# Learning Orientation And Firm Performances In The Context Of Construction Firms In Nairobi County, Kenya

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## Abstract
*The construction sector contributed of the Gross Domestic Product and play crucial roles in determining growth of the economy. However, the industry faces challenges such as slow rate of technology transfers and uptake, inadequate budgetary support from the exchequer, non-compliance with set construction standards, cessation of construction levy payments, foreign contractors are the major players in the industry, lack of a legal framework for collaborations with county governments, overlapping institution mandates, misconstrued understanding of Authority mandate. Hence, the research intended to establish the effects of learning orientation on performance of selected construction firms in Na.irobi Co.unty. The theories used included resource-based view and theory of dynamic capability. The research employed descriptive research designs. The study targeted 8 selected construction firms in Nairobi. The respondents were grouped in terms of their job responsibilities. Sim.ple rand.om sam.pling method was utilized for choosing the participants from every stratum. The respondents were staff working in 8 construction firms in Nairobi, comprising of 328 top level management employees of managerial positions of construction firms in Nairobi City. The sample was 180 participants. Data was obtained through use of a questionnaire. The study data obtained quantitative data which was analyzed through descriptives inclusing frequency, percentage, mean and standard deviations. The study also conducted correlation analysis and multiple regressions for determining the association amongst the variables. The tables and figures were utilised for representation of the research results. It was established that that a unit change in learning orientation changes performance of construction companies by 0.754. The research concluded that learning orientation had a substantial effect on performance of construction firms in Nairobi. The study recommends that management of construction companies should develop a structured training and development program that aligns with both the company's strategic goals and the employees' career aspirations.*

***Keywords:*** *Learning Orientation, Firm Performance, Construction Firm*

## I. Introduction

Firms typically focus the majority of their efforts on performance improvement because it is regarded as a necessary component of corporate strategic management (Acquaah, 2018). Obeidat (2020) observes that a company's performance that is, its capability to apply strategies to accomplish organizational goals determines a lot of of its potential for successes is based on the firm's capacity to develop novel ideas that define its plans, framework for decision making, and the kind and degree of its operations, all of which guarantee the firm's expansion and sustainability. Therefore, firms employ diverse strategies to impact their organization, allocation of resources, operations, and interactions with the marketplace in order to attain optimal performance levels (Mugambi & Kinyua, 2020).

Firms endeavor to enhance their performances through formulation and execution of efficient business strategy that leverage prospects in the markets and make the most of the resources and competences at their disposal (Voss & Voss, 2019; Ocharo & Kinyua, 2021)). According to Lau (2021) a firm's strategy can significantly affect its operations, investments, relationships with the market, structure, and overall business performance. Using strategy as a tool for solving problems can help the firm improve performance and develop new skills. Therefore, proper implementation of strategy provides a framework that allows the firm's management for to recognize opportunities to offer valued products and services to clients. Subsequently, this enables the delivery of said products and services to yield increased profits in the market (Ong'esa & Kinyua, 2020).

Dionysus and Arifin (2020) observe that the goal of any learning orientation is to attain the appropriate performance returns that enable companies to remain competitive and endure over time. Dimara, Skuras, Tsekouras and Goutsos (2022) indicate that companies could use its strategies to develop new skills and find solutions to issues. Learning orientation could provide managers and the company with the structure required to allocate essential resources, identify fresh avenues to provide customers with desirable products and services, and effectively market and sell those offerings, thereby enhancing profits. Therefore, a firm's learning orientation is a reflection of the strategic directions used for creating the right behaviors for the long-standing viability and exceptional performance of its business.

Hassan (2021) observe that the Malaysian construction sector underwent structural alterations amidst the extended economic downturn of the 1980s, leading to fluctuations in construction volume and intensified competition, thereby reshaping the industry's landscape. Tajuddin, Ibrahim and Ismail (2022) observe that the construction firms in Malaysia are encountering challenges stemming from evolving client demands, technological advancements, and the unique requirements of a developing economy. Janvier (2019) indicate that one of the biggest problems road construction companies in Gabon face is the inability to deliver contractor projects on time, which is a major impediment to the country's overall economic growth.

In Kenya, there is a possesses a robust construction sector consisting primarily of companies engaged in erecting commercial and residential structures, engineering projects, and related trades. This industry significantly contributes to the Gross Domestic Product (GDP), exerting considerable influence on the country's growth in the economy (Sindiga, Paul & Mbura 2019). According to Waweru and Omwenga (2021), the construction sector in Kenya is anticipated to continue expanding despite facing obstacles such as oligopoly and monopoly tendencies, unfair competition, and substandard work, particularly among small and medium-sized contractors.

**Firm Performance**

Firm performance pertains the evaluation of how well an organization has achieved its objectives and goals, or assessing the alignment between anticipated outcomes and actual results (Hansen & Wernerfelt, 2019). Hatem (2021) observe that firm performances encompass the tangible outcomes or organizational achievements, which are compared to its planned objectives and goals. Therefore, in order to effectively oversee organizational performance, management needs to recognize that enhancements in the organization are aimed at improving financial performances, product market performances, and shareholder values (Kinyua, 2015; Kinyua, Muathe & Kilika, 2015).

