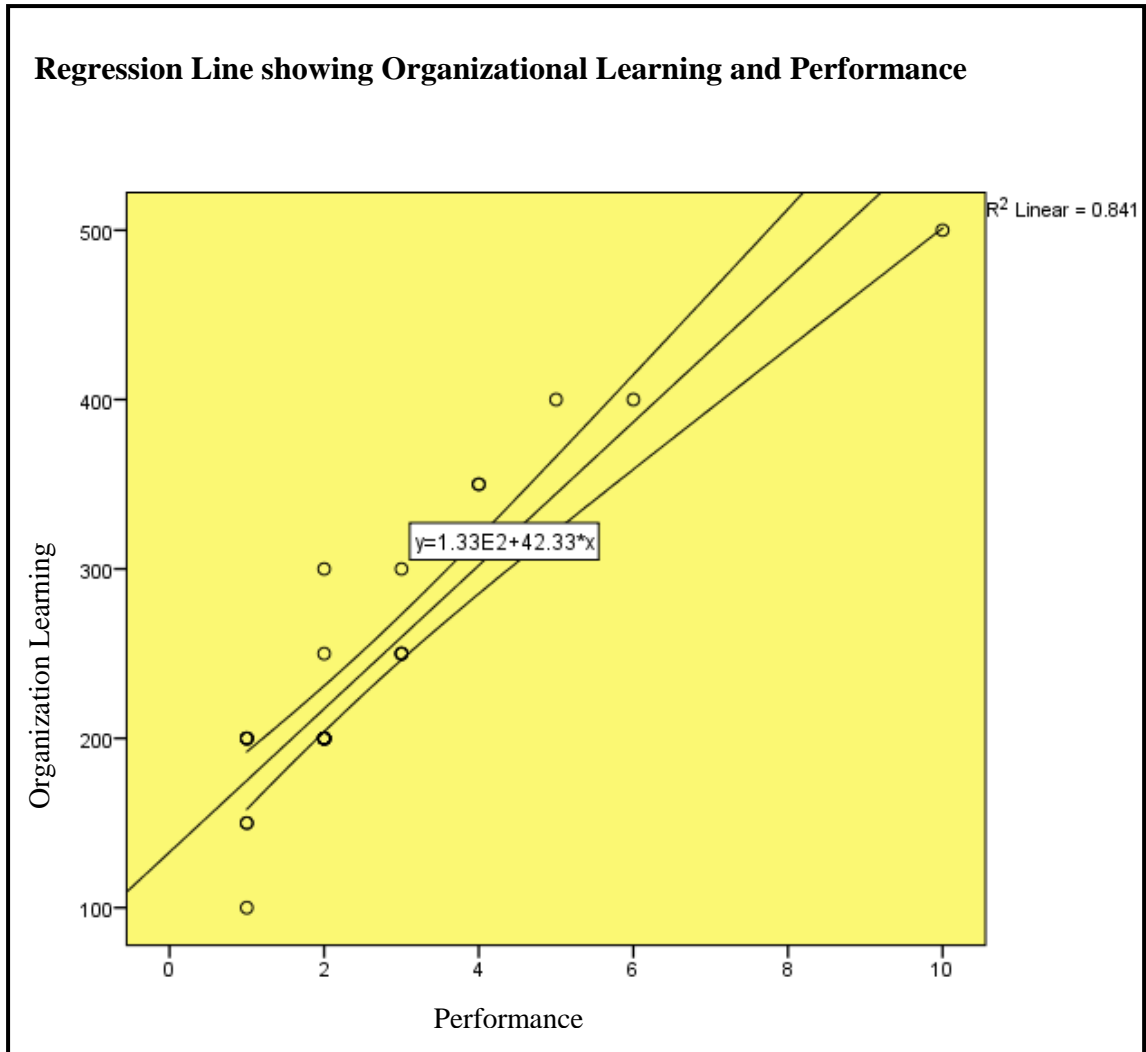
Table 4.18 shows the various correlation coefficients of various components and effects of Organizational learning and the output in the table above reveals that there is a strong positive correlation between whether the organization has training programs to encourage organizational learning and Organization having implemented and evaluated analysis of training programs. This correlation coefficient( $r=0.675$ ), meaning the more the implementation on evaluation analysis of training programs, the more the organization learning is encouraged and motivated.



