



The Moderating Role of Social Networking on Commitment to Learning and Performance of SMEs in Baringo and Elgeyo Marakwet County

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Abstract

The purpose of this research is to determine and analyse the moderating effects of social networking on commitment to learning and SMEs performance. Small medium Enterprises are considered to be the backbone of most economies worldwide, SMEs that have capacities to learn faster are likely to respond to market challenges better than competitors. The study examined the effect of commitment to learning on performance of SMEs. It also looked at the moderating effect of their social networking on relationship between commitment to learning and performance. The study is based on resource-based view and social network analysis theories, and it adopted the explanatory research design which targeted 2492 SMEs in the Counties. Systematic sampling technique was used to select 332 respondents to participate in the study. Data was collected using structured questionnaires and analysed using descriptive and inferential statistics. Factor analysis was carried out using principal components analysis to extract factors from the data. The data had average reliability coefficient of 0.807. Results indicated that Commitment to learning did not affect SME performance ($\beta = 0.054$, p -value = 0.08). Social networking significantly moderated the relationship between commitment to learning ($\beta = 0.08$, p -value = 0.01). The results supported the hypothesis and revealed that commitment to learning was critical and may be helpful to SMEs in the two counties, through understanding of the crucial link between learning orientation and performance. The results of this study can add new knowledge to SMEs professionals and support agencies. Thus, improving insight knowledge and understanding on the value of learning orientation, more especially on how firms, SMEs can develop competitive strategies to improve its performance in the selected counties.

Key words: SMEs Performance, commitment to learning, Social Networking

INTRODUCTION

Small and Medium Enterprises (SMEs) plays a powerful role in intensifying the economy; thus, most economies have progressively employed SMEs as a framework to achieve better economic performance in a more effective manner. Irrespective of the undisputed significance or the importance of small and medium enterprises in the economy, the persistently encounter significant impediments, with statistics showing that 3 out of 5 enterprises collapse immediately after the inception or at the start (KNBS, 2016). SMEs that survive, however more than ninety percent fail within a period of three years, Majority of business enterprises delays and not able to stand and elevate to medium – sized enterprises (KNBS, 2017; Njoroge & Gathungu, 2013). SMEs in Kenya have not performed as expected well in development and economic growth and this state of affairs has been of great concern to the national government

and private sectors. KNBS (2007) have shown that SMEs have issues which affect their growth (Gichuki, Njeru & Tirimba, 2014). Like the other SMEs in country the SMES in Elgeyo and Baringo counties have faced similar challenges. For instance, majority of the owners of SMEs in these counties lack adequate commitment to learning (Child, Faulkner, & Tallman, 2005) and social networking (Adler & Kwon, 2002) and competence in the management of their SMEs (Siekei, *et al.*, 2013).

Purpose and objectives and hypothesis of the study

The purpose of this study was to determine the effect of moderating role of social networking on commitment to learning on performance of SMEs in Baringo and Elgeyo-Marakwet counties in Kenya, as well as to determine if social networking moderates the relationship between commitment to learning and performance of SMEs.

Study Hypothesis

H₀₁: There is no statistically significant relationship between commitment to learning and SMEs performance in Baringo and Elgeyo-Marakwet counties.

H₀₂: Social networking does not significantly moderate the relationship between commitment to learning and performance of SMEs in Baringo and Elgeyo-Marakwet counties of Kenya.

Significance of the study

The study shall be of more importance to the entrepreneurs globally and more specifically in Baringo, Elgeyo Marakwet, and other counties in Kenya on the potential roles that learning and social networking play in the success of SMEs in the same contexts. This way, they might be guided on the best stance to adopt for their businesses to succeed. The findings could also be important to the academics by extending scholarly work in the discipline of entrepreneurship and strategic management. The findings from the study could similarly be an eye opener for advancing investigation in the same area of study.

