FIRM RESOURCES, ORGANIZATIONAL CHARACTERISTICS, MACRO- ENVIRONMENT AND EXPORT PERFORMANCE OF SMALL AND MEDIUM MANUFACTURING ENTERPRISES IN NAIROBI CITY COUNTY, KENYA

By

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2022

DECLARATION AND APPROVAL

I **Samson Wambua Kitonyi**, hereby declare that this is my doctoral thesis titled "Firm Resources, Organizational Characteristics, Macro-Environment and Export Performance of Small and Medium Manufacturing Enterprises in Nairobi City County, Kenya" is my original work and has not been submitted to any university, college or institution, for conferment of any degree, diploma or certificate.

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DEDICATION

This doctoral thesis is dedicated to my parents, Dickson Kitonyi Ndolo and Loisa Mutave Kitonyi. They both instilled good values in me. I thank my family for their support both morally and financially as I undertook this challenge of pursuing education. They continually encouraged me to read throughout my life and that of all my siblings. I also want to thank my late tutors, Philip Makau Nzioki and Mwalimu Pius Musimba Muasya, who spent countless hours with me throughout my formative years that shaped me into the person I am today.

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ABBREVIATIONS

CEO	:	Chief Executive Officer
CFA	:	Confirmatory Factor Analysis
COMESA	:	Common Market for Eastern and Southern Africa
EPC	:	Export Promotion Council
EPZ	:	Export Promotion Zone
EPZA	:	Export Processing Zone Authority
FR	:	Firm Resources
GoK	:	Government of Kenya
ILO	:	International Labour Office
KAM	:	Kenya Association of Manufacturers
KEBS	:	Kenya Bureau of Standards
KENINVEST	:	Kenya Investment Authority
KIRDI	:	Kenya Industrial Research and Development Institute
ME	:	Macro-Environment
MOT	:	Ministry of Trade
MNE	:	Multi National Enterprise
NCC	:	Nairobi City County
OC	:	Organizational Characteristics
OECD	:	Organization of EconomiciCo-Operation andiDevelopment
RBV	:	Resource Based View
SEDA	:	Small Enterprise Development Agency
SME	:	Small and Medium Enterprises
SMMEs	:	Small and Medium Manufacturing Scale Enterprises

OPERATION DEFINITION OF TERMS

Export Performance – refers to the outcome of a firm's export operations.

Firm Resources – this can be defined as financial, social, or human capital, each of which plays a unique role in the development of a business and poses unique challenges when it is constrained

Macro- Environment – refers to physical and social factors that are taken into consideration in decision making.

Organizational Characteristics - refers to the demographic and managerial variables that make up the internal environment of an organization

Small and Medium Manufacturing Enterprises –these are businesses that are between 2 and 100 employees.

ABSTRACT

Exporting activities increase productivity, improve foreign exchange, and help to manage poverty and unemployment. Small and medium-sized Enterprises (SMEs) have more motivation to invest in R&D and innovation when they export. However, they face a number of challenges in the export markets, which contribute to a declining trend in terms of their contribution to the national economy in terms of job creation and a reduction of the balance of payments in the GDP. The performance of firms that export is contingent upon several elements, including the firm's resources, the organization's work, and the macro-environment. The exporting companies' firm resources, like financial and human capital, allow them to develop and implement strategies that raise productivity and competitiveness. Organizational characteristics, such as demographic and managerial variables, help manufacturing and export enterprises navigate and adapt to their external surroundings. Finally, the macroenvironment, which includes physical and social elements, influences the business decisions of exporting companies. The study's main objective was to determine the relationships between firm resources, organizational characteristics, macro-environment, and export performance of small and medium manufacturing firms in Nairobi City County, Kenya. Four theories underpinned the study; the resource-based theory, Porter's theory of competitive advantage, the industrial economics organization theory, and the firm internationalization theory. The specific objectives of this study was to: determine the relationship between firm resources and export performance; assess the effect of organizational characteristics on the relationship between firm resources and export performance; establish the influence of the macro-environment on the relationship between firm resources and export performance; and combined effect of firm resources, organizational characteristics, and the macro-environment export performance. The research philosophy adopted was positivism. This research was a cross-sectional survey of a randomly selected sample of 265 exporting and manufacturing firms from a population of 852 companies in Nairobi City County. Organizations engaged in manufacturing and exporting served as the unit of analysis. The Cronbach's alpha coefficient calculated internal consistency and homogeneity among the research variables. There was a response rate of 89.1 per cent, with 238 out of 265 businesses polled completing the survey. The first hypothesis resulted in a statistically significant influence of firm resources on export performance (β = 0.865, p 0.05). The study established from the second hypothesis that organizational characteristics had a statistically significant moderating impact on the link between company resources and export performance. In contrast, the macroenvironment moderated the connection underlying company resources with export performance in a statistically meaningful way. There was a statistically significant link involving export performance and company resources (β =-0.134, p 0.05), organizational features (β =0.158, p 0.05), and the macroenvironment (β =0.913, p 0.05). Governments at the state and local levels should use the study's findings to craft statutes and regulations that help small and medium-sized businesses thrive. It could make it easier for them to get loans and advise them on using cutting-edge technologies and efficient manufacturing methods. Since the study was cross-sectional, a longitudinal study to analyze the relationships between firm resources, organizational characteristics, the macroenvironment, and export performance is recommended. In addition, studies should consider selecting other variables that could impact export performance and wider geographical coverage in Kenya to establish whether there are variations.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

There is a rising consensus among academics and researchers that exporting is an extremely flexible and cost-effective strategy for entering new foreign markets (Westhead et al, 2010). This is because exporting requires a lower financial commitment than other methods of entering foreign markets, including foreign direct investment (FDI) and licensing, which do not require the establishment of manufacturing companies in foreign countries (Buckley & Casson 1976). Increased export performance benefits the economy and individual organizations (Freixanet & Churakova, 2018; Koksal, 2009). Exporting activities increase productivity, increase foreign exchange reserves, and aid in managing poverty and unemployment (Karadeniz & Göçer, 2007; Koksal, 2009). Exporting stimulates investment in the field of research and development(R&D) and innovation by small and imedium-sized businesses (Ganotakis & Love, 2011). During the export cycle, small and medium-sized enterprises (SMEs) are exposed to advanced foreign expertise and technology. Doing so can ultimately boost efficiency (Jafari Sadeghi & Biancone, 2018). Moreover, exporting can act as in springboard for businesses interested in diversifying their revenue streams through FDI (Gaur et al., 2018).

The study was anchored on firm internationalization theory, supported by the resource-based view theory (RBV), Porter's theory of national competitive advantage of nations, and industrial economic organization theory. Firm Internationalization Theory describes the process of change in which the company increasingly grows in scope and engagement with global markets (Cavusgil & Knight, 2015) as it moves through a progression of sequential

phases. According to Soto-Acosta et al. (2016), RBV anchors the resource and firm relationship. The concept describes how an enterprise may maximize its capabilities and quality advantage by using its resources better. The Industrial Economics Organization Theory dwells on the way markets and industries compete with each other by factoring in real-world impediments as a result of the macro-environmental intervention (Raible, 2013). Conversely, Porter's theory of competitive advantage adds insight and understanding to the competitive advantage of nations. It is because they internationalize enterprises in manufacturing activities within the firm (Stonehouse & Snowdon, 2007). The key emphasis of the theory is the overview of individual industries, and at another level, it also provides insight into clusters of industries. Competence is used to assess a firm's competitiveness, in this case, against other businesses in the manufacturing sector. Nonetheless, developments in the discipline of global business management are borne out of the interrogation of existing conceptual, contextual, or methodological gaps to provide new research areas. This study appreciates that the competitiveness of countries in exporting is through firms; hence, the key focus is on individual sectors where competitive advantage principles are implemented (Soto-Acosta et al., 2016).

According to a 2013 survey in Kenya, SMEs employed more than half of the country's youth, accounting for about 79.6 per cent of total labour force (Kenya National Bureau of Statistics-KNBS, 2013). Additionally, Ngugi and Bwisa (2013) stablished that SMEs comprise a sizable proportion of institutions that have significantly contributed to expanding economic activity in rural and urban settings. This phenomenon resulted in creating 70 per cent of new jobs each year.

Small and medium-sized enterprises, particularly those in the manufacturing sector, are globalizing at a rapid pace, with statistics indicating that they account for between 25% and 35% of global exports (Andersson, 2004). As per KNBS(2017), manufacturing grew by 3.5 percent and accounted for 10% of GDP. However, the success of internationally expanding manufacturing SMEs is crucial to lowering the balance of payments and earning necessary foreign currency. SME's operate in the manufacturing subsector, utilizing a diverse range of resource combinations and organizational characteristics.

Small businesses are confronted with a variety of obstacles, some internal and some external. These are visible at the operating environment's macro, micro, and industry levels. Individual firm performance in terms of exports is largely determined by how the firm responds to its environment and organizational characteristics. How firms are managed has long been a source of debate among scholars, owing to their importance to their respective national economies. Nonetheless, the results have been inconclusive. It's possible that enterprises may exhibit a wide range of exporting functions due to differences in the organizational factors that govern them. Although there have been published efforts to investigate export performance theories and variables, there is a dearth of research and also case studies that specifically target SMEs within Africa.

The majority of research has been done in developed economies and in a variety of contexts, for instance, a study of large manufacturing enterprises (Ibeh, 2003; Okpara & Kabongo, 2009). The study’s aim was to unveil how export performance is linked to firm resources and how organizational characteristics and the macroenvironment influence the relationship between the two variables. The SME industry is known to be a critical pillar for Kenya's economic development in the vision 2030; research in this sector may assist policymakers

in developing policies that promote manufacturing and exporting as a means of attracting foreign exchange and creating jobs. The study begins by identifying exporting as a critical component of the internationalization process, which is typically carried out by Small iand Medium-Sized Enterprises in developing countries such as Kenya.

1.1.1 Concept of Firm Resources

An organization's resources consist of all assets, organizational processes, capabilities, firm qualities, information, and knowledge owned by organization and that allow it to design and execute strategies that enhance its efficiency and effectiveness" (Barney, 2010). A resource can also be defined as financial, social, or human capital, each of which plays a unique role in the growth of business and poses unique challenges when it is constrained (Cooper & Schindler, 2011; Grant, 1999). Researchers such as Rumelt (1991), detail how a company's access to reputational resources may increase its visibility in the marketplace and improve results. Researchers have identified three key types of resources crucial in creation and growth of a firm, financial, social, and human resources (Bøllingtoft et al., 2007; Wiklund et al., 2009).

Finance, material, intellectual, technical, organizational, and hierarchical resources are all types of resources identified by (Grant, 1999). The value of a company may be measured in terms of the skills it has amassed via the use of shared resources. The degree of financial resources available to a company's founders has been proven to have a favorable effect on the company's rate of development (Alsos et al., 2006). They argued that money and other economic resources are the most versatile and essential because they may be transformed into different forms as the company develops. Celec et al. (2014) argue that there has been a

shift in this way of thinking. Adjusting the use of technology in a small or medium-sized business to better fit its needs may lead to monetary rewards.

Bøllingtoft et al. (2007) highlighted monetary, structural, and personnel resources as the three most important for a company's growth and development. It is on the basis of this heterogeneity and potential non-interchangeability that the Resource Based View (RBV) was advanced, as stated by (Barney, 2010). In any event, RBV's focal reason discusses the main investigation as to why companies are unique and how they utilize their resources to achieve their goals, specifically in exporting. Improvements on this subject have also been made by other export researches. One example of how the Resource Based View and Selznick (1984) concept of a firm's "unique competence" are inextricably linked is in the following sentence. Organizational traits and the external environment are two examples of possible moderators of the impact of resources on performance. Leonidou et al. (2011) adds that the firm's export behavior may be attributed to the interplay of organizational, managerial, environmental, and marketing mix elements.

1.1.2 Organizational Characteristics

The term “organizational characteristics” refers to the demographic and managerial variables that make up the internal environment component of an organization (Zou & Stan, 1998). Numerous organizational characteristics and perceptions have been identified that shed light on a firm's export performance. Several organizational characteristics include the number of employees, the company's age, data, communication, and the ability to innovate (Nassimbeni, 2001). Nonetheless, the pertinent literature reflects a lack of consensus among researchers regarding the managerial factor in determining exporting and the specific dimensions on which management has an effect (Leonidou et al., 2011). Additionally, it was

established that certain competences required for successful export performance can be classified as skill-based. These factors include the manager's experience in the exporting function, his or her level of education, and his or her proficiency in a foreign language. Additional determinants include the number of workers, the ownership structure, and the number of years the business has been operating.

Knowles et al. (2006) posits that managers of successful enterprises engaged in exporting were more likely to be proficient in foreign languages and were at a higher level in terms of performance than less successful firms that do exports. Additionally, it was suggested that such managers possessed a broad perspective and a thorough understanding of internationalization. According to Zou and Stan (1998), firm size had a positive impact on export performance when gauged in terms of total sales but a negative effect on export profits when measured in terms of employees.

According to Aaby and Slater (1989), firms' knowledge on export market is a critical competence that positively impacts export performance. On the other hand, Hart et al. (1994) and Toften (2005) discovered a weak correlation that existed between export performance and export market knowledge. Lages and Montgomery (2005) established two decades ago that, in addition to firm size, certain firm characteristics such as labor output, export orientation, and focus are significant variables when discussing is firm's export performance. The aim of the research was to examine the impact of company culture on export success for both medium and small manufacturers that also sell abroad. The central thesis of the study is that export performance is positively related to firm resources and organizational characteristics.

1.1.3 Macro-Environment

Macro environment refers to physical and social factors that are taken into consideration in decision making. Pearce and Robinson (2007) argue that companies' performance is affected by indicators of the external environment, such as economic, political, social, and technical pressures. Physical, economic, social-cultural, and technical aspects of the macro-environment are identified and categorized by Kibera (1996). Export expansion is influenced by a wide range of macroeconomic indicators, including political, financial, socio-social, technical, environmental, and legal factors.

Both internal and external restrictions have an effect on export performance. Performance is often determined by environmental variables suchithe amount of competition, the ilegal and regulatory principles of the host nation, and the availability of proper communication and also distribution channels (Sinkovics et al., 2018). As the organization's external environment evolves, so too must the organization's objectives (Walley, 2008). Organizations need to pay attention to, and adjust to, their surroundings if they want to survive (Ansoff & Sullivan, 1993). Another barrier to small business growth is the complexity of taxes systems (Levy, 1993).

Machuki and Aosa (2011) posit that environmental construct may be viewed in two broad dimensions: the factors (external as well as internal) dimension. The environment is quantified in terms of its size, complexity, and dynamism as a construct. According to Mthanti (2013), the company faces a variety of challenges as a result of impeding threats and opportunities arising from the macro-environment in which it operates, with the threats being a function of the location's complexity and uncertainty. Numerous scholars, for example, Dess et al. (2005), have attempted to clarify the role and its impact on a company's

performance. Accordingito Gathungu et al. (2014), a firm'siability to leverage external opportunities significantly modifies the relationship between performance and other variables, including entrepreneurial orientation. According to Leonidou et al. (2011), the dynamic nature of today's environmental components complicates the process of choosing a market policy. Since smalliand medium-sized enterprises (SMEs) function in both an internal and external environment, the research must include the impact of the macro-environment on the correlation between firm resources and export performance. This research looks into the effects of the macro-environment on the export performance of small and medium-sized manufacturing businesses by analyzing the correlation between internal resources and those available outside the firm.

1.1.4 Export Performance

Cavusgil (1984) refer to export performance as the outcome of a firm's export operations. Shoham (1998) argues that a company's export performance is a factor in determining ts international sales profitability and growth. According to Leonidou et al. (2011), export proportion of sales/export intensity, revenue from export, profitability, and increase in export sales performance are the most frequently used indicators of export intensity. A critical concern for export development and success, according to Harcar and Karakaya (2015), is the requirement for firm to develop the capability to manage the export function. Zou and Stan (1998) quantified export performance using subjective indicators that have grown in popularity in recent years. Certain researchers have developed their own composite export performance measures. For instance, Moeini et al. (2012) evaluated firm export performance using a four- item subjective scale. This scale included perceived profitability, perceived

growth (in comparison to competitors), perceived market share satisfaction, and an overall assessment of export performance.

Comparatively to quantitative measures, new markets, revenue growth, and export volumes are used. This is because quantitative measures have difficulty being comparable across firms, and in some cases, firms' accounting practices do not differentiate between domestic and export-related activities (Katsikeas, 2003; Lages & Montgomery, 2005; Leonidou et al., 2011).Venkatraman and Ramanujam (1986) recommended that researchers ought to differentiate between financial and non-financial performance measures since quantitative measures reflect a firm's ability to achieve economic objectives, whereas qualitative measures reflect the firm's overall operational effectiveness. It has been argued that when measuring using objective or subjective indicators, contentious issues arise. As a result, the literature distinguishes between two broad categories of export performance indicators, namely objective and subjective indicators (Sousa, 2004).

Katsikeas (2003) argues that attention should be paid to the gradual development of a distinct and theoretically sound model of firm export performance based on sufficient data collection and the combination of independent variables and independent export performance measures. It has been shown in recent research that almost half of the current literature on export uses both objective and subjective metrics to evaluate success.Since exporting increases output, fortifies economic and competitive advantage, and paves the way for future international growth, a deeper knowledge of export performance is crucial to an organization's success (Lu & Beamish, 2001).

While exporting takes less financial investment and economic and commercial risk than other kinds of foreign direct investment, many enterprises in lower-middle income nations are either yet or not planning to do so (Chetty & Agndal, 2007; Lages & Montgomery, 2005). These studies indicate that the ability of businesses to export should be determined by the value embedded in their operations. Export performance was considered significant in this study because it has an effect on the revenue and profitability of the business, as well as on the creation of jobs and increased contribution to GDP at the national level. Finally, in the context of SMEs, export performance has an impact on management's major decisions regarding revenue generation against set targets within a specified time period, expansion into new markets, and export volume.

1.1.5 Small and Medium Manufacturing Enterprises(SMMEs) in Export Business in Kenya

The Kenyan government has sought to identify small and medium-sized enterprises (SMEs) using a number of different metrics. First, SMEs are classified as companies with less than aicertain number of workers (for example, can range from 10 to 50 employees) The second criteria distinguish between formal and informal industries by looking at the level of legal formality of SMEs. However, the research relied on a definition of SMEs provided by the Kenyan government, which specifies that these businesses have fewer than 100 workers. Micro and small enterprises in Kenya are defined under the Micro and Small Enterprise Act of 2012 as having less than 10 employees and an annual income of no more than Kenyan Shillings 500 thousand. Numerous studies have improved our familiarity with the notion of SMEs However, the definition of a small firm might change depending on where you are located and the metrics you utilize (Afenyadu et al., 1999).

Many people in Kenya recognize the importance of the country's SMEs because of the revenue and job opportunities they provide to the populace at large (Ngugi & Bwisa, 2013). Small and medium-sized businesses (SMEs) accounted for 79.8 percent of new employment produced in Kenya in 2016 (KNBS, 2017). With the objective of driving Kenya into a middle-income economy by the end of the decade, the Kenyan government has named SMEs as a key engine of economic development in its Vision 2030 plan. The SMEs are meant to create employment for the large population of unemployed youth who compromise abomake up to 60% of the populace. The goal of the Vision 2030 plan is to boost GDP by 10%, in addition to improving local productivity to eliminate the need to import products that can be produced domestically. According to Elhiraika et al. (2014), who conducted research based on data from 36 African nations and zeroed emphasis on manufacturing and export-related activities, a larger share of manufacturing in total output may both boost GDP growth and dampen economic vigour.

The performance of large manufacturing enterprises has been on the decline for the last three years KNBS(2019) and the government decided to shift focus to the SMMEs (Magutu, 2013). With regard to manufacturing for export purposes, the sector is supposed to enhance productivity and an inverse effect of reducing imports of goods that can be manufactured locally is expected in the sector (Akinlo, 2018). Kenya Association of Manufacturers (KAM), suggest that manufacturing is classified into three primary sectors: agricultural, engineering and construction, and chemical mineral. There are fourteen subsectors mentioned, but the ones that grew the fastest were meat and milk products; fruit; canned vegetables; fish; oils; beverages; fats, and tobacco, among others (Wanjau et al., 2012).

Small and Medium-sized Enterprises (SMEs) are now recognized as a financial pillar for stimulating growth and development as a result of their enormous potential for wealth creation, job creation, and poverty eradication as a result of the vision 2030 strategy. While GDP and physical capital both contribute to the growth of the economy in Sub-Saharan Africa, recent research ndicates that trade openness, interest rates, and currency volatility all have a negative effect on the manufacturing sector in some cases. Manufacturing and exporting are carried out by SMEs; for instance, the quantum index for manufactured articles increased by 28.6 percent (KNBS, 2017).

It is estimated that this sector's general contribution to GDP is over 12.5 percent (Kenya National Bureau of Statistics, 2017). Since 2003, the industry has grown significantly as a result of increased electricity supply and the creation of new markets within the Eastern African Community (EAC) and the Common Market for Eastern and Southern Africa (COMESA) as a result of beneficial market reforms and other incentives. The SME manufacturing sector is critical for contextualizing the study because it has been identified as a pillar of economic development necessary to transform Kenya into a middle-income economy by 2030.

1.2 Research Problem

Exporting is critical for businesses to accelerate their growth and profitability, enabling them to achieve a sustainable competitive advantage (Barney, 2010). Exporting activities boost productivity, improve foreign exchange, and aid in poverty and unemployment management (Chetty et al, 2007). Both theoretical and empirical evidence indicate that both industry and firm factors contribute to the explanation of export performance. Porter and Kramer, (2019) posit that creation of value is the responsibility of the firm, though this depends on its characteristics and how it performs and interacts with the environment. Each export performance practice could as well be different depending on the kind of environment that the firm operates at (Machuca et al., 2011).

Export performance research began in earnest in the early 1980's (Aaby & Slater, 1989; Bøllingtoft et al., 2007; Chetty & Hamilton, 1993). Itiestablished the intiail framework of causal link in their strategic export model, which compared export performance to managerial influences, including firm characteristics, competencies, and strategy. Chetty and Hamilton (1993) conducted a meta-analysis in an attempt to corroborate Aaby and Slater's (1989) findings, but the majority of their findings remained inconclusive.

Although current theories shed light on numerous significant aspects of the multidimensional phenomenon, the results have been inconclusive. The majority of the issues raised in the literature are the result of disagreements between studies regarding the most appropriate measure of export performance and its associated determinants (Leonidou et al., 2011; Sousa, 2004). The available literature is scant, at times devoid of theoretical arguments, and the disparate conceptual definitions, classifications, and

measures of export performance factors complicate study comparability. Diverse theoretical approaches and variable selection are major contributors to the literature's contradictory empirical findings (Sousa, 2004; Zou & Stan, 1998). For instance, theories such as the RBV and Porter's theory of national competitive advantage concur that exporting activities by a firm with an emphasis on proper resource allocation and competitive advantage via management practices promote efficiency and diversification of skills. The firm internationalization theory focuses on organization within the Multinational Enterprise (MNEs), an aspect that was heavily borrowed by SMEs in the trajectory to becoming multinationals. Due to the lack of a conclusive study where the considered variables have been under studied before, motivated the researcher to undertake the current scope. Consequently, specific relationships between firm resources, organizational characteristics, macro-environment and export performance have not been depicted explicitly.

Domestic consumption has been a defining feature of Kenya's economy, constituting about 75% of Gross Domestic Product (GDP). According to Ambeyi et al. (2019), Kenya's weak engine continues to be its exports, which have seen a sharp decline in relative importance in recent years. According to available data, the SMEs subsector contributes more than 12.5% of GDP, of which between 3.5 and 5% is attributed to SMMEs (Jafari Sadeghi & Biancone, 2018; Kenya National Bureau of Statistics, 2019a) Regrettably, these firms' contribution to the national economy has been declining (Ambeyi, 2019; Kaplinsky & Morris, 2019). Thus, it's clear that Kenyan-based SMEs in the manufacturing sector continue to experience significant organizational barriers linked to the internal as well as external environment (Gathungu et al., 2014), financing and marketing Chege and Wang (2020), and other critical organizational barriers. Kenya's top four exports fail to produce sufficient revenue

to cover oil imports alone, let alone other imports. As a result of its existing trade imbalances, it may be extremely challenging for Kenya to sustain high growth for a prolonged time period.

There has been considerable debate about how to strengthen potential exporters' export capabilities both globally and locally. Inmyxai and Takahashi (2010) investigated the impact of firm resources on the performance of male- and female-led firms in Lao SME (SMEs). The study made no mention of the variable firm resources found in a SME manufacturing environment. In Monteiro et al. (2017) examined the role of organizational resources and dynamic capabilities in mediating the relationship between entrepreneurial orientation and export performance. We investigated the association between firm resources and the macroenvironment. Rock and Ahmed (2014), conversely, investigated the link between Chile's capabilities, natural resources, and export performance. This study failed to unveil the macroenvironment's effect on the relationship between resources and capabilities.

Mathuki et al. (2019) examined the combined effect of strategic alliances, regional integration, and macroeconomic conditions on the performance of Kenyan manufacturing firms in the East African Community(EAC) Market, whereas Mathuki investigated the influence of regional integration and macroeconomic conditions on strategic alliances and performance of Kenyan manufacturing industries in EAC. The combined effect of firm resources and organizational characteristics was not examined. On the other side, Gathungu et al., (2014) and Okeyo (2013) looked at how business development services impacted the efficiency of Kenya's micro, small, and medium-sized manufacturing firms. Domestic consumption has been a defining feature of the Kenyan economy, accounting for 75% of GDP.