There is also a significant positive correlation of between the organizational learning and how it helps improve the decision-making process and Trainings at the coefficients of ( $r=0.447$ ). This means that learning and decision making are positively correlated and that the more organizational learning processes in the firm, especially in maritime sectors, the more decision-making processes, hence facilitates the general performance of the organization.

#### **4.7.2 Regression Output**

There was (89.7%) correlation amid the Organizational Learning and Performance as shown by the Pearson's correlation coefficient in the table below. A linear model was used to show the interrelationship of the two variables. (84.1%) of the organization Learning (independent variable) was used to explain the Performance as displayed by the coefficient of determination (R Square)



**Figure 4.2: The Regression Analysis Between the Organization Performance and Learning.**

The model above is significant (p-value=0.000) with an F-value of 147.576. Organizational performance (p-value=0.000) at 95% confidence level with a t-value of 12.148. The model is displayed by the scatter diagram above.

$$y = 133.775 + 42.33 * x$$

Where,

x=Organization Learning. (Independent variable)

y=Performance. (Dependent variable)

From the above figure it is evident that there is a significant relationship between Learning and performance. It is clearly displayed that the more the inputs or initiatives on the learning within the organization, the higher the performance and vice versa. This is because the Gradient 43.33 is positive meaning that dependent and independent variables have a direct proportion as shown.

#### **4.8 Discussion of the Findings**

The main objective of this study was to establish if there was any existence of the relationship between the Independent variable (Organization Learning) and the dependent variable (Organization Performance) in Maritime organizations. The independent variable factors initiatives and they were to answer Questions as to weather: Your organization has training programs to encourage organizational learning, Your organization has implementation and evaluation analysis of the training programs, Your organizational training programs in line to adopting organizational learning meet your organization objectives, Your organization adopts strategies that encourage the concept of organizational learning, Your organization ensures employees attend the training programs so as to grow and develop their skills and knowledge.

Organization has training programs relevant to the nature of its work, Employees in your organization are willing to attend the training programs. The response were further reciprocated by Performance which included the extent to which: organization has improved its efficiency through organizational learning, Organizational learning helps improve decision making in your organization, organization is rated high in its level of performance, organization understands well its core business so as to increase its performance.

The number of customer complaints has declined substantially and that these organizations have improved its level of customer satisfaction. Some of the study findings were: Most Maritime Firms had more number of male senior staffs compared to female staffs, majority of the respondents working for these firms were over 50 years of age and majority of the respondents had worked for the period between 1-5 years.

The analysis of the study was conducted using the regression analysis where the relationship between Organizational Learning and organizational performance of the various employees in maritime sectors in Mombasa County was tested. The association of the two variables was done using the correlation analysis. The association between Organizational Learning and organizational performance of the various employees in maritime was tested and found to be positive. Further the study findings indicated that the level of education was correlated with innovations and which clearly showed that high education level leads to higher knowledge and skills which enhances someone creativity and hence innovation, hence general performance of these maritime Firms.

The regression analysis also indicated 78.2% of the financial performance was attributed by the Organizational Learning and when the two variables were compared, a relationship of the two of 89.7% was obtained. The study thus showed a strong positive correlation between innovation and financial performance as indicated by the R value of 0.817 and the  $R^2$  of 0.667. Results of this study corroborated with the conclusion of the study conducted by Youtie et al., (2008) which sought to assess the impact of Learning and Performance of employees on manufacturing firms in Georgia, United States of America.