LITERATURE REVIEW

Extant literature indicates that measuring presentation of small and medium-enterprises are difficult as well as very challenging (Sapienza & Grimm, 1997). The contests are typically distinctive starting with those of large firms and, since many of the current methods of assessing performance are premeditated ultimately, a small number of apparatuses are accessible for the SMEs. The main challenges in measuring performance of small and medium-enterprises is collecting performance information from privately held SMEs that are frequently problematic because of insufficient availability of reliable facts. The facts are also not quite perfect and are very difficult to be assessed even though information could be found. For instance, the old procedures of SMEs' performance are frequently not available (Wang & Ang, 2004; Micro and Small Enterprise (MSE) Act, GoK, 2012; Abiola, 2013).

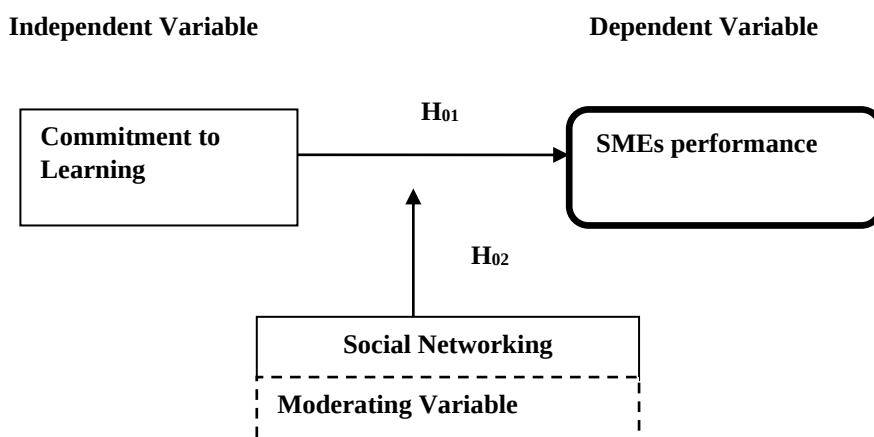
According to Wang, (2008), commitment to learning plays a fundamental role in updating the organization's assets and abilities to link efforts on firms' Performance. Khlynovskaya, Hudson and Pesamaa (2014) explicitly tested the relationship between the first-order constructs of learning orientation (LO) with performance of telecom companies in Kazakhstan. The study found no evidence for the relationship between learning commitment and company performance.

In a study conducted by Calontone, *et al.*, (2002), commitment to learning by a firm significantly and positively affected its innovativeness and performance. The authors argued that an organization committed to learning seeks a full understanding of its environment, including customers, competitors, and emerging technology (Calontone, *et al.*, 2002). This study emphasizes the importance of commitment to learning and links it with innovation and performance, but it does not address the issue of how organizational learning should be carried out.

McLaughlin *et al.*, (2004) also tested the correlation between commitment to learning and SMEs performance in the study involving 876 executives drawn from American Marketing Association. They found a positive and significant correlation of 0.468 between commitment to learning and entrepreneurial performance. Sulaiman & Salim (2011) tested all the four components of LO in a study on the relationship between LO and innovation and performance. They demonstrated that commitment to learning had the greatest impact on technological innovation ($R^2 = 0.117$) relative to shared vision ($R^2 = 0.087$) and intra-organizational knowledge sharing ($R^2 = 0.065$). For the market innovation, only two factors were significant: commitment to learning as well as intra-organizational knowledge sharing with the former being more significant ($R^2 = 0.255$) and the latter marginally significant ($R^2 = 0.059$). Finally, for administration innovation, statistical results show all the four variables of organizational learning were significant, but with commitment to learning the most important ($R^2 = 0.492$).

Toloie & Maatofi, (2011) suggested that an organization's commitment to learning leads to strengthening the culture of learning in organization. In this culture, because an organization has a tendency to create and use knowledge, more opportunities are provided for learning in organization, thus increasing the capacity for innovation. Developing individual's knowledge and having them share their knowledge with each other on the one hand, and increasing the ability to perform new ideas, processes or products on the other, leads to increase in the capacity of firm's innovation. In Turkey, Kaplan *et al.*, (2014) established a positive relationship between commitment to learning and performance.

