STRATEGIC ORGANIZATIONAL LEARNING CAPABILITY AND FIRM PERFORMANCE: A CASE OF TOURISM FUND IN KENYA

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ABSTRACT

The current dynamic business environment poses various challenges to majority of organizations globally. In order to survive and thrive in these conditions every organization and/or business needs to possess a certain level of strategic capabilities including ability to learn. The main goal of this study was to establish the link between strategic organizational learning capability and firm performance of Tourism Fund in Kenya. Objectives included determining the influence of employee empowerment, organizational knowledge transfer, organization's risk taking and organization's dialogue on firm performance of Tourism Fund in Kenya. The stakeholders in the tourism industry benefits from this research because it enhances understanding of appropriate strategic organizational learning capabilities that will deliver competitive edge as well as increase accomplishment of goals in the various institutions in the sector. The theories of the study comprised resource based view, dynamic capabilities and organizational learning theories. Further, empirical literature relating to the topic was extensively reviewed as directed by the objectives so as to evaluate and compare findings of other researchers. It also presented the research gap useful to future researchers. The study used descriptive and cross sectional research designs. Descriptive design was utilized as it gives deep understanding into the research problem by giving clear description of the study variables. 63 respondents out of 75 targeted population were sampled encompassing managers and operational staff of the Tourism Fund head office in Nairobi. Primary data was the key source of data in this study collected through questionnaires which were distributed and later collected after they were completed. The items in questionnaire were designed in a Likert system measured in five point scale which accordingly ensured that all respondents received similar set of questions. The study made use of descriptive statistics as well as inferential statistics for data analysis. Linear regression model was applied in inferential analysis. Elaborated narrations and descriptions were used to present results in addition to other formats including tables, charts and graphical presentations. Inferential analysis results showed a very strong positive correlation between the predictors and dependent variable. It was clear that all the elements of strategic organizational learning capabilities studied have a positive and significant influence on firm performance as shown by the positive values of all the regression estimates in the regression model used. Also, the regression coefficients p-values were less than 0.05 indicating a significant association between the dependent and independent variables. From regression results knowledge transfer and organization's dialogue were the key predictors of strategic organizational learning capability components that greatly influenced firm performance. Therefore, the study recommends that organizations in the tourism industry should capitalize on developing a culture of learning in their entire organizations, empower their employees, institute knowledge creation and transfer systems throughout functional boundaries, encourage and facilitate risk taking and support dialoging in their organizations so as to enhance their performance.

Key Words: *competitive advantage, dynamic capabilities, empowerment, knowledge transfer, organization's dialogue, organizational learning capability, strategic organizational learning capability, firm performance, risk taking*

INTRODUCTION

Majority of organizations' objective in the 21st century is to be competitive and enhance their performance (Islam, Ali, Kssim & Saddiq, 2014). A number of these organizations encounter various challenges in the business environment globally that requires them to be innovative to be able to survive the changing conditions (Kassim & Nor, 2008). The employees working in these organizations ought to change and find strategies that are new as well as adopt new ways to be able to endure in this quickly fluctuating environment and attain their strategic goals (Islam et al., 2014). Hence, strategic organizational learning capability represents the way in which firms develop and adapt strategically over time and remain responsive and flexible to a strategy process (Pietersen, 2010).

Organizations' ability to learn about other competing organizations, and their business environment including customers and suppliers; market advancement as well as technological changes presents a better chance of sensing and utilizing environmental changes for its benefit (Wu & Fang, 2010). Organizations that are focused on learning tend to overtake their competitors in relation to aspects of retaining customers, innovation and growth in terms of sales (Tippins & Sohi, 2011; Peltier et al., 2013). To develop strategic organizational learning capabilities, an organization ought to combine specific resources as well as develop and apply them continuously in order to make them entrenched and unique thus provide a competitive edge and increase organizational performance.

Contemporary studies have indicated positive association in regard to organizational learning capability and organizational performance. Some have concentrated on specific performance indicators, for instance, innovation performance (Ar & Baki, 2011; Robinson & Stubberud, 2011); export performance (Alegre et al., 2011) while others focused on general performance (Camps & Luna-Arocas, 2012). According to Goh et al. (2012) there is a strong positive association between strategic learning capability and organizational performance especially for non- financial than financial performance. Akgün et al., (2013) emphasize that OLC integrates a systems perspective, identifying promotion of a common language, shared knowledge, joint action, beliefs and perceptions as crucial in connecting members of an organization together to improve performance.

Tourism Fund is a state corporation founded under the Tourism Act; 2011 and was operationalized in September, 2012. Legally, Tourism Fund succeeded Catering and Tourism

Development Levy Trustees (CTDLT) which had existed from 1972 and operated under the Hotels and Restaurants Act, Cap 494, Laws of Kenya. However, when the Tourism Act 2011 came into force this Act was repealed.