Evaluating the performance of a company is crucial within strategic management, as it provides organizational leadership with insights into the effectiveness of their operations, guiding decisions regarding potential strategic adjustments (Lazar, 2018). Kaplan and Norton (1996) introduced the balanced scorecard as a method for structuring a company's performance metrics which advises managers to assess the overall performance of the firm by monitoring a concise set of key indicators that represent four main aspects: financial, client satisfaction, internal processes of businesses and learning and development. Therefore, performance in this research is assessed in regard of effectiveness, efficiency and quality standards.

The firm efficiency according to Mahsud, Yukl and Prussia (2021) is the process of creating methods that maximize output for the organization while consuming less resources, less time, and less money. According to Addison and Belfield (2022) indicate that improving company's effectiveness requires setting clear objectives and defining methods to evaluate progress, collaborating with employees to create strategic approaches for achieving those objectives, and offering any needed training. Therefore, firm efficiency can be understood as achieving goals and objectives with optimum utilization of resources without any wastage when using a few resources results in maximum output. Robinson (2020) indicates that the firm's effectiveness refers to how efficiently it achieves its goals. This entails either producing desired outcomes or generating profits without unnecessary waste.

Several major contractors in Vietnam lack an efficient approach to assess their performance and recognize weaknesses and threats. The construction sector plays a pivotal role in Vietnam's economic advancement, with consistent annual growth of 15% over the last decade (Panuwatwanich & Nguyen, 2021). According to Ha (2022), the construction sector in Vietnam has experienced steady growth in recent times. Nonetheless, a significant portion of projects continue to encounter challenges related to non-performance, primarily stemming from respondents in the construction process. Issues such as conflicts between project owners and government bodies, dissatisfaction due to delays and exceeding costs, particularly in projects funded by the government, remain prevalent.

Muturi and Oguya (2019) indicate that Kenyan construction companies face numerous challenges and intricate performance issues, including insufficient or delayed funding. Ensuring client satisfaction remains a paramount concern for participants in the construction sector, necessitating continuous enhancement of performance to thrive in the global market. However, achieving client contentment continues to be a challenging aspect for most construction professionals. Auma (2021) observe that various factors impacting the efficiency of

construction endeavors in Kenya primarily involve material costs, time and quality management, as well as the leadership approach implemented onsite. Hence, it is imperative for contractors to remain vigilant regarding all factors potentially influencing project performance.

**Learning Orientation**

Learning orientation emphasizes an organization's commitment to acquiring, sharing, and utilizing knowledge to enhance performance, adaptability, and long-term success. It reflects the degree to which an organization values continuous improvement, innovation, and the proactive pursuit of new knowledge. Measuring a learning orientation involves gauging a company's dedication to consistently questioning its core beliefs and methods. Learning orientation impacts a propensity of companies in generating and applying various forms of knowledge, as well as its tendency to prioritize generative learning as a fundamental skill (Laukkanen, *et al.*, 2013). The concept of a learning orientation can also be interpreted as a collection of core principles within a company that influence its inclination to generate and apply knowledge. This orientation encompasses the overall efforts of a firm to generate and apply knowledge in order to strengthen its competitive edge (Laukkanen, et al., 2013).

Learning serves as a crucial asset for companies, offering them a competitive edge by facilitating quicker and ongoing enhancements compared to rivals. A company characterized by a robust learning orientation prioritizes continual learning, fosters an open-minded approach, and shares a unified vision (Wuet, 2008). This commitment to learning involves placing significant emphasis on understanding the consequences and motivations behind its actions. An emphasis on this aspect is essential for identifying and rectifying the theories utilized within the organization. Moreover, recognizing that mental frameworks and routines may constrain our thought processes underscores the significance of embracing open-mindedness and the notion of 'unlearning' to challenge entrenched assumptions and beliefs, thereby facilitating substantial transformation (Laukkanen, et al., 2013).

## II.  Statement Of The Problem

The construction sector accounts for roughly 13% of Gross Domestic Product globally. The construction sector, known for its role in job creation, employs nearly 7% of the global workforce. In Kenya, it significantly contributes to the GDP and play critical roles in enhancing the growth of economy (KNBS, 2018). The National Construction Research Agenda of Kenya has observed a consistent decline in industrial expansion over the past decade, as indicated by the decrease in value from Kshs.42,500 million in 2011 to Kshs. 39,600 million in 2020 (NaCRA 2020). As observed by Nduati, Kariuki and Wanjohi (2021), Kenyan construction companies are encountering intense competition from international firms, notably Chinese enterprises, which are providing construction materials at lower prices compared to domestic counterparts in the sector.