Conceptual Framework



Source: Author, 2020

Theoretical Framework:

Resource based view Theory

Resource Based View theory (RVB) approach builds its roots by the study of Schumpeter in the 1930s but was later introduced in strategic management in the early 1980s and deeply rooted from 1990s. The capability to learn should be a main concern for all upcoming SMEs and organizations that wish to compete effectively and further improve their performance, the resource-based view perceives the firm as a unique bundle of idiosyncratic resources and capabilities where the prime task of management is to capitalize on value through the optimal deployment of existing resources and capabilities, while developing the firm's resource base for the future (Grant, 1996; Barney, 1997). Firm resources include all assets, capabilities, organizational processes, firm attributes, information and knowledge controlled by a firm that enable the firm to conceive and implement strategies that improve its efficiency and effectiveness (Barney & Clark, 2007; Barney, 1991). Resource based view theory (RBV) and social network have cited profitability as the motivation behind learning orientation and indeed studies conducted on networking as a strategy for improving competitive performance that mainly focused on SMEs such as shared vision, knowledge sharing showed conflicting results (Roininen & Ylinenpaa, 2009).

Social Network Theory

Social Network theory is a social science concept that discusses connections and relationships in a social structure (Kadushin, 2004; Korir, 2012). The theory emerged in the late 19th Century and attempted to connect people or communities from different groups. Social network theory views social relationships in terms of nodes and ties. Social networks are the individual actors within the networks and the term Network is generally used for the structures of ties among the actors in a social system (Nohria & Eccles, 1992; Korir 2012). These actors could be roles of an individual person, organizations, enterprises, the nation or a community. Their ties may be friendship, economic exchange, consultancy, information exchange, or any other service that forms the basis of a relationship in the networking system (Kadushin, 2004; Korir 2012). Entrepreneurial firms among them SMEs, should build good reputation to enhance better relationship with the external resource providers who are always ready and willing to share important information, new ideas, new technology and support. Birley et al., (1992) reported that entrepreneurs adopted social network theory since 1980s. This helps entrepreneurs to overcome their business challenges in outsourcing especially at the business start-up stage.

Moderating Role of social networking on commitment to learning

Social networks could play a pivotal role in the ability of SMEs to obtain knowledge, support and access to distribution channels (Cantu et al., 2010; Kiprotich et al., 2015; Westerlund & Svahn, 2008) and hence could moderate the relationship between learning orientation and entrepreneurial performance. A better-networked firm may be more adept at business knowledge acquisition and therefore may have better performance and vice versa. Naude et al., (2014) examined 227 CEOs of small Iranian information technology companies on the role social networks played as a moderating variable in entrepreneurial performance.

Research shows that social networks may give actors access to abundant information, which leads to better improvement of performance (Borgatti, Mehra & Labianca, 2009). Therefore, if youths can interact, share views in their organizations, it could lead them to succeed in the business environment despite challenges that they face in running their business from competitors and also within the management. Wagenaar

(2004) provides an explanation of how the interaction of directors creates a shared understanding of what is appropriate in a particular situation, noting that this understanding is grounded in their shared organizational, social and cultural context. It seems that trust between two or more interdependent actors solidifies as a function of their cumulative interaction.

METHODOLOGY

Research paradigm

A research paradigm as asserted by other researchers (Denzin & Lincoln, 2005; Mertens, 2007) has impact on the stages of research from deciding on research problem to data analysis and interpretation. There are many different types of research paradigms in social science which differs in terms of assumptions philosophically and therefore, it is prudent to understand assumptions for each paradigm before deciding on the suitable paradigm for the present study. Denzin and Lincoln (2005), Creswell (1998) identified the basic philosophical assumptions to include: ontology which refers to the nature of reality and what can be known about it; epistemology which refers to the nature of the relationship between the knower and what can be known, and methodology which is the technique used to obtain knowledge. Basing on these assumptions, Creswell (1998), suggest that either of these three major paradigms namely positivism, constructivism or pragmatism could be employed. Hence, this study chose to use positivism as the paradigm of choice.