According to Ambeyi et al. (2019), Kenya's weak engine continues to be its exports, which have seen a sharp decline in relative importance in recent years. According to available data, the SMEs subsector contributes more than 12.5% of GDP, of which between 3.5 and 5% is attributed to SMMEs (Kenya National Bureau of Statistics, 2019a). Regrettably, these firms' contribution to the national economy has been declining (Ambeyi, 2019; Kaplinsky & Morris, 2019). Hence, it's clear that Kenyan-based SME manufacturers often experience significant organizational barriers related to the internal as well as external environment (Gathungu et al., 2014), financing and marketing Chege and Wang (2020) and other critical organizational barriers. Kenya's top four exports generate insufficient revenue to cover oil imports on their own, let alone other imports. Given the country's current trade deficits, it may be very challenging for Kenya to maintain rapid development over the long term.

These studies have undoubtedly resulted to the understanding of the factors that influence a firm's competitive advantage and export performance, including firm resources. The studies uncovered conceptual (variables used) discrepancies. Jenkins (2005) used econometric models, which presented a methodological gap (analytical models) against the cross-sectional method employed in the current study. The purpose of this study was to close this methodological gap. However, the preceding studies did not consider the effect of organizational characteristics and macroeconomic conditions on the export performance of small and medium-sized manufacturing firms. Although literature exists regarding the process of management and growth of exports in SMEs, available studies concentrated mainly in the developed economies. This study intended to resolve challenges faced by SMEs in developing countries by identifying respective variables and relevant success factors pertinent to the sector. Specifically, there is little done on SMEs in manufacturing

sector with growth potential and on which the future development of exports within Kenya will be based. The study examined these variables in bid to address the following research question: What effect do firm resources, organizational characteristics, and macro-environment have on the export performance of small and medium-sized manufacturing enterprises in Nairobi City County, Kenya?

1.3 Research Objectives

The main study objective was to determine the relationships between firm resources, organizational characteristics, macro-environment and export performance of Small and Medium Manufacturing Firms in Nairobi City County, Kenya.

The specific objectives were to:

i. Determine the relationship between firm resources and export performance of Small and Medium Manufacturing Enterprises.
ii. Assess the nfluence of organizational characteristics on the relationship between firm resources and export performance of small and medium manufacturing enterprises.
iii. Establish the effect of macro-environment on the relationship between firm resources and export performance of small and medium manufacturing enterprises.
iv. Determine the joint effect of firm resources, organizational characteristics and macro-environment on export performance of small and medium manufacturing enterprises.

1.4 Value of the Study

Small and medium-sized manufacturing enterprises (SMMEs) development and growth in Kenya are directly related to the resources invested in them. However, they are also

influenced by other complexities such as internal and external environment and internal limitations such as organizational characteristics. By establishing a relationship between export performance and firm resources, organizational characteristics, and macro-environment, the study addressed conceptual gaps. A critical review of the literature was conducted to enable the researcher to ground the study on established theories about firm resources and exporting, thereby expanding the frontier of knowledge about the relationship. The study's findings contributed to an advanced knowledge of SME manufacturing sub-sector and enabled both public and private stakeholders to make appropriate policy recommendations and initiatives, including taking into account specific indicators such as processes and technology to be used. This would assist the government and industry players in formulating policy direction for the subsector of manufacturing in order to grow exports, increase revenue and profits, create more jobs, and reduce the national unemployment index.

At the managerial level, the findings may inform strategic decisions and operational practices, for instance the ideal number of foreign markets to venture into. The study's findings may benefit practice by highlighting the factors affecting firm internationalization and their impact on export performance. Conversely, increased knowledge may substantially minimize the alleged barrier to and complexity of the global activities, allowing for the implementation of proactive internationalization strategies. Similarly, the study will alleviate managers' efforts in determining the sources and causes of variation in their firms' export performance. Additionally, the study findings may enable replication of same kind of studies on diverse contexts, fostering comparative research and laying the groundwork for future research.

1.5 Summary of the Chapter

Firm internationalization theory, resource-based theory, industrial economic organization theory, and the Porter's theory of competitive advantage of nations were presented in this chapter. Also, the chapter introduces the following concepts: firm resources, organizational characteristics, macroenvironment, and export performance. The research challenge and its objectives have been outlined in this chapter. The study's potential benefits were addressed for a range of interested parties. Finally, the organization of the thesis according to the chapters was discussed.

1.6 Organization of the Thesis

There are a total of six chapters to the thesis. In the first section, the study's premise, problem, objectives, and significance are laid forth. Furthermore, the adopted structure of this thesis is detailed herein. The second chapter is a review of the empirical research, focusing on the theories of export performance, firmiresources, organizational characteristics, and the macroenvironment. This chapter provides a synopsis of the knowledge gaps that will be addressed, as well as a description of the conceptual model and research hypotheses that will guide the investigation. The research methodology is laid forth in Chapter 3, and it consists of the following sections: research philosophy, study design, population, sample design, data collecting, and analytic procedures. There are further diagnostic tools, such as reliability and validity assessments, and operationalization of variables.

Findings, analyses, company demographics, and measurement model outcomes are all presented in Chapter 4. It includes response rates and respondent and firm characteristics such as the respondent’s age, education levels, ownership status, company age, and number of employees, among others. It also presents the descriptive statistics for different variables.

Further, correlation and hypothesis testing are also presented. Chapter five discusses the findings obtained from Chapter 4 based on hypothesis testing. Chapter six presents a summary of study findings, conclusions, study implications, study limitations, and recommendations for future research.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter presents the study's theoretical foundations and empirical evidence, as well as the relationship between firm resources, organizational characteristics, and the macro-environment, as well as their impact on exportiperformance. The chapter finally concludes with a list of research gaps, a conceptual model, and research hypotheses.

2.2 Theoretical Foundation of the Study

This research was inspired by Buckley and Casson's theory of internationalization for corporations (1976). A number of theories, including as the Resource-Based View (RBV) and Porter's Theory of Competitive Advantage of Nations, have shown a connection between internationalization and profitability. While MNEs are the primary focus of internationalization theory, Porter's theory of competitive advantage focuses on how a company's internal structure affects its ability to compete. Nonetheless, recent research on the subject has paid little attention on the multidimensionality of internationalization as a concept (Hilmersson & Johanson, 2016). The study integrates Resource-Based Theory, internationalization Theory, industry-specific competitive advantage theory, and industrial economics organization theory to provide a more comprehensive explanation of firm resources, organizational characteristics, macroeconomic variables, and their impact on export performance.

2.2.1 Firm Internationalization Theory

The term “internationalization” describes the trend of companies expanding their business overseas. Buckley and Casson (1976) conceptualized the concept of internationalization. According to Welch and Luostarinen (1988), firm international theory encompasses a variety of dimensions, including franchising or licensing, ndirect export, direct export, overseas subsidiary, joint venture and FDI (Calof & Beamish, 1995; Lages & Montgomery, 2005; López-Duarte & Vidal-Suárez, 2010). Exporting has evolved into a critical strategy for business as well as economic internationalization on a global scale (Koksal, 2009).

This study is underpinned on Buckely and Casson's firm internationalization theory (1976). Two theories, including the RBV and Porter'sitheory of competitive advantage, establish a link between internationalization and performance. Generally speaking, as exporting is less resource-dependent than other approaches to foreign market entry and investment, it calls for reduction of company risks, little resource involvement and increased flexibility (Neupert et al., 2006). Internationalization is considered an incremental process because new foreign markets are fraught with uncertainty, and entry becomes easier as knowledge and experience from previous international activities accumulate.

It has argued that SMEs, particularly those in developing countries, export to markets that are psychologically and geographically close to their home market. Thus, the internationalization process demonstrates the critical nature of systematic (gradual) international expansion (Johanson & Vahlne, 1977; Leonidou et al., 2011; Ojala, 2015). As such, an incremental internationalization strategy seeks to minimize risk (by reducing uncertainty) while pursuing growth (Sapienza et al., 2006). Thus, firms take logical steps toward internationalization by gradually acquiring and utilizing experience from foreign

markets and operations, resulting in increasing levels of commitment to potential foreign markets.

There are two approaches to the strategy for SME internationalization. One aspect is to encourage and support exporting companies to increase export volumes. The second approach s to encourage non-exporters to venture into exporting. It is implied that lack of a strategy to export may lead to the absence of internationalization, increasing capacity and even reluctance by most SMEs to export (Westhead et al., 2010). Other challenges as highlighted by Abdin (2016) include absence of good governance, business-friendly laws. It was therefore the responsibility of the government to inspire SMEs to internationalize by creating a conducive climate for international trade. The same view was expressed by Ahmed et al. (2008), who asserted that the general goal in many countries is to discover ways to develop exports by promoting firms undertaking exporting to export additional or initiating non-exporters to start exporting. Although the progressive approach is anchored in Buckley and Casson (1976) and Vernon (1966) classical concepts, it reaches its pinnacle through two similar study inclinations developed in the 1970s and 1980s, these are school of Uppsala and the school of innovation (Bilkey & Tesar, 1977). The two strands are consistent in the logic that internationalization is an evolutionary process whereby the company reaches gradual levels of internal market engagement as it moves forward through a sequence of consecutive phases by creating aggregate choices (Root, 1987).

According to the Uppsala school of thought, a central construct is a lack of foreign market knowledge, which increases risk exposure for internationally expanding firms, which respond by limiting resource commitment or enforcing stringent foreign entry controls. On the other hand, Johanson and Mattsson introduced "The Network Approach to Internationalization" in

1988. The approach emphasizes the critical role of building better relations with suppliers, customers, and markets in stimulating or facilitating a company's international expansion. Networking is viewed as a source of market intelligence and knowledge that may assist the involved parties in bridging the divide between their clients, the industry, suppliers, distributors, regulatory and public bodies, as well as other market actors. They asserted that technological advancements, specifically in the information and communication sectors, enable firms to accelerate their internationalization efforts through the experience and resources of network partners. However, the existing literature extensively discusses exporting as an internationalization strategy. The majority of research has concentrated on the export orientation and performance of western economies.

According to Stoian et al. (2018), little research was done on determinants of export performance and the relationships that exist between them for SMEs operating in Africa, particularly those in the manufacturing subsector. Research findings for studies conducted on SMEs in developing countries have been scarce in the past, for instance, for Asia and in Africa. Nonetheless according to Khalique et al. (2015) digitalization and the development of internet and mobile technologies have presented a new dimension of internationalizing which enable sourcing services globally from the comfort of one's office. This study is hinged on firm internationalization theory since the claim that, SMEs emulate the large manufacturing enterprises in strategy and operations to venture into foreign markets.

2.2.2 Resource Based Theory

A resource is defined as financial, social, or human capital, each of which contributes significantly to an organization's performance and brings about a challenge to the firm when it is depleted (Cooper & Schindler, 2011). RBV advanced by Barney (2010), drawn on Miller

(1960) and later advanced by Wernerfelt (1984) who defined an enterprise as a collection of resources and competencies. This means that lack of resources and competences at the firm level could impede some functions and strategy formulation. Organizational growth and development need three primary types of resources, as described by Bøllingtoft et al. (2007) and Wiklund and Shepherd (2005). Grant (1999), posit that a company's internal resources may be broken down into six categories: money, people, tech, name recognition, and loyalty (s). It is argued that a specific resource or a combination of resources could play a critical role leading to sustained export performance. In support of this view, Grant (1999) asserts that, abilities of an organization are measured by what it can achieve out of a combination of resources available to the enterprise.

According to Powell (1992), a resource must generate economic value and be scarce, difficult to mitate, non-replaceable, and not easily accessible in the factor market in order to generate competitiveness. Litz (1996) also concurred with Barney (2010) conceptual work on the unique nature of resources and their characteristics. In the research, Barney asserted that resources should be ascribed and viewed as precious, rare, unreplaceable and inimitable. As long as the resources are tangible, physical, and comprise human capital, or meet these qualities, they qualify to be considered as resources. This view is backed by Michalisin et al. (1997) who argued that strategic resources are useful and at the same time, rare, inappropriately inimitable and non-substitutable.

Contrary to industrial economics organization theory where resources are deemed homogeneous and mobile, there is a likelihood that businesses may obtain the resources necessary for gaining or retaining competitive value. RBV advocates that resources are heterogeneous and not readily available across businesses. The company has therefore to

strive to obtain resources to have a competitive edge over rivals' companies who are also in exporting business. According to Barney (2010) and Bowen and Wiersema (1999) a company's success is determined in large part by its ability to generate a sustainable competitive advantage through the acquisition and use of nimitable, non- mitable, non-transferable, company-specific resources.

Boeker (1989) asserted that in the very early phases of a business development, resources can facilitate strategy implementation, thereby putting the newly established firm in a path-dependent competitive position. Enterprises that were unable to pursue desirable strategies were unable to compete with firms that did. Cooper and Schindler (2011) argued that capital as a resource provided a buffer during the experimentation phase of a newly established enterprise, during which new strategies and concepts are tested. The argument is supported by the fact that capital can be used to acquire or obtain additional resources required for exporting. The study is founded on RBV theory, which is employed in explaining the significance of resources in the manufacturing sector and their effect on export performance.

2.2.3 Porter's Theory of Competitive Advantage of Nations

This theory places an emphasis on the industries competitiveness in terms of their capacity to innovate and upgrade. Further, the theory gives details on why some industries within a certain nation are more competitive globally while others might not. Porter (1998) claimed that competitive advantage was a major factor in superior outcomes and that ability of any company to remain competitive in the global arena is mainly based on an interconnected set of advantages that certain industries in different nations possess, namely: firm strategy, structure, and rivalry; factor conditions; demand conditions; and related and supporting industries. Since companies, not countries, compete in foreign markets, the key to explaining

the nation's role in the process is to understand how companies produce and retain competitive advantages. Although these characteristics influence the existence of a competitive advantage in a nation, they are much more limited to a given sector than they are to a nation as a whole. Porter's Theory has, however shifted from a unit of analysis focused on nations to one where sub-national regions are the primary analytical unit (Huggins & Izushi, 2015).

Contrary to Porter'siemphasis on a holistic combination of factors, among them a strong domestic set of competences (for instance, aggressive home base suppliers and demanding local customers), Miller (1960), Prahalad and Hamel (2006) and Rumelt (1991), focused on the importance of the resources used by organizations as the main source of competitive advantage. Furrer et al. (2008) asserted that since the 1980s, the concentration of research in strategic management has moved from the industry structure to the inner structure of the company, with resources and capacities under scrutiny. Barney (2010) endorsed this perspective, since it presented a more concrete and thorough structure for detecting the necessary features of firm resources to generate sustainable competitive advantage.

These features examine whether resources are important (in the sense that they take advantage of possibilities and neutralize threats in the setting of a company), rare among both present and potential rivals of an organization, incomparable, and non-substitute. Other writers, Amit and Schoemaker (1993) and Rumelt (1991) have extended the perspective of Barney (2010) to include resource durability, non-tradeability, and resource idiosyncrasies. Nonetheless, recent developments mention social capital as related to competitive advantage theory in the promotion of export performance (Walter et al., 2009). The consideration of social networks is rooted in the fact that firms find it hard to operate in isolation but rather

are embedded in a web of relationships because they create value (Mai et al., 2019; Manolova et al., 2002; Walter et al., 2009).

The network of interactions with other companies, whether they be people, economic, or social entities, yields a few type of value intangible resource for the company (Gathungu et al., 2014). These commodities are often referred to as "social capital," and they have the ability to give the company with the strategic resources necessary for the development of a continued competitive advantage (Lages & Montgomery, 2005; Nahapiet & Ghoshal, 1998). The application of social capital underpins the concept that enterprises in a specific network might potentially reap benefits from their extant networks, social structures and memberships. Socialicapital in terms of knowledge and expertiseimay additionally provideifirms with access toiresources such as strategic skill which is deemd vital for value-creating processes since it allows organizations to minimize the transactional costs of social interaction and exchange (Easmon et al., 2019).

Peteraf (1993) proposed that there should be four conditions for competitive advantage in the industry. They include resource heterogeneity (rents are available). There are two methods to demonstrate this heterogeneity. First, higher-resource organizations in competitive markets can earn super profits as they generate more efficiently than others. Most importantly, the larger resource continues to be in limited supply. Second, market power organizations can gain monopoly profits from their resources by intentionally limiting production; ex-post restrictions on competition (continuous rents). Following an organization that benefits from a superior position and earns profits, Odhiambo et al. (2015) argue that there is a need for factors that link competition with those profits (imitability and replaceability) and imperfect mobility (rents maintained within the company).

Resources are imperfectly mobile unless they can be traded so that they cannot be given away from their employer. As a consequence, a competitive advantage is sustained. Fang et al. (2007) argued that the success of firms, especially those that have gone international, relies on its diversity, and also, depending on a company's capacity to impart information to its subsidiaries effectively. An organization might not be able to transfer knowledge to its subsidiaries as knowledge resources become imperfectly mobile. There must be restricted competition for that position before the company develops its superior position (Odhiambo et al., 2015). If not, the cost of acquiring the resource or asset would offset the advantage Resource configurations, generic strategies, and firm performance exploring the parallels between resource-based and competitive strategy theories in a new (Amit & Schoemaker, 1993). Additionally, in support of this view, Morgan et al. (2004) asserted that firm capabilities presented as organizational processes combine and transform resources available into deployable value offering for (export) markets toward achieving competitive advantage. They also suggested that resources might come from anywhere in the value chain and be concrete, non-tangible, or even frequent trends. For thriving in a persistently variable setting, prolonged growth and resource upgrading were essential.

Maijoor and van Witteloostuijn (1996) in support of this view, asserted that managers need to develop their own competencies through the above trials. It is argued that if conditions are favorable, domestic companies should continuously innovate and upgrade for enhanced competitiveness while going international to battle the large competitors.

Cainelli et al. (2015) further stated that firms can employ internal, external and hybrid resources in the innovation process, which is believed to be a new approach to attaining competitive advantage. This study, which was based on Spanish manufacturing firms and

estimated probit models, unveiled that internal resources tend to have a greater importance for environmental innovations. Accordingly, when defining what treasured resources are, organizations need to examine both the internal as well as external environments, as well as the sectors and skills available locally. The argument that industry competitiveness is determined solely by domestic firms is relevant in this study because national competitiveness is achieved through continuous updating and improvement of processes. Firm strategy, structure, and supporting industries are key as firms prepare to venture into foreign markets through exporting (Fuchs & Köstner, 2016).

2.2.4 Industrial Economics Organization Theory

The Industrial Economics Organization Theory is highed on the concept of a market's structure and functioning (Tirole, 1998). The theory explains how the market structure affects a company's strategy and decision-making. Industrial organization theory is a micro- and macroeconomic approach to understanding how firms and markets interact. The theory is based on Adam Smith's book "Wealth of Nations" Corley (1990) stated that a company's value was determined by its capability survive in difficult situations caused by imperfection of the markets. The theory features how markets and industries compete with each other by taking into account real-world factors such as government intervention in the market, transaction costs, entry barriers, and other macroeconomic challenges.

Industrial organization theory is highed on the firm theory. Additionally, the theory makes predictions about the nature of a firm's existence, structure, behavior, and relationship to the market. The emphasis is placed on operational aspects, such as production. Additionally, it explains how the existing system works, allowing for the prediction of the effects of changes in the variable system." (Barthwal, 2010). According to industrial organization theory, the

market in which a company works is more important than the company itself. The structure-conduct-performance model reflects this idea by postulating a causal connection between a firm's market environment, its internal practices, and its bottom line. In its entirety, an industrial organization model assumes an external perspective, implying that external forces are the primary determinants of a firm's strategic actions, such as exporting, and that resources used to implement strategies are highly mobile across firms.

2.3 Firm Resources and Export Performance

The nature and scope of firm resources and also their impact on export performance, have been the centre piece in a multitude of practitioner as well as scholarly debates, and their popularity as a research subject continues to grow. The structure of export performance is critical for both businesses and countries. Export performance is conceptualized by Yeoh and Jeong (1995) as a function of the fit between an organization's strategic orientation, environment, and export channel structure. A detailed understanding of export performance at the business level is beneficial because exporting increases foreign exchange accumulation, boosts economic and competitive performance, and lays the groundwork for future international development (Lu & Beamish, 2001) .

Exporting contributes to economic growth by increasing foreign exchange reserves, employment rates, and productivity (Odhiambo et al., 2015; Ural, 2009). For SMEs, company resources are viewed as critical for exporting operations to global markets. A study by Silveira and Sousa (2010) unveiled that firm’s best practices affect firm performance in a positive manner for instance, in flexibility and dependency. Borch et al. (1999) recognized financial resources as significant elements in their studies based on the resources and policies of SMEs. Manufacturing, or the production process, is a critical stage prior

to exporting, and thus financial resources are required to pay for labor and other related activities (Ward, & Duray, 1984).

Firms perform better, according to Chi (2009), when their business environment characteristics, competitive priorities, and supply chain structure are aligned. The term "export financing resources" refers to the specific financial resources available to exporting businesses that enable them to compete effectively in international markets (Odhiambo et al., 2015). In light of international markets, firmiresources are viewed as a critical resource for exporting SMEs. Borch et al. (1999) asserted that one of the most critical factors that affect export performance is financial resources. It is argued that limited access to firm resources is a significant barrier that SMEs in various countries, particularly exporter firms, face (OECD, 2008). Furthermore, it has been established that the ability to internationalize is always based on the funding available, mostly for first time exporters, as the personal and private sources of owners are generally restricted.

In a study by Rao et al. (2017) it was established that apart from constraints related to supply and demand, there exists financing challenges too. Additionally, the research identified the most prevalent financing related challenges as a higher cost of obtaning credit, complex lending institution procedures, existence of information asymmetry, and creditworthiness and self-sufficiency in external financial resources. Additionally, the researchers noted concerns about a lack of knowledge and also awareness about available financial products and services. As a result, SME owners rely more on bank financing and commercial credits Bartholdy and Mateus (2008) . As a result, it appears critical to understand how they access financial capital, particularly those engaged in exporting; access to finance is critical for

them, as significant economic resources are required to enter global markets (Zahra et al., 2000).

Ninety percent of small firms questioned by World Bank said that access to financing was a major limiting factor in making new investments (Kinyua, 2014; Levy, 1993; Parker, 2019) also established that emerging firms have limited access to finance iresources in comparison to established firms, with negative outcome for their growth and development. This is because SMEs have restricted access to capital markets, in part due to the prospect of uncertainty, information difficulties, and enormous intermediation costs associated with new businesses. On the other hand, export operations during critical periods, such as when large orders are received, necessitate significant working capital investments, and banks are typically the primary source of financing for SMEs. As a result, it can be concluded that increasing firmiresources results in increased performance in exporting.

2.4 Firm Resources, Organisational Characteristics and Export Performance

To successfully plan and launch an export business, a company needs a specific and sufficient set of critical resources (Morgan et al., 2006; Rao et al., 2017). The most beneficial utilization of a company's resources requires its employees to possess the necessary skills and knowledge that coordinates the many aspects of the business (Cavusgil, 1984). Due to the lengthy nature of export activities, company age is a key factor to take into account since personnel gain experience and expertise over time. The number of workers is the most changeable aspect of business size. Two studies support this theory (Chetty & Hamilton, 1993; O'Cass & Julian, 2003). Other determinants of export performance, such as organizational characteristics and macroeconomic environment, as opposed to the current study were not examined.

Firms should be sufficiently large to compete on a global scale. Larger firms benefit from a competitive advantage in the global market as a result of increased competition and advancements in communication networks (Odhiambo et al., 2015). The relationship between size and performance cannot be generalized because it is contingent upon the developed and implemented export strategies of the business (Bonaccorsi, 1992). Larger firms, in comparison to smaller firms with fewer resources, are more adaptable (Wagner, 1995). As a result, larger businesses with more resources are more adaptable than smaller businesses with fewer resources (Wagner, 1995). However, the size of the business has a moderating effect on the way the primary resource constraints and export performance are addressed (Junaidu et al., 2012).

Man, (2001) established that an SME is not a miniscule small of a well-established company. Smaller companies vary in their management style, autonomy, ownership and scale / scale of activities from bigger companies (Coviello & McAuley, 1999). They have distinct organizational structures, environmental reactions, and methods of competing with other companies. Erramilli and D'Souza (1993) recognized two significant interrelated features of growing businesses: resource limitations and environmental uncertainty resource obligations. Limited resources (particularly capital resources) have been viewed as significant factors distinguishing small enterprises' strategic conduct from bigger companies, wheras uncertainty in the environmental forces these companies to deploy fresh investments with caution and minimal utilization (Erramilli & D'Souza, 1993). With regard to exports, the scarcity of resources of SMEs can affect their capacity to enter foreign markets and can also restrict the capacity of a smaller company to achieve a distinct level of foreign market entry (Westhead et al., 2010).

When SMEs engage in foreign trade, insurmountable barriers can arise. Compared to their bigger rivals, SMEs seem to have to overcome higher barriers, but they may be able to compensate for their disadvantages by using the particular benefits of SMEs and discovering niche markets (Buckley & Casson, 1976). When an SME chooses to participate in export operations, irrespective of their nature, it must follow certain patterns of operation that are or are most probable to be coherent or logical as time goes by. This pattern can be termed as the company's growth strategy for internationalization. This or any other policy that the company may pursue should be based on sufficient resources to support the growth of its global operations(Ahokangas, 1998).