The key areas within the construction industry in Kenya include commercial building, industrial development, infrastructure expansion, energy and utilities projects, institutional facilities, and residential construction. According to NCA report of 2023 indicate that the construction market in Kenya amounted to $17.3 billion in 2022. Forecasts indicate that between 2024 and 2027, the market is anticipated to experience a stable yearly rate of growth of over 5%. This growth is anticipated to be driven by investments in tourism and transport infrastructure, alongside enhancements in energy, housing, and industrial facilities, thereby bolstering the industry's output during the forecast period. However, the industry faces challenges such as slow rate of technology transfers and uptake, inadequate budgetary support from the exchequer, non-compliance with set construction standards, cessation of construction levy payments, foreign contractors are the major players in the industry, lack of a legal framework for collaborations with county governments, overlapping institution mandates, misconstrued understanding of Authority mandate (NCA, 2023)

Waweru and Omwenga (2019) investigated how strategic management practices influenced performances of Kenyan private construction companies and established that corporate level strategy had positively and substantially influenced the performance. Though, the research has a conceptual gap since it's focus was on private construction companies. Marube and Ombui (2021) investigated how strategic management best practices affect the performances of commercial building projects sanctioned by the NCA in Nairobi. Their research revealed that the utilization of information technology, forming strategic partnerships, managing client experiences, and effective team management are all positively correlated with the performances of Kenyan projects. However, the research presents a conceptual gap.  Muchoki (2022) investigated how strategic agility affect performances of construction firms in Nairobi. The outcomes show that there is a large positive link amongst the strategic agility and the performanceof Kenyan construction businesses. However, the respondents were sampled using purposive method thus presenting a methodological gap. Therefore, the current study sought to examine the effect of learning orientation on on performance of selected construction firms in Nairobi County, Kenya.

# III. Literature Review

## Resource Based Theory

The theory initially proposed by Wernerfelt (1984) and later established by Barney (1991) is widely employed to elucidate firm performance. The resource-based views (RBV) of a company emphasizes the significance of unique internal resources, whether tangible or intangible, in defining its competitive advantage. A company possessing unique resources and capabilities that set its operations apart from competitors can achieve and maintain a competitive advantage. The ability to differentiate its operations from rivals is key to securing and prolonging this advantage. The resource-based views theory underscores the concept of a collection of assets and resources that significantly impact firms' competitive edge and overall performance. Additionally, Barney (2001) argues that for an asset to contribute to competitive advantage, it needs to be treasured, rare, impossible to imitate, and not easily substitutable.Essentially, the Resource-Based View (RBV) characterizes a company based on the resources it combines. Often, "resource" refers to attributes that improve a firm's efficiency and effectiveness. If resources are readily available to all, a company's competitive edge diminishes. To attain enhanced performance and long-term competitive edge, a company must obtain diverse resources that are challenging for competitors to replicate, substitute, or imitate.

Resources may manifest as either tangible or intangible assets. Tangible resources encompass capital, access to funds, and geographical position, among other factors. Intangible resources comprise knowledge, expertise, reputation, entrepreneurial mindset, and more. However, resources alone are inadequate for achieving lasting competitive advantages and optimal performance (Teece, 2007; Newbert, 2007). In this context, it's essential for companies to adeptly convert resources into capabilities, thereby enhancing overall performance. The achievement of superior performance isn't solely reliant on possessing greater or superior resources; it's also contingent on the unique competencies of a company. These competencies denote the specific activities in which a particular firm excels compared to its competitors, enabling it to leverage its resources more effectively.

The notion of capabilities is commonly employed to describe a collection of individual skills, assets, and learned knowledge, utilized within organizational procedures to enhance coordination of tasks and optimize resource utilization. These capabilities often emerge from functional domains or from the integration of physical, human, or technological resources under the firm's control. Alongside resources, capabilities form the fundamental competencies driving a firm's strategic planning, shaping its identity. Within the dynamic perspective, the capabilities approach represents a theoretical framework within the resource-based views (RBV). This theory suggests that while firms are consistently innovating with new combinations of capabilities, their market competitors are simultaneously enhancing their own skills or emulating the most proficient abilities from other companies.

## Dynamics Capabilities Theory

The theory was postulated in the 1990s as per Ambrosini and Bowman (2009) arguments that this theory builds upon the resource-based theory, which posited that resources are scarce, valuable, easily replicable, and readily replaceable. Ambrosini and Bowman (2009) expanded upon this theory by asserting that the competitive landscape evolves alongside the resources within it, necessitating firms to continuously adapt to maintain competitiveness within the industry. Critics have pointed out limitations in the resource-based views, notably its failure to elucidate the process of resource development and deployment for gaining competitive advantage, as well as its oversight of market dynamism. Consequently, the dynamic capabilities theory has emerged to address these gaps by focusing on how organizations develop and deploy resources amidst dynamic market environments (Morgan, Vorhies, Mason, & College, 2019).

Dynamic capabilities theory suggests that because of the ever-varying nature of markets and business landscapes, rather than focusing solely on the diversity of resources a firm possesses, it is the company's capability to acquire and utilize resources effectively in response to these dynamic conditions that ultimately determines differences in performance among firms over time (Teece, Pisano, & Shuen, 2007). The adaptability of capabilities arises when they empower a company to adopt fresh strategies in response to evolving market dynamics. This is achieved through the innovative combination and modification of existing resources in novel ways (Morgan et al., 2019). This research suggests that although resources possessing value, rarity, inimitability, and non-substitutability offer advantages, they also necessitate complementary capabilities to effectively leverage them according to the prevailing business circumstances, ultimately enhancing firm performance (Teece et al., 2007).

