

**MANAGERIAL CAPABILITIES AND PERFORMANCE OF KENYA RAILWAYS
CORPORATION, KENYA**

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DECLARATION

Students' declaration

This research project is my original work and has not been presented for an academic award in any other University or institution of higher learning.

Signature.....

Date.....03/09/2024

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Supervisors' declaration

This research project has been submitted for examination with my approval as the University Supervisor.

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DEDICATION

I specially dedicate this work to my family. I really thank my wife Eusilah for her support and understanding and my children Louis, Lisa, Lesley and Liam for enduring my absence while undertaking this study. I thank God for he has granting me the strength as well as the focus to achieve this important milestone in my life.

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OPERATIONAL DEFINITION OF TERMS

- Managerial capability** : Ability along with skills of managers in an organization including; strategic thinking, decision making, problem-solving, and leadership. It is the capacity to coordinate and leverage resources, manage change, and guide the organization towards its objectives.
- Networking capability** : This is the organization or individual ability to create and sustain relationships with various stakeholders (including customers, suppliers, along with partners) as well as to leverage these relations for the well-being of an entity.
- Opportunity sensing capability** : Organization's ability to predict and perceive opportunities ahead of others. It is about being vigilant and responsive to trends, changes, and developments that might present potential opportunities.
- Opportunity seizing capability** : This is an entity's or individual's ability to recognize as well as act on opportunities that arise. It involves the ability to take quick, effective action when an opportunity presents itself.
- Innovation capability** : This is organization's or individual's ability to develop new products, services, as well as processes.
- Kenya Railways Corporations** : This is one of Kenya's state corporations in the transport sector that offers inland passenger transport and freight services.
- Performance** : Performance generally refers to how well an

organization, a department, team, or individual is accomplishing its objectives and goals. It might be measured through various quantitative or qualitative indicators like productivity, effectiveness, efficiency, and quality of work. In this study, performance is measured by level of profitability and internal business processes.

ABBREVIATIONS AND ACRONYMS

BSC	-Balanced Scorecard
CEO	- Chief Executive Officer
IMF	- International Monetary Fund
KPI	- Key Performance Indicator
KRC	- Kenya Railways Corporations
NT	- National Treasury
PFM	- Public Financial Management
RBV	- Resource-Based View
SCs	- State Corporations.
SGR	- Standard Gauge Railway
SMEs	- Small and Medium-sized Enterprise

ABSTRACT

One of the corporations that has portrayed poor performance as a result of managerial issues is the Kenya Railways Corporation. This entity was forced to engage in restructuring as a result of poor performance. This resulted in some long-serving managers given the option of accepting junior positions or exit. The shaking up of the top mantle at Kenya Railways is an indication of lack of optimal managerial capabilities in running the affairs of the corporation. This study aims to investigate the impact of managerial capabilities on the performance of Kenya Railways Corporation. The specific objectives of this research include assessing the influence of networking, opportunity sensing, opportunity seizing, and innovation capability on the performance of Kenya Railways Corporation. This study was informed by the theories of Resource-Based View, Agency along with Dynamic Capability. There was the use of descriptive and explanatory research design which helped in meeting the study's objectives. The research had Kenya Railways Corporation as its unit of analysis. A total of 192 employees from finance, procurement, operations, and legal departments formed the target population. In arriving at the target sample of the study, there was the use of census sampling technique whereby all the 192 employees from the selected departments formed the sample for the study. The main data collection tool in this research was the questionnaire administered through drop and pick method. Before giving questionnaires to the respondents, there was a test for validity and reliability of this research instrument. After ascertaining this, the researcher then proceeded to the field to collect data. The collected data was then analyzed using descriptive along with inferential statistics after feeding data on SPSS version 2.1. Analyzed data was presented in figures, tables as well as graphs. The research findings indicate that robust networking, opportunity sensing, opportunity seizing, and innovation capabilities significantly enhance the performance, profitability, and resilience of Kenya Railways Corporation, despite some differing views on their effectiveness and associated risks. Kenya Railways Corporation should enhance networking strategies, optimize opportunity sensing, strengthen opportunity seizing capabilities, promote an innovation culture, and engage in continuous evaluation and adaptation to maximize performance and responsiveness to market changes.

CHAPTER ONE

INTRODUCTION

1.1: Background

Simatupan and Sridharan (2018) define performance as the level at which previously set goals and objectives are attained, serving as the bridge between the actual and intended outcomes of any human activity. They highlight that organizational performance specifically involves the connection between planned as well as actual resources required to achieve stated goals, including planned versus actual expenses. Various researchers have operationalized organizational performance by considering factors such as market share, customer outreach, customer satisfaction, quality products, and cost reduction (Kariuki & Wabala, 2021; Kwabena, Essuman & Owusu, 2020).

Evaluating the performance of state corporations depends on their success in meeting predetermined targets for revenue collection. According to Thomas & Palfrey (2016), citizens, as the primary beneficiaries of public sector operations, should actively engage in the evaluation process. Performance assessment entails comparing actual achievements with the performance targets set at start of financial year.

According to Guralnik and David (2004), the term "performance" denotes the attainment of goals or objectives. This concept is frequently invoked to denote an individual's capabilities or to refer to a presentation intended to showcase one's abilities. Moreover, it conveys the notion of executing tasks that serve as a manifestation of an individual's actions within a professional context. Bernardin & Russell (2009) provide a definition of performance as the record of results gotten from executing specific work or rather activities within a defined time frame. Many organizations now adopt multiple measures of performance instead of relying on a single measure as was often done in the past.

Various means and methods exist to enhance organization's performance, including the use of balanced scorecards, best practices, and quality circles. These methods involve regular, recurring activities designed to establish the organization's goals. These activities are essential for monitoring the progress of the organization in the attainment of its objectives, allowing for necessary adjustments to be made to attain the desired targets more efficiently.

1.1.1: Performance of Kenya Railways Corporation

Kenya Railways Corporation has exhibited a notable decline in performance, and this is as evidenced by statistical indicators. Over the past fiscal years, key performance metrics such as revenue generation, profitability, and operational efficiency have shown a consistent downward trend. For instance, data reveals a significant decrease in the net profit margins of these state entities, reflecting challenges in cost management and revenue generation.

Additionally, a decline in market share is evident, signifying increased competition or reduced effectiveness in capturing and retaining a significant portion of the market. This is further supported by a decrease in customer satisfaction indices, highlighting potential issues in service delivery and customer relations. Furthermore, financial stability indicators, including debt-to-equity ratios, have witnessed an unfavorable shift, suggesting a strain on the financial health of these state corporations. Such trends raise concerns about the sustainability of their operations and the ability to meet long-term financial obligations.

The decline in performance is multifaceted, encompassing governance issues, operational inefficiencies, and potentially inadequate strategic responses to market dynamics. These statistical observations underscore the urgency for a comprehensive assessment and strategic interventions to reverse the downward trajectory and enhance the overall performance of Kenya Railways Corporation (Oseko, 2022).

1.1.2: Managerial Capabilities

Managerial capabilities are a set of skills, knowledge, and abilities that managers need to possess in order to effectively lead and oversee a team or organization (Baía, & Ferreira, 2019). According to research by Ambrosini, & Altintas (2019) managerial capabilities encompasses a number of competencies that allow the leaders and the managers to effectively navigate the dynamic business landscape. In this research, the various competencies amounting to managerial capabilities include opportunity sensing, opportunity seizing, networking along with innovation capability, all of which are essential for survival of firms in the ever-changing business environment.

By possessing the right managerial capabilities, managers can make informed decisions, develop strategic plans, and effectively mobilize resources to achieve organizational goals. Additionally, these capabilities empower managers to build and maintain relationships, identify and seize opportunities, and drive innovation within their organizations. Ultimately, managerial capabilities are essential for managers to successfully lead their teams and ensure overall organizational success (Ambrosini, & Altintas, 2019). Some of the managerial capabilities that were relevant in this research include networking, opportunity sensing, opportunity seizing, along with innovation capabilities.

Networking capability is an important element of managerial capabilities. It refers to the manager's ability to build and maintain relationships with individuals and organizations that can potentially provide valuable resources, information, or partnerships (Karami, & Tang, 2019). Effective communication and interpersonal skills are crucial in this aspect as managers need to be able to connect with relevant stakeholders and establish a rapport with them. By doing so, managers can leverage these relationships to access resources, gain valuable insights, and form strategic partnerships that can benefit their team or organization.