Research Design

This research utilized an explanatory research design. An explanatory research design is said to be an organized empirical investigation which the researcher does not have direct control over independent variables as they cannot be manipulated but rather seeks explanations for occurrences of some phenomena (Vanderstoep & Johnston, 2009). This design was important in explaining how social networks could moderate the relationship between commitment to learning and SMEs performance. This research design is deemed appropriate as it allows the research study to be completed within the confines of limited time and resources.

Target Population

The study targeted the 2492 SMEs registered and licensed in Baringo and Elgeyo-Marakwet counties. This number was arrived at as per the records obtained from trade department from the two counties (Elgeyo Marakwet and Baringo County Governments, 2017). The target population comprised owners of the 2492 SMEs, in order to get insights on how challenging it was to set up and run the business. In cases where the owners would not be available, the study sought to obtain the pertinent information from the managers of the businesses

Sample Size

In determining sample size, Noordzij *et al.*, (2010) proposed that there is need to consider the level of precision or sampling error, the level of confidence or risk, and the degree of variability in the attributes to be measured whether homogenous or heterogeneous. According to Wegner (2015) and Vander Stoep and Johnston (2009), the size of the sample in research determines statistical accuracy of the findings and larger samples results in a more precise statistical finding.

Collection of data from all the owners/managers of SMEs was not feasible due to constraints imposed by limited time and resources. Thus, a representative sample was chosen from the target population and used in the study. According to Kombo & Tromp

(2010) and Booth, Colomb and Williams (2008) an effective sample should possess diversity, representativeness, reliability, accessibility and knowledge. In the sampling of SMEs, and in order to get a 95 percent confidence level and sampling error of 5 percent, the sample size was determined by using the following formula (Noordzij *et al.*, 2010; Kothari, 2004; Kalof, Dan, & Dietz, 2008):

$$SS = \frac{Z^2(p) * (1 - p)}{c^2} \dots\dots\dots (1)$$

In this case SS represents sample size, $Z^2 = 1.96$ for a 95 percent confidence interval (area under a standard normal curve or a student t distribution with infinity degrees of freedom, which contains 95 percent of the observations). c = sampling error, in this study was ± 5 percent p is the proportion of the attributes of interest present in the population, such as businesses exhibiting a learning orientation. Since this proportion could not be obtained from previous studies; the study used a proportion of 0.5, which assumes maximum variability in the population. Thus, the estimated sample size likely to be more conservative, that is, the sample size will likely to be inflated.

Thus,

$$SS = \frac{(1.96^2)(0.5)(0.5)}{(0.05^2)} = 385 \dots\dots\dots (2)$$

However, since the target population was about 2492, the formula in equation 3.4 was applied correction for small population was used. This is because a given sample size provides proportionately more information for a small population than a large sample according to Gigerenzer, (1993):

$$n = \frac{SS}{1 + \frac{SS - 1}{N}} \dots\dots\dots (3)$$

In this case, n is the corrected sample size and N is the size of population

$$n = \frac{385}{1 + \frac{(385 - 1)}{2492}} = 332 \text{ SMEs} \dots\dots\dots (4)$$

Thus, the study collected data from 332 SMEs.

Data Collection Procedures and Data Collection Instruments

In this study, questionnaires were used to collect data. The questionnaire comprised closed ended questions. Closed ended questions were preferred since they can easily be coded and analysed. Questionnaires were used because they enable a researcher to reach many respondents and gather large information from many subjects thus making the study findings more dependable and reliable as acknowledged by researchers (Vanderstoep & Johnston, 2009; Kothari, 2004). Questionnaires also have advantages to both the researcher and respondents because it is easy to fill and analyse especially the close-ended questions (Vanderstoep & Johnston, 2009). They also enable the researcher to collect data within a shorter time since most of the information are easily described in writing (Kothari, 2004). Questionnaires were administered with the help of research assistants, who were trained appropriately in order to minimize errors and bias during data collection.