## Learning Orientation and Firm Performance

Martinez, Serna and Montoya (2020) examined various aspects of learning orientations and how they influence the performances and competitive edge of SMEs. The research aimed to establish how each aspect of the construct impacts organizational performances and competitiveness directly. It utilizes a quantitative cross-sectional approach within 400 SMEs located in Mexico, employing Structural Equation Modeling (SEM)

methodology. The results indicate a clear and substantial correlation between dedication to learning and a common vision with competition edge, while open-mindedness demonstrated a negligible positive association with competitiveness. However, the research focus was on SMEs.

Sawaean and Ali (2021) study focused on the link amongst the learning orientations, TQM practices, innovation cultures and SMEs' performances in Kuwait. This research utilized a quantitative methodology using cross-sectional surveys for collecting the data within a defined timeframe. The information was gathered by dispersing the questionnaires for Kuwaiti SME owners and CEOs, employing both online and offline methods, resulting in 384 usable responses. Moreover, the research used PLS-SEM to examine the hypotheses. This research addresses a notable gap by examining the effects of learning orientations on the SME performances in developing nations, particularly focusing on Kuwait. Though, the research utilized cross-sectional research designs.

Nnko and John (2022) examined how learning orientations influenced performance of construction firms in Tanzania. The research utilized a cross-sectional survey approach, gathering data via structured questionnaires from 302 construction firms across various regions in Tanzania including Dar-es Salaam among others. Structural Equation Modeling was employed for the analyses. The outcomes showed that each of the three aspects of learning orientation positively and significantly impacts performances of firm. However, the research employed a cross-sectional survey designs.

**Con.ceptual Fr.amework**

The conceptual frameworks in F.igure 1 provides a visual representation depicting the theorized connection between the variables under study both dependent and independent.
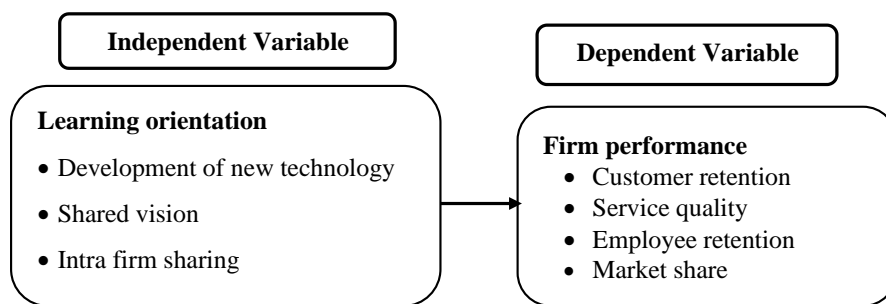


**Figure 1: Co.nceptual Frame.work**

**Research Hypotheses**
The research hypotheses of this study were;
$H_0$: *Learning Orientation has no significant effect on firm performance among selected construction firms in Nairobi County, Kenya*
$H_1$: *Learning Orientation has a significant effect on firm performance among selected construction firms in Nairobi County, Kenya*

## IV.    Research Meth.odology

**Research Design**

The study was done through descriptive research designs. As per Saunders, Lewis and Thornhill (2009), descriptive research design involves gathering data through interviews or questionnaires from a selected group of people. In contrast, Mugenda and Mugenda (2003) suggest that descriptive research, encompassing surveys and fact-finding inquiries, is employed when studying comparative variables within a field where the researcher lacks control over the variables, allowing reporting solely on past or present occurrences. Therefore, the selection of a descriptive survey research design is anticipated for its capacity to extrapolate findings to a broader population, emphasizing its meticulous planning to provide precise and accurate descriptions of events.

**Target Population**

A population consists of the cases or elements within a particular field of study where the researcher finds relevant and interesting information, from which a sample is selected for observation (Mugenda & Mugenda, 2003; Kothari, 2004). The study targeted 8 selected construction companies in Nairobi County. The respondents were employees from the eight construction companies in Nairobi, comprising of 328 top level management employees of managerial positions of construction firms in Nairobi City. These respondents were chosen due to

their direct involvement in formulating and executing strategies. The targeted population for the research was hence 328 participants.

**Ta.ble 1: Tar.get Popu.lation**

| Strata | Target Population | Percentage |
|---|---|---|
| Se.nior L.evel Man.agement | 48 | 15 |
| Mid.dle L.evel Mana.gement | 104 | 32 |
| Func.tional L.evel Ma.nagement | 176 | 53 |
| **Total** | **328** | **100** |

## Sampling Process

Gorospe, Donahue and Karl (2015) assert that sampling permits gathering and analysis of data from a subset of the population that accurately represents the entire population, enabling the extrapolation of findings to the entire population. In this research, participants were categorized into different groups according to their job roles. Individuals from every category was chosen by use of random sampling method, ensuring that every person in the populations had equal chances of being part of the samples. The Taro Yamane (1967) formula was utilized for estimating the size of the sampled staff taking part in the research.

$$n = \frac{N.}{1+.N(e^2)}$$

$$n = \frac{328}{1.+328(0..05)^2} = 180$$

The size of the sample was 180 participants corresponding to 54.9% which formed the basis of determining the sample size. The proportionate distribution of the participants was illustrated in Ta.ble 2.