CTDLT levied 2 % on all gross sales of food, drinks and all other services in all the hotels and restaurants in Kenya. The charge was meant to finance training of hospitality personnel, marketing of Kenya as an ideal tourist destination and developing standards for testing the skills relevant and useful in the tourism sector. Nevertheless, CTDLT needed to be changed strategically to develop and sustain a competitive tourism industry as benchmarked against local, regional and global challenges. Therefore the national reform agenda in addition to the urgent need for a sustainable organizational growth imposed the change of CTDLT to the current Tourism Fund through the enactment of Tourism Act 2011. Hence, the current Tourism Fund mandate includes resource diversification from Levy Collection to facilitation of main tourism activities financing.

STATEMENT OF THE PROBLEM

Despite economic shocks arising from internal and external environment, the tourism industry in Kenya has been a key driver in Kenya's development. According to Mayaka (2012) various issues and challenges still affect the sustainability and competitiveness of Kenya as ideal tourist destination. Historically, Kenya's Tourism has had a myriad of challenges over the years, mostly extended uninspiring performance in the 1990s (Akama, 1999; Ikiara, 2001). Civil unrest that followed 2007 post-election coupled with global economic crisis of 2009 worsened inbound international tourism business. Notwithstanding recovery periods between 2004–2007 and 2010, the last two decades has continued to experience low performance which concerned the key stakeholders in the industry (Mayaka, 2012). These show that there could be strategic and systemic concerns and challenges affecting the competitiveness and sustainability of the tourism industry in Kenya. The Tourism Act (2011) offers a great opportunity for Tourism Fund to revitalize its strategic thrust and position for relevance within the industry through institutional capacity building. TF has an opportunity to develop strong corporate culture, competencies and capabilities to reduce these challenges. However, Tourism Fund faces numerous challenges in its operations that includes but not limited to; changing government policies, inadequate funding, interferences from conflicting/competing priorities from other institutions, enforcement of levy collection, enactment of tourism regulations; lack of adequate, affordable and qualified personnel, high cost of ICT occasioned by infrastructure acquisition and technological dynamism (National Tourism Strategy, 2014/15-2018/19). These dynamics have affected performance of the institution a great deal hence the need for this study. The link between strategic organizational learning capability and organizational performance is still complex. Various empirical studies have yielded mixed findings, for instance, Firer and Williams (2008) in a study of South African's Manufacturing firms did not find any significant relationship between organizational learning capability and financial performance measured by ROE and ROA. Iswati (2009) also did not find any association between organizational learning capability and performance of banks listed in Jakarta Stock Exchange. On the contrary, other researches indicated positive and significant relationship between organizational learning capability and organizational performance (Camps & Luna-Arocas, 2012). Ar & Baki, (2011) and Robinson & Stubberud (2011) found a positive association between OLC and innovation performance; while Alegre et al. (2014) established positive link on export performance. Additionally, analysis of the recent researches linking strategic organizational learning capability and performance of firms have concentrated mainly in advanced countries with very little on developing economies particularly in Sub-Saharan Africa as a case for specific organizations like Tourism Fund. Hence it has provided a research gap that requires to be determined considering other various issues such as changing business environment filled with innovation, information and technology as well as increased global competition (Inan, 2015) that also significantly affect competitiveness and sustainability of tourism firms. As a result this study purposed on filling these gaps by researching on strategic organizational learning capability and performance of the Tourism Fund in Kenya.

THEORETICAL REVIEW

A theory is an array of interconnected concepts and proposals indicating relationships between variables used to predict occurrences (Kothari, 2012). Reviews of theories that underpin the study were presented here.

Resource-Based-View Theory

Penrose (1959) developed resource based-view (RBV) theory proposing that an organization should be seen as a combination of physical and human resources merged together in an organizational structure. Hafeez et al. (2007) classified resources as physical assets and intellectual assets. Physical assets are tangible while the intellectual assets are intangible and relates to characteristics of the human resources such as skills, knowledge and employee competencies (Hafeez et al., 2007).

Usually, resource based theory emphasizes on two important aspects. The first aspect focuses on resources that should be economically valuable, scarce, inimitable and cannot be substituted easily neither is it readily available in markets so as to create competitiveness. The second aspect emphasizes that an organization’s resources influence firm performance (Gottschalk & Solli-Sæther, 2005; McIvor, 2009).

Resource-based view theory sees an organization as a collection resources and capabilities that ought to be rare, valuable, not easily imitated and cannot be substituted to enhance both short-term and long-term performance of an organization (Newbert, 2008). Newbert (2007) asserts that even though a specific company could be enjoying these resources and capabilities, it is essential to show its capability to change them to realize their full potential. It can be concluded therefore that RBV theory is applicable to this research as learning capability is a crucial dimension of dynamic capability which a firm ought to have to be able to continuously have good performance. It also emphasizes the utilization of the most valuable assets (staff capabilities) uniquely to attain competitive advantage in the organization.