Reliability

Reliability of research items in a research instrument was calculated by Cronbach's Alpha during pilot stage. It measures the internal consistency, which measures the how the items are closely related when they are taken as a group (Hair *et al.*, 2010). Scholars have noted that good reliability should produce at least a coefficient value of 0.70 (Hair *et al.*, 2010). However, coefficients up to 0.62 are acceptable in social research studies (Vanderstoep & Johnston, 2009). In this process, the assumption is that items which correlate highly with total scores are the best for a general-purpose test (Hair *et al.*, 2010). Cronbach's Alpha above the threshold of 0.7, the items in the research instrument are taken as reliable (Taber, 2018). However, if Cronbach's Alpha values are less than 0.7, the items in the questionnaire are revised. Pilot study helps the researcher, to revise research instrument to make sure that the items adequately covers the objectives of the study (Dikko, 2016).

Data preparation

The collected data sheets were checked for completeness, missing pages, and non-following of instructions. The data was coded by assigning numeric codes to answers, which allowed them to be subjected to statistical techniques. The codes were selected after reading through the data sheets and noting the general trend of answering this allowed the variables to be considered to have metric properties (Norusis, 2010), which permits more useful statistical tests such as t-tests to be conducted.

The data was transcribed into a computer spreadsheet and then exported into a statistical programme statistical package for social sciences (SPSS). To ensure the accuracy of transcribed data, this data was compared with randomly selected data sheets. The data was cleaned by identifying and correcting for the missing values and outliers. Apart from the absent information, missing values in data set are undesirable as they prevent the execution of certain statistical procedures, such as tests for normality (Tabachnick & Fidell, 2013). Outliers or extreme values distort many statistics, such as the mean and all the attendant statistics based on the mean, for example, the regression analysis (Vanderstoep & Johnston, 2009; Field, 2005). Outliers were identified by the Validate Data procedure while missing values were ascertained by the Missing Value Analysis procedure, both present in SPSS. For the outliers, the questionnaires with the offending values were traced and the correct values on the data sheet were then transcribed again into the SPSS. Since different statistical tests require different assumptions, the data was explored to determine whether the specific assumptions were tenable, before each test was conducted. Where the assumptions were not met, alternative and less stringent tests were conducted.

Data Analysis

Descriptive Statistics

Descriptive statistics were used to describe, summarize and organize data. Frequency distribution, measures of central tendency and dispersion such as mean and median, skewness and kurtosis were used. Frequency distributions, ordered arrangement of all variables, showing the number of occurrences in each category (Norusis, 2010), were used to summarize data. Bar graphs and tables were used to display the analyzed data. Measures of central tendency such as mean, mode and median were used to give average typical data values.

Factor Analysis

In the study, four steps were followed in conducting Factor Analysis: assessing the factorability of data; deriving factors and assessing overall fit; interpreting factors and factor labelling; and computing factor scores that was used in subsequent statistical analysis (Heir *et al.*, 2006). The factorability of the data (determining whether the data is suitable for factor analysis) was determined using several criteria. To ensure no multi-collinearity among the factors, the determinant was inspected to ensure that it is not zero. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was checked to see whether it is above 0.5 while the Bartlett's test of sphericity was checked to see whether it is significant (at $p < 0.05$), which would indicate that the correlation matrix of the original variables is not an identity matrix, thus suggesting that a factor model is appropriate. The diagonals of the anti-image correlation matrix were inspected to see whether they are all above 0.5, which show some underlying (latent) structure among the observed variables. Finally, correlations among variables were checked to see whether they correlate at least 0.3 with at least one other item (which indicated some latent construct) and that none of the correlations is above 0.9 (which showed no singularity in the data).