**Table 2: Sample Size**

| Strata | Population | Percentage | Sa.mple Si.ze |
|---|---|---|---|
| Senior-Level Managements | 48 | 54.9% | 26 |
| Middle-Level Managements | 104 | 54.9% | 57 |
| Functional Level Management | 176 | 54.9% | 97 |
| **Total** | **328** | **54.9%** | **180** |

## Data Collection Instrument

A research tool is vital for extracting the necessary data through empirical investigation and inquiry (Birmingham & Wilkinson, 2003). The planned research utilized a structured questionnaire to collect necessary data. This questionnaire offered a consistent set of questions for each research variable, with participants providing responses on a 5-point rating scale within the instrument. The instrument consisted of both a section for general information and a section for strategic orientation.

The general information segment aims to gather participants' biographical details, while the detailed information section is designed specifically to extract data pertaining to the research variables. Therefore, the segment dedicated to detailed information included subsections designed to gather data on market orientations, entrepreneurial orientations, learning orientations, technological orientations, and firm performance. The close-ended questions were on 5-points Likert scales. Likert scales was utilized because according to Joshi, Kale, Chandel and Pal (2015) it is the commonly utilized method for scaling opinions in questionnaires.

## Pilot Study

A feasibility analysis was conducted involving 10 managers who report to department heads in construction companies. This preliminary study provided a chance to pre-test the questionnaire, ensuring the reliability of the included test items through internal consistency checks. Mugenda and Mugenda (2003) suggested that conducting a pre-testing research with a sample size comprising at least one-tenth of the entire sample is deemed suitable, particularly when the characteristics of the sample are homogeneous. Founded on the recommendations, the pilot study engaged 32 participants. Selecting managers who report to functional area heads is crucial because it guarantees their familiarity with the research variables' pertinent practices. Additionally, these managers were omitted during the final data collection phase. Conducting a pilot study aided in gathering reliable data for testing purposes.

## Validity of Research Instrument

In accordance with Mugenda (2003), validity encompasses both the accuracies and importance of conclusions derived from research findings. The research utilized content, criterion and face validities to ascertain a strong link amongst the assessment and the intended measure. Content validity guarantees comprehensive coverage of pertinent areas within the subject being measured, criterion validity assesses the precision of one measure in predicting the outcomes of another, and face validity evaluates if a test seems to assess what it purports

to assess. To guarantee content validity, the research incorporated objective inquiries within the survey, gather feedback from the supervisors and solicit experts' opinions.

**Reliability of Research Instrument**

The reliability of a research tool pertains to how consistently and dependably it produces stable outcomes when measuring a phenomenon. The specific focus in assessing reliability lies in determining if the group of items that represent a certain concept exhibits reasonably strong internal consistencies, classically assessed using the Cronbach Alpha coefficients (Robinson ,2020). While there's no universally agreed upon cutoff for the Cronbach Alpha coefficient when making decisions, there's widespread agreement that a Cronbach Alpha exceeding 0.70 is usually used and accepted as indicating reliability of a research instrument (Taherdoost, 2016). Therefore, a Cronbach Alpha coefficient exceeding 0.70 served as the standard for assessing reliability in the intended study. The findings are presented in Ta.ble 3.

**Table 3: Reli.ability Analysis Results**

| Variables | Cro.nbach Alphas | No. of ite.ms | Decision |
|---|---|---|---|
| Firm Performance | 0.749 | 4 | Re.liable |
| Market Orientation | 0.832 | 5 | Relia.ble |
| Technological Orientation | 0.787 | 6 | Rel.iable |
| Entrepreneurship Orientation | 0.716 | 3 | Reli.able |
| Learning Orientation | 0.751 | 5 | Reliable |
| **Overall Score** | **0.767** | **23** | **Reliable** |

**Source: Pilot study Data (2024)**

As per the results in Table 3.3, the firm performance ($\alpha$ =0.749), market orientation ($\alpha$ =0.832), technological orientation ($\alpha$ =0.787), entrepreneurship orientation ($\alpha$ =0.716) and learning orientation ($\alpha$ =0.751) were considered reliable as their Cronbach Alpha were more than the threshold of 0.7. Cronbach Alpha is an assessment of internal consistencies that is commonly utilized in research to assess the reliability of questionnaires with a value above 0.7 considered acceptable.

For the research variables selected in the research, the Cronbach Alpha values were found to be higher than the commonly accepted threshold of 0.70. With an overall score of 0.767, this result indicates that the test items representing different variable constructs exhibit an satisfactory level of internal consistencies. The decision-making criteria utilized in this study have been widely applied in various strategic management studies (Osoro, 2022; Nyagaki, 2022).

**Data Collection Procedure**

The process for data collection was facilitated by a letter of authority and introduction that was issued by Kenyatta University. These letters were utilized in processing the research permits from the relevant division of the NACOSTI. Approval was requested from the human resource departments of the respective construction companies to gather data from the heads of functional areas. Furthermore, consent was obtained from these heads of functional areas to initiate the data collection process. Hard copies of the questionnaire were distributed to all identified participants in the study. After distributing the questionnaires, participants were given a suitable amount of time to submit their responses. Contact individuals was designated within each construction company to ensure smooth follow-up and progress tracking. Afterwards, the questionnaires were collected to enable analysis and the creation of the project report.