Managers' international experience provides a competitive advantage as it leads to the development of suitable policies (Louter et al., 1991). Companies that prefer to obtain or retain a competitive value in the ever-growing world economy should ensure that executives are strategically aligned with business strategies with the competencies in need. The activities undertaken should create a sustainable competitive advantage. Integration of competences and strategies are more significant in SMEs where the managing owners are virtually synonymous with the perception of Company competence (Barbara et al., 2000). If a company has advantage of experience on global operations, it is more likely that standardization will not only be used to achieve worthy outcomes (O'Cass & Julian, 2003). A global company is more likely to recognize environmental variations, choose the most attractive market, and adapt superior marketing strategies (Cavusgil, 1984).

Evidence demonstrates that the international business experience and preparation of management in a company is a benefit that has an important relationship with price adjustment and effects on performance (Lages & Montgomery, 2005). According to a study

by Stump et al. (1998) employees of companies with poor export performance were usually less educated and less skilled; however, some scientists did not notice any particular impact of export education. Scholars have long debated whether or not exporting companies' strategic conduct in adjusting their marketing mix is correlated with the organizational features of such companies (Jamshidi & Moazemi, 2016).

Market knowledge is another aspect that is very important for decision-making and helps the business maintain a competitive edge. Increased market awareness may inevitably result in the company becoming more proactive in its pursuit of external opportunities and growth in international trade (Beleska-Spasova & Glaister, 2011). A company without adequate knowledge of the market and customer requirements will experience difficulties in using market opportunities (Ling-yee, 2004). Export studies have infered that numerous exporters disregard marketing research and face serious challenges in evaluating and exploiting the overseas market (Leonidou et al., 2011). It is therefore important for firms to consider critical organizational characteristics in an effort to manage and develop a strategy for export operations using a desirable mix of resources available to the firm.

By enhancing manufacturing, lowering costs and introducing new products for global markets, technological innovation has a significant impact on export operations. Three types of innovation exist: product innovation, which encompasses new products or design and packaging modifications; process innovation, which encompasses quality control and information technology implementation; and leadership and organizational innovation, which encompasses strategic planning (Celec et al., 2014). Reorganizing corporate processes around innovative ideas and seeing innovation as a limited resource is likely to result in more

product adaption. As a result, organizational characteristics have an effect on the link between a company's resources and export performance.

2.5 Firm Resources, Macro- Environment and Export Performance

Several studies have identified several environmental elements as crucial in determining business decisions. Accurate information on shifting consumer needs, evolving technological capabilities in one's business, and evolving government regulation is essential for effective policy execution, as are knowledge of one's rivals' strategies and the state of the domestic and global economy (Burke, 2017). Resources can originate from anywhere in the value chain and can be physical, intangible or routine resources (Amit & Schoemaker, 1993). Continuous improvement and resource upgrading are crucial for prosperity in an ever-changing environment.

A review by Holzmüller and Stöttinger (1996) claimed that export performance in an organisation depends not only on determinants related to management, but also on environmental determinants. It is necessary to take into consideration several elements in the environment. In the global context, for example, the macro environment would be influenced by the government, export promotion programs provided to exporters by the governments and the economic climate between them, and currency fluctuations. Such fluctuations can affect SMEs because majority do not have as many needed instruments as organizations to handle the risk of return and restrict its effect on their outcomes. Consideration must also be given to the cultural dimension. The cultural aspect in the macro-environment cannot be underestimated since different cultures influence outcomes in different ways especially in unfamiliar markets. Small businesses' macro environment is defined by several limitations that influence the capacity of a company to provide strategic

activities (Dobbs & Hamilton, 2007; Kweka & Fox, 2011). Further, Corbo (2012) supported the fact that availability or unavailability of resources present in any given platform is proportionally associated to the generation of a firm's co nstrained resources.

Smallbone and Wyer (2006) contend that these limitations are in fact a higher incentive for the company to implement strategic procedures. Dinh et al. (2013) demonstrates, for example, how a lack of high-quality inputs can impair a firm's competitiveness. Increased accessibility to raw agricultural products, food packaging, instruments, and labels, for example, promotes more strategic behavior. Banks can facilitate access to financial resources, whether credits or grants, in the macro environment. The evidence suggests that businesses with external access to resources in the future will be able to make more strategic investments and grow faster than those with only internal resources (Fafchamps et al., 2014). Kithusi (2015), for example, conducted research on the impact of firm resources, macro-economic conditions, and entrepreneurial strategy in the furniture sector. Thus, access to inputs, public infrastructure, and financial resources can all have a significant impact on a firm's ability to execute its policies, either by encouraging firms to develop new and better methods of competition or by limiting a firm's ability to behave strategically. Performance of export has been widely measured by use of financial or objective measures such as, returns on investments, sales and profit, and, non-financial or subjective measures, for instance, new markets, customer satisfaction and goal achievement. (Ali & Shamsuddoha, 2006; Koksal, 2009; Lages & Montgomery, 2005). Racela et al., (2007) and Ural (2009) used export sales to examine export performance. The growth of export revenues was also used to assess export performance (Ali & Shamsuddoha, 2006; Francis & Collins, 2004; O'Sullivan & Butler, 2009).

The government plays a vital role in stimulating national companies internationally through export promotion programs (Cavusgil, 1984; Zou & Stan, 1998). There are, however, important external factors related to minimum cost, delivery, flexibility, and quality that affect the performance of the firm (Swamidass & Newell, 1987; Ward, & Duray, 1984). This view is supported by (Zou & Stan, 1998), who cited technological turbulence as an external environment positively correlated with export performance. Every practice of performance of export could be dissimilar according to the environment (Machuca et al., 2011). However, not every decision made previously by the other company can be used as a guide to solve a problem in the future. This is because macro-environmental determinants keep changing every moment, and companies are always required to align their internal and external determinants now and then to obtain the company's most suitable choice. It has been noted that small and medium enterprises have some limitations that minimize their growth and strategic development. Examples of such strategic barriers include the lack of ability by owners of small business to fulfil the demands of the macro- environment (Harris & Gibson, 2006).

Other strategic limitations that have been identified include the poor formal educational level, low accessibility and utilization of modern technologies, and limited management skills (Agyei-Mensah, 2014). This scenario suggests that firm resources, the macro-environment, and the exportiperformance of SMEs have a relationship. However, SMEs are limited in many of these resources and may not reap the full benefits associated with firm resources. Moreover, the export market is highly competitive, and SMEs with issues in finance, skill, machinery, and networks will likely fail to adapt and succeed in the evolving environment. The concept of firm resources and macro-environment in the paradigms of

export performance is therefore more skewed to the larger organizations with well-established and stable market systems. SMEs are a high-risk sector, and just a bunch of them will likely succeed in the export market, courtesy of macro-environmental forces that are mostly extrinsic in nature. A number of scholars, however, support the notion that the macroenvironment has an impact on the association between firm resources and export performance (Francis & Collins, 2004; Machuca et al., 2011; Ural, 2009).

2.6 Firm Resources, Organizational Characteristics, and Macro-Environment on Export Performance

Recent literature highlights the overwhelming significance of firm-specific variables that build on competitive export benefits (Sterlacchini, 1999; Wakelin, 1998). Included are organizational characteristics such as company size, manager's age, property, top company manager education, company technical efficiency and foreign language understanding, and company environment factors that could boost or inhibit production companies' exports. Holzmüller and Stöttinger (1996), argue that a large body of empirical research on export performance has been conducted without examining the role of moderating variables critically. Despite the fact that more complex models were required, they chose partial models. They advocated that organizational culture, subjective manager characteristics, objective firm characteristics, objective manager characteristics and the external environment all influence and determine export performance directly.

In general, the reviewed literature shows that a variety of factors influence export performance, such as the external environment, organizational and managerial characteristics, the specific export strategy used, and the planning of individual export ventures. However, the literature on export performance has not considered the combined

effect of an enterprise's resources, organizational characteristics, and macroenvironment on the link that exist between company resources and export performance as a determinant of export performance. Namusonge (2003) examined the importance of leadership abilities and competitive strategies in exporting SMEs, but did not consider the conceptual aspects of firmiresources and the macroenvironment, as well as the relationships between the two variables. A logical or exhaustive conclusion of factors of the performance of export of the firm at this stage is almost impossible, because previous literature has excluded relationships between factors, within and outside the firm that could influence export performance.

It is asserted that the superior achievement of companies is primarily linked to the characteristics of resources and capacities the company have assets that are unusual, precious, difficult to duplicate, and irreplaceable. The company's resource-based approach (RBV) posits that an institution's efficacy relies on its distinctive capabilities and resources. Baker and Sinkula (2005) and Grant (1999) identifies degrees of sturdiness, transparency, transferability, and reproducibility as the most important RBV factors. Amit and Schoemaker (1993) contend that the most important resources of the company are scarcity, complementarity, low tradability, inimitability, restricted substitutability, and other aspects such as adequacy, durability, and overlap with strategic sector variables. Many of the SMEs in the exporting sector lack an R&D department and mostly depend on other technologies, which are not immune to low tradeability, inimitable characteristics, and restricted substitutability. In addition, the SMEs are developing organizations and therefore do not have stable leadership and management mechanisms that withstand macro-environmental stressors. As such, a number of the small-scale exporting firms are unable to realize the maximum outcomes associated with macro-environmental and organizational

characteristics. However, the extant literature suggests that the relationship among environmental variables and the export performance also depends on the firm size (Lawrence & Hottenstein, 1995). The study perceives the variables of firm resources and organizational characteristics as vital factors for navigating the macro-environment in exportiperformance.

2.7 Summary of Empirical Studies Research Gaps

As demonstrated in Table 2.1, knowledge gaps were found based on the examined material. The researches did not address overall organisational and macroenvironmental variables as moderators of the association amongst firm resources and export performance**.** Whereas firm resources are an important component, it would be appropriate to introduce other factors, including organizational traits and macroenvironment, to forecast export performance.

In the current study, firmiresources were modeled and treated as an independent variable, whereas organizational characteristics and macroenvironment were treated as moderating variables, and export performance was the dependent variable. This research closed the current gap in theory by incorporating two moderating variables in the conceptual model and analyzing the empirical correlations in between response and predictor variables.

The reviewed empirical literature exposes varying levels of research gaps in context, concept, and methodology. Munyoki (2014) and Kosure et al. (2016) studies targeted large manufacturing and EPZ firms in Kenya, but this studyifocused on the SMEs in Kenya. In addition, this study examined attributes and macro-marketing environments, which had different concepts as compared to the current study. Similarly, Munyoki (2014) and Kosure et al. (2016) studies highlight the theoretical gaps since they did not use the RBV and Porters

competitive advantage theory, as well as firm internationalization theory to highlight the theoretical perspectives.

Table 2.1: Summary of Empirical Studies Research Gaps

Study	Research Methodology	Key Findings	Research gaps	Focus of this Study
Determine the effect of perceived value of investment promotion incentives, organizational characteristics, and macroeconomic conditions on the performance of firms in Kenya's Export Processing Zones. **(Kosure et al., 2016)**	Cross sectional survey	Macro-marketing environment and that organizational characteristic has significant moderating influence on the association between perceived value of promotion investment incentives and firm performance.	The study ignores the SMME context and influence of firm resources in the performance of export.	This study purpose to find out the context of SMES in manufacturing and the nfluence of organizational characteristics and macro-environment on the association between firm resources and the performance of export.
To ascertain the impact of firm resources, the macroenvironment, and entrepreneur strategy and performance in the micro, small, and medium furniture sector. **(Kithusi, 2015)**	Cross sectional survey	The study found that all the variables significantly influenced performance of micro small and medium sector	The study ignores the SMEs context, and export performance	The study examined the influence of other components of organizational characteristics and relationship between firm resources and export performance.
Determine the external environment's effect on the performance of large manufacturing firms in Kenya. (M**urgor, 2014)**	Descriptive cross-sectional survey,	The research discovered that the external environment influences some performance indices statistically and significantly.	The study gnores the SMEs context, conceptually, RBV and Porters competitive advantage theory, and firm ndustrialization theory not investigated.	In the connection between firm resources and export performance in SMMEs, the research examined the impact of organisational features as a moderator.
The perceived role of marketing as a determinant of growth of SMEs n Mavoko, Machakos county. **(Munyoki, 2014)**	Descriptive cross-sectional survey	Found that marketing practices do influence the growth of micro medium and small sector enterprises	The conceptual aspects of Firm resources, organizational characteristics and macro- environment ignored, and contextually export	The study examined the role of Macro-Environment as a moderator in the relationship between firm resources and export performance.

			performance of small and medium firms (SMES) not studied. The scope investigated is growth of exports not growth n general.	
Kenyan exporting small to medium-sized businesses, the significance of leadership skills and competitive strategies. **(Namusonge, 2003)**	Descriptive cross-sectional survey	The study found that leadership, strategic thinking and organizational language are cross-sector and they apply regardless of the function or type of organization	The study gnores the SMEs context, conceptually, RBV and Porters competitive advantage theory, and firm industrialization theory not ınvestigated.	The study used SEM as a method to determine the influence of influence of organizational characteristics on the relationship between Firm Resources and Export performance in SMEs n manufacturing subsector.
Effects of company and environmental development services on the connection between entrepreneurial orientation and performance of SMEs in Nairobi City County. (**Okeyo, 2013)**	Cross sectional survey was used.	Entrepreneurial orientation, external environment and business development services have positively impacted performance	The study excludes the RBV, Porters competitive advantage, and export performance approaches, contextually the current study looks at export performance and not performance n general.	This study established the influence of variables, individually, and jointly the nfluence of the moderating variables, organizational characteristics and, Macro-environment, on relationship between firm resources and export performance.
Establish determinants of SME growth in wood enterprises in Kenya **(Nganga et al., 2011).**	Cross sectional Survey	Collective efficiency found to affect developments in infrastructure and technology	The study excludes the RBV, Porter's competitive advantage and theory of internationalization, contextually, that study focused on wood ndustry whereas the current study is holistic .ie. the manufacturing SME sector.	The effects of specified organizational characteristics other than efficiency on export performance to be examined.
This study contextualized the relationship between investment incentives and the performance of EPZ firms**. (Jenkins, 2005).**	-Used econometric models	-EPZ s a policy instrument for diversification of host nation's exports. - Helps attract foreign nvestment	The study did not contextualize SMEs in manufacturing neither did it address their export performance.	The study underscores the aspect of export performance specifically for Small and Medium Manufacturing Scale Enterprises.

Often it is regarded certain the beneficial relationship between company size and export behaviour **(S. K. Chetty & Hamilton, 1993).**	Cross sectional Survey	Cross-sectional survey, descriptive analysis was used to observe the connection in Portuguese companies between the factors.	Other determinants of export performance, in my case organizational characteristics and macro- environment were gnored.	Established contribution of individual ndicators under Organizational Characteristics and Macro Environment on the relationships between FR and export performance.
Determine inluence of internal and external determinants on objective export performance and satisfaction dimensions on Spanish SMEs. **(Aaby & Slater, 1989)**	Cross sectional Survey	Established that high risk tolerance, nnovativeness, strongly export stimuli as compared to low and relatively easy to overcome export barrier. The influence of export behaviour n the SMEs was investigated.	Contextually, the study gnores export performance of SME in Africa, and in Nairobi Kenya, in my case. Conceptually, RBV, Porters competitive theory and theory of nternationalization gnored	Focused on the collective influence of the three variables on export performance of SMEs in manufacturing specifically in Nairobi City County Kenya. to investigated the depth of the subject matter not the breadth.

Source: Researcher (2021)

2.8 Conceptual Framework

Export performance, according to the literature review, is dependent on firm resources and a unique combination of organizational characteristics and macroenvironmental factors. While theoretical frameworks assert that firm ownership or control results on mproved export performance in some cases, empirical evidence indicates that this is not the case. The conceptual model that follows serves as a framework for addressing the research gaps identified during a review of the conceptual and empirical literature. Figure 2.1 depicts a conceptual model that surmises the link among export performance, firm resources, organizational characteristics, and macroenvironment among Nairobi, Kenya's SME exporting enterprises. Specifically, assets are the independent variable, whereas export performance is the dependent variable. Organizational characteristics and Macro-environment inform the moderating effects.

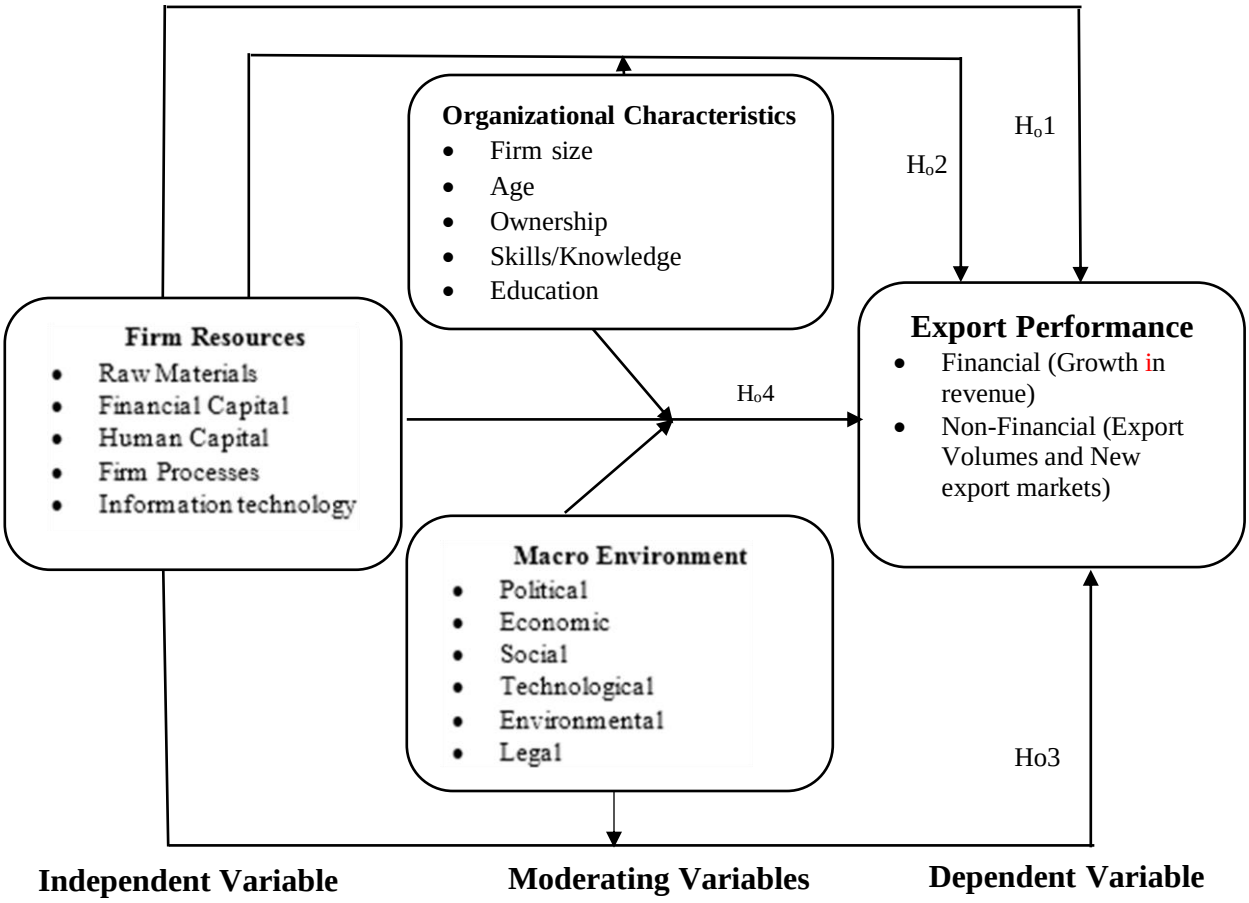


Figure 2.1: Conceptual Model

Source: Researcher (2021)

2.9 Study Hypotheses

The following hypotheses were developed for testing from the conceptual model Figure 2.1:

H_o1: Firm resources has no significant influence oniorganization's export performance

H_o2: Organizational characteristics does not significantly moderate the relationship between firm resources and organization's export performance.

H_o3: Macro-environment does not significantly moderate the relationship between firm resources and organization's export performance.

H_o4: Firm resources, organizational characteristics and macro-environment jointly have no significant influence on organization's export performance.

2.10 Chapter Summary

The chapter has presented literature in two folds; theoretical perspective as well as empirical perspective. Theories examined in this chapter include firm internationalization theory, resource-based theory, industrial economics organization theory, and Porters Theory of competitive advantage of nations. Empirical literature has succeeded the theoretical foundations where each objective was reviewed. Summary of knowledge gaps was presented giving study's justification. Conceptual framework also showed the relationships between the variables of the research. Finally, the chapter concludes with study hypotheses.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the study's design and data collection methodology. Additionally, it discusses the research's philosophy, design, targeted population, and sampling design. It also discusses the reliability and validity tests. The chapter also discusses data analyses techniques and ends with operationalization of study variables.

3.2 Research Philosophy

This is a framework for the researcher's thought that guides the development of new, reliable knowledge about the research object. There are two major paradigms of research: positivism and phenomenology (Frankfort-Nachmias, & Nachmias, 2004). Cooper and Schindler (2011) assert that positivism is a quantitative philosophy founded on actual facts, objectivity, neutrality, measurement, and outcome validity. Positivism asserts that the observer is self-contained and that measurement should be based on objective criteria (Zikmund et al., 2010). Phenomenology is concerned with the development of theories and asserts that knowledge is subjective, based on personal experience, personal data, and the individual's interpretation. Its emphasis is on a person's world, not on the world or reality in general (Saunders, et al., 2007).

This study employed a positivistic perspective. This is due to its extensive involvement in theory testing. Furthermore, it aims to address research questions by establishing empirical relationships between variables (Cooper & Schindler, 2011). Positivists build on existing

theory to formulate the hypotheses that are then tested and confirmed or refuted in whole or in part, informing and guiding future development of theory that can be tested through additional research.

3.3 Research Design

This study made use of a descriptive cross-sectional design. This design enables the simultaneous collection of data from multiple organizations. The design enables researchers to ascertain whether significant relationships exist between study variables at any point in time (Cooper & Schindler, 2011). The design was suitable for conducting this study because it sought to establish relationships between the variables, which included firm resources, organizational characteristics, macroeconomic environment, and export performance. Other scientists effectively used the same model for comparable research (Awino & Mutua, 2014; Kosure et al., 2016; Machuki et al., 2012; Machuki & Aosa, 2011; Ongore, 2015).

3.4 Populationiof the Study

The study incorporated 852 small andimedium-sized businesses which formed the target population, located in Nairobi County that engaged in manufacturing and exporting and were members of the Kenya Association of Manufacturers (KAM). A small and medium-sized manufacturing and exporting enterprise (2017). A small or medium-sized business was defined for this study as one with more than two employees but fewer than 100. Table 3.1 summarizes the percentage composition of manufacturing and exporting SME subsectors.

3.5 Sample Design

The study made use of a stratified random sampling to select a sample of Nairobi City County's Small and Medium-sized Manufacturing businesses engaged in manufacturing activities and exporting. The study sampled 265 SMMEs using Krejcie and Morgan's (1970) formula, as ndicated below. However, the Krejcie and Morgan Table (attached in Appendix VI) serves as a ready reckoner for sample sizes of finite population.

$$n = \frac{Z^2 P(1-P)}{E^2}$$

Where

n = sample size

Z= confidence interval (in this case 95 percent confidence level, $\propto = 1.96$

P = the population of target population estimated at 50 percent

E = Margin of error at 5 percent (standard value of 0.05)

$$n = \frac{1.96^2 \times 0.5\,(1-0.5)}{(0.05)^2}$$

$$n = \frac{3.841 \times 0.25}{0.0025}$$

$$= 384$$

Due to the fact that the target population of 852 was less than 10,000, the calculated sample size of 384 was adjusted using the formula.

$$n_1 = \frac{n}{1+\frac{n}{N}} = \frac{384}{1+\frac{384}{852}}$$

$$= \frac{384}{1 + 0.450}$$

$$= \frac{384}{1.450}$$

$$= 264.8 \approx 265$$

The desired sample size was 265.

Table 3.1: Target Population

	Type of manufacturing sub-sector	Total population	Percentage	Sample size
1	Pottery and carvings	150	17.6	47
2	Textiles and Apparels	110	12.9	34
3	Plastics and Rubber	120	14.1	37
4	Chemical and Allied	132	15.5	41
5	Electricals, Electronics and Engineering	140	16.4	43
6	Food and Beverages	200	23.5	64
	Total	**852**	**100%**	**265**

Source: Kenya Association of Manufactures (KAM) Directory 2017

The data revealed that the Food and Beverages sub-sector accounted for approximately 23.5 percent of manufacturing and exporting SMEs. Pottery and curvings occupied the second slot with about 17.6 percent. Electricals, Electronic and Engineering and Chemical and allied sub-sectors occupied third and fourth places with 16.4 percent and 15.5 percent respectively. Firms engaged in manufacture and export of Plastics and Rubber products comprised about 14.1 percent. Lastly, Textiles and apparels sub-sector comprised about 12.9 percent.

3.6 Data Collection

The study utilized primary and also secondary data. A survey questionnaire served as the primary data collection instrument (Appendix 2). A structured questionnaire based on the 5-point Likert Scale was employed as the primary means of data collection instrument. It examined the resources available to manufacturing SMEs, their organizational characteristics, the macroenvironment, and their export performance.