Dynamic Capabilities Theory

These are lower level capabilities that concern an organization's capacity to change and improve capabilities that are existing (Börjesson et al., 2014). Teece et al. (2009) regarded dynamic capabilities as integration, building, and reconfiguration ability of an organization's inside and outside competencies to deal with fast-changing business environments. Generally, dynamic capabilities main goal is to realize transformation of an organization's resources, competencies as well as products. Dynamic concept highlights the capability to renew competencies in correspondence to changing business environment. On the other hand, capabilities indicate the essence of reconfiguring resources and competencies by an organization so as to adapt with transforming business environment. The main purpose of DC is sustainable competitiveness in a constantly changing environment through renewal and transformation of capabilities to achieve improved performance (Teece, 2009).

This theory acts as a buffer bridging between the changing business environment and resources of an organization. Dynamic capabilities enable an organization to modify its resources and combine a mix that enhances its competitiveness sustainably (McKelvie & Davidson, 2009). Dynamic capabilities theory underscores development and renewal of resources making it applicable to this study as it emphasizes on the organization developing resource capabilities like risk taking capabilities and empowerment of employees to develop competencies that will withstand the current environmental changes to ensure sustainable performance.

Organizational Learning Theory

This theory asserts recognition and value creation of new knowledge, an integration of the same in an organization to enhance organizational learning capacity (Todorova & Durisin, 2010; Cohen & Levinthal, 1990). This theory suggests an organization's performance relies greatly on enhancement of its knowledge base which is also boosted by its ability to learn. Todorova & Durisin (2010) points that firms extend their knowledge base via acquisition of outside knowledge in a continuous process realized through formal or informal linkages comprising learning-by-using, learning-by-doing and learning-by-sharing.

Furthermore, external sources of organizational learning encourage innovation thereby minimizing decision making by a group that discourages individual creativity which usually ensues with highly divisionalized organizational structure (Leonard-Barton, 2005; Cohen & Levinthal, 1990). Increasing the adoption and usage of both internal and external knowledge boosts innovation capabilities of an organization thereby improving its performance. In this regard, this theory is useful in this study as it accentuates on the utilization of organizational knowledge- a key dimension of OLC- to enhance organizational performance.

EMPIRICAL REVIEW

Employee Empowerment and Firm Performance

Empowerment shows the extent to which organizations' responsibilities regarding decision-making are (de)centralized (Akgun et al., 2014). Broadly, empowerment can also be expressed as a relational and motivational concept or psychological and structural concept (Greasely et al., 2008; Myerson & Kline, 2008). The key important features in this component include: environmental which comprise of work method, work scheduling, and work criteria; psychological/motivational which entails perceptions and beliefs of power, competence, control and self-efficacy; structural which includes organizational policies and practices, decision making, power-sharing; and relational which mainly include role of management and leadership of an organization.

Employee empowerment facilitates self-efficacy, sharing of power, participation in making decisions via open communications (Ford, 2006). Empowerment through self-efficacy motivates employees to be growth oriented focusing on grabbing opportunities that enhance their development, thus cultivating the ambition to personal mastery (Theodore, 2013). Studies by Gardiner (2009) and Jamali (2006) emphasized the strong connection between empowerment and organizational learning capability. Prugsamatz (2010) established that trust and empowerment are crucial in an organization's learning capability sustainably.

Kariuki and Murimi (2015) investigated the relationship between employee empowerment and organizational performance of Kenya's Tata Chemicals, Magadi Limited. Their research surveyed dimensions of OLC including autonomy, decision making, as well as information sharing and training in relation to organizational performance. Their control variables were gender, age, and tenure; their findings indicated that only gender had a significant contribution on organizational performance, multiple regression analysis showed that the influence of training and information sharing moderately influenced employee empowerment. Autonomy dimension and decision making on the other hand had no significant influence on organizational performance.

Abubakar (2014) conducted a research on employee empowerment and job performance in Nigeria's First Bank Plc. The results showed that employee empowerment has positive and significant effect on job performance. Bierly & Chakrabarti (2006), Baker & Sinkula (2009) and Calantone et al. (2012) obtained same findings. However, these studies did not measure employee performance as a dimension of OLC. Also none focused on the tourism sector.

Even though researches have alluded to the importance of strategic organizational learning capability while discussing the organizational learning capabilities necessary for enhanced organization's performance, various studies have indicated mixed assessments regarding the role employee empowerment as a dimension of OLC plays in organizational performance. Various researchers (Burdett, 2011; Hill, 2013; Goh, 2014) and (Jamali et al., 2014) view empowerment as an important aspect which enhances an organization's ability to learn and does not influence firm performance directly. In addition employee empowerment has not received significant attention, particularly in the tourism sector. This study will assess the role of employee empowerment in achieving firm performance in Tourism Fund.