The study established that Organizational Learning did affect the firm's Performance. The findings of the study were also like that of Kanga'ta Charles (2015) who concluded that, learning organizations have an added advantage of increasing their operational performance. Samuel Nzioka (2010) also investigated the relationship between organizational learning and performance within commercial banks and concluded that, there is a strong positive correlation between the organization learning and performance.

## **CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS**

### **5.1 Introduction**

This chapter consists of a summary of the research project findings from chapter four. The chapter also presents the conclusions and recommendations of the study conducted at Maritime organizations within Mombasa County on the Effect of Organizational Learning on Performance of Firms in the Maritime Industry in Kenya. The conclusions arising from the summary pave way for recommendations aimed at improving both the concept of Organization Learning and performance, by incorporating them in decision making, policy development and effective management of organizations.

### **5.2 Summary of Findings**

The research project was carried out in Mombasa County: All Maritime Organizations, within Mombasa County. The purpose of the research project was to examine the Effect of Organizational Learning on Performance of Firms in the Maritime Industry in Kenya which can help to understand their effects on general performance and what can be done to perform better in this sector. The specific objectives that guided the researcher were: To Survey the nature of various Maritime Organizations employees Characteristics in terms of Population size, Experience in the Industry, How long they have been in the industry, what factors affect Organizational Learning in your organization, Gender, as well as the extent of agreements with variable's changes among other demographic aspects, to examine the short term and long term effects.

All the employees in the organization meet their performance 100%, their organization considers the concept of organizational learning as key strategy in improving the organization performance, Their organization level of compliance to the maritime laws and policies both national and international is 100%, their organization has provided a conducive work environment so as to ensure high levels of performance, All the programs identified for the period have been met successfully, Employees are well awarded after every completion of their training program and lastly but not least was to establish the coping strategies that will be applied by these Maritime Organizations to improve their performance. The respondents were asked to affirm years worked in maritime Firm.

The durations were coded and the response distributions. The study found that 5.8% of the respondents had worked for more than 26 Years in their respective Maritime Firm, 7.7% had worked for between 21-25 Years, 19.2% had worked between 16-20 Years, 30.8% had worked for between 11-15 Years, 30.8% had worked between 6-10 Years while 5.8% had worked for between 5 years and below. From the findings, it shows that the respondents are experienced employees in the organization. It was also evidence that in so far as; Organization has improved its efficiency through Organizational Learning to meet your organization Objectives, the response clearly indicated that, majority of the respondents in maritime industry do agree that their various organizations have improved its efficiency through organizational Learning and meeting the organization Objectives. Data was also presented by the use of tables and graphs, followed by discussions of the trend observed from the presentation.

### **5.3 Conclusion**

This study analyzed the effect of Organizational Learning on the Performance of various Maritime Organizations based in Mombasa. The study concludes that, organizational learning influence organizational performance positively. The study then revealed that organizations have also improved their levels of customer satisfaction. Results show that the response distributions of the employees in various Maritime organizations in Kenya. The study also concludes that, measurement of organizational performance is key indicator of how well the organization is doing and by extension the effectiveness of the concept of organizational learning.

### **5.4 Recommendations of the Study**

From the research findings on the Effects of Organizational Learning in Maritime Industry in Kenya, the following recommendations were made relevant to the various stakeholders in the Maritime Industry sector as per the objective of the study. In the measures of performance, we found out that majority of these employees agreed that: Organizations consider the concept of organizational learning as key strategy in improving the organization performance. To enhance the performance of organization, the study recommends provision of a conducive work environment so as to ensure high levels of performance. All the programs identified for the period have been met successfully and that Employees are well awarded after every completion of their training program. To greater extent, the response showed that: these organizations have improved their efficiency through organizational learning, Organizational learning helps improve decision making, organizations are rated high in its level of performance, organization understands well its core business to increase its performance, number of customer complaints has declined substantially, and that organization has improved its level of customer satisfaction.