Opportunity sensing capability is a crucial aspect of managerial capabilities. Managers need to have the ability to identify and recognize potential opportunities for growth, improvement, or innovation within their organization or industry. According to Pidduck, & Zhang (2022), this involves having a keen understanding of market trends, customer needs, and industry dynamics. By being able to sense opportunities, managers can proactively take advantage of them and make informed decisions. This capability enables managers to stay ahead of the competition and drive the success of their organization.

Opportunity seizing capability is another important aspect of managerial capabilities. Once managers have identified an opportunity through their opportunity sensing capability, they need to have the ability to take action and make the most of the opportunity. This involves making informed decisions, developing strategic plans, and effectively mobilizing resources to capitalize on the identified opportunity (Khan et al., 2021). By possessing the capability to seize opportunities, managers can drive growth, innovation, and improvement within their organization or industry. Ultimately, this capability allows managers to turn potential opportunities into tangible results as well as contribute to general success of their team or entity.

Innovation capability stands out as a pivotal dimension of managerial proficiency. Managers are required to demonstrate the capacity to cultivate an innovation culture within their organizations, promoting a mindset that encourages employees to think creatively and generate novel ideas. This entails establishing an environment where innovation is not only acknowledged but also incentivized, while also offering the essential resources and support for employees to explore and actualize innovative concepts (Saunila, 2020). Additionally, managers need to have the ability to manage and facilitate the innovation process, which includes identifying promising ideas, developing them into viable projects, and effectively allocating resources. Furthermore, managers should also be willing to take calculated risks

and embrace change as innovation often involves stepping into the unknown and trying new approaches.

Factoring in all the components of managerial capabilities in this research as captured in the specific objectives, managerial capability, is the capacity of managers within Kenya Railways Corporation to effectively cultivate relationships (networking), perceive and act upon emerging opportunities (opportunity sensing and seizing), and drive innovation, collectively influencing the overall performance of these organizations.

1.2: Problem Statement

Kenya Railways Corporation (KRC) has faced a decline in performance over the years, particularly since 2018. Several key areas illustrate the persistent challenges the corporation has faced, primarily as a result of poor managerial capabilities. One of these areas is a decline in freight services. KRC's freight services have seen a sharp decline in tonnage handled. In 2018, KRC reported handling around 2.4 million metric tons of freight. However, by 2021, this figure had declined to approximately 1.8 million metric tons, a significant drop of 25% (Oyugi, 2022).

The inefficiency in freight services can be attributed to poor scheduling, inadequate maintenance of tracks and equipment, and lack of coordination. Apart from that, there has also been a deterioration in passenger services. Passenger services have experienced setbacks, leading to reduced ridership. In 2018, KRC reported approximately 1.5 million passenger trips annually on the Standard Gauge Railway (SGR). By 2021, this number had dropped to around 1.2 million, a decline of roughly 20%. The reduction in passenger trips can be linked to unreliable services, infrequent train schedules, and a general lack of confidence in the system. In addition, KRC has struggled with financial stability. In 2018, the corporation's operating loss stood at approximately KES 10 billion. By 2021, this loss had ballooned to around KES 15 billion, indicating a deteriorating financial situation. Poor managerial decisions, lack of

strategic financial planning, and over-reliance on government subsidies have exacerbated the corporation's financial problems. Besides that, there has been a significant reduction in customer satisfaction. Customer satisfaction has declined over the years due to service interruptions and delays (Munyaka, & Njoroge, 2024). A survey conducted in 2020 found that only 60% of passengers were satisfied with KRC's services, down from 75% in 2018. The decrease in satisfaction can be linked to poor communication, unreliable schedules, and subpar customer service (Sabrie, 2022).

Tien et al. (2020) did a study on managerial capability along with commercial state corporations' performance in Vietnam. The research by Tien et al (2020) did not focus on the Kenyan context, neither did it focus on a single state corporation, a gap that the current study aims at filling by focusing on Kenya and narrowing down to Kenya Railways Corporation. In addition, Kyere, & Ausloos (2021) conducted research on managerial capability (corporate governance) and financial performance of firms. This research utilized cross-sectional research design, while current research will apply descriptive design, thus filling methodological research gap. Besides that, a study by Adegbe et al. (2019) on managerial capability along with Nigerian firms' financial performance conceptualized managerial capability using the tenets of leadership skills, problem solving, and change management. The current study conceptualizes managerial capabilities based on the tenets of networking, opportunity sensing, opportunity seizing, along with innovation capability. This research will thus fill the contextual and methodological gaps as highlighted in previous research studies.

1.3: Objectives of the Study.

1.3.1: General Objective

The overall objective of this study is to examine the effect of managerial capability on the performance of Kenya Railways Corporation.

1.3.2: Specific Objectives

The specific objectives of the study include;

- i) To determine the effect of networking capability on performance of Kenya Railways Corporation.
- ii) To establish the effect of opportunity sensing capability on performance of Kenya Railways Corporation.
- iii) To assess the effect of opportunity seizing capability on performance of Kenya Railways Corporation.
- iv) To find out the effect of innovation capability on performance of Kenya Railways Corporation.

1.4: Research questions

1. What is the effect of networking capability on performance of Kenya Railways Corporation?
2. How does opportunity sensing capability affect performance of Kenya Railways Corporation?
3. What is the effect of opportunity seizing capability on performance of Kenya Railways Corporation?
4. To what extent does innovation capability affect performance of Kenya Railways Corporation?

1.5: Significance of the Study

The significance of the current study on managerial capability and performance of Kenya Railways Corporation is that it provides valuable insights and understanding of the relationship between managerial capabilities and organizational performance. Policymakers can benefit from this research study by using the findings to inform and shape policies that aim to enhance managerial capabilities at Kenya Railways Corporation. By understanding the key capabilities that contribute to improved performance, policymakers can design targeted interventions and initiatives to develop and strengthen these capabilities. Additionally, researchers can benefit from this study by using it as basis for future research in the field of managerial capabilities and performance. The findings and insights generated from this research serves as a basis for further studies, allowing researchers to deepen their understanding of the topic and contribute to existing knowledge.

1.6: Scope

The research will have a clear geographical scope whereby it will focus specifically on Kenya Railways Corporation to the exclusion of any other state corporation. Besides that, this research will have a well outlined thematic/contextual scope whereby it will focus on managerial capabilities and performance to the exclusion of any other variables. In this case, the managerial capabilities will include networking, opportunity sensing, opportunity seizing and innovation capabilities. In addition, there will also be a clear methodological scope whereby this research will rely on descriptive research and explanatory research design. Also, the research will have a clear time scope whereby it will rely on individual opinions and experiences on the subject matter dating back five (5) years between 2018 and 2022.

1.7: Study limitations

Internal factors beyond managerial capabilities, such as personal employee-related factors influenced financial performance. While it could not be possible to account for all internal factors, the researcher acknowledged their potential influence and discussed the limitations in the context of the study. In addition, the selected timeframe could not capture all relevant managerial capabilities and performance in a summative and objective manner. In this case, there was the use of triangulation technique, whereby multiple sources were used, to ensure that crucial information is captured for objective analysis and findings. Some of the participants to this study were reluctant when it comes to providing some information because of fear of them being victimized. This limitation was handled through assuring respondents that all the responses given would be handled with confidentiality.

1.8: Organization of the study

This research has five main chapters. Chapter One outlines the introduction, which covers the background that highlights the dependent and independent variables, problem statement, study objectives, scope, along with limitations. Chapter Two covers the empirical and theoretical literature review, as well as the conceptual framework. Chapter Three outlines the methodology, detailing the research design, target population, sampling procedure and sample size, data collection as well as analysis procedures, along with ethical considerations. Chapter Four focuses on data analysis, while Chapter Five highlights the discussion, conclusions, and recommendations based on the study objectives.

CHAPTER TWO

LITERATURE REVIEW

2.0: Introduction

This chapter details the theoretical literature review outlining the relevant theories that were used in this research. In addition, the chapter highlights the empirical literature review, capturing the studies as per the specific objectives of this research.