Knowledge Transfer and Firm Performance

Knowledge transfer comprises internal transfer and knowledge integration in an organization (Wajiabudula & Zehir, 2016). Removal of barriers that are internal that hinders transferring of good practices in an organization boosts the effectiveness of these two processes (Jerez-Gomez et al., 2005; Chiva & Alegre, 2009). A number of writers have stressed that OLC depends greatly on an organization's ability to transfer knowledge (Abu Khadra, 2006; Hsiu-Fen Lin, 2008; Guta, 2013; Wajiabudula & Zehir, 2016).

Transfer denotes dissemination of knowledge internally learned at an individual level, mostly through discussions and communications amongst individuals; also be through debates and dialogue (Gomez, 2005; Tuan & Lwin, 2013). Therefore employees' team working, dialogue, communication and debate enhances transfer of knowledge in a firm. In an organization, communication transfers information across functional and structural boundaries; while for dialogue and debate information is transferred via work teams and meetings of personnel (Tuan & Lwin, 2013). Team learning is in higher level than individual learning as it allows sharing, interpretation and assimilation of knowledge gained independently by individuals (Rana & Chopra, 2015).

According to Guta (2013), the extent to which knowledge is converted and integrated in an organization relates to the extent to which lessons learned from previous experiences including the errors made by individuals are being interpreted, shared and stored. Nonaka et al. (2006), relating to the theory and research regarding organizational knowledge conversion and on the utilization of 'after action reviews' in organizations thought that increasing translation, storage and transferring of knowledge learned from past mistakes which were corrected vial both formal and informal channels and stored in knowledge repositories enhances organization's learning capability.

O'Neill et al. (2012) emphasize integration of the tacit-internal-oriented and explicit-external-oriented knowledge sharing strategies as it enhances firm performance. However, due to the value of knowledge and its individuality, organizations, therefore ought to focus on utilization and exploitation of its tacit knowledge. O'Neill et al. (2012) further avers that the best mode of transferring valuable tacit knowledge is via implicit approach. Further, empirical literature shows that assimilation of knowledge in an organization creates a body of knowledge entrenched in work processes, organizational culture and memory (Rana & Chopra, 2015).

Effectively integrating knowledge facilitates corporations' performance and survival in the current competitive business environment owing to their sustainable competitive advantages as well as development of knowledge assets (Zaim et al., 2014). Nonetheless, continuous achievement of organization's competitive advantage necessitates development of a continuous culture of learning in order to acquire core competency which consequently influence its performance. Hence, getting more insight of key aspects influencing organizational performance is crucial more so in reference to strategic organizational learning capability.

Majority of the various studies have also concentrated mostly on knowledge management process (Zack et al., 2009; Korte et al., 2011; Mills & Smith, 2011) and organizational learning excluding SOLC (López et al., 2005; Som et al., 2012) as the main elements that influence organizational performance. In addition, many have focused on advanced countries, leaving research gap on the developing countries. For that reason, this study aims to determine the exact relationship between knowledge transfer as dimension of organizational learning capability and firm performance in the Kenyan tourism sector, concentrating on Tourism Fund.

Organization's Risk Taking and Firm Performance

Risk taking is expressed as an organization's forbearance of ambiguity, mistakes and uncertainty (Onag et al., 2014). Also risk taking denotes the propensity to simultaneously be involved in undertakings that are potentially beneficial and harmful result (Mehdi & Hamid, 2011).Organizations that undertake risks and understand errors boosts organizational learning capability because those errors enhances learning. Tendency to risk is relates to encouragement to face new situations and bearing risks that are harmless to the firm (Ellinger et al., 2013; Muhammed & Ahmad, 2016).

According to Dan-Jumbo (2016) and Berglund (2007), risk taking is very important to organizational performance. Risk taking according to Fazelina, Gary, Fauziah and Ramayah (2013) as well as Hamid, Rangel, Taib, and Thurasamy (2014), involves dedication of a lot of resources to various organization's undertakings that have both possible failure and success, hoping to achieve great benefits. Organizations that want to be learning must be able to accept risks and support new ideas. Also, Ellinger (2013) asserts that to improve organizational learning capability, an organization should design environment that accept risk taking and allow mistakes.

Jolodar and Jolodar (2012) emphasize that to create a learning climate in an organization; employees/individuals should be able to take interpersonal risks. Karimi and Akbari (2015) further state that failure and mistakes are important prerequisite for valuable organizational learning. To them, risk taking brings a lot of benefits for organizations including the ability to tolerate risks, stimulating keenness to glitches and pursuit for resolutions, easy identification of problems and clarification, as well as development of a various organizational responses.