This gives further recommendation of all members of the organization be involved in the running operations of the business to enhance knowledge sharing and consultations resulting to fast and accurate decisions making. These organizations have training programs to encourage organizational learning, training programs relevant to the nature of its work, organization employees are willing to attend the training programs, organizations have training programs relevant to the nature of its work and ensures employees attend the training programs so as to grow and develop their skills and knowledge. The study recommends use of training needs analysis followed by proper evaluation and monitoring programs to ensure the identified training programs do enhance organization performance.

### **5.5 Limitations of the Study**

This study sought to examine the effect of organizational learning of organization performance. The findings of the study indicate that, organizational learning influence the performance of organizations positively. To reach to this finding, there were several limitations to the research. Firstly, it involved the logical issues of accessing the respondents. Some questionnaires had to be sent via email and followed up by phone calls to urge the respondents fill and email them back. Some of the respondents did not return back their questionnaire in good time for the analysis. Some of the respondents were not willing to answer the questionnaires in fear of giving out critical information. Despite these limitations, the findings of the study plus the empirical work done may still be considered both valid and useful given the nature of data used and the fact that the interpretation of this data is reasonable for the population studied.

## **5.6 Suggestions for Further Findings**

This study aimed at examining the effect of organizational learning on performance of firms in the maritime industry in Kenya. Organizational learning brought about by effect of various training strategies influenced the general performance of firms positively. Despite the fact that this study gave a positive relationship between organizational learning and performance of firms in the maritime industry in Kenya, also the effects of various training strategies and how these strategies affect their general performance as well as major challenges they face and the coping strategies needed to be applied for a sustainable Maritime Industry practice that may be brought as a result of proper training.

A lot is needed to be done on other factors that might affect active participation of the Maritime Industry specialists for the development of a more sustainable sector ,these factors can include the institutional factors, political factors, environmental factors and legal factors and how they can be control to help a booming Performance in the Maritime Industry sector hence improving economic growth and economic development of the country hence reduction of the viscous cycle of Low productivity of various employees in such organizations.

The findings of this study can be generalized for firms in the maritime industry only, there is a need for further study to be carried out targeting individual organizations to determine the exact level of organizational learning and extent to which implementation has influenced the performance of the firm. Further studies should be expanding this study from multiple industries. It will be of real meaning to unearth if the results found in this study would be replicated when multiple industries are included in the analysis.

It will also help establish a relationship between the concept of organizational learning and performance that holds true for organizations in general from various industries. This would be a milestone in building the body of knowledge on organizational learning. Finally, further research also needs to be done on the response characteristics of Female employees and stakeholder as well as supervisors and what constraints they too face in their involvement in spearheading training in performance management of Maritime Organizations in Kenya.

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## APPENDICES

### Appendix I: Official University Letter



**UNIVERSITY OF NAIROBI  
COLLEGE OF HUMANITIES AND SOCIAL SCIENCES  
SCHOOL OF BUSINESS-MOMBASA CAMPUS**

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Telephone: 020 2059161  
Telegrams: "Varsity", Nairobi  
Our Ref: D61/82688/2015

P.O. Box 30197 – 00100, G.P.O  
Nairobi, Kenya

22<sup>nd</sup> October 2018

**TO WHOM IT MAY CONCERN**

Dear Sir/Madam,

**REF: REQUEST TO COLLECT DATA FOR MANAGEMENT RESEARCH REPORT**

The bearer of this letter, Kulthum Hussein Salim of Registration Number D61/82688/2015 is a Master of Business Administration student of the University of Nairobi, Mombasa Campus.

She is required to submit as part of her coursework assessment a research project report. We would like the student to do her project on *Effects of Organizational Learning on Performance of Maritime Firms in Kenya*. We would, therefore, appreciate if you assist her by allowing her to collect data within your organization for the research.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organization on request.

Thank you.