2.1: Theoretical Literature Review

2.1.1: Resource-Based View Theory

The proponent of the resource-based view (RBV) theory is Penrose (1959). This theory asserts that for a corporation to achieve sustained success in the marketplace and maintain a competitive advantage, it must be supported by an appropriate collection of superior resources and competencies (Strickland et al., 2012). Specifically, the RBV thesis emphasizes the significance of the firm's resources along with capabilities as a source of sustained competitiveness (Barney, 1991; Kor and Mahoney, 2004). Moreover, and most importantly, these assets and skills must be extremely valuable, uncommon, and difficult for other businesses to replicate (Barney, 1991). The Resource Based View Theory assumes resources along with competencies can provide competitive advantage when they are distributed heterogeneously across enterprises and the disparities are maintained over time (Barney, 1991; Barney, Wright and Ketchen, 2001).

One of the criticisms of this theory is the lack of clarity. RBV theory assumes that resources are heterogeneous, and their differing values are clear. However, in real-world situations, it is often difficult to accurately attribute values to different resources, making this assumption unrealistic. Another criticism of this theory is an incomplete view. RBV theory focuses only on resources within an organization, overlooking the potential influence of external factors such as market conditions, cultural aspects, or competitive dynamics. This

could create an incomplete view of a business's sustainable competitive advantage. This view is particularly relevant in the research topic above as environmental factors including political, economic, and social elements affect managerial capabilities along with performance of Kenya Railways Corporation.

2.1.2: Dynamic Capability Theory

The Dynamic Capability Theory, introduced by Teece, Pisano, and Shuen in 1997, explores how businesses effectively organize, generate, and restructure their internal along with external skills to develop new capabilities suited to their ever-changing environment (Teece, 2023). This theory posits that organizations possessing superior capabilities have high chances of outdoing those with fewer capabilities. In this context, capabilities refer to a set of high-level, intellectual, purposeful, and repetitive processes that empower an organization to surpass its competitors. Hierarchical skills, on the other hand, are called 'zero-level' abilities because they show how a business makes a living by offering the same product to the same kind of customers on a regular basis. (Winter,2013).

One of the criticisms of this theory is regarding ambiguity. The dynamic capability theory is often criticized for lacking clear and definitive parameters. The theory discusses capabilities that allow firms to adapt to changing environments, but what constitutes a 'dynamic capability' can be unclear, leading to confusion and inconsistent application. The other criticism of the dynamic capability theory is its overemphasis on adaptability. The theory places extreme importance on organization's ability to change as well as adapt. While adaptability is indeed important, it could lead to the downplay of other stable competencies that also contribute to organizational success.

The dynamic capability theory is important for our research topic because even though being efficient in processes and having the necessary skills are crucial, there's a chance that fixed/non-changing managerial abilities could also play a big role in how well Kenya Railways Corporation performs.

2.1.3: Agency Theory

The Agency Theory, championed by economists Michael C. Jensen and William H. Meckling in 1976, offers a framework for analyzing the relationship between principals (owners or shareholders) and agents (managers or decision-makers) within organizations. This theory operates on the fundamental idea that when principals entrust decision-making authority to agents, conflicts of interest may arise because agents might not consistently act in principal's best interest. This theory identifies the principal-agent relationship as the core of organizational dynamics. The principal (owner or shareholder) hires an agent (manager) to act on their behalf to run the organization. In the context of state corporations including Kenya Railways Corporation, the government is basically the owner/shareholder while the management or Chief Operating Officer (CEO) serve as agents who manage the corporations on behalf of the government.

The agency theory has a number of criticisms with the main one being its simplistic assumptions. Critics make an argument that agency theory tends to oversimplify human behavior through assuming that individuals are solely motivated by self-interest and that contracts can perfectly address conflicts. In reality, human behavior is more complex, and relationships can involve trust and cooperation. Apart from that, the agency theory is also criticized for its limited prescriptive guidance. While agency theory describes conflicts and agency costs, it offers limited prescriptive guidance on how to effectively mitigate these conflicts in practice. It often leaves the choice of governance mechanisms, including compensation structures, monitoring mechanisms, to individual organizations.

Agency theory is highly relevant in this study particularly in the context of the performance of Kenya Railways Corporation, especially on performance measurement. Agency theory's emphasis on financial performance along with the role of incentives and monitoring mechanisms is directly applicable to evaluating the performance of Kenya Railways Corporation. It can help in analyzing how managerial capabilities influence financial outcomes and whether they lead to agency costs or efficient performance.

2.1.4: Balanced Scorecard Model

The Balanced Scorecard (BSC) model, developed by economists Robert Kaplan and David Norton in the early 1990s, questions the assumption that traditional financial metrics alone are sufficient for assessing organizational performance. Instead, it promotes a more holistic approach by incorporating four essential perspectives: financial, customer, internal processes, and learning and growth. The framework argues that organizational success should not be evaluated solely by financial outcomes but also by its ability to create customer value, optimize internal operations, and encourage ongoing learning and development among employees.

However, the BSC has faced criticisms like any other model. One significant critique is the model's heavy reliance on metrics. Aryani and Setiawan (2020) argue that some organizations overemphasize the creation and tracking of metrics for each perspective, turning measurement into an end goal rather than a tool. This excessive focus can be resource-intensive and may not always yield meaningful insights. Another common critique is the BSC's lack of detailed implementation guidance. Critics contend that although the BSC provides a broad framework, it falls short in offering specific instructions for successful execution (Dudic et al., 2020), leading to inconsistent application and potentially diminished effectiveness.

The Balanced Scorecard model is especially relevant to this study, particularly concerning the performance variable. It enables a holistic evaluation of organizations beyond financial metrics alone. In evaluating performance, the BSC theory considers elements like customer satisfaction, the efficiency of internal processes, and the learning and growth of employees, thereby offering a more well-rounded view of organizational performance. For example, it can help in evaluating whether managerial capabilities, such as leadership skills and employee training, contribute to improved customer satisfaction and operational efficiency. Additionally, the balanced score card model can also help identify areas where Kenya Railways Corporation may need to enhance their capabilities to drive better overall performance.

2.2: Empirical Literature Review

2.2.1: Networking capability and organizational performance

Nu'man et al. (2020) conducted research in the United States on networking capability and performance of SMEs. The researchers conducted interviews along with focus groups involving key stakeholders across various SMEs to gain insights into their networking capabilities. Additionally, they collected and analyzed performance data from financial reports and operational metrics to measure general performance of these entities. The study revealed that SMEs with robust networking capabilities demonstrated higher levels of performance compared to those with limited networking capabilities. SMEs that effectively leveraged networking technologies and partnerships experienced increased efficiency, improved innovation, and enhanced market competitiveness. This study faced a geographical constraint, preventing its findings from being applicable to the Kenyan context.

Anwar, & Ali Shah (2020) assessed networking capability and performance of Pakistani's private companies. In this study, a survey-based approach was employed. A structured questionnaire was distributed among top executives and managers of selected private companies in Pakistan to evaluate their networking capabilities and performance. The

survey included questions on networking strategies, collaboration with external stakeholders, and key performance indicators (KPIs) relevant to the companies' operations. Companies that consistently embraced networking activities, including collaborations with research institutions, suppliers, and customers, showed increased profitability, enhanced customer satisfaction, and improved product/service quality. Furthermore, companies with strong networking capabilities were better equipped to identify and pursue new business opportunities, leading to sustainable growth and competitive advantage. This research had a methodological gap in that it only used a survey approach.

Kurniawan et al. (2021) had one of the objectives in their study as networking capability and performance of Japan's public corporations. This research employed a comparative case study design. The researchers narrowed down on a diverse sample of public corporations in Japan and extensively analyzed their networking practices and overall performance. In-depth interviews, company reports, along with publicly available information about the corporations' networking initiatives and outcomes were used in collecting data. The study highlighted variations in networking capability and its impact on performance across different public corporations in Japan. Public corporations that effectively integrated networking to their business strategies demonstrated high levels of resilience in periods of economic downturns and exhibited significant profitability. The research also found that successful networking strategies in the Japanese context emphasized long-term relationships and trust-building with partners, leading to enhanced collaboration and knowledge exchange. However, public corporations with limited networking capability struggled to access external resources, hindering their growth and innovation potential. This study had a contextual gap in that it did not specify what networking capabilities entailed.