Empirical studies have indicated that organizations that take higher risks have higher performance (Gibb & Haar, 2010; Rauch et al., 2009; Soininen et al., 2011). Explanations being that companies that commit significant resources to high-risk developments with the high returns; have the potential to gain more income revenue thereby enhancing firm performance.

Hoyt and Liebenberg (2011) elaborated that risk taking behaviour involves identifying and evaluating collective organizational risk to minimize failure and maximize firm value for all stakeholders.

Abdulsamad and Yusoff, (2016), and Liu (2011) are of the opinion that in the currently firms use risk management as a method or strategy for risk reduction so as to attain preset mission of an organization. This is because it is assumed that the stronger the risk management which facilitate risk taking propensity, the better the competitive advantage for the firm. In literature, it is argued in relation to firm performance that risk management as well as risk taking enhance an organization's capacity to realize competitive advantage and expected returns. Inefficient risk management and risk taking can ruin corporate performance (Yang, 2008; Wang & Poutziouris, 2010; Ahimbisibwe & Abaho, 2013).

Managed and assumed properly, a higher risk taking will result in higher returns; therefore, taking risk is critical on account of the increase in globalization (Abdulsamad, & Yusoff, 2016). The authors further explained that managers of firms are today focusing more on achieving risky projects for purposes of increasing organizational profitability. In addition, firms manage risk and take risk differently in an attempt to minimize its effect on performance (Nimalathasan & Pratheepkanth, 2012). It is therefore, commonsensical to consider risk taking as a fundamental part of a firm's life and foundation for success only if recognized and managed as such (Dan-Jumbo, 2016).

Kouzes and Posner (2013) maintain that learning from experiences either successes or mistakes occurred as a result from risk taking enhances business opportunities that subsequently improve firm performance. It is purported that employees should be supported and encouraged to rid fear and be more open so as to develop risk taking behaviour (Hurley & Hult, 2015). Peter and Waterman (2012) opined that organizations that have good risk management in their industrial context will gain outstanding firm performance. Further, Saleh and Wang (2013) Rauch et al. (2014) and Covin et al. (2016) indicated that the risk-taking have a positive and significant influence on performance of an organization. Nonetheless majority concentrated more on industries that provide tangible products and not service sectors like that of tourism.

Organization's Dialogue and Firm Performance

Dialogue is an important resource for development of a shared understanding because it enables an individual to recognize the hidden meanings of words and express these hidden meanings via communication (Schein, 1993). Dialogue relates to free and open communication in work teams, enabling communication and the existence of multi-functional work teams (Gomes, Machado & Alegre, 2015). Dialogue refers to collectively inquiring processes, assumptions, and certainties that constitute daily experiences sustainably (Chiva et al., 2007; Emami et al., 2012).

The social perspective researchers and authors have emphasized the significance of dialogue and communication in boosting learning in companies (Akgun et al., 2014; Camps et al., 2013). The aim of organizational learning, from the social perspective, suggests the improvement of a shared understanding, beginning from the social base to associations among individuals (Herhausen & Schogel, 2013).

Review of existing literature have indicated mixed reactions in regard to the effect of dialogue as a dimension of OLC on firm performance providing research gap, for instance, Chung, Chang and Cheng (2011) claim that learning is an outcome of unprompted daily interactions between individuals explaining that the possibility of meeting people from other areas and groups encourages ability to learn. Likewise, Goh et al. (2012) supports teamwork and group problem solving particularly on multi-functional teams to raise OLC. To these authors, working in a team, enhances sharing and development of knowledge among group members thus improving performance

However, Guta (2013) views that dearth of researches is drifting away from focusing on assimilating dialogue whereby these authors seek agreement towards diversity and even conflict resolution. Further, Gomes et al. (2015) claims that true dialogue foster capability to learn in an organization, emphasizing that it generates plural perceptions; consequently improving organizational performance. This is more so because individuals or groups who have differing visions when they come together to find solution to a problem or work together as a team enhance dialogue in a firm which can work together towards achievement of a common goal. Hence this study aims at establishing the exact influence of organization’s dialogue as an element of measuring SOLC on firm performance.

RESEARCH METHODOLOGY

A descriptive survey research design was employed as it enabled obtaining of data using questionnaires from the respondents relating to strategic organizational learning capability and firm performance of Tourism Fund in Kenya. The researcher also used cross-sectional research plan as it gives a clear ‘snap shot’ of the result as well as the associated characteristics at one point in time. The population targeted for current study was 76 consisting of all the managers and the operational staff of Tourism Fund’s Nairobi head office. The study utilized stratified random sampling technique to come up with a sample that signified the whole population under study; by keenly selecting respondents capable of providing relevant information required via the data collection instrument. The study categorized the respondents into: management (department managers and supervisors) and operational staff drawn from all the departments in Tourism Fund head office in Nairobi County. The sample size was sixty-three (63) respondents. The key source of data was primary data gathered through questionnaires. The study used both descriptive and inferential analysis. Linear regression model was employed to show the magnitude of every independent variable, that is, strategic organizational learning capability dimensions influence the performance of the Tourism Fund under study.