  
  
**Zephaniah Ogero Nyagwoka**  
Administrative Assistant, School of Business-Mombasa Campus

## **APPENDIX II: QUESTIONNAIRE**

### **Introduction**

This questionnaire has been designed with the objective of collecting data that will help examine the effect of organizational learning on the performance of firms in the maritime industry in Kenya. All the collected data will be treated with confidentiality and is purely meant for academic purposes only.

### **Section A: General Information**

1. State your job designation

.....

2. How many years of experience do you have in this organization?

Below 5 ( )    6-10 ( )    11-15 ( )    16-20 ( )    21-25 ( )    Above 26 ( )

3. State your Gender

Male            ( )

Female        ( )

4. State the name of the organization

.....

5. State the year of establishment

.....

6. State your company's vision and mission

.....

.....



**SECTION B: Questions on organizational learning**

1. What factors affect organizational learning in your organization?

.....

2. What is your perception on the concept of organizational learning?

.....

3. What strategies, interventions, tools would you recommend be sustained to ensure the concept of organizational learning is highly attained in your company?

.....

4. What were some barriers, if any, that you encountered in enabling the concept of organizational learning in your company? Could it be Staff turnover or staff resistance? Lack of key support? Lack of technical assistance?

.....

.....

5. How did you overcome the barrier(s)?

.....

6. What recommendations do you have for future efforts in ensuring adaptation of the concept of organizational learning in your company?

.....

.....

.....

Kindly indicate the level of which your organization adopts the concept of organizational learning by ticking the appropriate rating.

**1-vote not at all 2-vote not 3 - insecure 4-part 5-part fully**

No	Organizational Learning	1	2	3	4	5
1.	Your organization has training programs to encourage organizational learning.					
2.	Your organization has implementation and evaluation analysis of the training programs.					
3.	Your organizational training programs in line to adopting organizational learning meet your organization objectives.					
4.	Your organization adopts strategies that encourage the concept of organizational learning.					
5.	Your organization ensures employees attend the training programs so as to grow and develop their skills and knowledge.					
6.	Your organization has training programs relevant to the nature of its work.					
7.	Employees in your organization are willing to attend the training programs.					

**SECTION C: Questions on organizational performance**

1. What do you consider the most important factor that enhances performance in your organization?

.....  
 .....

2. What would you suggest to be adopted in your company to improve the overall performance of your organization?

.....  
 .....

Indicate the extent to which organizational learning affects organizational performance in your firm by ticking appropriately.

**1-not at all 2-small extent 3-medium extent 4-large extent 5-very large extent**

No	Organizational Performance	1	2	3	4	5
1.	Your organization has improved its efficiency through organizational learning.					
2.	Organizational learning helps improve decision making in your organization.					
3.	Your organization is rated high in its level of performance.					
4.	Your organization understands well its core business so as to increase its performance.					
5.	The number of customer complaints has declined substantially.					
6.	Your organization has improved its level of customer satisfaction.					

Indicate the measure of performance in your organization by ticking appropriately

**1-agree not at all 2-agree not 3 - not sure 4- agree to 5-part fully**

No	Organizational Performance	1	2	3	4	5
1.	All the employees in the organization meet their performance 100%.					
2.	Your organization considers the concept of organizational learning as key strategy in improving the organization performance.					
3.	Your organization level of compliance to the maritime laws and policies both national and international is 100%.					
4.	Your organization has provided a conducive work environment so as to ensure high levels of performance.					
5.	All the programs identified for the period have been met successfully.					
6.	Employees are well awarded after every completion of their training program.					

1. Your organization's strategic vision is effective.

**Very true ( ) Fairly true ( ) Uncertain ( ) Not true ( )**

2. Your organization has proper and relevant tools in place to measure its performance.

**Very true ( ) Fairly true ( ) Uncertain ( ) Not true ( )**

3. Your organization has improved its level of performance.

**Very true ( ) Fairly true ( ) Uncertain ( ) Not true ( )**

4. Your organization use its human resource to improve on its performance.

**Very true ( ) Fairly true ( ) Uncertain ( ) Not true ( )**