Nave, & Ferreira (2023) did research on networking capability and SMEs performance

in Brazil. This study applied a quantitative approach, utilizing data from a large-scale survey conducted among SMEs in Brazil. The survey questionnaire was designed to assess the level of networking capability within these entities, considering factors such as collaborative partnerships, information sharing, and technological integration. Small and medium-sized enterprises that consistently embraced collaborative networking partnerships with public institutions saw greater revenue growth and expanded market share. Furthermore, networking was found to facilitate access to new markets and enhanced resources, resulting in improved cost efficiency along with innovation. The study emphasized the importance of building strategic networks to promote sustainable growth along with competitiveness in the Brazilian market. This research encountered a geographical gap, meaning its results were not generalizable to Kenya.

Pulka et al. (2021) conducted research that focused on networking capability along with performance of South Africa's SMEs. The research focused on understanding the SMEs' networking strategies, challenges, and outcomes. Additionally, case studies of successful networking initiatives were examined to gain insights into effective networking practices. The research indicated that networking capability assumed a critical role in shaping SMEs performance in South Africa. Entities that established strong networking ties with diverse stakeholders, including government agencies, private businesses, and local communities, were more resilient to economic fluctuations and political uncertainties. Moreover, effective networking contributed to better risk management, access to expertise, and increased opportunities for international trade and investments. However, the study also identified some challenges, such as the need for improved coordination among different SMEs and the creation of a conducive networking culture to foster collaboration and knowledge exchange. This study encountered a contextual gap, making its findings non-generalizable to Kenya.

2.2.2: Opportunity sensing capability and organizational performance

Chen, & Lin (2021) focused on opportunity sensing capability and public entities' performance in China. This study adopted a mixed-methods approach. Initially, a survey was conducted among top executives and managers from various public entities in China to assess their opportunity sensing capabilities. The survey included questions on the entities' ability to identify as well as exploit opportunities for new business. Subsequently, financial performance data and key performance indicators were analyzed to evaluate opportunity sensing capability's impact on corporations' overall performance. The research revealed positive correlation existing between opportunity sensing capability and public entities in China. Entities with stronger opportunity-sensing capabilities showed greater revenue growth, expanded market share, and enhanced profitability. Additionally, these companies were better equipped to adapt to dynamic market conditions and innovate their products or services to meet changing customer demands. This study encountered a contextual gap, making its findings non-generalizable to the Kenyan context.

Mikalef et al. (2021) carried out research on assessing opportunity sensing capability and performance of Germany's public companies. In this study, a longitudinal research design was employed. Data was gathered from a panel of public companies in Germany over a period of several years. The research team assessed the companies' opportunity sensing capabilities through interviews with key stakeholders and internal surveys. Financial performance data, including growth in revenue, return on investment, along with market share, were analyzed to understand the relationship between opportunity sensing and how this affects performance. It was demonstrated that opportunity sensing capability significantly influenced the long-term performance of public companies in Germany. Companies that did well in identifying and capitalizing on emerging opportunities achieved sustained growth and maintained

competitiveness.. Moreover, the research revealed that public companies with a proactive approach to opportunity sensing, including regular scanning of external environments and strategic foresight, outperformed their peers in terms of innovation and market expansion. This study encountered a contextual gap, making its findings non-generalizable to the Kenyan context.

Dyduch et al. (2021) carried out an evaluation on opportunity sensing capability and SMEs performance in Japan. This research utilized a case study design, comparing multiple SMEs in Japan with varying opportunity sensing capabilities. The researchers also conducted benchmarking studies to compare the performance of SMEs against industry standards. The study highlighted the significance of opportunity sensing capability for the SMEs performance in Japan. Entities that exhibited strong opportunity-sensing abilities were more agile in detecting potential market threats along with opportunities. This allowed them to optimize their resource allocation, enhance cost efficiency, and capitalize on emerging trends. In contrast, SMEs with limited opportunity sensing capabilities struggled to adapt to changing market dynamics and faced challenges in achieving sustainable growth. This study encountered a contextual gap, making its findings non-generalizable to the Kenyan context.

Oliva et al. (2019) did a study on opportunity sensing capability and performance of private companies in Brazil. The survey covered aspects related to market scanning, competitor analysis, and organizational learning. The companies' financial performance data were obtained from official reports and respective company records. The research demonstrated a positive effect between opportunity sensing capability along with performance of private companies in Brazil. Companies with higher opportunity sensing capabilities showed better financial performance, including increased profitability and market growth. Additionally, the study found that a proactive approach to opportunity sensing was particularly beneficial for companies operating in dynamic and competitive markets. This

study had a methodological gap in that it only used quantitative research design without indicating which specific research approach.

Akpan et al. (2022) did a study on opportunity sensing capability and Nigerian manufacturing firms' performance. The study aimed to understand the factors that influenced opportunity sensing capability within these firms and how it affected their overall performance. The study revealed that opportunity sensing capability played an important role in highlighting the success of manufacturing firms in Nigeria. Firms that cultivated a culture of innovation and adopted knowledge-sharing practices were better at identifying and seizing opportunities. Additionally, the research highlighted the significance of proactive leadership along with cross-functional collaboration in improving opportunity-sensing capabilities. Manufacturing firms that focused on enhancing employee skills and fostering a supportive work environment showed higher performance levels along with market competitiveness. However, this study had a contextual gap, meaning its findings are not applicable to Kenya.

2.2.3: Opportunity seizing capability and organizational performance

Baumbach et al. (2020) conducted an evaluation of opportunity-seizing capability along with its impact on US based private corporations' performance. They gathered insights from key decision-makers through interviews and focus groups to assess these corporations' ability to seize opportunities. Additionally, data on financials and performance components were evaluated to determine how opportunity-seizing influenced overall corporate performance. The study identified a strong positive correlation between opportunity-seizing capabilities along with performance of US private corporations. Entities that effectively capitalized on identified opportunities that experienced higher growth in revenue, increment in market share, and enhanced profitability. Furthermore, strong opportunity-seizing capabilities were found to bolster competitive advantage, allowing corporations to enter emerging markets along with successfully diversify their respective portfolios. However, this

study had a narrow focus, concentrating solely on opportunity-seizing capabilities while excluding other managerial capabilities.

Heider et al. (2021) conducted an assessment of opportunity-seizing capability and its impact on performance of SMEs in Germany. The researchers collected data over several years from a sample of SMEs in Germany, evaluating their opportunity-seizing capabilities via surveys and performance assessments. The metrics of performance entail financial indicators along with the success of executing strategic initiatives. The research found that opportunity-seizing capability significantly impact on the long-term performance of SMEs in Germany. Companies that effectively seized opportunities demonstrated sustainable growth, higher return on investment, and greater resilience to market fluctuations. Additionally, the research found that SMEs with agile decision-making processes and the ability to swiftly act on opportunities were more successful in gaining a competitive edge in the German market. This research encountered a contextual gap, making its findings non-generalizable to the Kenyan context.

Karami et al. (2022) focused on opportunity seizing capability along with performance of private companies in Japan. This research adopted a comparative case study approach. Multiple private companies in Japan with varying opportunity seizing capabilities were selected for in-depth analysis. Data were gathered through interviews, company reports, and public sources. The researchers also examined the private companies' performance over time. The study emphasized the crucial role of opportunity seizing capability in influencing the performance of private companies in Japan. Companies that exhibited a proactive approach to seizing opportunities demonstrated higher revenue growth and market expansion. Successful opportunity seizing was found to be closely linked to effective resource allocation, strategic partnerships, and customer-focused innovation. On the other hand, companies with limited opportunity seizing capability struggled to capitalize on potential growth prospects,

leading to stagnation in their performance. This research had a narrow focus in that it concentrated solely on opportunity-seizing capabilities, excluding any other managerial aspects..

Oliva et al. (2019) did a study on opportunity seizing capability along with performance of private companies in Brazil. A structured survey was administered to 1100 private companies in Brazil to assess their opportunity seizing capabilities. The survey covered aspects such as responsiveness to market changes, risk-taking behavior, and adaptability. The performance data of the entities were collected from official financial reports and respective company database. The research indicated a positive relationship between opportunity seizing capability along with performance of selected private companies in Brazil. Private companies that were faster in the identification and investment in the identified opportunities experienced higher profitability and growth in market share. This study encountered a contextual gap, making its findings non-generalizable to the Kenyan context.