The questionnaires were self-administered using the 'fill as I wait' method in an attempt to reduce the non-response rate. Additionally, the study communicated with participants via email and telephone follow-ups. Due to their familiarity with the firm's history and operations, only one respondent per firm was permitted to complete the questionnaire, specifically the CEO or, in his absence, a senior manager. For the period 2015-2017, secondary data on export performance (revenue growth) was gathered from the organization's records.

3.7 Reliability and Validity Tests

The degree to which a study tool consistently gives rise to coherent results on repeated tests indicates the degree to which test scores are free of measurement errors. Validity is a term that entail to a level to which a measure accurately captures the concept of the study. For example, an attitude measure is valid if it accurately measures the criterion for validity (Aaker et al., 2004; Cooper & Schindler, 2011). A pilot study evaluated the two aspects using thirty senior managers randomly selected from the listed firms.

3.7.1 Reliability Test

The term “reliability” refers to the extent to which a research instrument generates consistent results (Mugenda & Mugenda, 2012). The Cronbach Alpha Coefficient was used to determine the instrument's reliability. The internal consistency or uniformity of the study instrument items was quantified using this coefficient. Alpha is a value between 0 and 1. When the alpha value of the measurement instrument is equal to or greater than 0.7, it is considered reliable. Correlation coefficients greater than one indicate that items are highly correlated, implying that the items measuring the subject of interest are consistent (Mugenda & Mugenda, 2012; Nunnally & Nunnaly, 1978). Cronbachialpha was used to determine reliability, and results are shown in Tablei3.2.

Table 3.2: Scale Reliability Coefficients

Constructs	Alpha value	No of items	Comments
Export Performance	0.8269	12	Reliable
Firm Resources	0. 8745	12	Reliable
Organizational Characteristics	0.7170	9	Reliable
Macro- environmenti	0.7426	18	Reliable
Overall	0.7903	51	Reliable

Source: Research Data (2021)

According to the Cronbach Alpha values in Table 3.2, all variables were reliable because they exceeded 0.7. Cronbach Alpha values of 0.8745 (firm resources) and 0.7170 (organizational characteristics) are the highest and lowest, respectively. According to

Malhotra (2010), because all variables are reliable, the research instrument was also reliable, and thus no modifications were required.

3.7.2 Validity Test

Scholars such as Kearney Nunnery, (2019) and Sekaran (2002) state that various types of validity tests are used to determine the validity of measures. Three broad categories of validity tests exist: content validity, criterion validity, and construct validity. Orodho (2008) refers to validity as the level to which a test measures what it is intended to measure. For example, according to other scholars, such as Mugenda and Mugenda (2012), validity refers to the degree to which data analysis results accurately reflect the phenomenon under investigation. To ensure the study tool's validity, sampling adequacy tests were conducted. This assisted the researcher to determine whether additional evaluation of the variable items was necessary. Table 3.3 illustrates the Kaiser-Meyer-Olkini (KMO) sampling adequacy test and the Barlett sphericity test.

Table 3.3: Sampling Adequacy and Bartlett's Test of Sphericity

Factors	KMO Test	Bartlett's Test of Sphericity			Determinant
		Approx. Chi-Square	Df	Sig.	
Export performance	0.7765	172.24	63	0.000	0.000
Firm resources	0.6854	198.78	66	0.000	0.045
Organization characteristics	0.5970	68.60	35	0.001	0.045
Macro environment	0.5600	186.41	143	0.034	0.000

Source: Primary Data (2021)

Results displayed in Table 3.3 infer that the measurement scales for export performance (0.7765), firm resources (0.6854), organizational characteristics (0.5970), and macro-environment exceeded the 0.5 threshold established by Williams et al. (2012) in the following areas: export performance (0.7765), firm resources (0.6854), organizational characteristics (0.5970), and macro-environment (0.5970). (0.5600). Williamson (1997), suggest that 0.50 is an appropriate value for sampling adequacy in KMO, with values greater than 0.5 being preferable. When determining whether samples were drawn from populations with equal variances, Bartlett's Sphericity Test returned p-values less than 0.05, indicating a sufficient degree of sampling adequacy. Export performance had a chi-square value of 172.24 ($p < 0.05$), firm resources of 198.78 ($p < 0.05$), chi-square of 68.6 ($p < 0.05$), Macro-Environment of 186.41, ($P < 0.05$). The matrix correlation determinant ranged from 0.000 to 0.045.

3.8 Diagnostic Tests

The study examined a variety of statistical assumptions to ensure that they were all met. Linearity, normality, homoscedasticity, and multicollinearity are all examples of these. Data linearity implies that the values of the outcome variables follow a straight line for each increment of the predictor variables. Regression analysis, as per Osborne and Waters (2002), is predicated on the assumption that data are normally distributed. When data is not normally distributed, it can cause distortions in relationships and significance tests, resulting in non-significant statistical inferences. In this study, the skewness Shapiro-Wilk test was used to determine normality. The term “homoscedasticity” refers to errors with a constant variance; this was determined using Levene's test and Q-Q plots. Multicollinearity is a term that refers

to a high degree of correlation between the explanatory variables. This study made use of variance inflation factors (VIF) and tolerance to assess multicollinearity. The magnitude and direction of the relationship between the dependent and independent variables were determined by Pearson's correlation coefficient.

3.9 Operationalization of Variables

The section discusses the operationalization of study variables used in the research, as indicated in Table 3.4. According to Sekaran (2002), operationalization enables the researcher to reduce abstract concepts into observable characteristics. Operationalization has equally been described as the method whereby variables are strictly defined as measurable factors. The method clarifies hazy concepts and enables their empirical and quantitative quantification (Frankfort-Nachmias, & Nachmias, 2004). It entails the identification of quantifiable, measurable, and valid variables in the index research, regardless of their independence, moderating, or dependent nature. The concept of Firm Resourcesiin this study consisted of tangible, intangible and human capital indicators while the moderating concept of organizational characteristics consisted of the indicators firm size, firm age, ownership, managerial skills and education levels. The concept of Macro-Environment had PESTEL factors.

PESTEL indicators included variables pertaining to politics, economics, sociocultural, technology, the environment, and law. Export performance was operationalized as a dependent variable, and indicators included revenue, new export markets, and export volumes. As indicated in Table 3.4, the concepts were operationalized and evaluated in this study.

Table 3.4: Operationalization of Variables

Variable	Operational Indicators	Literature support	Measure	Questionnaire
Independent				
Firm resources	• Raw materials • Financial capital • Human capital • Firm Processes	Lu and Beamish (2001)	Five-point Likert scale	Section B Q. 1-12
Moderating				
Organizational characteristics	• Firm size • Firm age • ownership	Nassimbeni (2001)	Five-point Likert-Scale	Section C Q. 1 – 9
Moderating				
Macro-environment	PESTEL • Political • Economic • Social • Technological • Environmental • Legal	Burke (2011)	Five-point Likert-Scale	Section D Q. 1-18
Dependent				
Export performance	• Export volumes • New export markets • Revenue from exports.	Jin and Deininger (2008)	Five-point Likert scale	Section E Q. 1-12

Source: Researcher (2021)

3.10 Data Analysis and Presentation

The field data was entered into excel and cleaned by removing outliers and assigning codes for further analysis. SPSS vs. 22.0 was employed to perform descriptive and inferential statistics on the coded data. The study used descriptive statistics such as frequency distributions, measures of dispersion, measures of central tendency, and percentages. Individual research variables were analyzed using descriptive statistics in order to elicit information about their basic characteristics and features. Inferential statistics were used to test the hypothesis. Hypotheses were tested by simple linear, stepwise, and multiple linear regression. This was done to ascertain the relationship between all of the study's variables.

The first objectiveiof the study was to establish a direct relationship using a simple linear regression model. Objectives 2 and 3 were analyzed by employing a stepwise regression model to unveil the impact of organizational traits and the macroeconomic setting on the connection between firmiresources and export performance at small and medium-sized manufacturing businesses in Nairobi County. First, we used in-house data to conduct a regression study of export performance. In step 2, export performance was regressed against firm resources, organizational characteristics, and macroenvironment variables. In step three, the model was expanded to include an interaction term to assess for moderation. The study tested the joint effect of the fourth objective using a multiple linear regression model. Table 3.5 presents the details of the analysis and interpretations.

3.10.1 Descriptive Statistics

Descriptive analysis was employed to summarize data sets and describe distributions on factors of the research. Respondent profiles were created using this analysis. The data were produced as frequency distributions, mean scores, standard deviations, coefficients of variation, skewness, and kurtosis, and these were arranged into tables. These techniques were applied successfully in previous studies (Cooper & Schindler, 2010; Voronkova et al., 2018).

3.10.2 Inferential Statistics

Objective	Hypothesis	Analytical Model	Interpretation of Results
To establish the influence of firm resources on export performance of small and medium manufacturing Firms in Kenya.	**$H_0$1:** Firm resources has no significant influence on organization's export performance.	Simple linear regression model EP= (Firm Resource-FR) $EP = \alpha+\beta_1 FR+ \varepsilon$ Where α=constant (Intercept), EP= Export Performance, β1 Coefficient of FR=Firm Resources; ε - s an error term.	• Goodness of fit R^2 • Overall significance (f test) • Individual significance (t-test) • P-value< 0.05
To assess the influence of organizational characteristics on the relationship between firm resources and export performance of small and medium manufacturing enterprises.	**$H_0$2:** Organizational characteristics does not significantly moderate the relationship between firm resources and organization's export performance	Stepwise Regression Model $EP= \alpha+ FR + \varepsilon$ $EP= \alpha+ \beta_1 FR+ \beta_2 OC+\varepsilon$ $EP= \alpha+ \beta_1 FR+ \beta_2 OC+\beta_3 FR*OC + \varepsilon$ Where α =constant (Intercept), $\beta_1, \beta_2, \beta_3$ are the regression coefficients. EP = Export performance ; FR= Firm Resources, OC=organizational characteristics, FR. OC= the interaction term of firm resources and organizational characteristics ; ε - s an error term.	• The moderating effect (OC) is evaluated using the regressing coefficient for the interaction term, which is equal to 3. • If the value of 3 is not statistically equivalent to zero, then the influence of OC has a substantial moderating effect on the connection between the Independent and dependent variables. (p value<0.05)
To establish the effect of macro-environment on the relationship between firm resources and export performance of small and medium manufacturing enterprises.	**$H_0$3**: Macro-environment does not significantly moderate the relationship between firm resources and organization's export performance	Stepwise Regression Model $EP= \alpha+ \beta_1 FR+ \varepsilon$ $EP= \alpha+ \beta_1 FR+ \beta_2 ME+\varepsilon$ $EP= \alpha+ \beta_1 FR+ \beta_2 ME+\beta_3 FR.ME + \varepsilon$ Where α =constant (Intercept), $\beta_1, \beta_2, \beta_3$ are the regression coefficients. EP = Export performance ; FR= firm resources, ME=Macro-Environment, FR.ME= the interaction term of firm resources and macro-environment ; ε - s an error term.	• The moderating effect is estimated by the regression coefficient for the interaction term. • If the value of B3 is not statistically equal to zero, then the value of ME will have a considerable mpact on the connection among predictor and response parameters (p=value<0.05)
To determine the joint effect of firm resources, organizational characteristics and external environment on export performance of small and medium manufacturing firms in Kenya.	**$H_0$4:** Firm resources, organizational characteristics and macro-environment jointly have no significant influence on organization's export performance	Multiple Linear Regression Model $EP= \alpha+ \beta_1 FR+\beta_2 OC+\beta_3 ME+\varepsilon$	• Goodness of fit R^2, • Goodness of fit of the joint effect >goodness of fit of the individual effect.

Source: Researcher (2021)

3.11 Chapter Summary

Methods used in conducting the study were explained below. The guiding principles and methodology of the study were laid out in great detail. The researcher described the demographic, the sampling strategy, and the data gathering procedures. There was a questionnaire included with the study instrument that was delivered. The data's validity and reliability were analyzed as part of the quality check. Diagnostic procedures, variable operationalization, and statistical analysis techniques were all analyzed using SPSS. The study used a variety of linear regression techniques, including basic, stepwise, and multiple.

CHAPTER FOUR

DATA ANALYSIS AND RESULTS

4.1 Introduction

This chapter presents the outcomes of data analysis and resentation of the results of the relationship among varibales of firm resources, organizational characteristics, macro-environment factors, and also export performance of small and medium-sized manufacturing firms in Nairobi City County, Kenya. The data was analyzed and presented by both charts and tables. Moreover, it also presents results of all tests done.

4.2 Response Rate

The study distributed 265 questionnaires, with 238 being returned. This equates to an 89.8 percent response rate. From the respective sub-sectors, the study found that food and beverages had the highest response rate at 95.3 percent (61 responses) whereas the lowest response rate was under chemical & Allied subsector at 82.9 percent (34 responses). Sekaran (2002), posit that a response rate of at least 50 % is regarded as adequate for statistical analysis. Other studies reported similar response rates, with (Njeru, 2013) reporting a 60% response rate and Kinoti reporting a 67.7% response rate 2012). According to (Myers et al., 2004) and Saunders et al. (2007) a return rate of 50% is considered adequate; 60% is considered good; and 70% is considered very good. On this basis, an excellent response rate of 89.8 percent was thus considered for this study. The response rate of manufacturing subsectors is shown in Table 4.1.

Table 4.1: Target Population

Type of manufacturing sub-sector	Sample size	Responses	Percentage
Pottery and carvings	47	42	89.3
Textiles and Apparels	34	30	88.2
Plastics and Rubber	37	32	86.4
Chemical and Allied	41	34	82.9
Electricals, Electronics & Engineering	43	39	90.6
Food and Beverages	64	61	95.3
Total	**265**	**238**	

Source: Primary Data (2021)

4.3 Respondent Characteristics

Some of the respondent's most fundamental features are detailed below. Factors such as the number of export markets and employees used by SMMEs, as well as factors such as age, education level, business age, ownership status, and position within the organization, are included.

4.3.1 Distribution of Respondents by Age

When it comes to export performance, the age of small and medium manufacturing firms' participants is critical. Table 4.2. captures the results on the responses respective age bracket.

Table 4.2: Distribution of Respondents by Age Bracket

Age bracket	Frequency	Percentage
18-34 years	66	27.73
35-39 years	78	32.77
40-44 years	45	18.91
45-50 years	47	19.75
51 years and above	2	0.84
Total	**238**	**100**

Source: Primary Data (2021)

According to Table 4.2, 32.8% of respondents were between the ages of 35 and 39, while 27.73 were between 18 and 34. Only two (0.84%) respondents were over the age of 50. This observation revealed that older adults were primarily responsible for managing Small and Medium Manufacturing Enterprises. When the clustered age brackets of 35 years and older are put to comparison with those between 18 and 34, the former yields about 72.3 per cent, while the latter has 27.7 per cent.

SMEs in manufacturing sub-sectors were identified as a significant employer of workers across all age groups. Equally, participants who were older are believed to have more experience than younger newcomers to the sector (Chege & Wang, 2020). This is despite the fact that there exist young, energetic individuals with a reasonable level of education who understand the benefits of advanced manufacturing technology adoption and use. According to another school of thought regarding age distribution, SMMEs with older employees are more likely to choose a low-risk contractual arrangement, whereas younger and more energetic employees may engage in non-industry-related activities. Simultaneously, varians in cultural orientations and contexts may explain these contradictory observations. Regarding export performance, the age of small and medium-

sized manufacturing firms is critical. The participants' distribution according to age is shown in Table 4.2.

4.3.2 Distribution of Respondents by Level of Education

The level of education the sampled SMME respondents attained is critical because it influences the adoption of new manufacturing technologies, including marketing channels, that positively affect export performance. The participants' distribution by educational level is shown in Table 4.3.

Table 4.3: Distribution of Respondents by Education Level

Educational qualification	Frequency	Percentage (%)
No formal education	0	0
Primary education level	60	25.21
Secondary education level	91	38.24
Undergraduate level	61	25.63
Post graduate level	26	10.92
Total	**238**	**100**

Source: Primary Data (2021)

Based on the results, most SMME members in the sample had at least primary-level education. In particular, 38.24 per cent had completed secondary school, 25.6 per cent had finished college, and 25.2% had finished primary education. On the other hand, only 10.9 per cent had completed a postgraduate level that is, college and thus possessed a mixture of skills acquired during their college education. Additionally, no respondent under SMME was identified as lacking formal education and thus unable to read or write.

The findings infered that a substantial proportion of the sampled respondents in manufacturing subsectors were well knowledgeable and, with assistance, could comprehend

and effectively make use of resources in the firm to improve export performance. Myers et al. (2004), postulate that educational level influences respondents' ability to read and internalize the survey questions and, consequently, their ability to apply survey findings to improve performance. Thus, it would assist individuals considering starting an SMME business n comprehending the various aspects of export performance, as demonstrated in this study. Gibbs (2005), on the other hand, asserted that education enhances skills that result in income and stimulates innovation and invention, fostering rapid growth and also development. As a result, it was critical to elicit information regarding respondents' educational attainment.

4.3.3 Distributioniby Position Held in the Firm

The study also examined respondents in relation to their respective positions within the firm as tabulated in Table 4.4.

Table 4.4: Leveliof Management ofiRespondents

Level of management	Frequency	Percentage (%)
Chief executive Officer	58	24.53
Production Manager	81	33.96
Personnel Manager	99	41.51
Total	**238**	**100**

Source: Primary Data (2021)

The study sought input from senior management in order to reach an informed conclusion. From Table 4.4, the majority (41.51 percent) of participants were personnel managers responsible for research and development. Chief Executive Officers accounted for 24.53 percent of respondents, while Production Managers accounted for 33.96 percent. According

to these findings, the majority of those who took part were personnel managers who were in charge of research on behalf of the Chief Executive Officer.

4.3.4 Age of the Firm

This study purposed to ascertain the duration of the sampled firms' stay or continued existence in the manufacturing subsectors. This information was necessary to uncover the extent to which their feedback can be relied upon for valid experience-based conclusions. Table 4.5 summarizes findings regarding the firm's age.

Table 4.5: Age of the Firm (years)

Age of firm	Frequency	Percentage (%)
Below 3 years	58	24.37
3 to 6 years	84	35.29
7 to 10 years	33	13.87
More than 10 years	63	26.47
Total	**238**	**100.0**

Source: Primary Data (2021)

According to the results, the majority SMEs (35.3 per cent) had been in operation for three to six years, 26.5 per cent for more than ten years, 24.4 per cent for less than three years and 13.9 per cent are seven to ten years. The fact that 60% of businesses have been operating for less than six years indicates a higher rate of new entrants in manufacturing sub-sectors.

From findings, majority of manufacturing firms sampled possessed a wide experience in the sector. They were thus familiar with the sector and industry's performance generally via the measured indicators, a construct relevant to this study. Three or more years of experience,

contributing to over 75.6 per cent of SMMEs, was sufficient for the participants in these sub-sectors to provide valid responses based on a broader understanding of the general operations of a manufacturing sub-sector.

4.3.5 Ownership Status

The respondents were questioned about their status as SMMEs. As a result, ownership was classified into three categories: owned by Kenyans, owned by foreigners, and owned by joint ownership. Table 4.6 summarizes the findings concering the ownership distribution of firms.

Table 4.6: Distribution of Respondent in Terms of Ownership

Ownership Status	Frequency	Percentage (%)
Fully Kenyan Owned	150	63.03
Fully Foreign owned	11	4.62
Jointly owned	77	32.35
Total	**238**	**100**

Source: Primary Data (2021)

According to the study, 63 per cent of SMMEs were wholly owned by Kenyans, followed by 32.4 per cent jointly owned. The remainder, or 4.6 per cent, were entirely foreign-owned. The findings suggest that the government has fostered an enabling environment for establishing new SMMEs. This is consistent with the fact that most businesses were registered less than six years ago, around when the government began decentralizing the new system of governance and implementing modern technology for business registration. In reducing bureaucracies, many Kenyans from all ages and classes were in a position to register and at the same time compete in the market easily.

4.3.6 Distribution of the Number of Export Markets

The researchers also wished to determine how many export markets the companies had penetrated. The research identified four distinct export markets, and respondents were required to select only one. The options were as follows: up to three markets, four to six markets, seven to nine markets, and ten or more as capted in Table 4.7.

Table 4.7: Spread of Export Markets

Distribution	Frequency	Percentage (%)
Up to 3 markets	105	44.12
4-6 markets	94	39.50
7-9 markets	20	8.40
10 and above markets	19	7.98
Total	**238i**	**100.0**

Source: Primary Data (2021)

According to Table 4.7, the distribution of markets with the highest number of SMMEs was up to three (44.1 percent), followed by 4-6 (39.5 per cent). The remainder of the markets, defined as those above seven, were less than 16.5%. This indicates that the majority of SMMEs have not yet penetrated in all markets but instead focus on a few key markets. This may be attributed to limited of information or government red tapism created through the existence of trade barriers.

4.3.7 Distribution of the Staff under SMMEs

More specifically, the researchers analyzed the staffing patterns of the SMMEs in NCC that were included in the study's sample. The research aimed to quantify the workforce by classifying its members as either 2 to 25 members, 26 to 50 staffers, 51 to 75 employees, or

76 to 100 affiliates. The number of workers estimated from this evaluation is a key metric for gauging the company's size as presented in Table 4.8.

Table 4.8: Staff Distribution

Workers	Frequency	Percentage (%)
2 to 25 employees	134	56.30
26 to 50 employees	80	33.61
51 to 75 employees	20	8.40
76 to 100 employees	4	1.68
Total	**238**	**100.0**

Source: Primary Data (2021)

The 56.3 percent had between 2 and 25 employees, whereas those who had workers between 26 and 50 were 33.6 percent. The rest, less than 10 percent, only had over 50 workers. This implies that though there is a positive change in the employees' number for new entrants in Kenya, there is a need to accommodate more workers, thus creating more jobs as envisaged in Vision 2030 and various ministerial statements from the treasury and ministry of devolution.

4.4 Descriptive Statistics

Descriptive analysis comprised of an evaluation of company resources, organizational characteristics, and the macro-environment and export performance of SMMEs in Nairobi County, Kenya. As stated earlier, that is, measures of central tendency, were taken into account; the mean gauges the average in a set of values. The standard dev shows how far the distribution deviate from the mean.

4.4.1 Firm Resources

Firm resources have been unveiled as a key element in the success of exporting activities within a firm. The study rated statements on firm resources on a 5-point Likert scale and results presented in Table 4.9.

Table 4.9: Firm Resources

Firm Resources	N	Mean Score	STD	CV%	SK	KUR
Raw materials influence export volumes	238	3.685	1.022	27.13	-1.08	3.67
Raw materials influence growth of new export markets	238	3.832	1.005	26.23	-1.01	3.57
Financial capital influences export	238	3.866	1.109	28.69	-1.03	3.33
Financial capital influences growth in new export markets	238	3.727	1.446	38.8	-0.66	1.9
Human capital influences growth in export volumes	238	3.815	1.173	30.75	-0.99	3.15
Human capital influences growth of revenue from exports	238	3.962	1.096	27.66	-1.08	3.43
Firm processes influence growth of export volumes	238	3.895	0.96	24.65	-1.08	3.85
Firm processes influence growth of new export markets	238	4.088	0.975	23.85	-1.05	3.43
Human capital influences growth of revenue from exports	238	3.97	1.145	28.84	-0.91	2.77
Firm processes influence growth of export volumes	238	3.903	1.012	25.93	-0.08	3.72
Firm processes influence growth of new export markets	238	4.058	1.16	28.59	-0.97	2.7
Firm processes influence growth of revenue from exports	238	4.016	0.923	22.98	-1.39	5.06
Mean	238	**3.901**	**1.086**	**27.84**	**-0.94**	**3.38**

Source: Research Data (2021)

The overall mean for the observed criteria was 3,9, suggesting that the majority of those who took part endorsed the claims to a great degree. The standard deviation was 1.1, showing a covariance of 1.1% and 27.84%, correspondingly. The biggest influence was the firm's processes on export performance. It was revealed that this statement was greatly supported

by receiving (Mean score = 3.69, SD = 1.02, CV = 27.13), whereas raw resources impact the expansion of export markets (Mean score = 3.83, SD = 1.01, CV = 26.23), and financial capital influences export volumes (Mean score = 3.87, SD = 1.11, CV = 28.69). Further majority indicated that financial capital influences growth in new export markets as revealed by (Mean score=3.73, SD=1.45, CV=38.80), on another note it was clear about half supported that human capital influences growth in export volumes by (Mean score=3.82, SD= 1.17, CV=30.75), human capital influences growth of revenue from exports recorded (Mean score=3.96, SD= 1.10, CV=27.66) while firm processes influence growth of export volumes noted (Mean score=3.90, SD= 0.96, CV=24.65).

The business procedures impact the development of new export markets (Mean score =4.09, SD= 0.98, CV=23.85). Having said that, iIt is abundantly obvious that intellectual capital has a role in determining the rate of increase in income through exporting, as the majority supports the statement (mean score = 3.97, SD = 1.15, CV = 28.84). However, a great number disagreed with the fact that firm processes influence the growth of export volumes by (mean score = 3.90, SD = 1.01, CV = 25.93) at the same time that the expansion of new exporters is driven by the activities of firms (mean score = 4.06, SD = 1.16, CV = 28.59). Above all, it is fairly evident that the practices of a company impact the evolution of income from exporting (mean score = 4.02, SD = 0.92, CV = 22.98).