**Analysis and Presentation of Data**

The study data obtained quantitative data which was analyzed through descriptives including frequency, percentage, means and standard deviations. The researcher also conducted a correlation analysis and multiple regressions for determining the association amongst the variables. The tables and figures were utilized for presentation of the study outcomes. The tool which aid in producing output for analysis was SPSS. The multiple regressions equation took the form as expressed below;

$Y = \beta_0 + \beta_1 X_1 + \varepsilon$ *…………………. (1)*

Where; $Y$ = Firm Performance

$X_1 X_4$ = Learning Orientation

$\beta_0, \beta_1$ = *Beta coefficients*

The deductions from the regression analysis was made at a confidence level and significance level of 95% and 5% respectively. The findings from the analysis was illustrated in figures and tables.

# V. Research Findings And Discu.Ssions

**Response Rate**

The questionnaires distributed to employees from the eight construction companies in Nairobi were 180. The outcomes are given in Figure 1.
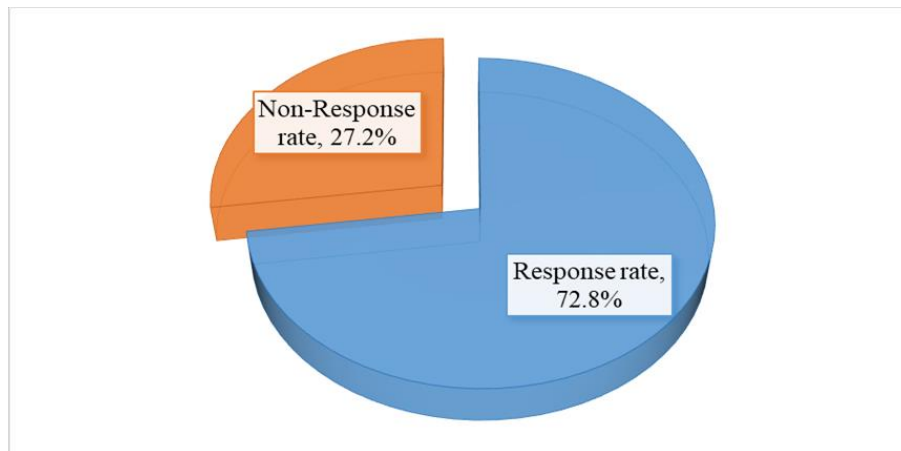


**Figure 1: Rates of Response**
**Source: Field Data (20.24)**

Based on results in Figure 1, there were 180 questionnaires administered from which only 131 were collected back. This represents a 72.8% response rate which is deemed adequate for statistical analysis. This is according to Kothari (2004) who argued that responses which are exceeding 70% are adequate to conduct research data analysis.

**Bio Data Findings**

The bio data of the respondents sought included gender, working experience in the firm and positions in the company. This gave the distribution of the staff from the eight construction firms in Nairobi based on various characteristics. The outcomes are represented in T.able 4.

**Table 4: Findings for Bio-Data**

| Attribute | Category | Frequ.ency | Pe.rcent |
|---|---|---|---|
| Gender | Males | 83 | 63.4 |
| | Females | 48 | 36.6 |
| | **Total** | **131** | **100** |
| Working experience | Less than 5years | 11 | 8.4 |
| | 5 to10 years | 36 | 27.5 |
| | 10 to15 years | 61 | 46.6 |
| | Above 15 years | 23 | 17.6 |
| | **Total** | **131** | **100** |
| Position in the company | Senior managers | 21 | 16 |
| | Middle-level managers | 46 | 35.1 |
| | Functional-level managers | 64 | 48.9 |
| | **Total** | **131** | **100** |

**Source: Field Data (2024)**

From the results in Table 4, the respondents specified that they were male as shown by 63.4% whereas 36.6% of the respondents specified to be females. This is am implication that data was collected across the gender and every participant was given an opportunity to give their opinions regarding on strategic orientation and firm performance.

Further on working experience, most of the respondents specified to have worked for 10-15 years as shown by 46.6%. In addition, the remaining respondents specified to have a working experience of 5-10 years (27.5%), of more than 15 years (17.6%) and of less than 5years (8.4%). This is an indication that majority of respondents had worked in construction companies for long enough to have capability of providing credible insights regarding the strategic orientations and performances of a company.

In regard to position in the company, most of the respondents stated to be functional-level managers as shown by 48.9%. The rest of the partipants specified to be middle-level managers as shown by 35.1% while 16%

of the respondents stated to be senior managers. This indicates that all the participants were in management and hence able to give credible information in regard to strategic orientations and performances of a company.

**Descriptive Analysis for Learning Orientation**

       Learning orientation serves as a crucial asset for companies, offering them a competitive edge by facilitating quicker and ongoing enhancements compared to rivals and prioritizing continual learning which fosters an open-minded approach and shares a unified vision. The opinions on different aspects of learning orientations are given in Ta.ble 5.