Aghimien et al. (2023) conducted research that focused on the opportunity seizing capability and performance of South Africa's construction companies. The research sought to gain insights into the factors influencing opportunity seizing capability and its impact on overall performance. The research emphasized the importance of opportunity seizing capability for the performance of construction companies in South Africa. Companies that were adept at seizing opportunities demonstrated higher levels of innovation, greater market penetration, and improved financial performance. Moreover, effective opportunity seizing was found to be closely related to strategic risk management. Construction companies that encouraged a culture of entrepreneurial thinking and supported their employees' creativity exhibited stronger opportunity seizing capabilities and achieved higher levels of success in the market. This research had a methodological gap in that it only used qualitative research

design.

2.2.4: Innovation capability and organizational performance

Lam et al. (2021) carried out a study in the United States with some focus being on innovation capability along with performance of public companies. This research utilized a mixed-methods research approach. Firstly, a survey was conducted among executives and innovation managers from various public companies in the United States to assess their innovation capability. The survey included questions on innovation processes, resources allocated to innovation, and innovation's impact on the corporation's performance. Secondly, financial data along with performance components were gathered and evaluated to measure the effect of innovation capability on general performance. The research demonstrated a positive effect of innovation capability along with performance of US public companies. Public companies that prioritized innovation and invested in research along with development showed higher growth in revenue, increased market share, along with enhanced profitability. Furthermore, the study revealed that innovation capability positively influenced the companies' ability to offer new products along with services, adapt to changes in the market, as well as maintain competitive edge. This study encountered a contextual gap, making its findings non-generalizable to the Kenyan context.

Martínez-Román et al. (2019), applying a longitudinal study, assessed the innovation capability along with performance of SMEs in Europe. The research team evaluated the SMEs' innovation capability using combined surveys, innovation audits, along with performance assessments based on financial indicators and market share. The research found a significant positive relationship between innovation capability along with Europeans performance SMEs' performance. SMEs embracing strong innovation culture and ability to foster creativity throughout the organization showed higher long-term profitability and

sustainable growth. Additionally, the research highlighted that SMEs that effectively managed innovation processes and resources were better equipped to respond to market challenges and capitalize on emerging opportunities. This research had a narrow scope in that it concentrated exclusively on innovation capabilities, excluding all other managerial aspects.

Hoang, & NGOC (2019) conducted a comparative analysis on innovation capability and performance of electronic companies in Vietnam. This research utilized a comparative case study design. Multiple electronic companies in Vietnam with different levels of innovation capability were selected for in-depth analysis. Data were collected through interviews, company reports, and public sources, and the researchers compared the electronic companies innovation practices and their respective performance outcomes. The study emphasized innovation capability's crucial role in influencing performance of electronic companies in Vietnam. Companies that demonstrated a strong commitment to innovation and continuous improvement showed higher levels of competitiveness, increased market presence, and enhanced brand reputation. Moreover, the research found that successful innovation capability in Vietnamese electronic companies relied on a combination of internal research and external collaborations with academic institutions and industry partners. This study encountered a contextual gap, making its findings non-generalizable to the Kenyan context

Leo et al. (2022) in their study in Brazil on innovation capabilities in agribusiness in Brazil, used a structured survey in assessing their innovation capability. The survey included questions related to innovation processes, investment in technology, and the integration of innovative practices into the corporation's strategy. Performance data were collected from official financial reports and analyzed alongside the innovation capability assessment. The research showed a positive relationship between innovation capability along with performance of agribusiness in Brazil. Companies that fostered a culture of innovation and

encouraged employees to contribute innovative ideas, demonstrated increased revenue growth and improved operational efficiency. Additionally, the study highlighted that innovation capability was a critical factor for companies aiming to differentiate themselves in the competitive Brazilian market. This study had a limited focus in that it concentrated solely on innovation capabilities, without considering other managerial aspects.

Research by Wahyuni et al. (2020) researched on innovation capability along with performance of ports in Indonesia. The research aimed to gain insights into the factors influencing innovation capability and how it impacted the overall performance of ports. The study found that ports that prioritized innovation and invested in talent development and technology showed higher levels of product/service differentiation and customer satisfaction. Furthermore, the research revealed that innovation capability positively influenced the ports' ability to adapt to changing market demands, respond to disruptive technologies, and explore new market opportunities. This study had a methodological gap in that it only used qualitative research design.

2.3 Summary of literature review and research gaps

Research consistently shows that networking capability significantly enhances organizational performance. Studies from various countries provide evidence for this relationship. Nu'man et al. (2020) revealed that US based SMEs with robust networking capabilities showed higher performance levels, increased efficiency, improved innovation, and enhanced market competitiveness. However, these findings are not generalizable to the Kenyan context, presenting a geographical gap. Anwar & Ali Shah (2020) observed that private companies in Pakistan with strong networking strategies demonstrated higher profitability and better product/service quality, though the study's reliance on a survey approach indicates a methodological gap. Similarly, Kurniawan et al. (2021) noted that public corporations in Japan with effective networking capabilities showed greater resilience and profitability, but the study

lacked specificity in defining networking capabilities, leading to a contextual gap.

Studies by Chen & Lin (2021) in China found that public entities with strong opportunity sensing capabilities exhibited high levels of revenue growth and market share, although their findings were limited to the Chinese context. Mikalef et al. (2021) showed similar results in Germany, highlighting a geographical gap. Dyduch et al. (2021) and Oliva et al. (2019) observed that SMEs in Japan and private companies in Brazil, respectively, optimized resources and capitalized on market trends due to strong opportunity sensing capabilities. However, Oliva's study had a methodological gap due to its exclusive use of a quantitative design.

Opportunity seizing capability is linked to better organizational performance, as shown in various studies. Baumbach et al. (2020) in the United States reported that private corporations with strong opportunity seizing capabilities experienced higher revenue growth and profitability, though the study's narrow focus presents a contextual gap. Heider et al. (2021) in Germany found that SMEs that effectively seized opportunities showed sustainable growth and resilience, with findings limited to Germany.

Innovation capability positively influences organizational performance, as evidenced by multiple studies. Martínez-Román et al. (2019) in Europe and Hoang & NGOC (2019) in Vietnam also observed positive impacts of innovation capabilities, though both studies faced contextual gaps. Leo et al. (2022) in Brazil and Wahyuni et al. (2020) in Indonesia reported similar benefits, with methodological gaps noted in Wahyuni's qualitative design study.

2.4: Tabular summary of literature review and research gaps

Table 2.1 Summary of literature review and research gaps

Author	Focus	Findings	Gaps	How the gaps will be filled.
Nu'man et al. (2020)	Social Networking and Company Performance: The Intermediary Role of Competitive Advantage and Sustainable Supply Chain	SMEs with robust networking capabilities demonstrated higher levels of performance compared to those with limited networking capabilities.	This research had a contextual limitation in that its results were not applicable to Kenya.	The current research will specifically focus on Kenya.
Anwar, & Ali Shah (2020)	Managerial Networking and Business Model Innovation	Companies with strong networking capabilities were better equipped to identify and pursue new business opportunities.	This study had a methodological gap in that it only used a survey approach.	This study will use descriptive survey and explanatory research design.
Kurniawan et al. (2021)	Networking Capability and Company Performance: The	Public corporations that effectively integrated networking	This study had a contextual gap in that it did not specify what networking	The current research will clearly highlight networking

	Intermediary Role of Market Orientation and Business Process Agility.	into their business strategies demonstrated greater resilience during economic downturns and exhibited higher profitability.	capabilities comprised of.	capabilities.
Chen, & Lin (2021)	Business Intelligence Skills and Corporate Success: An Analysis in China	Organizations with stronger opportunity- sensing abilities showed greater revenue growth, expanded market share, and improved profitability.	This research had a contextual limitation in that its results were not applicable to Kenya.	The current research will concentrate on the Kenya context, thus filling the geographical gap.
Mikalef et al. (2021)	Developing Dynamic Capabilities Through Big Data Analytics: The Impact of Organizational	Public companies with a proactive approach to opportunity sensing outperformed	This research had a contextual gap in that its results were not applicable to Kenya.	The current research will focus on Kenya, thus filling the geographical gap.

	Inertia	their peers in terms of innovation and market expansion.		
Dyduch et al. (2021)	Dynamic Capabilities, Value Creation, and Value Capture: Insights from SMEs During the COVID-19 Lockdown in Poland	SMEs with limited opportunity sensing capabilities struggled to adapt to changing market dynamics and faced challenges in achieving sustainable growth.	This research had a contextual limitation in that its results were not applicable to Kenya.	The current research will focus on Kenya, thus filling the geographical gap.
Baumbach et al. (2020)	Dynamic Capabilities for Opportunity Exploration: Lessons from an Exploratory Case Study	Effective opportunity-seizing was demonstrated to improve the corporations' competitive advantage.	This research had a narrow scope in that it concentrated exclusively on opportunity-seizing capabilities, omitting other managerial aspects.	The current study will take a broad approach to managerial capabilities with opportunity sensing being one of the capabilities.