Further analysis of the statistics indicates that the average mean business resources as a factor influencing growth of export performance were 3.90, SD=1.09, CV=27.84. The category "Raw materials influence export volumes" had the least effect (mean scores=3.69, SD=1.02, CV=27.13). It was revealed that the skewness and kurtosis of firm resources were

0.94 and 3.38. This implied that the data was asymmetrical since the values are outside the range within the range of $\pm$ 1

4.4.2 Organizational Characteristics

The study sought to rate statements on organizational attributes. Their responses were gauged by a Likert scale, and results tabulated in Table 4.10.

Table 4.10: Organizational Characteristics

Organizational characteristics	Mean Score	STD	CV%	SK	KUR
Firm size influences growth of export volumes	3.933	1.164	29.6	-0.87	2.69
Firm size influences growth in number of new markets of export	3.891	1.017	26.1	-1.06	3.64
Firm size influences growth in revenue from exports	4.029	1.171	29.06	-0.93	2.58
Age of the firm influences growth of export volumes	4.004	0.930	23.22	-1.36	4.92
Age of firm influences growth in number of new markets	3.845	1.135	29.51	-0.99	3.05
Age of firm influences growth in revenue from exports	3.361	1.217	36.20	-0.28	2.23
Ownership of firm influences growth of export volumes	3.727	1.446	38.80	-0.66	1.90
Ownership of firm influences growth of new export markets	3.983	1.114	27.97	-1.16	3.55
Ownership of firm influences growth of revenue from exports	3.264	1.484	45.46	-0.24	1.62
Mean	**3.781**	**1.186**	**31.76**	**-0.84**	**2.91**

Source: Primary Data (2021)

Finding yielded an overall mean score of 3.78. Firm size influences growth in revenue from exports had the highest Mean score (4.03, SD = 1.17, CV = 29.06). This shows that organizational characteristics play a major impact on export success. The poorest rating was

recorded on "Age of firm influences growth in revenue from exports" (mean score = 3.36, SD = 1.22, 8 CV = 36.20). This implies that there was a variation in the level of dispersion around the mean. The study results on whether firm size influences growth of export volumes was greatly supported (Mean score = 3.93, SD = 1.16, CV = 29.6), while firm size influences growth in the number of new export markets (Mean score = 3.89, SD = 1.02, CV = 26.1). More than 50 % of the participants admitted that business size affects export revenue and profit (mean score: 4.03, SD: 1.17, CV: 29.06). Besides this age of the firm influences growth of export volumes had (Mean score=4.00, SD=0.93, CV=23.22). Furthermore, age of firm influences growth in number of new markets by (Mean score=3.85, SD=1.14, CV=29.51), while age of firm influences growth in revenue from exports (Mean score=3.36, SD=1.22, CV=36.20). On the other hand, about 43 percent agreed with the idea that ownership of firm influences growth of export volumes by (Mean score=3.73, SD=1.45, CV=38.80), Ownership of firm influences growth of newer export markets by (Mean score=3.98, SD=1.11, CV=27.97). Above all, ownership of the firm influences the growth of revenue from exports (mean = 3.26, SD = 1.48, CV = 45.46). The findings indicated that the data was negatively skewed, with skewness being 0.84 and kurtosis being 2.91. This gave the impression that the observations did not follow a bell curve.

4.4.3 Macro- Environment

The study sought to rate statements on macro environment. The replies were scored using a Likert scale, and findings shown in Table 4.11 below. In addition to this, the percentage of the respondents were of the opinion that economic reasons are a driving force behind the expansion of new export (mean = 3.43, SD of 1.20, CV of 35.05), while economic factors influence growth in export revenue (mean of 4.23, SD of 1.06, CV. of 24.96). The rise of

export quantities (mean score = 3.54; σ = 1.10; CV = 30.97), export markets (mean score = 3.82; SD = 1.10; CV = 28.60); and income from exports (mean score = 3.40; SD = 1.27; CV = 37.26) is governed by social and cultural elements. The expansion of export volumes is shaped by technological elements (mean score = 3.53, SD = 1.24, CV = 35.08).

About 40% of respondents admitted that technical elements impact new export market expansion (Mean score = 3.51, SD = 1.33, CV = 38.03) and export income (Mean score = 3.57, SD = 1.34, CV = 37.44). This implied that the idea was well promoted, and SD = 1.34 meant there was variation. In addition, the study discovered that the vast majority (63 percent) of the respondents concurred that environmental factors influence growth in export volumes (Mean score = 3.44, SD = 1.27, CV = 36.82), while environmental factors influence growth in new export markets (Mean score = 3.45, SD = 1.22, CV = 35.26). On the other hand, environmental factors influenced growth in revenue from exports (mean score = 3.50, SD = 1.40, CV = 39.73). Legal factors influence the growth of export volumes (mean score = 3.77, SD = 1.21, CV = 32.16). In addition, the majority of partakers, 83 percent, agreed that legal issues impact the development of new export markets (mean = 3.59, SD = 1.25, CV = 34.50). Legal issues impact export revenue growth (mean score = 4.04, std deviation = 1.06, coefficient of variation = 26.16). The mean (4.04), SD (1.1) and CV. (26.16) demonstrated variations in responses, indicating a substantial amount of dispersion around the mean.

In addition, it was determined that political variables that influence the expansion of new export markets had the highest CV at 42.94, followed by environmental factors that influence strong revenue growth from exports, at 39.73, and economic variables that influence growth

in revenue from exports, at 24.96. Thus, there was a greater dispersion or variation in the macroenvironment.

Table 4.11: Macro Environment

Macro Environment	Mean score	STD	CV%	SK	KUR
Political factors influence growth in export volumes	3.496	1.176	33.64	-0.47	2.52
Political factors influence growth of new export markets	3.256	1.398	42.94	-0.05	1.51
Political factors influence growth in revenue from exports	3.563	1.227	34.44	-0.69	2.36
Economic factors influence growth of export volumes	3.172	1.219	38.43	-0.08	2.09
Economic factors influence growth of new export markets	3.429	1.202	35.05	-0.55	2.15
Economic factors influence growth in revenue new from exports	4.231	1.056	24.96	-1.61	5.22
Social cultural factors influence growth in export volumes	3.542	1.097	30.97	-0.42	2.81
Social cultural factors influence growth of new export markets	3.815	1.091	28.60	-0.96	3.35
Social cultural factors influence growth of revenue from exports	3.403	1.268	37.26	-0.47	2.12
Technological factors influence growth in export volumes	3.529	1.238	35.08	-0.56	2.18
Technological factors influence growth of new export markets	3.508	1.334	38.03	-0.56	2.09
Technological factors influence growth in revenue from exports	3.571	1.337	37.44	-0.54	1.99
Environmental factors influence growth in export volumes	3.441	1.267	36.82	-0.55	2.14
Environmental factors influence growth of new export markets	3.449	1.216	35.26	-0.52	2.23
Environmental factors influence growth in revenue from exports	3.504	1.392	39.73	-0.50	1.91
Legal factors influence growth of export volumes	3.768	1.212	32.16	-0.70	2.38
Legal factors influence growth of new export markets	3.592	1.245	34.66	-0.57	2.12
Legal factors influence growth in revenue from exports	4.037	1.056	26.16	-0.13	3.62
Mean	**3.537**	**1.223**	**33.07**	**-0.61**	**2.49**

Source: Primary Data (2021)

Table 4.11 indicates that the overall mean for macro-environment was 3.5, infering that most of the participants just agreed withithe statements despite considerable number being neutral. The standard deviation and covariance were 1.22 and 33.07 per cent respectively. Political factors influence growth in export volumes had (Mean score=3.50, SD=1.18, CV=33.64), the mean of 3.5 infers that the majority of those who took part agreed with this assertion. The majority of participants agreed with the observation that political issues impact the

development of new export markets (mean score = 3.26, std. deviation = 1.40, coefficient of variation = 42.94). This suggests that replies were quite homogeneous, despite the fact that it was evident that this assertion was overwhelmingly supported. Political issues impact the expansion of export income figures (Mean score=3.56, SD=1.23, CV=34.44) while Economic factors influence growth of export volumes (Mean score=3.17, SD=1.22, CV=38.43).

On the other hand, the findings on data set's symmetry and peakedness revealed that the skewness and kurtosis for macro-environment was -0.61 and 2.49 respectively. This showed that that the data obtained was negatively skewed. The findings generally implied that data were not normally distributed.

4.4.4 Firm Export Performance

The partakers were required to rate statements on firms'export performance on a 5-point likert scale and findings tabulated in Table 4.12.

Table 4.12: Firm Export Performance (n=238)

Joint effect	Mean Score	STD	CV%	SK	KUR
Firm resources, influence growth of export volumes	3.357	1.360	40.51	-0.06	1.44
Firm resources influence growth of new export markets	3.368	1.181	35.06	-0.55	2.38
Firm resources influence growth of revenue from exports	3.580	1.154	32.23	-0.53	2.21
Organizational characteristics influence export volumes	3.558	1.219	34.26	-0.31	1.80
Organizational characteristics influence increase of new export markets	3.340	1.285	38.47	-0.39	1.57
Organizational characteristics influence growth of revenue from exports	3.369	1.377	40.87	-0.01	1.37
Macro- environment factors influence export volumes	3.693	1.007	27.27	-1.07	3.70
Macro- environment factors influence increase of new export markets	3.831	1.004	26.20	-1.01	3.57
Macro-environment factors influence growth of revenue from exports	2.840	1.356	47.75	0.19	1.79
Firm resources, organizational characteristics, and macro-environment influence export volumes	2.882	1.427	49.51	0.22	1.69
Firm resources, organizational characteristics and macro-environment influence increase in new export markets	2.884	1.382	47.91	0.23	1.77
Firm resources, organizational characteristics and macro-environment influence growth of revenue from exports	3.151	1.415	44.91	-0.10	1.69
Mean	**3.60**	**1.26**	**40.41**	**-0.28**	**2.08**

Source: Primary Data (2021)

The study results on export performance is as tabulated in Table 4.12a, indicate that more than fifty percent of respondents concurred with the assertion that company resources influence the growth of export volumes (mean score = 3.36, SD = 1.36, CV = 40.51), and expansion of exports (mean score= 3.37, SD=1.18, CV=35.06) and revenue growth (mean score: 3.58, SD: 1.15, CV: 32.23).

On the other side, respondents thought organizational paramets improved export volume (mean = 3.58, SD = 1.15, CV = 32.23) and export revenue (mean = 3.58, SD = 1.15, CV = 32). About 53% of respondents admitted that the factors also affected new export markets (mean score = 3.34, SD = 1.29, CV = 38.47), and export growth (mean = 3.37, SD = 1.38, CV = 40.87). A third of respondents agreed that macroenvironmental conditions affect export volume (mean = 3.69, SD = 1.01, CV = 27.27) and export markets (mean = 3.83, SD = 1.00, CV = 26.20). Half of the respondents disagreed that the factors affected export income (mean score = 2.84, SD = 1.36, CV = 47.75).

Most respondents disputed that company resources, organizational traits, and macro-environmental variables affect export quantities (mean = 2.88, SD = 1.43, CV = 49.51). Over half disagreed that the said variables impact new export market (mean =2.88, SD=1.38, CV=47.91). A third of responses however, said the factors impacted export revenue growth (mean is 3.15, SD. = 1.42, and CV = 44.91).

In conclusion, the effect of the macro-environment variables was higher in expansion of new export markets (mean score=3.83, SD=1.00, CV=26.20) than export revenue growth (mean score=2.84, SD=.1.36, CV=47.75). The research also looked at symmetry and peakiness of the macro-environment. The values for skewness and kurtosis were -0.28 and 2.08, suggesting a negatively skewed data with a near to zero coefficient, implying non-normal distribution.

4.4.5 Volume Changes across Sectors

The study explored the trend changes in the volumes of manufactured and exported items across the sectors for the period 2015-2017 and findings presented in Figure 4.1.

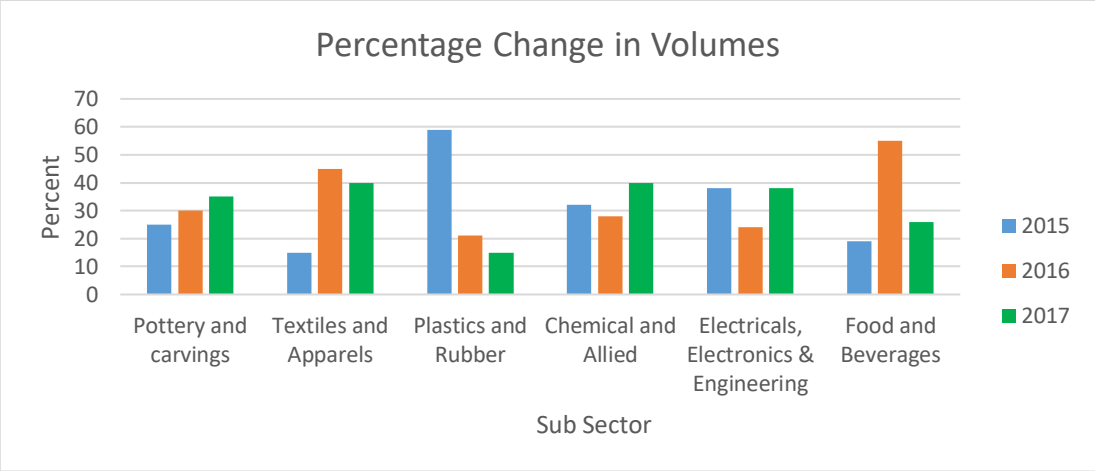


Figure 4.1: Trends in Export Volume Changes

Source: Primary Data (2021)

A consistent increasing trend from 25% to 35% was revealed in the pottery and carvings subsector. On the other hand, the plastic and rubber subsector recorded a declining trend from 59% to 15%. Other sub-sectors, textiles and apparel, chemicals and allied, electricals, electronics and engineering, and food and beverage, demonstrated an inconsistent trend over the study period.

4.4.6 Change in Number of New Markets per Sector

The assessment of the number of new markets by sector produced the results displayed in figure 4.2.

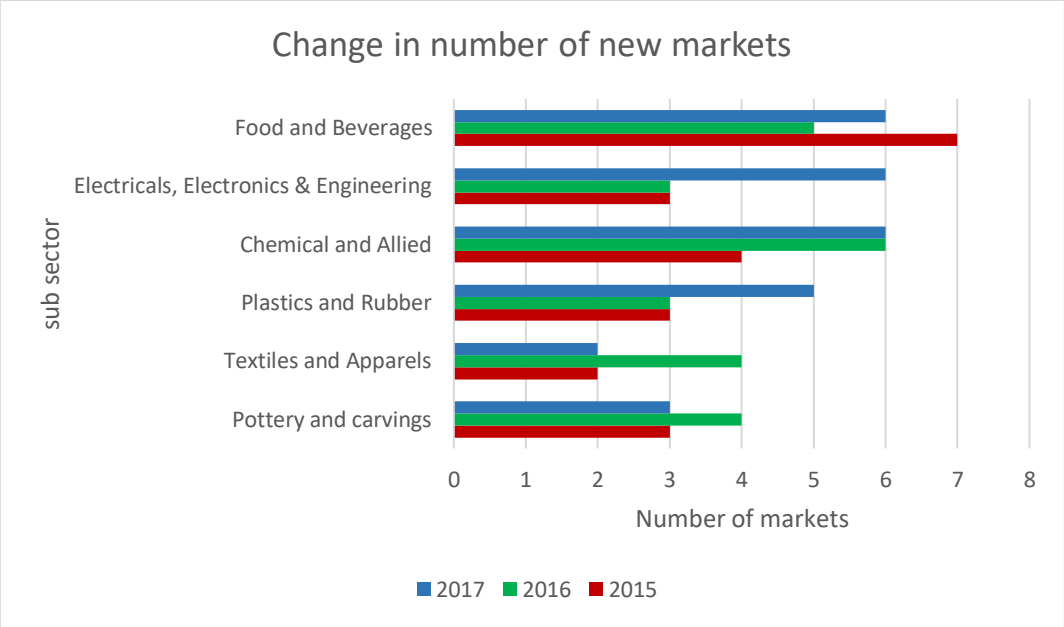


Figure 4.2: Change in Number of New Markets

Source: Primary Data (2021)

The trends in Figure 4.2 showed that half of the sub-sectors experienced a decline; that is, the electricals, electronics and engineering sub-sector, chemicals and allied sub-sector, and plastics and rubber sub-sector were found to have a negative trend. The other three sub-sectors, food and beverage, textiles and apparel, and pottery and curvings, had an intermittent change in the number of new markets over the study period. It was further observed that food and beverage, on average, had more new markets in the entire period, with the worst year recording six new markets and the best years indicating seven new markets.

4.4.7 Growth in Revenue per Sector

The study explored the growth in revenue per sector. Information obtained from the agencies indicated mixed outputs from different sub sectors. Figure 4.3 shows small variations across sectors over the time period except the cases of portery and curvings as well as food and beverage. Textiles and apparels as well as food and beverage demonstrated similar trends

(decline). On overall, chemical and allied demonstrated least growth for three years whereas the two sub sectors (Textiles and apparels as well as food and beverage) had almost similar growth rate.

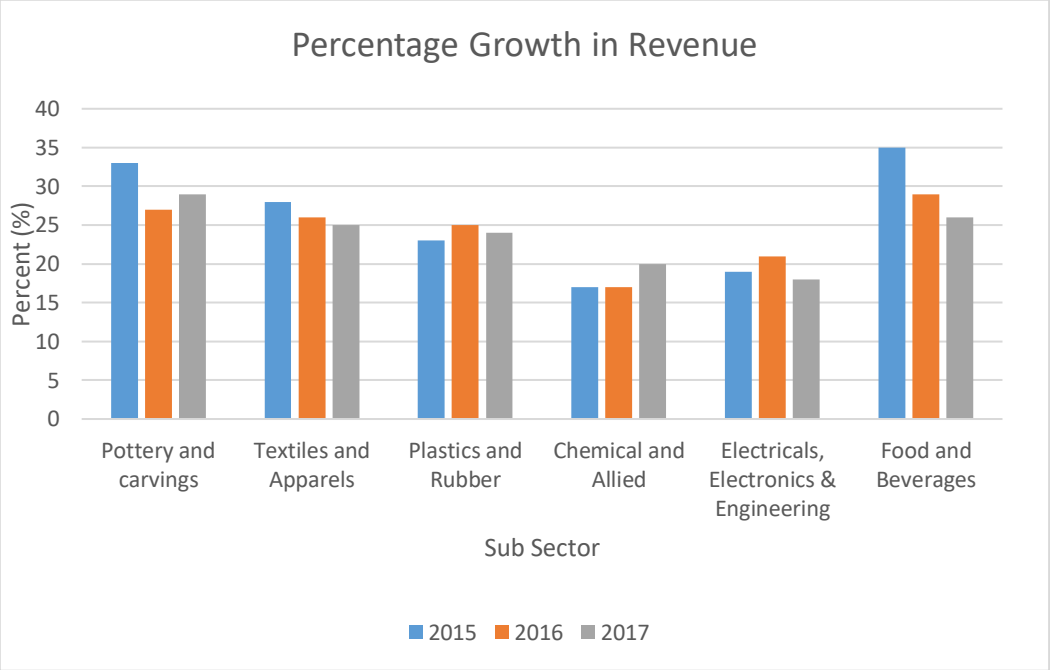


Figure 4.3: Percentage Growth in Revenue

Source: Primary Data (2021)

4.5 Confirmatory Factor Analysis

The operationalization of the four study variables was confirmed using confirmatory factor analysis. As presented in Table 4.13, confirmatory factor analysis yielded four factors for firm resources: raw materials, financial capital, human capital and firm processes. Firm size, age, ownership, skills/knowledge, and education were the five components confirmed by confirmatory factor analysis as associated with organizational characteristics. The confirmatory factor evaluation of the macroenvironment outlined six variables, including

political, financial, societal, technical, ecological, and judicial. The confirmatory factor for export performance yielded three factors: export volume, revenue and new export markets.

Table 4.13: Confirmatory Factor Analysis

Variable	Dimensions/Factors	No of items	Mean scores
Firm resources	Raw material	2	3.76
	Financial capital	4	3.84
	Human capital	2	3.97
	Firm processes	5	3.99
Organizational characteristics	Firm size	3	3.95
	Age	3	3.74
	Ownership	3	3.66
	Skills/knowledge	3	3.56
	Education	4	3.78
Macro-environment	Political	3	3.44
	Economical	3	3.61
	Social	3	3.59
	Technological	3	3.54
	Environmental	3	3.46
	Legal	3	3.79
Firm export performance	Export volume	4	3.37
	Revenue	4	3.24
	New export market	4	3.36

Source: Primary Data (2021)

4.6 Tests of Statistical Assumptions

Tests for normality, heteroscedasticity, heteroscedasticity, and multicollinearity were undertaken to validate the linear regression model's assumption of normality, heteroscedasticity and multicollinearity.

4.6.1 Test for Normality

Shapiro Wilk Normality test was utilized to evaluate whether or not the study variables were normally distributed. The null hypothesis was that the data did not originate from a normally distributed population. Another possibility is that the data originated from a normally distributed population as summarized in Table 4.14.

Table 4.14: Shapiro Wilk Test for Study Variables

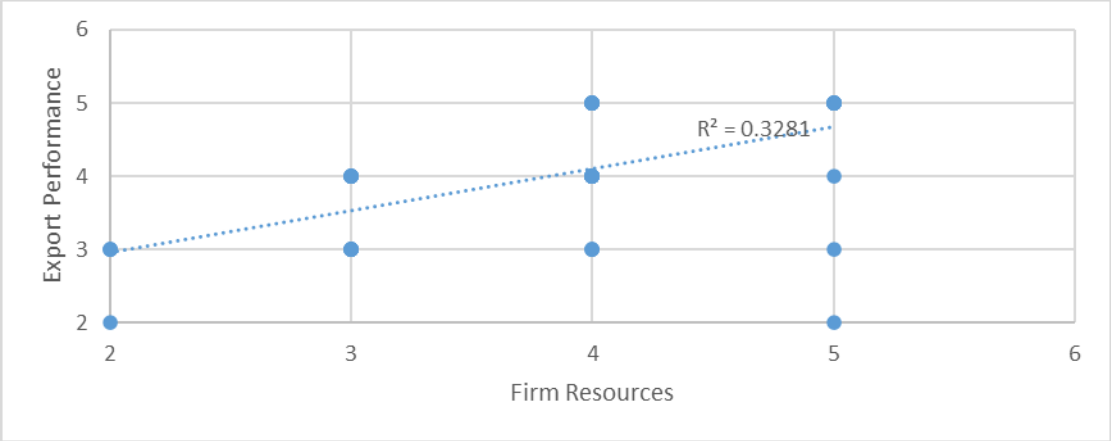
Variables	Observations	Statistic	P value
Firm Resources	238	0.92186	0.062
Organizational characteristics	238	0.94882	0.060
Macro-environment	238	0.85030	0.135
Export Performance	238	0.88341	0.075

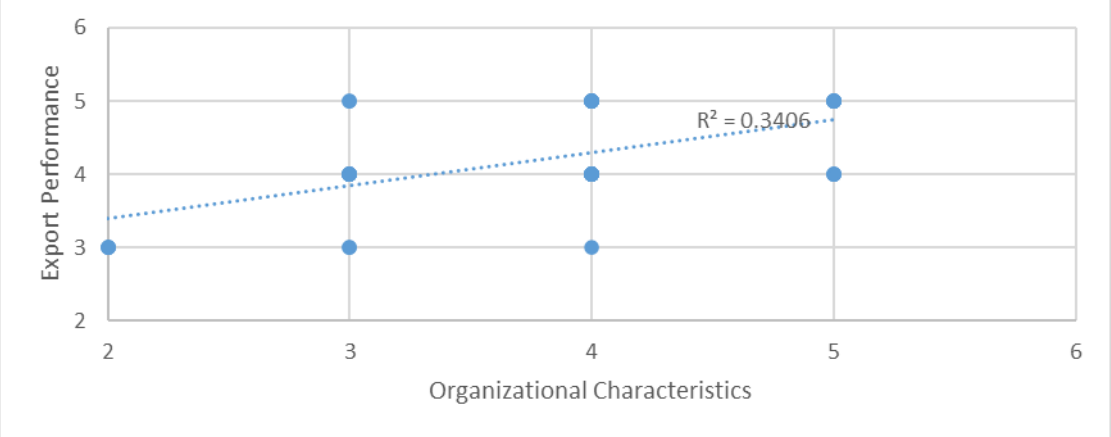
Source: Researcher (2021)

According to the outcome, the p-values for company resources, organizational traits, the macroeconomic environment, and export success were all higher than 0.05. This shows that the variables in the study were selected from a population with a normal distribution. Therefore, the normality assumption was satisfied.

4.6.2 Test for Linearity

A linearity analysis was performed to determine whether the variables were linearly associated. The null hypothesis was that no linear relationship existed and results displayed in Figure 4.4.