Principal Component Analysis was used to extract the components or factors from the data. The method allowed for the extraction of as many components so long as each has an Eigenvalue (the amount of variance each component explained) greater than one. To improve interpretability of the factors, rotation was conducted. Both an oblique method, Promax (which forces components to be correlated) and an orthogonal procedure, Varimax (one that forces the components to be uncorrelated) rotations was used and the one that give the best component structure was adopted. The resultant component structures of the factors were left as they make a lot of theoretical sense and explain a lot of the variance in the observed variables (a threshold of 50 percent) or simplified by dropping variables that appeared unspecified due to either having a standardized loading larger than 1 or in having high cross-loading (Mann, 1995).

Data Preparation and Cleaning

Data used in this study was screened to detect and check for errors as a key ingredient for data cleaning and preparation and involved examining missing values and outliers. When outliers are detected, they are deleted (Aguinis, 2004; Fichman *et al.*, 2005; Jose, 2013). Jaccard & Turrisi (2003) and Jose (2013) articulate that an outlier can change the output and reduces the accuracy of your results as well as the statistical significance, it was also posited by Tabachnick & Fidell (2013), missing values were less than 5 percent are was replaced with mean.

Commitment to Learning

Commitment to learning was subjected to Kaiser-Meyer-Olkin to test for sampling adequacy. KMO and Bartlett's test showed that KMO value of 0.806 and a Chi-square of 609.08 with 6 degrees of freedom and significance of p-value 0.00 as presented by Table 1. The significance of Chi-Square confirms that the constructs were fit for factor analysis. Four constructs were used to measure commitment to learning these constructs were, Managers agreed that their business's ability to learn is the key to our competitive advantage (0.85 loadings considering component 1. The basic values in their businesses includes learning as a key to improvement (0.78), employee learning is an investment, not an expense (0.88), organizational learning is seen as being important for business survival (0.85).

Table 1: KMO for Commitment to Learning**Component Matrix^a**

Variables	Component
Managers agree that our business's ability to learn is key to our competitive advantage	1 .85
The basic values of the business include learning as a key to improvement	.78
The sense around here is that employee learning is an investment, not an expense	.88
Learning in my organisation is seen as being especially important for the survival of the business	.85
Extraction Method: Principal Component Analysis	
a.1 components extracted.	
KMO and Bartlett's Test	
Kaiser Meyer Olkin Measure of Sampling Adequacy	.805
Bartlett's Test of Sphericity	Approximate Chi-square 609.082
Degrees of freedom	6
Significance	.000

Source: Survey Data, 2021

Table 2: Factor Analysis Using Principal Component Analysis

Commitment to Learning				
Factor	Eigenvalue	Difference	Proportion	Cumulative
Factor 1	2.23	2.29	1.15	1.15
Factor 2	-0.05	0.01	-0.03	1.12
Factor 3	-0.06	0.11	-0.03	1.09
Factor 4	-0.18	.	-0.09	1.00
Number of observations. =331				
Retained Factors = 1				
Number of Parameters = 4				

Source: Survey Data, 2020

Kaiser criterion (Kaiser, 1974) suggests that those factors with eigen values equal or greater than one should be retained. In this study, factor 1 was retained for all the variables for instance, eigen value for commitment to learning was 2.23 which is greater than one. For example, $2.23/6 = 0.37$ implies that the first factor explains 37.23 percent of the total variation in commitment to learning, $2.37/6 = 0.39$ indicating that factor 1 explains 39.47 per cent of total variation by constructs in shared vision. Factor 1 was retained for all the variables since the eigenvalues were greater than one (Kaiser, 1974).