Lam et al. (2021)	The Connection Between Organizational Culture, Knowledge Management, and Innovation Capability: Implications for Open Innovation	Innovation capability positively impacted companies' abilities to introduce new products and services, adapt to market changes, and sustain a competitive advantage.	This study had a contextual limitation in that its results were not applicable to Kenya.	The current study will focus on the Kenyan context, thus filling the geographical gap.
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Source: Researcher (2024)

2.5: Conceptual framework

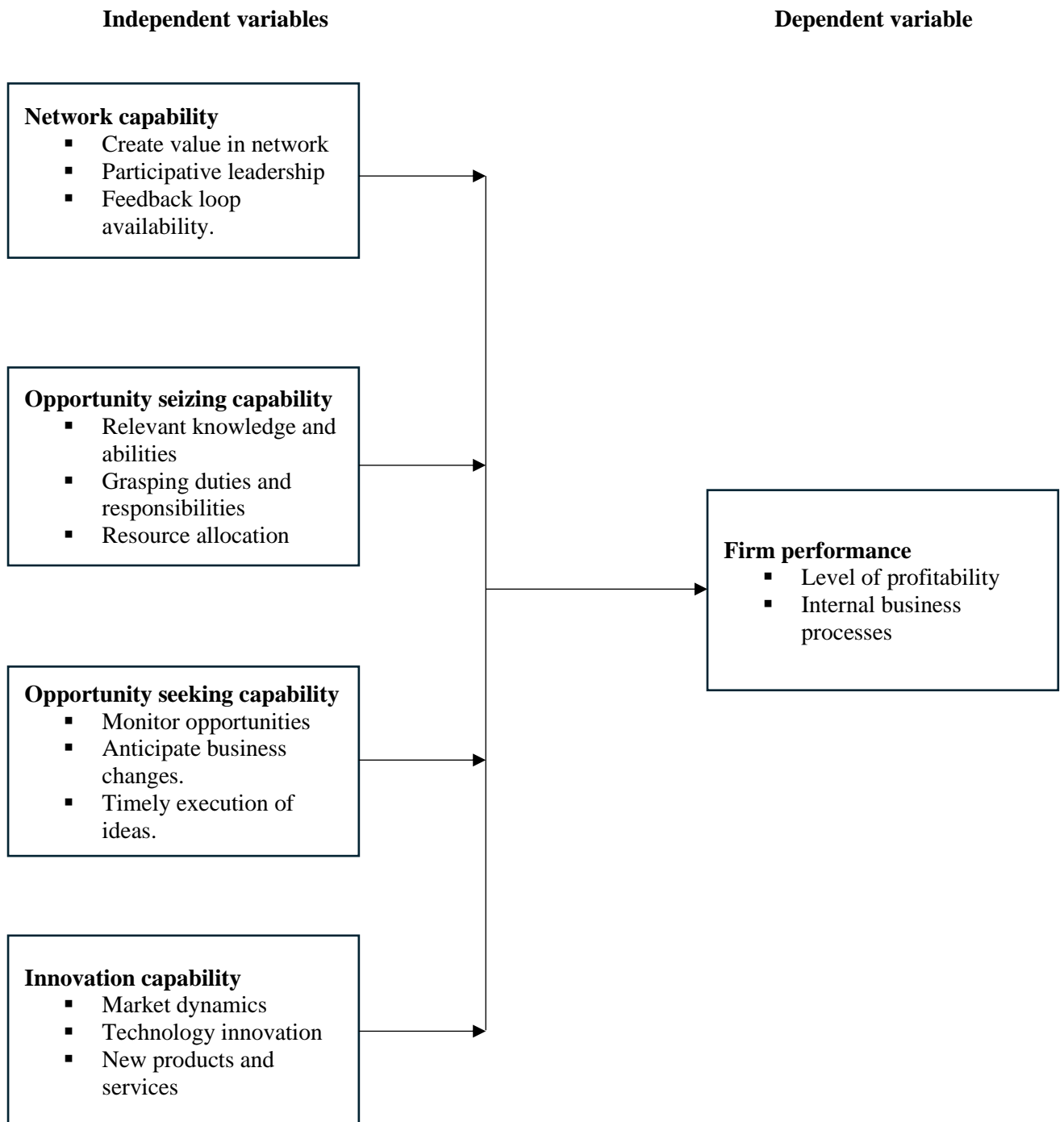


Figure 2.1: Conceptual framework

Source: Researcher (2024)

CHAPTER THREE

3 RESEARCH METHODOLOGY

3.0: Introduction

This chapter covers research design, target demographics, sampling methods, and sample size calculation. In addition, the chapter also captures the instruments and tools, data collection procedure, data analysis as well as presentation, validity and reliability along with ethical consideration.

3.1: Research design

The research employed descriptive survey and explanatory research design. A descriptive survey allows researchers to collect detailed information about the population being studied, in this case, Kenya Railways Corporation (Sileyew, 2019). This design is ideal for painting a comprehensive picture of the reality as it stands, capturing the current state of managerial capabilities and performance in these organizations. The rationale or rather justification for utilizing this research design in current study helped in giving the true view of how things are in Kenya Railways Corporation. On the other hand, explanatory research design was useful in finding relationships between variables. In this study, it can help establish relationship between managerial capability along with performance of Kenya Railways Corporation.

Moreover, the use of these two methodologies together can be extremely beneficial. While the descriptive survey provides a snapshot of the current status, the explanatory research design helps to interpret that information and establish connections, thus offering a deeper understanding of the issue at hand. This way, these research methodologies complement each other, providing a holistic view of the subject matter being studied. In this context, it can help policymakers and researchers identify areas of improvement, potential for growth, and aspects of policies that need revising as captured by Aggarwal, & Ranganathan

(2019).

3.2: Target population

The study's target population was derived from Kenya Railways Corporation which was the unit of analysis. This organization is chosen because of potential issues in financial management, governance, and operational efficiency. The unit of observation was employees from procurement, finance, operations and legal departments. The justification for the selection of these departments is because they are regarded as core or rather main ones in state corporations, with other departments assuming a supportive role in such entities. In addition, including employees from procurement, finance, operations, and legal departments will help in capturing diverse range of perspectives and experiences, allowing for a more comprehensive analysis of the identified risk factors and challenges. The study will target a total of 192 employees.

3.3: Sampling techniques

This study adopted a census sampling technique, and this is because of the smaller number of the target population. Given this case, all the staff from procurement, finance, operations and legal departments were considered in this research. The rationale for considering the utilization of a randomized approach is for every sample in the target population is given the same probability for consideration/selection, thus avoiding any possible bias.

3.4: Sample size determination

Mugenda and Mugenda (2003) notes that a sample size is representative if it is between 10% and 40% of the target population. This research utilized the lowest threshold, which is 10% of the target population in arriving at the study sample and this is presented as follows.

Table 3. 1: Sample size

Category	Target population	Sample size	Percentage of the total target sample
Procurement officers	52	52	26%
Finance officers	30	30	16%
Operations officers	84	84	44%
Legal officers	26	26	14%
Total	192	192	100%

Source: Researcher (2024)

3.5: Instrument and tools

Research instrument is a tool that is utilized in the collection, measurement and analyzing data that relates to focus area of research (Verma, Verma, & Abishek, 2024). The questionnaire was utilized as the primary data collection tool to back up the secondary data as captured in the literature review. The questionnaire comprised both open as well as closed ended questions will have several parts. These several parts outline the biographical information of the respondents, and the respective research objectives.

3.6: Data collection procedure

Given the nature of this study, the researcher utilized primary sources. A structured questionnaire was employed to gather information from the employees. The data collection process involved the drop and pick method, allowing respondents a two-week period to submit their responses. The questionnaire detailed both closed along with open ended questions.

3.7: Data analysis and presentation

Quantitative and qualitative techniques was employed in analyzing data. In addition, there was the use of linear regression model in the analysis of data to show the relationship between dependent along with independent variables. The analyzed data was then presented in figures, tables along with pie charts.