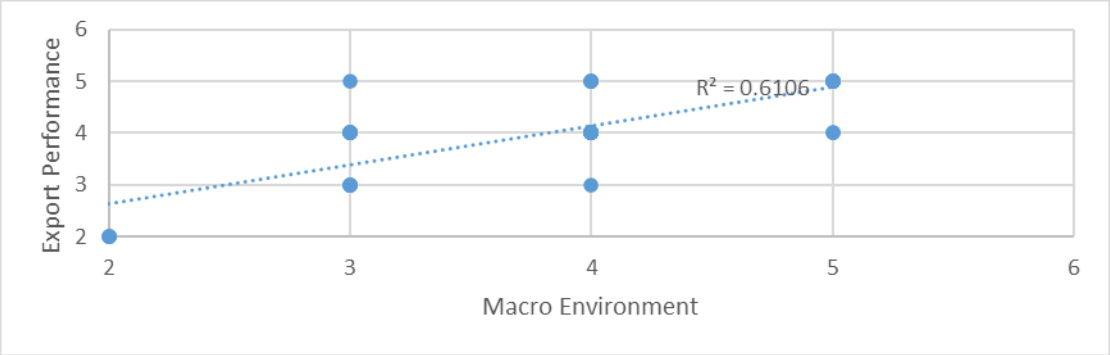


Figure 4.4: Test for Linearity

Source: Researcher (2021)

The test for linearity between the independent and independent variables is depicted in Figure 4.4. The scatter plots indicate a positive correlation between export performance and firm resources, export performance and organizational characteristics, and export performance and macroeconomic environment. Thus, the linearity assumption has been satisfied.

4.6.3 Test for Homogeneity

Homogeneity refers to homoscedasticity and heteroscedasticity. The study used levenes test to test for heteroscdacity in the variables. The study conducted a test for heteroscedasticity to determine if there was a problem of lack of constant variance in the data. To test for heterodasticity in the dependent variable, the study employed a residual plot to compare standardized residual values to standardized predicted values. The findings are captured in Figure 4.5

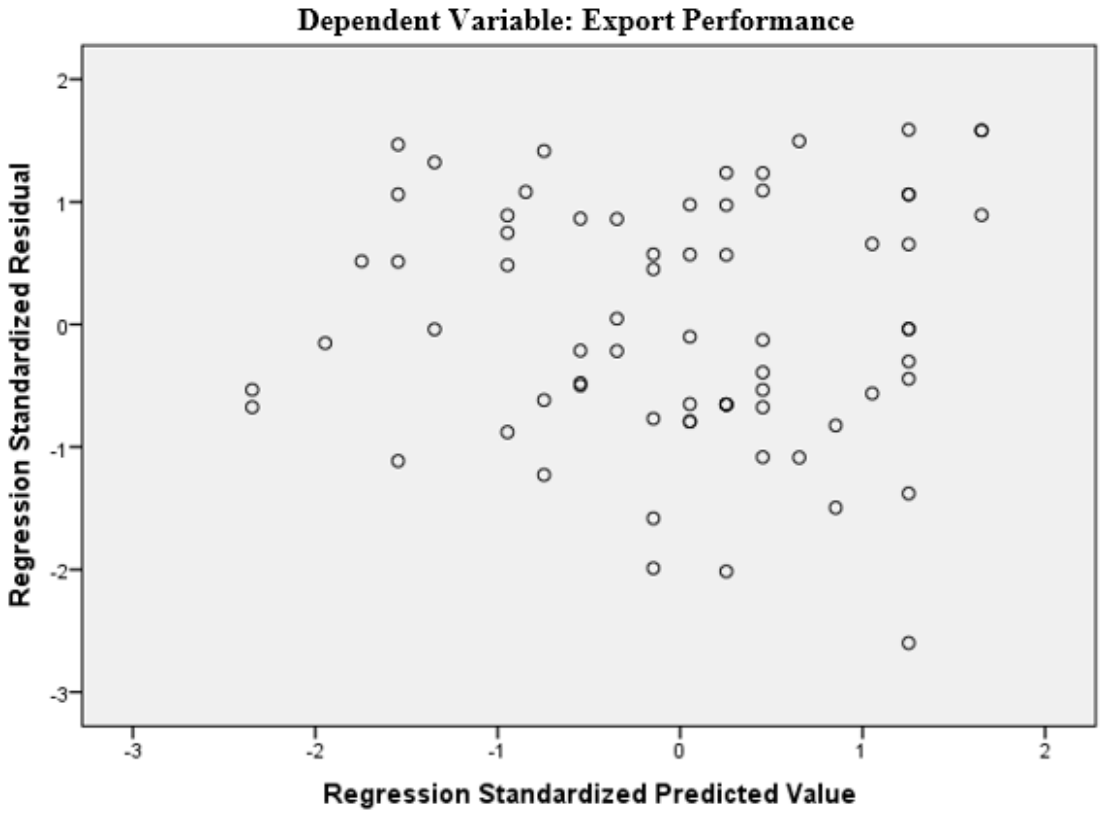


Figure 4.5 Scatter plot for heterodasticity export performance)

Source: Researcher (2021)

The results show that the dependent variable does not suffer from heteroscedasticity and thus presence of homoscedasticity because there is constant band pattern.

Table 4.15: Test of Homogeneity of Variances

	Levene Statistic	df1	df2	Sig.
Firm Resources	8.217.	3	55	.215
Organizational characteristics	9.097	3	55	.095
Macro-environment	7.630	3	55	.193

Source: Researcher (2021)

The test of homogeneity of variance was conducted and results are tabulated in Table 4.15. The findings indicated that levenes values were; firm resources P-value of 0.215>0.05, organizational characteristics; P-value = 0.215>0.05, and macro- environment P-value = 0.215>0.05. The test results for all the variables were above 0.05 confirming homoscedasticity (constant variance of errors).

4.6.4 Test for Multicollinearity

To assess the estimated model's level of multicollinearity, both tolerance and the Variance Inflation Factor (VIF) and were used as summarize in 4.16.

Table 4.16: Multicollinearity Test

Variables	VIF	Tolerance
Organizational characteristics	1.92	0.5208
Firm resources	1.86	0.5376
Macro-environment	1.66	0.6024

Dependent Variable: Export Performance

Source: Researcher (2021)

The results indicate that the proposed model's VIF is within acceptable ranges of 1 to 10 and has a tolerance of greater than 0.1. This demonstrates that the organizational characteristics, firm resources, and macroenvironment are not multicollinear, allowing for additional regression analysis.

4.6.5 Test of Auto Correlation

The study used the Durbin-Watson test to test the existence of the problem of autocorrelation. Durbin-Watson value varying between 1.5 and 2.5 indicates no autocorrelation. Durbin Watson lesser than 1.5 implied positive autocorrelation, while a value greater than 2.5 implied negative autocorrelation. As shown in table 4.17, the value of Durbin Watson was 2.002, which lies between 1.5 and 2.5; thus, there is no problem with autocorrelation.

Table 4.17: Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.999[a]	.998	.855	.29035	.998	45.123	3	235	.000	2.002

a. Dependent Variable: Export Performance

b. Predictors: (Constant), Firm Resources, Organizational Characteristics, Macro-environment

Source: Researcher (2021)

4.7 Correlation Analysis

The correlation coefficient (r) infer the magnitude and direction of the relationship between two variables. Correlations between the dependent variable (export performance) and the independent variables (firm resources), as well as moderating variables, were determined (organizational characteristics and macro environment).

4.7.1 Correlation between Firm Resources, Organizational Characteristics, Macro Environment and Export Performance

Correlation coefficient< 0.5 implies weak relationship, between 0.5 and 0.7 moderate relationship and greater than 0.7 strong relationship. Further correlation coefficient with p-value <0.05 implied a significant association between the two variables.

Table 4.18: Pearson's Correlations Matrix

Variables		Export Performance	Firm Resources	Organizational Characteristics	Macro-Environment
Firm Resources	Pearson Correlation Sig. (2- tailed) n=238	0.6477 (0.000)	1		
Organizational Characteristics	Pearson Correlation Sig. (2- tailed) n=238	0.6809 (0.000)	0.9204 (0.002)	1	
Macro-Environment	Pearson Correlation Sig. (2- tailed) n=238	0.90 (0.001)	0.8581 (0.000)	0.8011 (0.000)	1

Source: Researcher (2021)

The correlation's findings According to Table 4.18, all variables had a significant relationship with one another in their respective pairs. Between firm resources and export performance, there was a moderately positive relationship (r = 0.6477). Organizational characteristics had a moderately positive relationship with export performance (r = 0.6809). The macro-environment had a strong positive relationship with export performance (r = 0.90).

4.7.2 Correlation between Firm Resources, Macro Environment and Export Performance

The association among export performance and the macro environment, firm resources, and export performance was analyzed and results tabulated in 4.19.

Table 4.19: Correlation Matrix

		Export Performance	Firm Resources	Macro-Environment
Export Performance	Pearson Correlation	1		
	Sig. (2- tailed)			
Firm Resources	Pearson Correlation	.6477**	1	
	Sig. (2- tailed)	.000		
Macro-Environment	Pearson Correlation	.90**	.8581**	1
	Sig. (2- tailed)	.000	.000	

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

Source: Researcher (2021)

Correlation Table 4.19 revealed a moderately positive relationship between firm resources and export performance (r = 0.6477) and a strongly positive link between macro-environment and export performance (r = 0.8681).

4.7.3 Correlation between Firm Resources, Organizational Characteristics, and Export Performance

The study tested correlation between Firm Resources, organizational characteristics and Export Performance

Table 4.20: Correlation Matrix- Firm Resources, Organizational Characteristics, and Export Performance

		Export Performance	Firm Resources	Organizational Characteristics
Export Performance	Pearson Correlation	1		
	Sig. (2- tailed)			
Firm Resources	Pearson Correlation	.6477**	1	
	Sig. (2- tailed)	.000		
Organizational Characteristics	Pearson Correlation	.6809**	.9204**	1
	Sig. (2- tailed)	.000	.002	

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

Source: Reseacher (2021)

The correlation's findings Tablei4.20 revealed a moderately positive relationship between firm resources and export performance (r = 0.6477) and a moderately positive assoction between organizational characteristics and export performance (r = 0.6809). The correlation was statistically significant at the 0.05 level of significance.

4.7.4: Correlation between Firm Resources and Export Performance

The study tested correlation between Firm Resources and Export Performance

Table 4.21: Correlations between Firm Resources and Export Performance

		Export Performance	Firm Resources
Export Performance	Pearson Correlation	1	
	Sig. (2- tailed)		
Firm Resources	Pearson Correlation	.6477	1
	Sig. (2- tailed)	.000	

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

Source: Reseacher (2021)

According to Table 4.21, there is a modest positive association between company resources and export performance (r = 0.6477). The p-value for the association was similarly very small (0.000<0.05).

4.8 Hypotheses Testing

The research's primary objective was to ascertain the relationship between small and medium-sized manufacturing firms' resources, organizational characteristics, macro-environment, and export performance in Nairobi CityiCounty, Kenya. Four hypotheses were advanced, which led to examining the various relationships.

4.8.1 Relationship between Firm Resources and Export Performance

Ho1: Firm resources has no significant influence on organization's export performance.

A conventional linear regression analysis was undertaken to examine the extent to which business resources influenced export performance in order to verify the first hypothesis. It was calculated to provide a composite indicator of export performance and business resources. The study utilized a linear regression model. The equation that was used to calculate how firm resources and export performance interacted was:

EP= (Firm Resource - FR)

$EP = \alpha+\beta_1 FR+ \varepsilon$

Table 4.22: Link between Firm Resources and Export Performance

Model Summary			
R	**R squared**	**Adjusted R squared**	**Std. Error of the estimate**
0.884	0.771	0.715	0.0687

ANOVA					
Model	**Sum of Squares**	**Df**	**Mean Square**	**F**	**Sign.**
Regression	566.332	1	566.332	165.304	.000[b]
Residual	812.02	237	3.426		
Total	**1378.352**	**238**			

Coefficients					
Model	**Unstandardized coefficients**		**Standardized coefficients**		
	B	Std. Error	Beta	t-stat	Sig.
(Constant)	0.314	0.157		2.000	0.046
Firm Resources	0.865**	0.064	0.689	13.560	0.000

Predicator: Firm Resources
Dependent Variable: Export Performance

****Significance level of 5 percent.**

Source: Researcher (2021)

The findings in Table 4.22 indicate that firm resources account for a sizable portion of export performance. This is calculated using the R squared value of 0.771 and then adjusted to 0.715. As a result, it explained 77.1 per cent of the variability in its export performance. This implies that corporate resources greatly impact how well exports perform. Furthermore, according to the ANOVA statistics, the model was statistically significant, where the calculated value of F was higher than the critical value F of 165.304, and the p-value was 0.000.

The results show a beneficial link between business resources and export performance. When firm resources are kept constant, export performance equals 0.314 units. Additionally, the findings showed that while other variables remained constant, export performance significantly rose by 0.689 points when company resources grew by a unit. The estimated regression model was as follows:

$$EP = 0.314 + 0.689FR \text{……..……4.1}$$

The model illustrates the extent to which firm resources affect the export performance of NCC's SMMEs. The results support the hypothesis that firm resources significantly impact an organization's export performance.

4.8.2 Organizational Characteristics, Firm Resources and Export Performance

H_o2: *Organizational characteristics does not significantly moderate the relationship between firm resources and organization's export performance.*

To assess the second hypothesis, we performed a step-wise regression analysis to determine the degree to which organizational features influenced the link between firm resources and export efficiency. The model is presented as follows;

$EP = \alpha + FR + \varepsilon$

$EP = \alpha + \beta_1 FR + \beta_2 OC + \varepsilon$

$EP = \alpha + \beta_1 FR + \beta_2 OC + \beta_3 FR*OC + \varepsilon$

Table 4.23: Regression Results for Organizational Characteristics, Firm Resources and Export Performance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.884[a]	.771	.715	.0687
2	.924[b]	.916	.815	.0581
3	.979[a]	.976	.835	.0457

a. Predictors: (Constant), Firm Resources
b. Predictors : (Constant), Firm Resources, Organizational Characteristics
c. Predictors : (Constant), Firm Resources, Organizational Characteristics
d. Predictors : (Constant), Firm Resources, Organizational Characteristics, Interaction Term

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	566.332	1	566.32	165.304	.000[b]
	Residual	812.02	237	3.426		
	Total	1378.352	238			
2	Regression	506.116	2	253.058	80.695	.000[c]
	Residual	740.167	236	3.136		
	Total	1246.283	238			
3	Regression	647.545	3	215.848	38.325	.000[d]
	Residual	1323.5	235	5.632		
	Total	1971.045	238			

a. Dependent Variable : Export Performance
b. Predictors : (Constant), Firm Resources
c. Predictors : (Constant), Firm Resources, Organizational Characteristics
d. Predictors : (Constant), Firm Resources, Organizational Characteristics, Interaction Term

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.314	.157		2.000	.046
	Firm Resources	.865	.064	.689	13.560	.000
2	(Constant)	.411	.136		4.31	.000
	Firm Resources	.524	.114	.453	3.022	.000
	Organizational Characteristics	.487	.107	.449	4.58	.000
3	(Constant)	.437	.157		2.783	.000
	Firm Resources	.315	.038	.349	8.289	.000
	Organizational Characteristics	.657	.340	.578	1.93	.002
	Interaction Term (FR*OC)	.305	.161	.346	1.89	.006

a. Dependent Variable: Export Performance

Source: Reseacher (2021)

Findings of stepwise regression are tabulated in Table 4.23. Organizational traits and their influence impact how business resources and export success relate to one another. The following were the estimated regression models:

$$EP = 0.314 + 0.689FR \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots 4.2$$

$$EP = 0.441 + 0.524FR + 0.487OC \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots 4.3$$

$$EP = 0.437 + 0.315FR + 0.657OC + 0.305FR * OC \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots 4.4$$

Findings of model one indicates a moderate and significant relationship between firm resources and export performance (R^2=0.771, F=165.304, p-value<0.05). In model 2, when organizational characteristic was introduced, the predictive power significantly improved (R^2=.916, F=80.695, p-value<0.05). In model three when the interaction term was introduced, the explanatory power significantly increased (R^2=0.976, F=38.325, p-value<0.05).

The coefficients indicate that the value of the interaction term (FR*OC) had a substantial and beneficial effect (β= 0.305, t=-1.89, p<0.05). After the insertion of an interaction term, the third model's influence of organizational traits was statistically significant (p<0.05), showing the existence of a moderating effect. Support was found for the hypothesis that organizational features considerably affect the association between firm resources and an organization's export performance.

4.8.3 Moderating Effect of Macro-Environment on the Relationship between Firm Resources and Export Performance

H_o3: *Macro-environment does not significantly moderate the relationship between firm resources and organization's export performance*.

This study added the macro-environment as the moderating variable to the model to support the third hypothesis. As such, a stepwise regression analysis was done to determine how the macroenvironment influenced the link between firm resources and export performance. This study made use of the Stepwise Regression Model

$EP = \alpha + \beta_1 FR + \varepsilon$

$EP = \alpha + \beta_1 FR + \beta_2 ME + \varepsilon$

$EP = \alpha + \beta_1 FR + \beta_2 ME + \beta_3 FR*ME + \varepsilon$

Table 4.24: Regression Results for Macro-environment, Firm Resources and Export Performance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.884[a]	.771	.715	.0687
2	.997[b]	.992	.913	.0468
3	.999[a]	.998	.855	.0359

a. Predictors : (Constant), Firm Resources

b. Predictors : (Constant), Firm Resources, Macro-Environment

c. Predictors : (Constant), Firm Resources, Macro-Environment, Interaction Term

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	566.332	1	566.32	165.304	.000[b]
	Residual	812.02	237	3.426		
	Total	1378.352	238			
2	Regression	596.002	2	298.001	98.905	.000[c]
	Residual	711.101	236	3.013		
	Total	1307.102	238			
3	Regression	798.175	3	266.085	51.18	.000[d]
	Residual	1221.71	235	5.199		
	Total	2019.885	238			

a. Dependent Variable: Export Performance

b. Predictors : (Constant), Firm Resources

c.Predictors : (Constant), Firm Resources, Macro-Environment

d.Predictors : (Constant), Firm Resources, Macro-Environment, interaction Term

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.314	.157		2.000	.046
	Firm Resources	.865	.064	.689	13.560	.000
2	(Constant)	.125	.029		4.31	.000
	Firm Resources	.265	.408	.044	1.65	.018
	Macro-Environment	.945	.021	.934	45.39	.000
3	(Constant)	.559	.252		2.22	.026
	Firm Resources	.201	.114	.134	1.77	.006
	Macro-Environment	.975	.029	.913	33.62	.000
	Interaction Term (FR*ME)	.388	.238	.297	1.630	.005

a. Dependent Variable: Export Performance

Source: Reseacher (2021)

Results on the intervening impact of the macroenvironment are shown in Table 4.24 along with the association between company resources and export performance using a stepwise regression. In model one the findings reveal that the link between firm resources and export performance was moderately and significant (R^2=0.771, F=165.304, P-value<0.05). In model two when macro-environment was introduced the explanatory power significantly improved (R^2=.992, F=98.905, p-value<0.05). In model three when the interaction term was introduced, the explanatory power significantly improved (R^2=0.998, F=51.18, p-value<0.05). The following were the estimated regression models;

$$EP = 0.314 + 0.689FR \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots 4.5$$

$$EP = 0.125 + 0.265FR + 0.945ME \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots 4.6$$

$$EP = 0.559 + 0.201FR + 0.975ME + 0.388FR * ME \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots 4.7$$

According to the coefficients, the value of interaction term (FR*ME) had a significant and beneficial impact (β= 0.388, it=-1.630, P<0.05). The effects of firm resources in the third model after introduction of an interaction term was statistically significant (p<0.05). Macro environment was also statistically significant (p value<0.05). From this finding, the study supported the hypothesis that the relationship between firm resources and organization's export performance is sunstantially moderated by the macro- environment.

4.8.4 JointiEffect of FirmiResources, OrganizationaliCharacteristics and Macro-Environment on Export Performance

H_o4: *Firm resources, organizational characteristics and macro-environment jointly have no significant influence on organization's export performance.*

In the fourth hypothesis, the study introduced both organizational characteristics and macro-environment in the model and tested their joint effect on export performance of SMMEs in Nairobi City County, Kenya. To determine how much business resources, organizational features, and the macroenvironment impacted export success, a multiple linear regression analysis was conducted. The Model equation is presented below;

$$EP = \alpha + \beta_1 FR + \beta_2 OC + \beta_3 ME + \varepsilon$$

Table 4.25: Joint Effect of Firm Resources, Organizational Characteristics and Macro-Environment on Export Performance

Model Summary and Coefficient				
	R	**R squared**	**Adjusted R squared**	**Std. Error of the estimate**
Model 1	0.884	0.771	0.715	0.0687
Model 2	0.999	0.998	0.855	0.0359

ANOVA

Model		**Sumiof Squares**	**df**	**Mean Square**	**F**	**Sign.**
Model 1	Regression	566.332	1	566.332	165.304	.000[b]
	Residual	812.02	237	3.426		
	Total	**1378.352**	**238**			
Model 2	Regression	819.32	3	273.107	52.795	.000[b]
	Residual	1215.7	235	5.173		
	Total	**2035.02**	**238**			

Coefficients

Model		**Unstandardized coefficients**		**Standardized coefficients**		
		B	**Std. Error**	**Beta**	**t-stat**	**Sig.**
Model 1	(Constant)	0.314	0.157		2.000	0.046
	Firm Resources	0.865	0.064	0.0689	13.560	0.000
Model 2	(Constant)	0.559	0.252		2.22	0.026
	Firm Resources	-0.201	0.114	-0.134	-1.77	0.076
	Organizational Characteristics	0.387	0.173	.158**	2.24	0.025
	Macro Environment	0.975	0.029	.913**	33.62	0.000

a. Dependent Variable: Export Performance

b. Predictors: (Constant), Firm Resources, Organizational Characteristics, Macro-environment

Source: Researcher (2021)

Table 4.25 show that the joint effect (R2=0.998, F=52.795, P-value<0.05) was statistically significant and superior to the individual effect (R2=0.771, F=165.304, P-value<0.05). The

study determined that the regression model showed a significance level of 0.000, which is a signal that the model was overall significant, from the ANOVA results.

The study's findings (summary of the model) showed that firm resources, organizational traits, and the macroenvironment all strongly influenced export performance. This is based on the value for coefficient of determination which was 0.998 and adjusted to 0.855. Therefore, they explained 99.8 percent of its variation in export performance. The notion that organizational features, firm resources, and the macroenvironment all have a major impact on an organization's export performance was supported.

The following was the predictive regression model;

$EP = 0.559 - 0.134FR + 0.158OC + 0.913ME$……..…….4.8

This study was directed by the four objectives from which the four hypotheses were derived from and findings summarized in Table 4.26.

Table 4.26: Summary of Test of Hypotheses

Objective	**Hypothesis**	**Results**	**Interpretation & Comments**
Determine the relationship between firm resources and export performance of Small and Medium Manufacturing Enterprises.	**H_o1:** Firm resources has no significant nfluence on organization's export performance	Rejected	Firm resources has a significant influence on export performance of SMMEs in Nairobi City County.

Assess the influence of organizational characteristics on the relationship between firm resources and export performance of Small and medium manufacturing enterprises.	**H_o2:** Organizational characteristics does not significantly moderate the relationship between firm resources and organization's export performance	Rejected	Organizational characteristics significantly moderate the relationship between firm resources and export performance of SMMEs in Nairobi City County.
Establish the effect of macro-environment on the relationship between firm resources and export performance of small and medium manufacturing enterprises.	**H_o3:** Macro-environment does not significantly moderate the relationship between firm resources and organization'siexport performance	Rejected	Macro-environment significantly moderates the relationship between firm resources and export performance of SMMEs within in Nairobi City County.
Determine the joint effect of firm resources, organizational characteristics and macro-environment on export performance of Small and Medium manufacturing enterprises.	**H_o4:** Firm resources, organizational characteristics and macro-environment jointly have no significant influence on organization's export performance.	Rejected	Firm resources, organizational characteristic and, macro-environment jointly and significantly influence export performance of SMMEs within Nairobi City County.

Source: Primary Data (2021)

4.9 Chapter Summary

According to the research results, there exist a link between a firm's resources and its export success. It was shown that organizational characteristics significantly influenced the connection between a company's resources and its export success. In addition, the researcher found that the macroenvironment acted as a moderating factor in the connection between a company's resources and its export success. Finally, the findings revealed that when firm resources, organizational features, and the macroenvironment are taken into account collectively, the impact on the export performance of SMMEs in Nairobi City County, Kenya, is stronger and more significant than when taken separately.

CHAPTER FIVE

DISCUSSION OF RESULTS

5.1 Introduction

This chapter discusses the study's results. In addition, this chapter provides a bridge between modern theories and the results of related studies. The main objective of the research was to determine the links between firm resources, organizational features, macroenvironment conditions, and export performance of small and medium-sized companies (SMMEs) in Nairobi City County, Kenya. The research was conducted in two phases. The first objective was to determine the relationship between the resources available to small and medium-sized firms in Nairobi City County, Kenya, and their ability to export their products. On the second objective, the study sought to assess the effect different organizational characteristics had on the link between company resources and export performance within the SMMEs sector in Nairobi CityiCounty. The third objective was to analyze the connection between business resources and export performances for SMME firms in Nairobi County, Kenya. The study's fourth objective was to determine how different company resources, organizational characteristics, and macroeconomic variables influenced the export performance of SMMEs in Nairobi County, Kenya.

A statistically significant link was found between the study variables, which was confirmed. This study showed statistically significant relationships between firm resources (raw materials, financial and human capital, processes, and information and communication technology) and export success. There was a direct correlation between business resources and export performance as a result of this. It was also shown that there exists a positive link between organizational qualities and export performance. Because the emerging effect was

moderating, the variable had a statistically significant impact on the performance of the export sector. It was decided to investigate the moderating effect because of the essential direct relationship between business resources and export success. Research results showed that organizational characteristics substantially influences the association between a company's resources and its export efficiency. This shows that manufacturing SMEs that export put a premium on the importance of organizational traits.