Table 3: Factor Loadings (pattern matrix) and Uniqueness

VARIABLES	Factor 1	
Commitment to Learning	Loadings	Uniqueness
Managers agree that our business's ability to learn is key to our competitive advantage.	0.72	0.48
The basic values of this business include learning as a key to improvement	0.68	0.53
The sense around here is that employee learning is an investment, not an expense	0.81	0.35
Learning in my organization is seen as being very important for the survival of the business	0.77	0.40

Table 3: Regression Results with Control Variables

Source of Variation	SS	df	MS	No. of Obs. = 331
Model	60.57	6	10.09	F (6,324) = 45.56
Residuals	71.78	324	0.22	P > F = 0.00
Total	132.35	330	0.40	R-Squared = 0.46 Adj-R = 0.45 Root MSE = 0.47
Performance of SME	Coef. (β)	Std. Err.	T	P > t
CL	0.054	0.031	1.75	0.08

H₀₁: The first hypothesis stated that there is not statistically significant relationship between commitment to learning and SMEs performance in Baringo and Elgeyo-Marakwet counties of Kenya. This hypothesis failed to be rejected and concluded that the research did not get sufficient evidence that Commitment to Learning (CL) affects performance of the SMEs in the region under study. Though in the first model where controls were omitted, the coefficient of the variable was positively significant ($\beta = 0.054$, $p=0.08$). Implying that managers agree that business ability to learn is key to competitive advantage, basic values of the business and employee learning leads to increase in performance of the SME in terms of profitability and increase in sales turn over.

Man, Lau, and Chan (2002), Entrepreneurs that are commitment to their business, work hard, persistently, and diligently with element good elements. Commitment to their entrepreneurial endeavours characterized by the passion required for entrepreneurial success. It is further characterised by a single-minded focus to start a business towards survival and growth often at the expense of other worthy and important goals. Commitment to learning leads to persistence and perseverance in the face of obstacles. Dordevic (2004) argued that employee commitment to learning is important because high level commitment led to several favourable business outcomes. This reflects the extent to which employee identifies the business goals and committed to it. Commitment to learn is important because it may predict the performance of the enterprise.

Table 4: Moderating effect of Social Networking on Relationship between Commitment to Learning and Performance of SMEs

Variables	Coef. (β)	Std. Error	t	P> t
Intercept	3.38	0.48	6.98	0.00 ***
Commitment to Learning (cl)	-0.12	0.11	-1.05	0.29
Social Networking (sn)	-0.15	0.13	-1.18	0.24
Interaction (cl*sn)	0.08	0.03	2.52	0.01 *

Note: Significance level, * for 10%, ** for 5%, *** for 1%. Residual standard error: 0.55 on 327 df. Multiple R-squared: 0.18, Adjusted R-squared 0.17. F-statistic: 23.58 on 3 and 327 df. P-value: 0.00

Source: Survey Data, 2020

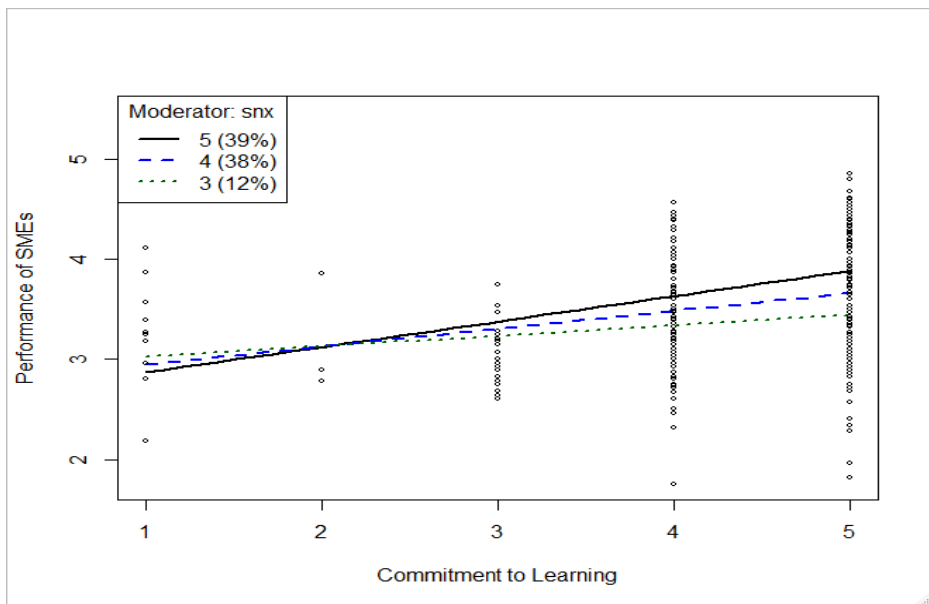


Figure 1: Simple Plot of Performance of SMEs versus Moderated Commitment to Learning