RESEARCH RESULTS

The study aimed at establishing the influence of of strategic organizational learning capability on firm performance of Tourism Fund in Kenya. The study concentrated on the personnel of Tourism Fund as the target population. The study therfore used primary data collected using structured questionnaires. The total number of respondents targeted were all the operational staff and management of the institution totalling to 76, however, the study sample was 63 respondents.The study received a total of 46 properly completed questionnaires out of the 63 distributed which gave the study a response rate of 73% which was deemed sufficient.

Regarding the demographic profile of the respondents, the study established that majority of the employees in Tourism Fund are male representing 55% while the female staff are 45%. Majority (74.3%) of these respondents are aged above 30 years; 84% have worked in the company for more than 4 years; and 42.9% have attained their first university degree therefore they are mature adults, well experienced and knowledgeable thus could be relied to provide realiable information.

Analysis of the respondents' responses regarding the performance of Tourism Fund indicated that 62.5% of the respondents views Tourism Fund's performance as good; 33.9% thought it was very good while 3.6% feels that it is fair and more need to be improved. The respondents further indicated highly that customer service quality in Tourism Fund is good, provides very good customer care hence does greatly in customer satisfaction. The findings also revealed that the institution emphasizes on improving dependability in processes of service delivery; Tourism Fund is efficient and consistent in regard to provision of services and customers provide positive feedback on their services.

On the extent to which employee empowerment influence firm performance of Tourism Fund, the study results showed that the company leadership encourages activeness at work and the institution ensures minimum individual employee stress in the work place. The respondents were neutral in regard to whether there is involvement of employees in decision making in the tourism fund and whether views of the employees influence significantly the policies in this institution. Nonetheless, the respondents revealed that employee learning is supported in the institution as opposed to being s seen as an expense.

Regarding the influence of knowledge transfer, another element of strategic learning capability, on firm performance, the study found that respondents strongly agreed that Tourism Fund mission statement pinpoints values which all employees should follow and it has manuals, databases, files and organizational routines learned from the past experiences. The respondents further indicated that they oftenly interact with other personnel to gain insight on successful plans so as to learn from the same; their institution considers experiences and ideas gained from external sources useful instrument for learning and that their institution efficiently shares with personnel new work processes. The findings also showed that mistakes and failures are frequently talked about in the organization in a useful way an indication that it supports organizational learning.

The third specific objective was to determine the extent to which organization's risk taking behaviour influence firm performance of Tourism Fund. The findings clearly disclosed that majority of the respondents had varied opinions and neither agreed nor disagreed to various statements as shown by their standard deviations and mean averages. However, it was revealed that employees take risks that do not harm their organization. The respondents were indifferent in regard to whether there is incentive in facing or coping with new situations in the institution; whether employees in their organization endeavor into unknown territory in their job; and whether institution encourages employees to take risks so as to learn from their errors and failures. Furthermore, the findings revealed that employees in tourism fund are not sufficiently supported to adopt risk taking behaviour to enhance job performance.

Finally, the study sought to establish the influence of organization's dialogue on firm performance of Tourism Fund. The findings indicated that the institution encourage dialoging among employees and managers facilitate communication within the organization. Furthermore, employees share their way of thinking, work interactively, practices cross-functional teamwork and the institution benchmarks with other firms in the sector adopting practices and techniques deemed useful to enhance performance. Sharing of challenging ideas among employees is also encouraged and the organization engages in collective thinking processes.

INFERENTIAL STATISTICS

Inferential analysis was carried out by the study to ascertain association between strategic organizational learning capability (independent variable) and firm performance (dependent variable) in the tourism sector in Kenya. This analysis was aimed at ascertaining the strength and significance of their association thus enabling researcher to make sound conclusions and generalization of findings. Regression analysis was therefore used to investigate on the relationship between the variables in the study

To determine the influence of strategic organizational learning capability on firm performance of Tourism Fund, the study employed multiple regression analysis. This linear regression method was utilized because it endeavors to model the association between two or more independent variables and a response variable by fitting a linear equation to observed data. Regression analysis was conducted to explain the observed variation of the dimensions of strategic organizational learning capability in firm performance.