**Table 5: Learn.ing Orienta.tion**

|  | Frequency | Mean | Std. Dev. |
|---|---|---|---|
| Creativity is fostered among employees of the company | 131 | 4.008 | 0.729 |
| There is sharing of knowledge within a company among its stakeholders. | 131 | 3.824 | 0.739 |
| The company is enthusiastic about addressing the training requirements of its employees. | 131 | 2.313 | 0.805 |
| There is a collective development of action plans | 131 | 2.099 | 0.553 |
| The company promotes the sharing of knowledge among different departments or organizations. | 131 | 4.115 | 0.719 |
| **Learning Orientation** | **131** | **3.272** | **0.709** |

**Source: Field Data (2024)**

       The measurements obtained on various aspects of learning orientation adopted by constcrution firms showed a substantially lower levels of variability among the opinions given by the respondents. The higher mean score of 4.115 was attributed to the activity that company promotes the sharing of knowledge among different departments or organizations which was linked to a lower standard devation of 0.719 signifying that the opinions from the respondents were closely clustered. However, the aspect that there is a collective development of action plans had the lowest mean of 2.099, implying that this activity was not practiced as part of learning orientations adopted by constcrution firms. Another activity that exhibited a similar trend of responses was aspect that the company is enthusiastic about addressing the training requirements of its employees.

       Further, aspects that creativity is fostered among employees of the company and that there is sharing of knowledge within a company among its stakeholders had relatively higner means of 4.008 and 3.824 respectively and had responses which were closely clustered. This closeness among the opinions regarding these activities is clear evidence that these are crucial components of learning orientations adopted by construction firms. On aggregate, the respondents were in agreement with most of the activities describing learning orientations among construction firms. This was evidenced by higher mean scores among most of the activities describing the learning orientations adopted by construction firms.

       In regard to this, Wuet (2008) noted that a company characterized by a robust learning orientation prioritizes continual learning, fosters an open-minded approach, and shares a unified vision. This commitment to learning involves placing significant emphasis on understanding the consequences and motivations behind its actions. Laukkanen, *et al*., (2013) recognizing that mental frameworks and routines may constrain our thought processes underscores the significance of embracing open-mindedness and the notion of 'unlearning' to challenge entrenched assumptions and beliefs, thereby facilitating substantial transformation. Martinez, Serna and Montoya (2020) argued that a clear and substantial correlation between dedication to learning and a common vision with competition edge. Nnko and John (2022) noted that each of the three aspects of learning orientation positively and significantly impacts performances of firm.

**Descriptive Statistics for Firm Performance**

       Firm performance pertains the evaluation of how well an organization has achieved its objectives and goals, or assessing the alignment between anticipated outcomes and actual results. The opinions on different aspects of firm performance are given in T.able 6.

**Table 6: Firm Performance**

|  | Frequency | Means | Std. Devs. |
|---|---|---|---|
| Practices of strategic orientations results into an enhanced customer retention | 131 | 4.038 | 0.706 |
| The company's share in the market have improved because of techniques for strategic orientation. | 131 | 3.962 | 0.738 |
| Enhanced lead time decreases due to the implementation of strategic management techniques. | 131 | 3.023 | 0.588 |
| Strategic orientation has led to decreased customer complaints | 131 | 4.191 | 0.556 |
| **Firm Performance** | **131** | **3.804** | **0.647** |

**Source: Field Data (2024)**

Generally, the responses given by the respondents regardimg the firm performance were skewed towards agreement and exhibited lower variability and were clustered around the means as evidenced by an average of 3.804 and deviations of 0.647 respeciively. This was an indication that most aspects could significantly be used to describe the firm performance among construction firms in Nairobi county. Based on observations, the highest mean was 4.191 associated with aspect that strategic orientation has led to decreased customer complaints which had a low standard deviation of 0.556 signifying that it's a significant metric of firm performance. Other aspects that had similar trend of responses included practices of strategic orientations results into an enhanced customer retention and the company's share in the market have improved because of techniques for strategic orientation with means of 4.038 and 3.962 respectively. This is an indication that firm performance couls measured using customer retention and share in the market which have been established as crucial metrics.

Hatem (2021) observed that firm performances encompass the tangible outcomes or organizational achievements, which are compared to its planned objectives and goals. Addison and Belfield (2022) argued that that improving company's effectiveness requires setting clear objectives and defining methods to evaluate progress, collaborating with employees to create strategic approaches for achieving those objectives, and offering any needed training. Handa and Adas (2022) noted that understanding a firm's level of effectiveness acts as an assessment of how effectively internal processes align with the original vision, offering stakeholders insight into the company's strengths while pinpointing areas of inefficiency for potential improvement.

**Regression Analysis**

In regression analysis, performances of construction firms was regressed against the learning orientation. The outcomes are highlighted tables and interpretations thereafter.