Source: Survey Data, 2020

The second hypothesis was to determine the moderating effect of social commitment on the relationship between commitment to learning and performance of SMEs within Elgeyo Marakwet and Baringo Counties. The findings indicated that its interaction with commitment to learning is significantly positive ($\beta = 0.08$, $p = 0.01$) meaning that social commitment has a moderating relationship on the direct effect.

Summary of the Hypothesis

Hypothesis	Statement	Method	Test statistic	Decision
H_{01}	There is no statistically significant relationship between commitment to learning and performance of SMEs in Baringo and Elgeyo-Marakwet Counties of Kenya	Multivariate regression technique	$\beta = 0.054, p = 0.08$	Failed to be rejected

DISCUSSION

The first hypothesis indicated commitment to learning does not significantly affect the performance of SMEs in Baringo and Elgeyo-Marakwet counties of Kenya. The findings indicated that the relationship is significantly positive. This is in concurrence to past findings in the related area. For instance, Gomez *et al.*, (2005) elucidated that to achieve support from management, commitment to learning should be enhanced. Management needs to encourage employees to be involved in the process of management. It is the responsibility of organisations to create capability to regenerate itself in coping new challenges through commitment to learning. This is because the environment in which organizations perform encounter myriad environmental challenges on a daily basis. Hence this commitment should be sought by organizations.

Management of such entities should then incorporate it in their long-term strategies for performance (Gomez et al., 2005).

The second hypothesis indicated that social networking does not statistically moderate the relationship between commitment to learning and performance of SMEs in Elgeiyo Marakwet and Baringo counties. The findings rejected this hypothesis and found out that indeed it moderated this relationship. This thus indicates that there was moderation of the relationship. This finding supported other researches in this area of study. For instance, Tsai (2001) in a study of 24 business units in a petrochemical company and 36 business units in a food-manufacturing company in China theorized that organizational units can produce more innovations and enjoy better performance if they occupy central network positions that provide access to new knowledge developed by other units, the units' absorptive capacity as a moderating variable.

Therefore, in this research, a framework for studying the effects of commitment to learning, on the performance of SMEs was developed and tested using data collected from small and medium sized firms in Baringo and Elgeyo-Marakwet counties. It implies that learning and networking plays an important role in determining the performance.

CONCLUSION

The first objective of this study was to determine the effect of commitment to learning on SMEs performance in Elgeiyo Marakwet and Baringo counties. The findings indicated a positively significant relationship. Hence, there is an effect of commitment to learning on performance. This is basically because organizations are indeed learning entities from the perspective of the total resources. Hence management should strive to put commitment to learning to be core in their operations such that the organizations benefit in the long term.

The second objective of the study was to determine the moderating effect of social networks on the relationship between commitment to learning and performance of SMEs. The findings indeed confirmed this relationship because of their significant nature. The moderation is a buffering one since more the social networks the better the SME performance and vice-versa.

RECOMMENDATION

The results of this study have shown a remarkable leading factor in assessing the contribution of commitment to learning and social networking on SMEs performance. This study was confined on Learning Orientation, Social networking on SMEs Performance in the selected counties, Baringo and Elgeyo-Marakwet in Kenya. Hence, limiting the generalization of the findings. The study recommends that the national and county Government of Kenya be supportive to SMEs owners by providing them information in terms of trainings on the management of SMEs resources and proper financial report keeping. The study further recommends the entrepreneurs should have good networking with others in order for them to improve the standard and the prestige of managerial functions on SMEs.

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