3.7.1: Regression model

The following regression model was:

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

Where,

Y_i = Performance of Kenya Railways Corporation

X_1 = Networking Capabilities

X_2 = Opportunity Sensing Capabilities

X_3 = Opportunity Seizing Capabilities

X_4 = Innovation Capabilities

β_0 = Constant term

$\beta_1, \beta_2, \beta_3, \beta_4$ = Coefficients of the Regression, ε = Error term

3.8: Piloting of the study

Piloting of the research was done at Kenya Power and Lighting Company (KPLC) Limited, which is one of the state corporations in Kenya. The aim of conducting a pilot study was to evaluate the validity along with reliability of research instruments, allowing for adjustments to ensure the study achieves its intended objectives. A total of 19 respondents derived from procurement, finance, operations and legal departments formed the sample of the pilot study.

3.8.1: Validity of the research instrument

Validity is a test used to assess whether a research tool accurately measures what it is designed to measure. Different types of validity are recognized. This research depended on content validity. The researcher consulted with the supervisor to determine if the research questions aligned with the study objectives. These consultations ensured that the research tool, specifically the questionnaire, would effectively meet the study's aims.

3.8.2: Reliability of the research instrument

Reliability pertains to consistency of a tool in producing results and whether it can yield stable results when administered to the same respondents multiple times. The reliability of the questionnaire in this research was assessed using the Cronbach's Alpha Coefficient, with McNeish (2018) setting the acceptable threshold at 0.7.

3.9: Ethical considerations

Approval was sought by the researcher from the university to provide permission to conduct the study. Apart from such approval, the other ethical consideration is in regard to participation, whereby this was voluntary in that no one was forced or coerced to participate in the research. In addition, the other ethical consideration is that all the responses by the study participants were treated with privacy and confidentiality and the respondents assured that their responses would only be used for this research and should thus not fear victimization. Additionally, all the sources used in this research were acknowledged.

CHAPTER FOUR

DATA ANALYSIS AND RESULTS

4.1: Introduction

The chapter outlines the analysis of the data gathered from the field, the response rate is given, background of the study participants, descriptive statistics, along with inferential statistics that involve correlation analysis as well as regression analysis. These are presented as below.

4.2: Response rate

This study had a response rate of 100% whereby all the target sample participated in the study. All the 52 procurement officers, 30 finance officers, 84 operations officers and 26 legal officers participated in this study. The participants to this research as reflected in the response rate is presented in table 4.1 as follows.

Table 4.1: Response rate

Category	Target Sample size	Respondents	Response rate
Procurement officers	52	52	26%
Finance officers	30	30	16%
Operations officers	84	84	44%
Legal officers	26	26	14%
Total	192	192	100%

Source: Researcher (2024).

4.3: Demographic findings

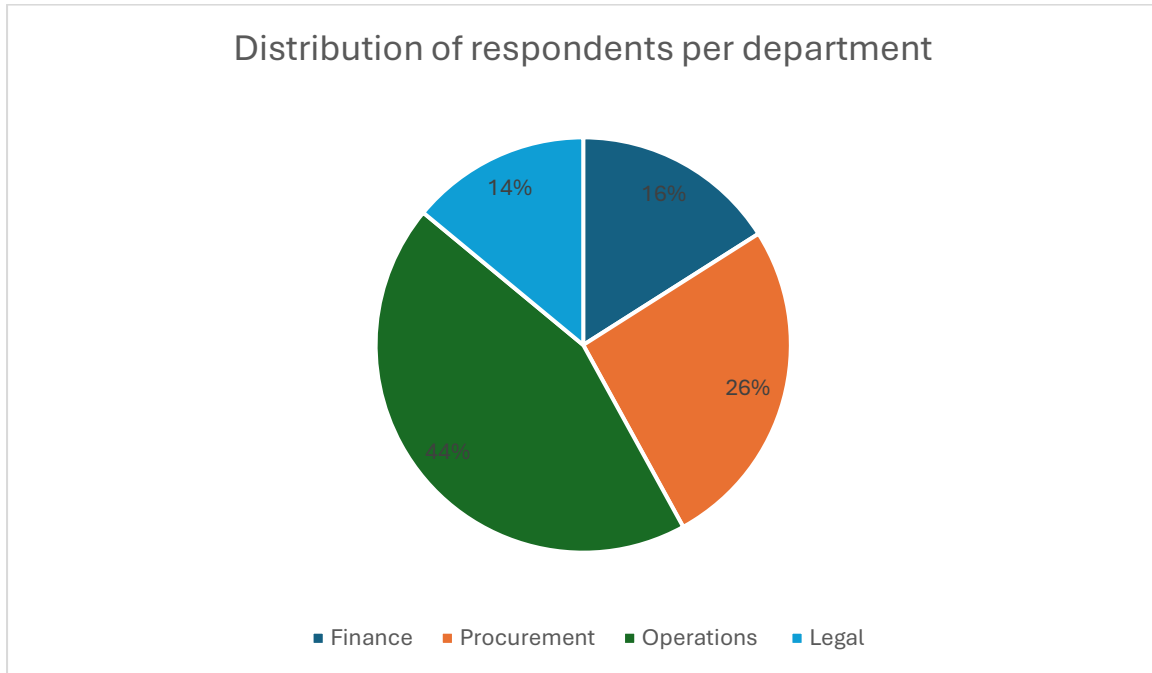
4.3.1: Department of Affiliation

The study participants were requested to confirm their departments of affiliation within the Kenya Railways Corporation. The departments that were put under consideration were legal department, operations department, finance department and procurement department. The selection of a wide array of these departments was so as to get a holistic overview of how managerial capabilities impact Kenya Railways Corporation's performance. The distribution

of respondents as per their respective departments is as follows; Procurement 52 (26%), Finance 30 (16%), Operations 84 (44%) and Legal 26 (14%)

The representation of the respondents as per their departments is presented as below.

Figure 4.1: Distribution of respondents per department

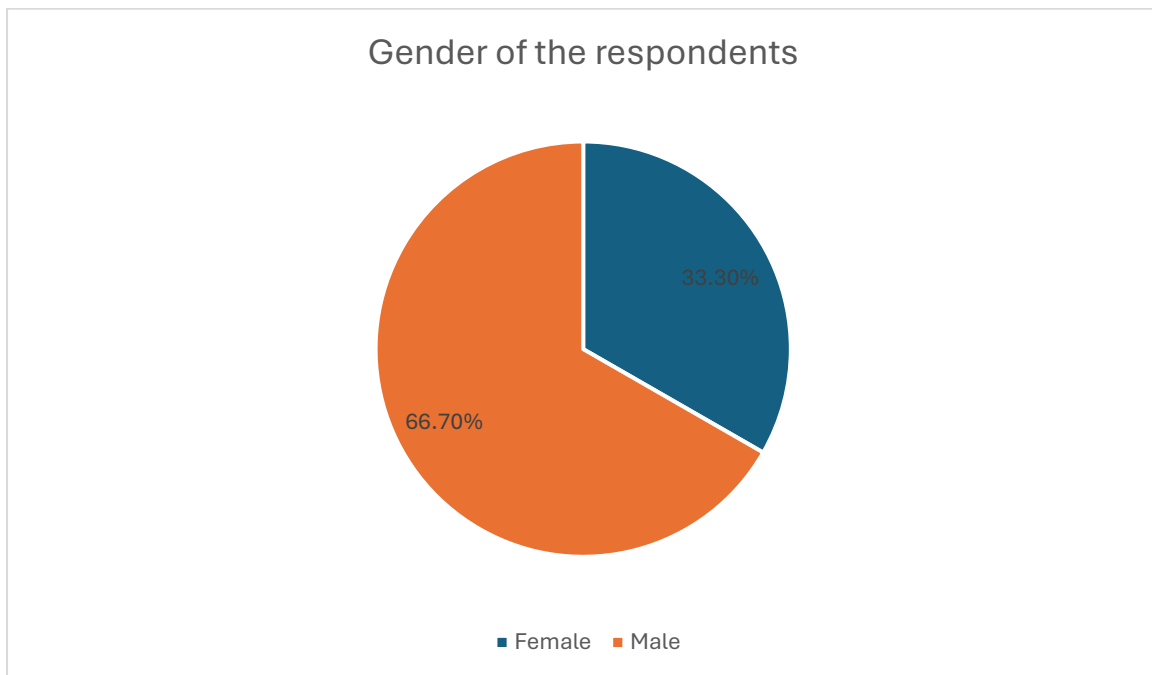


Source: Researcher (2024)

4.3.2: Gender of the respondents

The study respondents to this research were requested to highlight their gender. In this case, two selections were provided whereby they were supposed to confirm whether they are male or female. Of the 192 respondents, 64 (66.7%) of them confirmed that they were female, with the remaining 128 (33.3%) respondents confirming to be male. This is in line with the 1/3 gender rule indicating that the study had adequate representation as per the constitution. The gender of the respondents can be presented as below.