Table 1 shows model summary table which provides the R- multiple regression coefficients showing the strength of relationship between the multiple independent variables and dependent variable; R square (R2) denotes coefficient of determination which indicates the portion of the variance in dependent variable explicated by variations in independent variables; adjusted R2 specifies the quality of the adjusted model; and the standard error of the estimate, which could be used to determine how well a regression model fits the data. According to Hair et al. (2014), if the value of R2 is or close to 0.75, 0.50 and 0.25 then it could be considered as substantial (high), moderate and weak (low) correspondingly.

Table 1: Model Summary

Model	R	R Square (R2)	Adjusted R Square	Std. Error of the Estimate	Sig
1	.902	.837	.812	.13671	0.003

a. Dependent Variable: Performance of Tourism Fund
b. Predictors: (Constant), employee empowerment, knowledge transfer, risk taking, organization's dialogue

Table 1 reveals the existence of very strong positive correlation between the predictors and dependent variable. There is a strong correlation between strategic organizational learning capability (SOLC) and firm performance because the elements of SOLC studied, that is, employee empowerment, knowledge transfer, organization's risk taking and organization's dialogue have positive influence on firm performance. Moreover, coefficient of determination-R^2 equals 0.837 explains 83.7% of the variation of SOLC on firm performance in the tourism industry in Kenya leaving only 16.3% percent unexplained. This also shows that the model has a good fit as the higher the R squared, the better the model fits the data (Mugenda & Mugenda, 2003). Additionally, the adjusted R square which measured the reliability of the results showed that at .812 (81.2%) the model outcomes is significant and reliable in explaining the influence of the predictor variables to the dependent variable. The P-Value of $0.003<0.05$ infers that the model of SOLC on firm performance of Tourism Fund is significant at the 5% significance level. The study further performed multiple regression analysis to establish the extent of cause-effect relationship between the study variables. The regression model used was:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where: Y = Firm Performance; β_0 = is a constant; = $\beta_1, \beta_2, \beta_3, \beta_4$ = Regression coefficients of independent variables; X_1- X_4 = Independent Variables (Employee empowerment, knowledge transfer, organization's risk taking and organization's dialogue); ε = Error of prediction

Table 2: Regression Coefficients

Model	Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta (β)	T	Sig.
(Constant)	.253	.312		1.553	.000
Employee Empowerment	.791	.097	.721	4.594	.001
Knowledge Transfer	.863	.085	.894	2.875	.000
Organization's Risk Taking	.813	.132	.717	3.039	.003
Organization's Dialogue	.942	.050	.888	5.817	.002

The regression estimates presented in Table 2 was carried out in regard to empirical specifications of the model and the model therefore becomes:

$$Y= 0.253 + .721 X_1 + .894X_2 + .717X_3 + .888X_4 +\varepsilon$$

Generally, as shown in Table 7, it is clear that all the elements of strategic organizational learning capabilities studied have a positive and significant influence on firm performance as shown by the positive values of all the regression estimates in the model. These findings support the views of Wang (2008); Alegre & Chiva (2008); Antonello & Godoy (2011); Jimenez, Sanz-Valle (2011); and Kalmuk & Acar (2014) that higher performance is determined by higher organizational learning ability. Nevertheless, it contradicts Gomes and Wojahn (2016) findings who found indirect association, that is, organizational learning capability enhances innovative performance thereby influencing organizational performance. The regression coefficients p-values also are less than 0.05 indicating a significant relationship between the dependent and independent variables. From the model, it was revealed that if all the elements of SOLC are taken to a constant zero, performance of Tourism Fund would be 0.253 (25.3%). This implies that there should be strategic learning in organizations so as to enhance performance and achieve organizations' goals.

Furthermore, a unit increase in employee empowerment improves firm performance by 72.1% (β=.721, p=0.001<0.05) holding all other variables constant. This is an indication of a positive significant influence of employee empowerment on firm performance which concurs with the findings of Baker & Sinkula (2009), Calantone et al. (2012) and Abubakr (2014). However, it contradicts the findings of Burdett (2011), Hill et al. (2013) and Goh (2014) who found an indirect influence of employee empowerment on performance of an organization. In addition, a unit increase in knowledge transfer improves firm performance by 89.4% (β=.894, p=0.000<0.05) holding all other variables constant inferring that knowledge transfer has a positive significant influence on performance of Tourism Fund. These matches the conclusions of Chiva et al. (2014) and Wu & Chen (2014) who asserted that organizational strategic creation, retention and transfer of knowledge positively impact on performance of an organization.

Similarly, a unit increase in organization's risk taking behaviour enhances firm performance by 71.7% (β=.717, p=0.003<0.05) holding all other variables constant. This implies a positive and significant influence of organization's risk taking on performance of Tourism Fund. These findings are in tandem with the findings of Saleh and Wang (2013) Rauch et al. (2014) and Covin et al. (2016) who indicated that the risk-taking have a positive and significant influence on firm performance. A unit increase in organization's dialogue also improves firm performance by 88.8% (β=.888, p=0.002<0.05) holding all other variables constant. This signifies a positive and significant influence of organization's dialogue on performance of Tourism Fund. These findings are in agreement with the findings of Goh et al. (2012) and Gomes et al. (2016) who established a strong positive association between organization's dialogue and performance of an organization.