**Table 7: Mo.del Su.mmary**

| Mo.del | R | R$^2$ | Adj.usted R$^2$ | S.td. Er.ror |
|--------|------|------|----------------|-------------|
| 1 | .845[a] | .714 | .705 | .176 |

**Source: Field Data (2024)**

From the output, the correlation coefficient (R) was 0.845 for the relationships between strategic orientation and firm performances. This showed that various aspects of strategic orientations such as market orientations, technological orientations, entrepreneurship orientations and learning orientations are positively linked to firm performance. This could be linked to R$^2$ value of 0.714 which shows that 71.4% of the changes in performances of construction firms could be attributed to market orientations, technological orientation, entrepreneurship orientation and learning orientation. In addition to this, ANOVA was used to test for models goodness of fit.

**Table 8: ANOVA**

| | Model | Sum of Squares | df | Mean Square | F | Sig. |
|---|-------------|----------------|-----|-------------|--------|-------|
| 1 | Regression | 9.724 | 4 | 2.431 | 78.506 | .000[b] |
| | Residual | 3.902 | 126 | .031 | | |
| | **Total** | **13.626** | **130** | | | |

**Source: Field Data (2024)**

The F-calculated (78.506) exceeded the F-critical (2.4436) while the p-values (0.000) did not exceed 0.05. This shows that the regression model was significant and hence firm performance among construction firms could be predicted using aspects of strategic orientations such as market orientations, technological orientations, entrepreneurship orientations and learning orientations.

**Tab.le 9: Regr.ession Coe.fficients**

| | Model | Unstand.ardi.zed Coef.ficients | | Sta.ndar.dized Coef.ficients | t | S.ig. |
|---|----------------------|------|------------|------------------------------|-------|-------|
| | | B | Std. Er.ror | B.eta | | |
| 1 | (Co.nstant) | .733 | .210 | | 3.487 | .001 |
| | Learning Orientations | .754 | .090 | .595 | 8.408 | .000 |

**Source: Field Data (2024)**

From the regression coefficients, the equation for the prediction model was:
***Firm Performance = 0.733 + 0.754 Learning Orientation***

Based on the above equation, the firm performance would take a value of 0.733 when strategic orientation is non-existant. This was statistically substantial because the p-values (0.01) did not exceed 0.05.

Regarding learning orientation as a predictor of firm performance, the study established that when other variables are held constant at zero, its regression coefficient was 0.754. This is a clear evidence that one a unit

change in learning orientation changes performances of construction firms in Nairobi County by 0.754. The variables were substantial because p-values (0.000) did not exceed 0.05. This shows that learning orientation had a substantial effect on performances of construction firms in Nairobi County.

The inferences on learning orientation are supported by various studies such Nnko and John (2022) who noted that each of the three aspects of learning orientation positively and significantly impacts performances of firm. In addition, Martinez, Serna and Montoya (2020) indicated a clear and substantial correlation between dedication to learning and a common vision with competition edge while open-mindedness demonstrated a negligible positive association with competitiveness. However, the research focus was on SMEs. Similarly, Sawaean and Ali (2021) established that learning orientations had a significant effect on the SME performances in Kuwait.

## VI. Conclusions

Learning orientation was established to be the predictor variable and was measured by development of new technology, shared vision and intra firm sharing. Firm performance was established to be the outcome variable and measured by customer retention, service quality, employee retention and market share. The main focus of the study was on the construction sector which accounts for roughly 13% of Gross Domestic Product globally. The construction sector, known for its role in job creation, employs nearly 7% of the global workforce. In Kenya, it significantly contributes to the GDP and play critical roles in enhancing the growth of economy.

Contextual evidence showed that construction firms in Nairobi faces challenges such as slow rate of technology transfers and uptake, inadequate budgetary support from the exchequer, non-compliance with set construction standards, cessation of construction levy payments, foreign contractors are the major players in the industry, lack of a legal framework for collaborations with county governments, overlapping institution mandates, misconstrued understanding of Authority mandate. Existing studies in regard to learning orientation and firm performance exhibited various gaps including contextual, conceptual and methodological. Its against this background and the need to bridge these research gaps that this study sought to establish the effet oe learning orientation on firm performance among the construction firms in Nairobi.

The study was informed by resource based theory and dynamics capabilities theory. The research was done through descriptive research designs. The sample size for the research was 180 respondents selected using ran.dom sam.pling approach. The data for the research was obtained through a questionnaire. Pilot study was done for testing for vaiildity and reliability of the questionnaires prior to the process of collecting data. Data was analysed through use of descriptives (frequency, mean and deviation and inferentials statistic (multiple regressions analyses).

Descriptive analysis of the data demonstrated that there are measurable aspects describing learning orientation among the construction firms. Inferential statistics that were conducted through regression analysis revealed that firm performance of construction firms as the dependent variable could be predicted by learning orientations as the independent variable. In this case, it was clear that market learning orientations were significant predictors of firm performance. Hence, the study deduced that performance of construction firms was significantly affected by learning orientation.

## VII. Recommendations Of The Study

The study recommends that management of construction companies should develop a structured training and development program that aligns with both the company's strategic goals and the employees' career aspirations. This program should include mandatory training sessions, continuous learning opportunities, and incentives for participation. There is also a need to develop and implement formal mechanisms for collecting and integrating stakeholder feedbacks into processes of making decisions. This can include surveys, suggestion boxes, and online platforms where stakeholders can provide their input on market-related issues.

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