Zou and Stan (1998) discovered that a variety of macroeconomic variables, including technological turbulence, benefited export performance. This indicated the most direct relationship between export performance and correlation coefficient. The necessity of SMMEs assessing and responding to macroeconomic changes when making crucial strategic export decisions is demonstrated by the fact that these changes might have an impact on the company's export performance. Study findings unveiled a positive association between macroeconomic conditions and export performance, demonstrating that macroeconomic conditions had a substantial impact on performance of exported goods. Specifically, the findings reveal that macroeconomic variables have a considerable impact on the connection between business resources and export performance.

The descriptive statistics infer that firm processes had the highest mean scores, indicating that they have an impact on export growth. Due to the unique characteristics of manufacturing, SMMEs should consider revising processes to ensure efficiency and competitiveness in the export market as macroeconomic conditions change. By implementing modern procedures and producing new services and products that fit the demands and wants of foreign markets, small and medium-sized enterprises (SMEs) can adapt to changing exporting requirements. According to the findings, macroeconomic

variables have an impact on the intensity and direction of the relationship between company resources and export performance (both positive and negative).

5.2 Firm Resources and Export Performance

The initial objective of this study was to evaluate the relationship between company resources and the export performance of small and medium-sized firms (SMEs) in Nairobi City County, Kenya. This goal was achieved by the testing of hypothesis Ho1, which states ***that firm resources have no significant influence on an organization's export performance.*** The dependent variable was the composite index of export performance (export volumes, new export markets, and revenue from exports). In contrast, the independent variable was the composite index of firm resources (Raw materials, financial capital, human capital, processes and information technology). A correlation study was done to determine the degree and direction of the connection between export success and corporate resources. There was a modest and statistically significant connection between the two factors. Capital, intellectual resource, raw materials, business procedures, and information technology are all crucial to an export company's performance. A substantial relationship between company resources and export success was found in the estimated model.

Possessing resources is crucial for SMEs in the manufacturing industry since it allows a company to build a distinct, durable competitive edge, particularly when it is non-imitable, non-transferable, and distinctive (Bowen & Wiersema, 1999). Grant (1999) concurs, noting that a firm's capabilities are defined by what it is able to accomplish through the cooperation of a group of internally available resources. The findings corroborate previous research indicating that resources are a significant factor in export performance (Hitt et al., 2016; Wernerfelt, 1984).

While the study findings indicate that financial capital was not fully recognized as a significant factor in export performance, other studies, such as Kinyua (2014) and Levy, 1993), have noted that low growth and development in small firms have been attributed to a lack of financial resources. Financial capital is the most fundamental and adaptable resource; it can also be converted into other resources, such as payment for labor and other related activities (Borch et al., 1999). Barthody and Mateus (2008) expressed this perspective, arguing that the ability to internationalize is frequently contingent on available funding, particularly for new entrants in the exporting business, as personal savings and individual funds from owners are generally limited. Additionally, business process automation enabled by modern technology, including the use of ICT, has accelerated the pace of conducting business. This was demonstrated in the study, where the majority agreed that firm processes affect export volume growth. This fact is corroborated by Grant (1999) in the existing literature.

Results support claims made by RBT advocates Penrose (1959) and Wernerfelt (1984); that access to resources influences performance. However, the argument that resource ownership results in performance, including exporting, has been refuted more than any other aspect of an enterprise (Chandler, 1962). Chandler's assessment of the firm's performance was that gains are more easily realized through decentralization of decision-making within the managerial hierarchy, which would be accomplished through the adoption of a multi-divisional structure.

5.3 Firm Resources, Organizational Characteristics and Export Performance

The second study objective was to learn how organizational elements affect the connection between a business's resources and its export ability. This goal was achieved through the

testing of hypothesis Ho2, **that organizational characteristics do not significantly moderate the relationship between firm resources and an organization's export performance.** The data revealed that the majority of measures of export success were only modestly connected with organizational characteristics and expor performance, with the exception of the export performance indicator. The findings of the study demonstrated that business size has an impact on growth and that a relationship can be formed between a firm's resources and its export performance. In previous research, it was discovered that firm size, as defined by the number of employees at the industry level, has a beneficial impact on export success.

Previous research indicates that continuous learning and experience within the firm, as well as efficiency and effectiveness, are all associated with the firm's age (Rankin et al., 2006). Due to the length of time required for a firm to gain experience and engage in export activities, firm age is a critical factor. The study discovered that the majority of firms studied had been operating for less than six years, implying that they may lack the necessary knowledge to engage in exporting, thereby affecting export performance. As a result, it appears that firms with export experience can perform better if they are more adaptable (Soderbom & Teal, 2004). Similarly, businesses should be large enough to compete in international markets. Because of increased competition and improvements in communication networks, the global market has better benefits for bigger companies. The size-performance relationship cannot be generalized as it depends on the company's export policies (Bonaccorsi, 1992). Therefore, small and medium-sized manufacturing companies should align export policies with the company's size.

The research found that the company's ownership affects growth and income from exports. The SME owner has a significant personal influence on a company's strategies, tactics and operations to engage in decision-making throughout the company. Consequently, although there is likely a flat, informal organizational structure, decision-making tends to be quite centralized around the proprietor. The personality and conduct of the entrepreneur must be causal considerations for or against accomplishment oriented towards development. It is characteristic of small businesses that critical decisions are centralized at the owner-manager level so that abilities, duties, attitudes and conduct will have a crucial impact on business strategy (Kumar & Veloso, 2002). This asserts that ownership of the firm influences the growth of new export markets based on the decisions the owner is bound to make regarding export issues. The general conclusion was that organizational features moderate the association between company resources and export success.

5.4 Firm Resources, Macro–environment Factors and Export Performance

Thirdly, the researchers hoped to ascertain how the macroeconomic climate affected the link between a company's resources and export efficiency. This goal was achieved by testing hypothesis Ho3, **that the macroenvironment does not significantly moderate the relationship between firm resources and export performance.** Macroenvironmental factors were assessed using the PESTEL model. Export volume growth was positively correlated with organizational characteristics and the macroenvironment.Ural (2009) concurs, asserting that export performance should be gauged in terms of sales.

Findings unveiled a positive and substantially significant relationship between macroeconomic factors and export performance. Results from previous research on the effect of the external environment on corporate success have been inconsistent. Despite a

company's limited influence on macroeconomic conditions, Yabs claims that they have a significant effect on export performance (2010). According to the World Bank, the macroenvironment has a significant role in the correlation between firm resources and export performance.

5.5 Firm Resources, Organizational Characteristics, Macro- Environmentiand Firm

This research sought to assess the combined effect of firm resources, organizational features and macroeconomic conditions on the export performance of NCC's SMMEs. Hypothesis testing was used to accomplish this objective ***Ho4, that*** which asserts that firm resources, organizational traits, and the macroenvironment have no substantial effect on the export performance of a company**.**

The findings indicate that firm resources, organizational characteristics, and macro-environmental factors affect export performance. Individually, macroenvironmental factors exerted the greatest influence, particularly on the growth of export volumes. Consequently, the study infered that joint effect was distinct from the individual effect and that when the three variables were considered together, they had a greater impact on firm export performance than when they were considered separately. The research also found that the combined impact differed from the sum of its parts. The conclusions are supported by empirical investigations that show firm performance is not controlled by a single factor but rather depends on a multitude of variables (Kithusi, 2015; Okeyo, 2013). This research examined the relationships between business resources, the macroenvironment, and organizational attributes. The findings confirm that businesses face numerous obstacles and a plethora of factors when attempting to improve their export performance.

5.6 Summary of the Study Results

This chapter discussed the study's four hypotheses and attempted to examine them. Each of the four variables in the study had its own set of indicators, which were evaluated separately and then combined to create composite indices. To investigate the correlations between the research variables, simple linear regression, stepwise regression, and multiple linear regression models were all utilized in conjunction with each other. The hypotheses were tested at a 5% significance level, which was considered statistically significant. Confirmation of the initial hypothesized outcome (relationship between firm resources and export performance). The second hypothesis was correct (that organizational characteristics act as a moderator in the relationship between firm resources and export performance). Finally, it was shown that the macroeconomic environment influenced the relationship between business resources and export success, contrary to what was previously asserted. Finally, evidence was presented to show that a firm's resources, organizational characteristics, and macroenvironment work together to produce a statistically significant outcome.

5.7 Empirical Model

Below is the emphirically supported model;

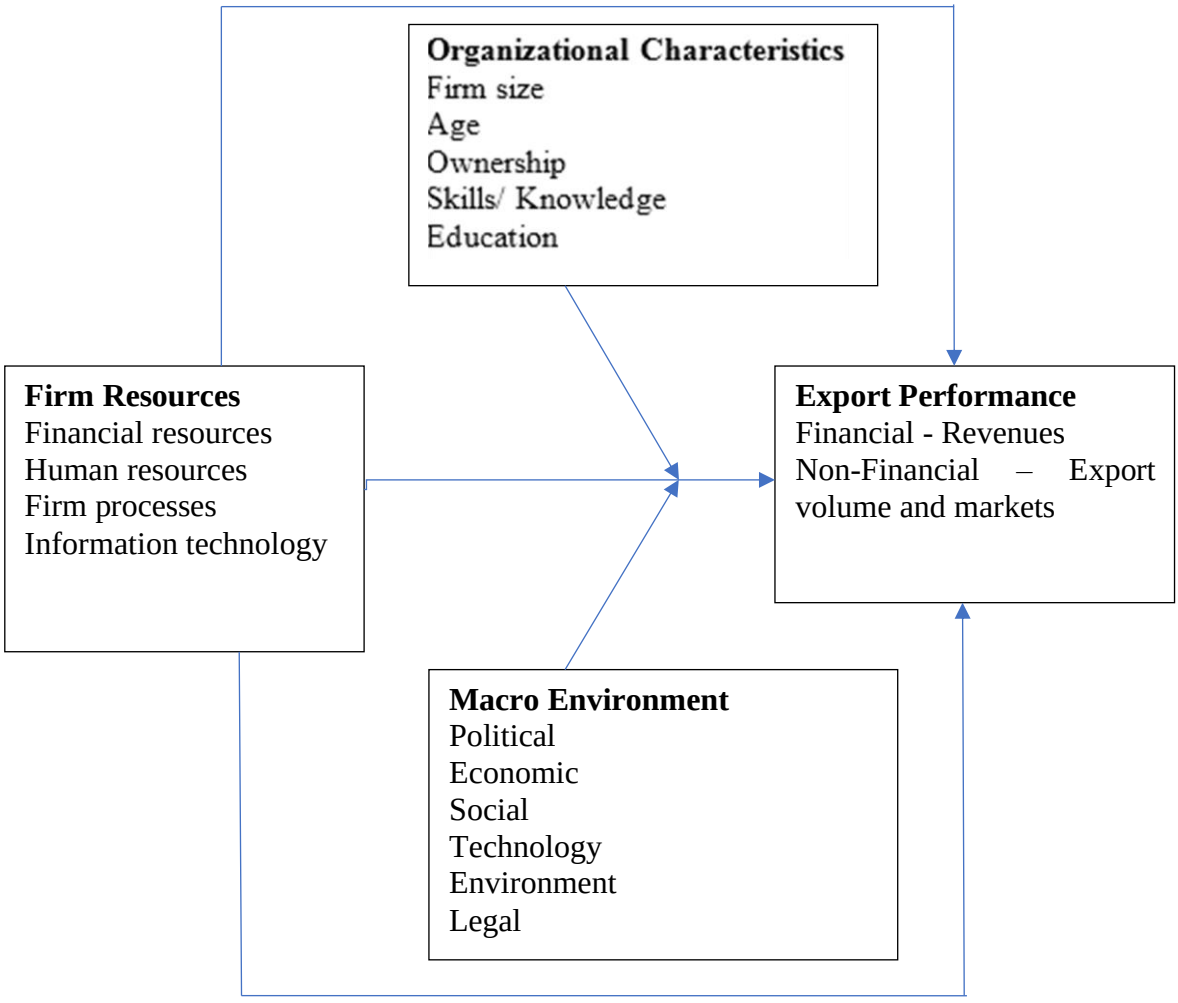


Figure 5.1: Empirical Model

Source: Researcher (2021)

CHAPTER SIX

SUMMARY, CONCLUSION AND RECOMMENDATIONS

6.1 Introduction

This chapter presents summary of the study's results, conclusions, and suggestions for further research. Implications for theory, methodology, policy, and management practice are also examined in this chapter. Finally, the chapter concludes with a review of the study's limitations and suggestions for further investigation.

6.2 Summary of the Study

Over the course of the research, the researcher developed four specific goals and tested four hypotheses about how to achieve those goals. It was found in the survey that the age group of managers overseeing SMMEs was dominated by those between the ages of 35 and 39. According to the respondents' educational attainment, the majority had completed secondary school, with a significant number having attained a bachelor's degree. Aside from that, it was discovered that the vast majority of businesses were owned entirely by Kenyans, with only a small number being jointly owned. Only a small fraction of businesses was held entirely by expatriates. The survey also found that most companies have a short history of operation (less than six years).

According to the findings, majority of partakers went into business because they were unable to find gainful employment and wanted to enhance their economic well-being, while only a tiny fraction went into business in order to profit on their technical talents. This illustrates that SMMEs do really give options for self-employment and job creation. This is an industry that wants assistance at a time when the government is striving to rationalize its personnel.

This point of view is supported by the government's Vision 2030 strategy as well as the Big Four agenda, both of which encourage manufacturing at the SMEs level.

6.2.1 Firm Resources and Export Performance

In spite of the fact that the age of the firm had a statistically significant impact on export performance, the study discovered that the ownership of the firm had a bigger impact on export performance. In addition, the interaction term, which defines moderation, was statistically significant, supporting its role as a moderator of the influence of organizational features on export performance. Data from the research showed that SMMEs in Kenya's NCC had a statistically significant relationship between their firm's resources and its export success. Therefore, the hypothesis was rejected.

6.2.2 Firm Resources, Organizational Characteristics and Export Performance

In spite of the fact that the age of the firm had a statistically significant impact on export performance, the findings unveiled that the ownership of the firm had a bigger impact on export performance. In addition, the interaction term, which defines moderation, was statistically significant, supporting its role as a moderator of the influence of organizational features on export performance. Data from the research showed that SMMEs in Kenya's NCC had a statistically significant relationship between their firm's resources and its export success. Therefore, the hypothesis was rejected.

6.2.3 Firm Resources, Macro-environment and Export Performance

When it comes to moderating the relationship between company resources and export performance, it emerged that the macroenvironment is statistically significant. The key indicators, which included political, economic, sociocultural, technological, legal, and environmental regulations, all contributed to the establishment of a moderating effect on the link between firm resources and export performance. According to the findings of the study, the macroenvironment had a statistically significant impact on company resources and export performance, and also on export performance. The hypothesis was rejected.

6.2.4 The Joint Influence of Firm Resources, Organizational Characteristics and Macro-Environment on Export Performance

The cumulative impact of a company's resources, organizational traits, and macro-environmental conditions on export performance was shown to be more than the sum of their impacts by the study's authors. In addition, the researcher found that predictors affected export sector product performance in various ways. For example, although showing a positive regression coefficient and a statistically significant link in the past, the direct influence of business resources on export performance is not strong enough.

Export performance is influenced significantly by individual and organizational features, demonstrating that management practices are an important predictor of export performance. Past research shows that business structure, practices, and firm resources impact export success. The findings substantiate this conclusion. Furthermore, the association between macro-environmental parameters and export performance was positive and statistically significant. This suggests that when changes in the business environment occur due to the

combined effect, enterprises ought to be in a position to adjust to changes in the macroenvironment to remain competitive.

6.3 Conclusion of the Study

The primary objective of the study was to identify the factors that contribute to the export efficiency of small and medium-sized manufacturing firms in Nairobi County, Kenya, taking into account their available resources, organizational structure, and the state of the macroeconomy. The research was conducted in two phases. The impact of company resources on the export performance of Small and Medium-Sized Manufacturing Firms was shown to be statistically significant in this study. According to the findings of the study, organizational traits have a statistically significant moderating effect on the link between firm resources and export success for SMMEs. In addition, the researchers found that the macroenvironment had a moderating influence on the connection between corporate resources and performance of exports. A comprehensive analysis of the factors influencing the export performance of small and medium-sized manufacturing firms revealed that the aggregate of these factors was far bigger than any one factor alone. Synergy is formed as a result of taking into account the combined effect of company resources, organizational features, and the macroenvironment on the export performance of Kenya's Small and Medium Manufacturing Firms.

6.4 Implications of the Study

This study was conducted to assess the impact of organizational characteristics and macroeconomic conditions on the link between firm resources and the export performance of manufacturing SMEs in Nairobi County, Kenya. The findings of the investigation corroborated all of the theories. The idea that business resources had a major impact on

export success was proven correct. The findings revealed that organizational features have a moderating effect on the link between company resources and export success. The findings equally confirmed that the macroenvironment influences the link between business resources and export performance. The study's findings are expected to undoubtedly impact future research, practice, theory, and methodological approaches. This study was conducted to assess the impact of organizational characteristics and macroeconomic conditions on the link between firm resources and the export performance of manufacturing SMEs in Nairobi County, Kenya. The findings of the investigation corroborated all of the theories. The idea that business resources had a major impact on export success was proven correct. The findings supported the idea that organizational features have a moderating effect on the link between company resources and export success. The findings confirmed that the macroenvironment influences the link between business resources and export performance. The study's findings are expected to undoubtedly impact future research, practice, theory, and methodological approaches.

6.4.1 Implications to Theory

This research was primarily grounded on Firm Internationalization Theory, supported by Resource-Based Theory, Theory of Competitive Advantage of Nations by Michael porter, and Industrial Economics Organization Theory. The study established that a critical component of exporting activity is firm resources. It also confirmed that not all resources result in increased export performance; however, within the indicators pertaining to firm resources, it was established that access to capital is critical and affects export performance. The Resource-Based View and the concept of competitive industrial advantage both found some support in this research. However, individual attributes such as governmental changes,

the introduction of new technology, and the influence of sociocultural factors all lessen the effect of company resources on export success. In addition, the ownership of a company moderately impacted its export success.

The research concluded that the macroenvironment elements statistically significantly influenced the link between business resources and export performances. This corroborates several empirical studies by Ombaka (2014) and Porter's postulation (1998). The study's findings contradict those of Machuki and Aosa (2011), who concluded that the macroenvironment had no statistically significant effect on performance. Thus, additional underlying factors under the macroenvironment influence the moderating effect of firm resources on export performance.

This research contributes to the body of knowledge by demonstrating that firm resources significantly impact export performance through an empirical investigation of the relationship between firm resources and export performance. The findings of this study apply to a wide range of industries. The study contributes significantly to the existing body of knowledge. The first point is that, in contrast to previous research, scholars would take note of unexpected findings and investigate the phenomenon in other SME subsectors.

This research makes contribution to the existing body of knowledge by providing empirical evidence that the combined effects of firm resources, organizational traits, and macroenvironment on export performance are distinct from the effects of each factor acting alone. As this example indicates, export success is influenced by many factors, not just natural resource availability. Moreover, it is inferred that certain indicators strongly impact export performance when a certain variable is considered.

This was the first study to examine the relationship between firm resources, organizational characteristics, the macroenvironment, and the export performance of SMMEs in Nairobi City County, Kenya. No previous study has examined these variables in the context of manufacturing SMEs. With devolution firmly operationalized since 2013, different counties endowed with resources could examine the findings from the new knowledge and operationalize the variables in accordance with their strategic plans, which could contribute positively depending on the environmental conditions under which they operate. In addition, the organizational characteristics of firms in different countries may vary due to managerial competencies and skills directly related to management education levels. Therefore, it is critical for national and county governments to take cognisance these findings and adjust their policies to include an emphasis on education as a critical component of the effective management of manufacturing-related SMEs.

Outside the firm, but within the county, the macro-environment is influenced by uncontrollable factors such as socio-political and economic factors; thus, these factors cannot be assumed. Discovery of this new knowledge would save time and resources at the policy formulation stage before the county government commits funds for promotion or sensitization. Environmental concerns have taken centre stage in the face of global warming and interest in green economies, and by borrowing from NCC's feedback, other counties can avoid duplication of error. The study suggests that other researchers and academics examine the same factors relating to SMEs in other counties than NCC to confirm or contradict their investigation results.

6.4.2 Implications on Policy

Policy makers in public and corporate sectors may benefit from the study's results. The government, business groups, financial institutions, export promotion agencies, development organizations, and the administration of Nairobi County are all examples of such parties. The findings of this research will be used by both the federal government and state and local governments to provide favourable conditions for the growth of small and medium-sized enterprises (SMMEs). Personnel training should be enhanced to ensure they understand the economic factor's significance and impact on the macroenvironment.

The proprietor of a small organization might use the study's results to facilitate adaptable management and provide top managers with the freedom to apply their knowledge and make judgments without fear of retribution. However, this raises the question of resources and the larger consequences of reacting to economic indicators at the industry and business levels. The research results will help small and medium-sized enterprises (SMMEs) make better business strategies and more closely track internal and external operations while still adapting to changes in the macro environment.

The study's findings may be used by the Export Promotion Council (EPC), the Ministry of Trade, and economic zone authorities to allocate resources toward export promotion activities like capacity building, training, external networking with other foreign agencies, and exposing entrepreneurs to international markets.

6.4.3 Implications for Management Practice and Industry

Small and medium manufacturing firms in Nairobi City County could borrow some tested practices from their larger counterparts in terms of export performance, in line with the study

findings. For SMEs in Manufacturing sector, the study underlines the need for macroenvironmental scanning to improve their overall performance.

Additionally, it is critical for Small and Medium Manufacturing Firms understand their organizational characteristics, as this information can be used to gain a competitive edge. Owners and managers responsible for resource mobilization should be aware of the changing external environment and understand the cost of resource mobilization compared to the benefits derived from the resources to obtain resources at the lowest possible cost. Management professionals may utilize this study's results to develop long-term plans to address the understudied industry's challenges. In addition, they may be able to address internal weaknesses such as inefficient resource allocation within the organization.

6.4.4 Implications for Methodology

This research benefited from multiple estimation techniques, which allowed for establishing the individual, moderating, and combined effects of firm resources, macroenvironment, and organizational characteristics on export performance. Both the magnitude and the trend of the impacts were calculated. This approach may provide a wide range of statistical reports to test the veracity of assumptions. Additionally, the methodology aided in developing conclusions based on verified empirical facts. Although the approach utilized in this study, in which questionnaires were self-administered rather than collected via online (mailing) or telephone interview, was successful, the success rate of this methodology suggests that it is appropriate for this type of study.

6.5 Recommendations of the Study

According to the study's findings, organizational factors had a statistically significant impact on export performance. However, the findings of this study suggest that additional research be carried out to establish why factors such as firm age and size –both of which have been revealed to be significant in prior studies – did not yield the expected effect in this study. In addition, in this study, most SMMEs are managed by younger people, as opposed to older people in previous studies.

It was discovered that language skills were critical in determining a firm's export performance success. Language emerged as a critical factor among others because comprehension of the research questionnaire, written in English, presented a difficulty for some respondents in recruiting and developing their staff. In addition, certain indicators under the macroenvironment, for example, political factors, were deemed critical for export volume growth, though there was variation in other factors. Therefore, additional studies should be conducted to ascertain the cause of variation.

6.6 Limitations of the Study

Based on the study findings, it is recommended that all export promotion agencies strongly urge all manufacturing and exporting enterprises to register to help future researchers, agencies, and planners conduct research and evaluate performance. The survey took place among the owners and managers of SMMEs because of their intimate knowledge of the companies. Since they care about how their businesses are perceived, especially regarding their structure, bias is a potential. If researchers want to reduce bias in their future studies, they should look at surveying bigger populations. Diverse clientele and professional groups should be included in future studies.

6.7 Areas Suggested for Further Research

In order to assess whether equivalent results can be obtained in SMMEs operating in counties other than Nairobi, it is recommended that this study be reproduced in other counties. Additionally, the study can be duplicated to include SMEs from various industries to evaluate whether there are any changes. These will be used to develop criteria for demographic categorization and sample selection to guarantee sufficient sample coverage and size. Investigations in the long term should look at employing a bigger sample size of respondents to see whether it helps reduce the possibility of bias. Participation from various disciplines and clientele is necessary for future studies.

In a period of uncertainty, especially with increased capacity building, sensitization and export promotion activities for SMEs, the government and export promotion agencies need to fund further research on the interdependencies of the age of executives and export performance of manufacturing and exporting SMEs. Rapid responses were shown to be predicated on respondents' ability to understand the English-language questions. Therefore, further study is needed to unveil the extent to which a company's export performance correlates with the language proficiency of its top executives. Other characteristics, such as exposure and involvement in foreign trade fairs and staff loyalty, were not included in this study but may have an impact on the export success and should be investigated in future studies.

Although a previous study has shown that a company's age and size are both relevant, none of these factors has had the desired effect. This research used a cross-sectional survey approach and analyzed export performance over three years. Unfortunately, cross-sectional investigations cannot accurately capture the causal effects of variables. In the future,

researchers may choose to track the same group of businesses over many years. With this information, we can better understand how the factors affected export success and why some companies fared better than others. Although findings varied with other variables included in the export performance variable, the research found that political issues were crucial to increasing export volumes. To what extent do various elements of the political environment really moderate one another? Further investigation is required.