From Table 2, all the four elements of strategic organizational learning capability studied are strong predictors of firm performance. From the results, it was established that knowledge transfer is the strongest element that highly influence firm performance. This was followed by organization's dialogue, employee empowerment and finally organization's risk taking propensity.

CONCLUSIONS

From both the descriptive and inferential analysis findings, the study concludes that all the dimensions of strategic organizational learning capability do have significant influence on firm performance. Regarding employee empowerment, the study concludes that there is a positive significant influence of employee empowerment on firm performance. Even though the findings showed that company leadership encourages activeness at work and the institution ensures minimum individual employee stress in the work place, the respondents were not satisfied in regard to firm's not involving employees in formulation of policies and decision making. Based on the findings and discussion, it can be concluded that knowledge transfer have a positive significant influence on firm performance. The regression analysis results showed that this element had the strongest influence on firm performance. The key factors include clear mission statement which pinpoints values that employees should follow, having manuals, databases, files and organizational routines learned from the past experiences, knowledge sharing and sourcing of useful knowledge from external sources and efficient sharing of new work processes with all the firm's personnel.

The study also concludes that there is a positive and significant influence of organization's risk taking on firm performance. Encouraging employees to take risks that do not harm an organization, accepting errors and encouraging to venture into unknown territories are important in enhancing their creativity, innovation and performance. However, the findings revealed that there is insufficient incentive in facing or coping with new situations in the institution. The employees were also indifferent on whether their organization endeavor into unknown territory in their job and whether institution encourages employees to take risks so as to learn from their errors and failures. Furthermore, the findings revealed that employees in tourism fund are not sufficiently supported to adopt risk taking behaviour to enhance job performance.

On the influence of organization's dialogue, the study concludes that it organization's dialogue do strongly influence firm performance. The regression results showed a strong positive significant relationship with firm performance. Important factors include encouraging dialoging among employees and managers, facilitating communication within the organization, sharing way of thinking, working interactively, practicing cross-functional teamwork and sharing of challenging ideas among employees.

In summary, from the regression results, it can be deduced that knowledge transfer and organization's dialogue are the key predictors of strategic organizational learning capability components that greatly influence firm performance. Further, it can be concluded that capacity of an organization to learn is crucial in enhancing overall organization's performance. The findings can be interpreted that in a team, all individuals are able to share their knowledge, skills and experiences which subsequently enable easy knowledge sharing among individuals by being in a team and ultimately boosting overall organizational performance.

RECOMMENDATIONS

The study recommends the following key points concluded from study findings to the management and board of Tourism Fund, policy makers in the tourism industry, investors and other stakeholders in the Tourism industry. The study recommends that firms in the Tourism sector should enhance their organizational learning capability so as to enhance their performance and sustainability of their organization especially due to the current competitiveness and knowledge based economy which recognizes organizations' personnel as the key important resource. Additionally, firms in the tourism industry should invest in shared culture of learning throughout the organization, empower their employees, establish systems of knowledge creation and transfer across functional boundaries, encourage and facilitate risk taking and support dialoging in their organizations so as to enhance their performance.

It is also recommended that Tourism Fund as well as various organizations in the tourism sector should ensure that employees are fully empowered, involving them in formulation of organization's policies and encouraging them to participate in making decisions. Furthermore, from the findings the study recommends that all organizations in the tourism sector should consider experiences and ideas gained from external sources useful instrument for learning; ensure efficient sharing of personnel new work processes; endeavor to have knowledge repositories, conduct frequent training by using internal and/or external trainers as they support knowledge transfer so as to facilitate learning from past experiences and learning from others hence boost overall organizational learning.

The findings revealed that there is insufficient incentive in facing or coping with new situations in the institution. The employees were also indifferent on whether their organization endeavor into unknown territory in their job and whether institution encourages employees to take risks so as to learn from their errors and failures. Furthermore, the findings revealed that employees in tourism fund are not sufficiently supported to adopt risk taking behaviour to enhance job performance. Hence, this study recommended that Tourism Fund should encourage and support employees to adopt risk taking behaviours, provide incentives to employees in facing or coping with new situations in the institution, encourage employees to endeavor into unknown territory in their job and encourage them to take risks so as to learn from their errors and failures. Finally, the study also recommends encouraging dialoging among employees and managers, free and open communication in organization, sharing way of thinking, working interactively enabling communication across all functional boundaries and support of multi-functional work teams as well as sharing of challenging ideas among employees.

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