6.8 Chapter Summary

This chapter detailed the study's results, conclusions, and recommendations. The methods, as well as the policy, management practice, and industry information gained, are discussed, and their implications for theory are also elaborated upon. Finally, the limitations of the study are discussed, and suggestions for future studies are made. This research, which used a cross-sectional survey approach, analyzed export performance over the course of three years. Unfortunately, cross-sectional investigations cannot accurately capture the causal effects of variables. Therefore, future research may include tracking the same group of businesses over many years.

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APPENDICES

Appendix I: Letter of Introduction

Dear Sir/Madam

My name is Samson Wambua Kitonyi, a Ph.D Business Administration research candidate at school of Business and Management Science, University of Nairobi. I wish to collect data for my research on the above topic. You have been carefully selected to take part in the research work due to your immense experience that would be valuable in the study on the above topic. I wish to know your views with specific reference to organizational characteristics and macro-environment on relationship between firm resources and export performance in your firm. I hope that you will take time to fill the attached questionnaire to the best of your knowledge.

The information from the data was used solely for the purpose of the research and will be treated as confidential. No source or individual will be identified in the report. Executive summary of the report will be shared with the Managing Director /Chief Executive Officers of sampled companies as an aid to the organization to improve in this area. Your participation is on voluntary basis. It is my belief that you will be as objective as possible.

Your kind assistance in providing requested information will be highly appreciated.

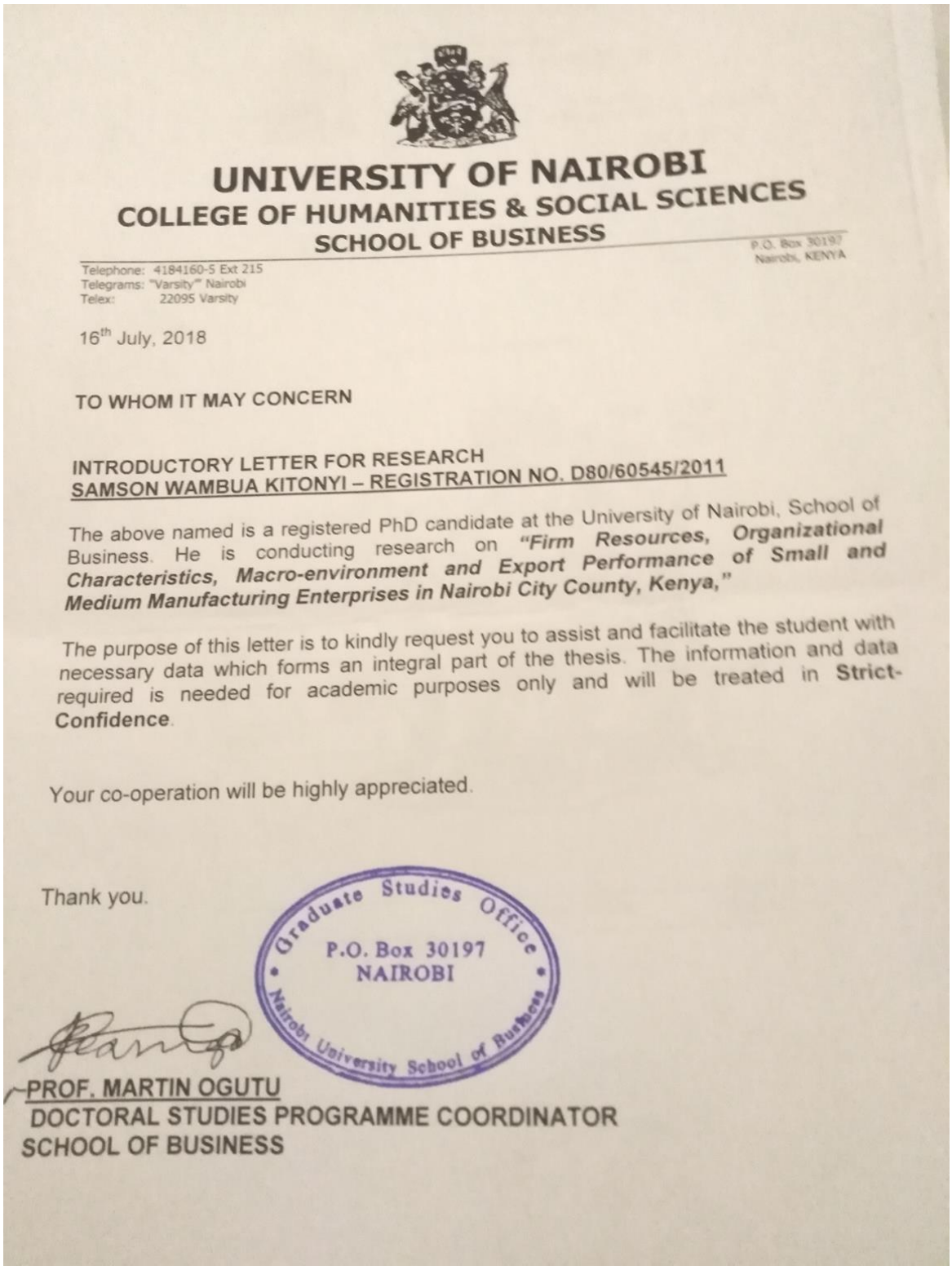
Yours faithfully,

Samson W. Kitonyi

D80/60545/2011
Supervisors;

Professor Francis Kibera
Professor James Gathungu
Professor John Yabs.
Dr. Joseph Owino

Appendix II: Letter of authority to collect data



UNIVERSITY OF NAIROBI
COLLEGE OF HUMANITIES & SOCIAL SCIENCES
SCHOOL OF BUSINESS

P.O. Box 30197
Nairobi, KENYA

Telephone: 4184160-5 Ext 215
Telegrams: "Varsity" Nairobi
Telex: 22095 Varsity

16th July, 2018

TO WHOM IT MAY CONCERN

INTRODUCTORY LETTER FOR RESEARCH
SAMSON WAMBUA KITONYI – REGISTRATION NO. D80/60545/2011

The above named is a registered PhD candidate at the University of Nairobi, School of Business. He is conducting research on ***"Firm Resources, Organizational Characteristics, Macro-environment and Export Performance of Small and Medium Manufacturing Enterprises in Nairobi City County, Kenya,"***

The purpose of this letter is to kindly request you to assist and facilitate the student with necessary data which forms an integral part of the thesis. The information and data required is needed for academic purposes only and will be treated in **Strict-Confidence**.

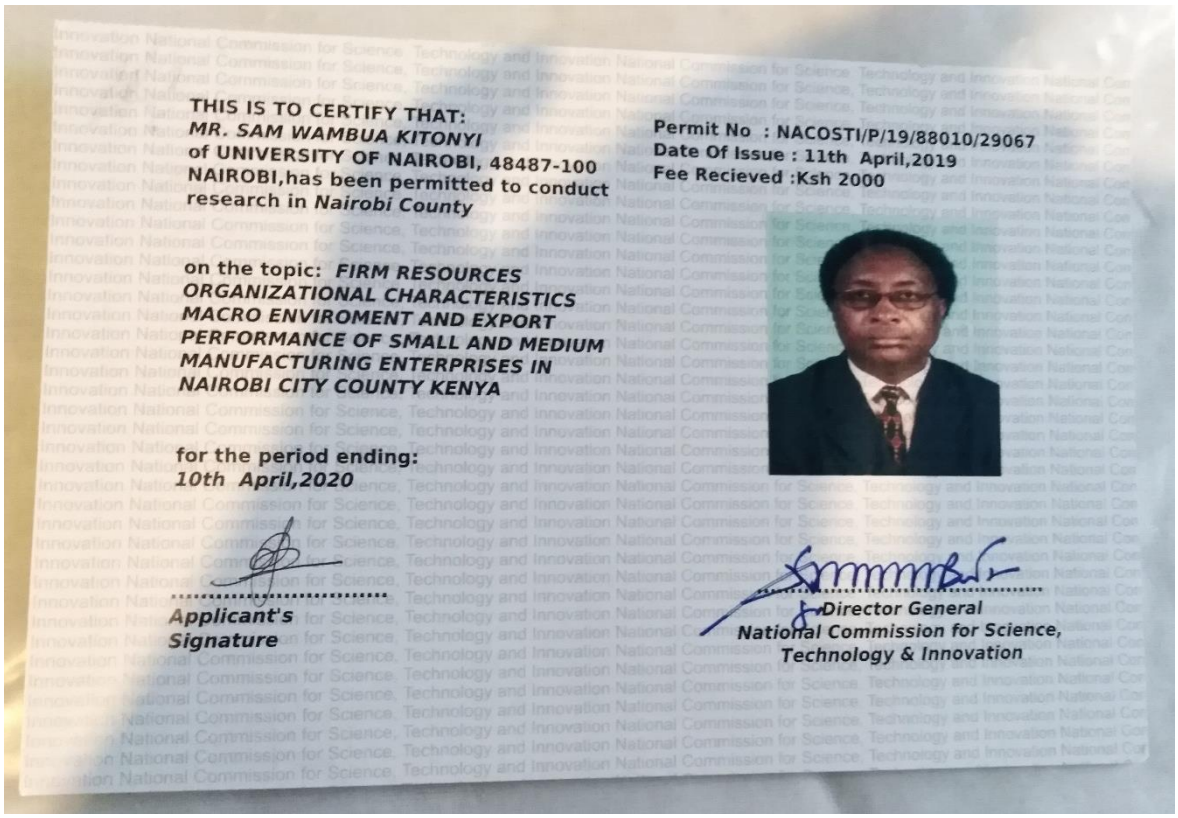
Your co-operation will be highly appreciated.

Thank you.

Graduate Studies Office
P.O. Box 30197
NAIROBI
Nairobi University School of Business

PROF. MARTIN OGUTU
DOCTORAL STUDIES PROGRAMME COORDINATOR
SCHOOL OF BUSINESS

Appendix I11: NACOSTI permit



THIS IS TO CERTIFY THAT:
MR. SAM WAMBUA KITONYI
of UNIVERSITY OF NAIROBI, 48487-100
NAIROBI,has been permitted to conduct
research in *Nairobi County*

on the topic: *FIRM RESOURCES ORGANIZATIONAL CHARACTERISTICS MACRO ENVIROMENT AND EXPORT PERFORMANCE OF SMALL AND MEDIUM MANUFACTURING ENTERPRISES IN NAIROBI CITY COUNTY KENYA*

for the period ending:
10th April,2020

.....
Applicant's Signature

Permit No : NACOSTI/P/19/88010/29067
Date Of Issue : 11th April,2019
Fee Recieved :Ksh 2000

.....
Director General
National Commission for Science, Technology & Innovation

Appendix IV: Research Questionnaire for MD/CEO

This questionnaire is designed to collect data from Small and Medium Manufacturing Scale Enterprises on the topic of influence of firm resources, organizational characteristics, and macro- environment on export performance of small and medium size manufacturing enterprises in Nairobi city County, Kenya. The Questionnaire is divided: into two parts. A five-point Likert scale is provided for you to rank your responses based on the extent to which you agree with the statements.

Your contribution in answering this questionnaire is critical and highly appreciated for the success of this study. This study is only for academic purposes and remains confidential. Please do not indicate your name or any other identification detail on this questionnaire.

INSTRUCTIONS:

- Fill only one set of the questionnaire per individual.
- Please answer each question as completely and clearly as possible by ticking appropriately on only one answer (unless otherwise advised) from the choices given or writing your response as appropriate in the space provided.

Please complete each section as instructed do not write your NAME on the questionnaire. All the information in this questionnaire will be kept confidential.

SECTION A: DEMOGRAPHIC

1. Name of the firm…….…….
2. Position held in the firm……..
3. For how long have you worked in this firm? (State no of Years)……..…
4. Age

a) 18-34 years [ ] b) 35-39 years [ ]

c) 40-44 years [ ] d) 45-50 years [ ]

e) 50 years and above [ ]

5. Highest level of education attained.

a) Certificate [ ]

b) Diploma [ ]

c) First Degree [ ]

d) Masters [ ]

e) PhD [ ]

Others, please specify……..

6. Ownership status:

a) a) Fully Kenyan Owned [ ]

b) Fully foreign owned [ ]

c) Joint ownership [ ]

7. The period firm has been in existence in Kenya?

a) Less than 3 years

b) 3-6 years.

c) 7-10 years

d) 10 and above

8. Does your firm engage in export business?

   Yes [ ] No [ ]

9. Please state the number of export markets

   a) Up to 3 markets

   b) 4-6

   c) 7-9

   d) 10 and above

10. Please indicate the number of staff.

   a) 1-25 [ ]

   b) 26-50 [ ]

   c) 51-75 [ ]

   d) 76-100 [ ]

11. To which sub-sector does your firm belong? (Tick (√) as appropriate)

   i. Pottery & Carvings [ ]

   ii. Building, mining and construction [ ]

   iii. Chemical and Allied [ ]

   iv. Energy, Electrical and Electronics [ ]

   v. Food and Beverages [ ]

   vi. Leather and Foot wear [ ]

vii. Metal & Engineering [ ]

viii. Motor vehicles & Accessories [ ]

ix. Paper & Board [ ]

x. Pharmaceutical &Medical [ ]

xi. Plastics &Rubber [ ]

xii. Fresh Produce [ ]

xiii. Textile &Apparels [ ]

xiv. Timber, Wood & Furniture [ ]

Others (please Specify)……..…….

12. Please indicate the core products of the firm.……

13. Please indicate the location of your firm within the Nairobi City County……

Please provide the following information with regard to your firm's export performance over the last THREE years (2015-2017).

14. The firms export volumes changed by…… (percentage) between 2015-2017

15. The change in the number of export markets …...(number) between 2015-2017

16. The firm's revenue from exports grew by…… (percentage) between 2015-2017

SECTION B: FIRM RESOURCES

To what extent do you agree with the following statements regarding firm resources? (Tick as appropriate)

Key: (5 –To a very large extent, 4- To a large extent, 3- To a moderate extent, 2- To a small extent, 1- Not at all

	Statement	1	2	3	4	5
1	Raw materials influence export volumes					
2	Raw materials influence growth of new export markets					
3	Raw materials influence growth of revenue from exports					
4	Financial capital influences export volumes					
5	Financial capital influences growth in new export markets					
6	Financial capital influences growth of revenue from exports					
7	Human capital influences growth in export volumes					
8	Human capital influences growth of new markets					
9	Human capital influences growth of revenue from exports					
10	Firm processes influence growth of export volumes					
11	Firm processes influence growth of new export markets					
12	Firm processes influence growth of revenue from exports					

SECTION C: ORGANIZATIONAL CHARACTERISTICS

To what extent do you agree with the following statements regarding organizational characteristics? (Tick as appropriate)

Key: (5 –To a very large extent, 4- To a large extent, 3- To a moderate extent, 2- To a small extent, 1- Not at all

	Statement	**1**	**2**	**3**	**4**	**5**
1	Firm size influences growth of export volumes					
2	Firm size influences growth in number of new export markets					
3	Firm size influences growth in revenue from exports					
4	Age of the firm influences growth of export volumes					
5	Age of firm influences growth in number of new markets					
6	Age of firm influences growth in revenue from exports					
7	Ownership of firm influences growth of export volumes					
8	Ownership of firm influences growth of new export markets					
9	Ownership of firm influences growth of revenue from exports					

SECTION D: MACRO- ENVIRONMENT

To what extent do you agree with the following statements regarding the macro-environment? (Tick as appropriate)

Key: (5 –To a very large extent, 4- To a large extent, 3- To a moderate extent, 2- To a small extent, 1- Not at all

	Statement	**1**	**2**	**3**	**4**	**5**
1	Political factors influence growth in export volumes					
2	Political factors influence growth of new export markets					
3	Political factors influence growth in revenue from exports.					
4	Economic factors influence growth in export volumes					
5	Economic factors influence growth of new export markets					
6	Economic factors influence growth in revenue from exports					
7	Social cultural factors influence growth in export volumes					
8	Social cultural factors influence growth of new export markets					
9	Social cultural factors influence growth of revenue from exports					
10	Technological factors influence growth in export volumes					
11	Technological factors influence growth of new export markets					
12	Technological factors influence growth in revenue from exports					
13	Environmental factors influence growth in export volumes					
14	Environmental factors influence growth of new export markets					
15	Environmental factors influence growth in revenue from exports					
16	Legal factors influence growth of export volumes					
17	Legal factors influence growth of new export markets					
18	Legal factors influence growth in revenue from exports					

SECTION E: EXPORT PERFORMANCE

To what extent do you agree with the following statements regarding Firm resources, organizational characteristics, and macro- environment on export performance? (Tick appropriately)

Key: (5 –To a very large extent, 4- To a large extent, 3- To a moderate extent, 2- To a small extent, 1- Not at all

Statement		**1**	**2**	**3**	**4**	**5**
1	Firm resources, influence growth of export volumes					
2	Firm resources influence growth of new export markets					
3	Firm resources influence growth of revenue from exports					
4	Organizational characteristics influence export volumes					
5	Organizational characteristics influence increase of new export markets					
6	Organizational characteristics influence growth of revenue from exports					
7	Macro- environment factors influence export volumes					
8	Macro- environment factors influence increase of new export markets					
9	Macro- environment factors influence growth of revenue from exports					
10	Firm resources, organizational characteristics, and macro- environment influence export volumes					

11	Firm resources, organizational characteristics and macro- environment influence increase in new export markets					
12	Firm resources, organizational characteristics and macro- environment influence growth of revenue from exports					

END

THANK YOU FOR YOUR TIME

Appendix V: Secondary Data Capture Form

Growth in Revenues (2015-2017) in Percentages

Type of manufacturing sub-sector	**2015**	**2016**	**2017**
Pottery and carvings			
Textiles and Apparels			
Plastics and Rubber			
Chemical and Allied			
Electricals, Electronics & Engineering			
Food and Beverages			

Appendix VI: Secondary Data Capture Form

Growth in Revenues (2015-2017) in Percentages

Type of manufacturing sub-sector	**2015**	**2016**	**2017**
Pottery and carvings			
Textiles and Apparels			
Plastics and Rubber			
Chemical and Allied			
Electricals, Electronics & Engineering			
Food and Beverages			

Appendix VII: List of Small and Medium Manufacturing Scale Enterprises

Manufacturing Companies in Kenya	
1. Abu Engineering Ltd	37. Kiesta Industrial Technical Services Ltd
2. Acme Container Ltd	38. Kim-Fay E.A Limited
3. Adhesive Solutions Africa Ltd	37. King Source Plastic Machinery Co.,Ltd.
4. Africa Kaluworks (Aluware) Division K	38. Kinpash Enterprises Ltd
	39. Malplast Industries Ltd
5. African Cotton Industries Ltd	40. Makiga Engineering Service Limited
6. Africa Oil Kenya B.V	41. Metro Plastics Kenya Ltd
7. Agni Enterprises Ltd	42. Manzil Glass & Hardware Ltd
8. Ali Glaziers Ltd	43. Mather & Platt Kenya Ltd
9. Alpha Dairy Products Ltd	44. Maweni Limestone Ltd
10. Alpha Fine Foods Ltd	45. Mellech Engineering & Construction Ltd
11. Apex Steel Ltd	46. Metal Crown Ltd
12. AquaSanTec	47. Metsec Ltd.
13. Aquva Agencies Ltd -Nairobi	48. MGS International (K) Ltd
14. Arrow Rubber Stamp Company Ltd.	49. Maxfoam Kenya Ltd
15. Artech Agencies (KSM) Ltd	50. Mjengo Limited
16. Ashut Quality Products	51. Mohajan Trade International
17. ASL Ltd – HFD	52. Mohinda Lock systems Ltd
18. Allpack Industries Ltd	53. New World Stainless Steel Ltd
19. Atlas Copco Eastern Africa Ltd	54. Njoro Canning Factory Ltd

20. Bamburi Special Products Ltd	55. Norda Ind Ltd
21. Beta HealthCare	56. Napro Industries Ltd
22. Bag & Bailers manufacturers Ltd	57. Octagon Express (Kenya) Limited
23. Bilco Engineering	58. Orpower 4 Inc,
24. biodeal laboratories ltd	59. Osschemie (K) Ltd
25. Blowplast	60. Packaging Industries Ltd
26. Blowplast Limited	61. Pernod Ricard Kenya Ltd
27. Blue Ring Products Ltd	62. Pelican Signs Ltd
28. Blue Triangle Cement	63. Petmix Feed
29. Brush Manufacturers Ltd	64. Platinum Packaging Limited
30. Bogani Industries Ltd	65. Polychem East Africa
31. Bosky Industries Ltd	66. Polythene Industries Ltd
32. Brass & Allied International Ltd	67. Print Fast Kenya Ltd.
33. Curio Africana Expo International	68. Protec Kenya Ltd
34. Candle Workshop	69. Protocols Microcomputer Applications
35. Chemplus Holdings LTD	70. Pudlo Cement Company (PCC)
36. Chevron Kenya Ltd	71. Polyblend Ltd
75. Colour Packaging Ltd	72. PZ Cussons East Africa Ltd
76. Climacento Green Tech Ltd	111. Quad cypher systems
77. Catalyst Chemicals Ltd	112. Raghad Enterprises
78. Collis F B	113. Ramco Printing Works Limited
79. Commrecial Motor Spares Ltd	114. Redsea Chemist
80. Cosmos Limited	115. Reesi Hospitality Ventures

81. Creative Fabric World Co Ltd
82. Creative Innovations Ltd.
83. Chemid Kenya Ltd
84. Cuma Refrigeration EA Limited
85. Desbro (Kenya Ltd)
86. Elden Kenya Ltd
87. Easter &Southern Africa Leather Industries
88. Europak Industries Ltd
89. Elex Products ltd
90. Elekea Ltd
91. Eastern Chemical Industries Ltd
92. Eco Consult Ltd
93. Ecolab East Africa (K) Ltd
94. Ecotech Ltd
95. Energy Pak (K) Ltd
96. Energy Regulatory Commission
97. Equatorial Tea Ltd
98. Erdemann Co. (K) ltd
99. Excel Chemical Ltd.
100. Fairdeal Upvc, Aluminium and Glass Ltd
101. Famiar Generating Systems Ltd
116. Rolmil Kenya Ltd
117. Reliable Concrete Works Ltd
118. Renscope Scientific Kenya
119. Rhino Special Products Ltd
120. Rock Plant Kenya Ltd.
121. ROM East Africa Limited
122. Rosewood Office Systems Limited
123. Rotam Sub-Saharan Africa
124. Rupa Cotton Mills EPZ Ltd
125. Rubber Products Ltd
126. Safepak Ltd
127. Sanpac Africa Ltd
128. Shade Systems(E.A)Ltd
129. Shadetents And Exquisite Designs
130. Shamas Motor Spares
131. Shankan Enterprises Ltd
132. Sigma Engineering Co. Ltd
133. Simco Auto Parts Ltd
134. Slumberland Kenya Ltd
135. Solarworks East Africa
136. South Hill Motor Spares Ltd
137. Stainless Steel Products Ltd
138. Stamet Products (K) Ltd

102. Flamingo Tiles (Kenya) Ltd
103. Flexoworld Ltd
104. Fine Engineering
105. Foton East Africa Ltd
106. furmart furnishers
107. Gahir Engineering Works Ltd
108. Goldrock international enterprises
109. Goods Chemistry Practise & Allied Cert. Corp L.T.D
110. Guan Candle Making Machine Co., Ltd.

152. Heluk International Limited
153. Hills Converters [K] Ltd
154. Hydraulic Hose & Pipe Manufacturers Ltd
155. Imani Workshops
156. JET Chemicals (Kenya) Ltd
157. Kens Metal Industries
158. King Bird (K) Ltd
159. Kridha ltd
160. Kenbro Industries
161. Kimili Packers Ltd

139. Statpack Industries Limited
140. Steel Structures Limited
141. Sudi Chemical Industries Limited
142. Sunrays Solar Ltd
143. Superfit Steelcon Ltd
144. Tamoil Africa Holdings Limited
145. Tarpo Industries Limited
146. Tenacity Locks Ltd
147. The Kensta Group
148. Tianjin Haopu Chemical Co. Ltd
149. Top Tank
150. Tri – Clover Industries (K) ltd
151. Tripac Chemical Industries Ltd
168. Unga Farm Care (EA) Ltd
169. United Distillers and Vintners
170. Unighir Ltd.
171. Unifilters Kenya Ltd
172. Universal Ponds Kenya Limited
173. Warren Concrete Ltd
174. Wartsila Eastern Africa Ltd
175. Welfast Kenya Ltd
176. Welrods Limited
177. Wigglesworth Exporters Ltd

162. Kens Metal Industries 163. Kartasi Industries Ltd 164. Kenya Grange Vehicle Industries Ltd 165. Kamba Manufacturing (1986) Ltd 166. Kenrub ltd 167. Kenya Solar	178. Williamson Power Ltd 179. Wines Of The World Limited 180. Zena.Net Services	

Appendix VIII: Position of Nairobi in Counties Map

Appendix IX: Krejcie and Morgan Table of Determination of Sample Size for Finite Population

N	*S*	*N*	*S*	*N*	*S*
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	1000000	384

Note.—*N* is population size. *S* is sample size.

Source: Krejcie & Morgan, 1970

Appendix X: Turnitin Report

14TH DECEMBER 2022

FIRM RESOURCES, ORGANIZATIONAL CHARACTERISTICS, MACRO- ENVIRONMENT AND EXPORT PERFORMANCE OF SMALL AND MEDIUM MANUFACTURING ENTERPRISES IN NAIROBI CITY COUNTY, KENYA by SAMSON WAMBUA KITONYI D80/60545/2011

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