Figure 4.2: Gender of the respondents

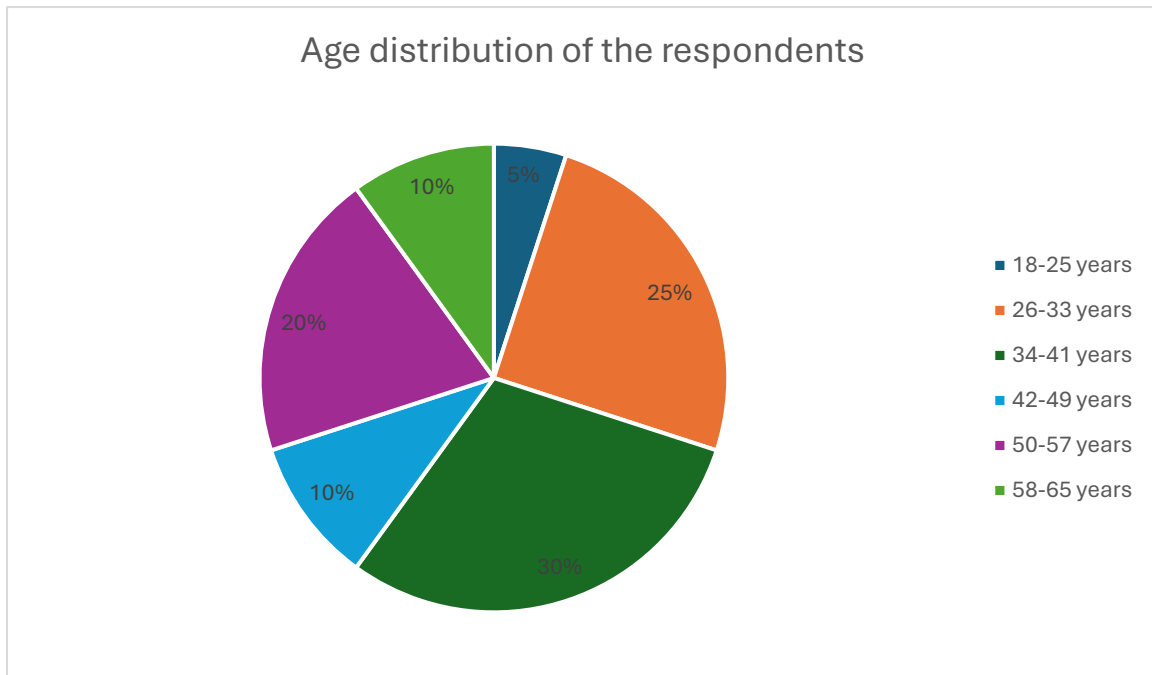


Source: Researcher (2024)

4.3.3: Age distribution of the respondents

Participants were prompted to outline their age bracket ranging from 18 years to 65 years. In this case, 5% (10) of the study participants revealed that they ranging were between 18 and 25 years. On the other hand, 25% (48) of the respondents confirmed that they were 26 and 33 years, with 30% (58) of the study participants revealed that they were between 34 and 41 years. Besides that, 10% (19) of the respondents indicated that they were between 42 and 49 years , with 20% (38) indicating that they were between 50 and 57 years. The remaining 10% (19) confirmed that they were between 58 and 65 years. The implication of this is that most of the respondents were beyond the youth bracket, implying high level of experience among the respondents. The distribution of study participants on the basis of age can be presented as follows.

Figure 4.3: Age distribution of the respondents

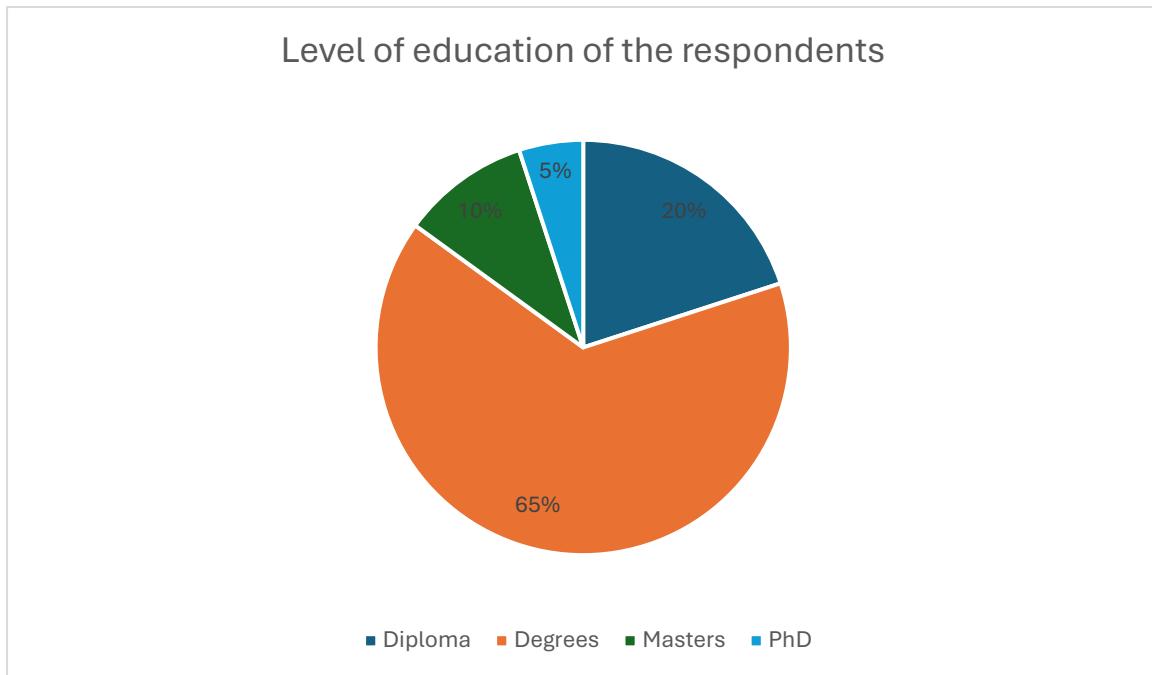


Source: Researcher (2024)

4.3.4: Level of education of the respondents

In addition, the study participants were also queried to confirm their education level. In this case, 20% of the respondent confirmed that they had diplomas. On the other hand, 65% of the study participants revealed that they had degrees, with 10% of the respondents indicating to have Masters. The remaining 5% of the study participants confirmed that they had PhDs. This reveals that most respondents were well educated and thus knowledgeable since most of them had degrees. The education level of the study participants can be presented as below.

Figure 4.4: Level of education of the respondents



Source: Researcher (2024).

4.4: Descriptive findings

Descriptive statistics were employed to examine the data, revealing the mean, standard deviation, number of observations, and the range of values. The results are shown in Table 4.1.

Table 4.2: Descriptive statistics

	Networking Capabilities	Opportuning Sensing	Opportunity Seizing	Innovation Capabilities	Performance
N	192	192	192	192	192
Mean	1.148	0.152	0.345	0.173	0.176
Median	0.175	0.850	0.287	0.119	0.245
Std Dev.	1.947	0.541	0.418	0.347	0.387
Min.	0.1430	0.1923	0.0645	0.0483	0.1829
Max.	1.861	0.241	0.391	0.196	1.036

Source: Researcher (2024)

Table 4.2 above indicates that the total count of observations is 192, covering all study variables. The average performance score is 0.176, with a standard deviation (SD) of 0.387, indicating consistency in the performance data. The minimum along with maximum values for performance are 0.1829 and 1.036, respectively, reflecting considerable variance. Innovation capabilities have a mean of 0.173 along with SD of 0.347, with highest and lowest values of 0.196 and 0.0483, suggesting a high level of innovation. Opportunity-seizing capabilities have a mean of 0.345, a SD of 0.418, and maximum and minimum values of 0.391 and 0.0645. Opportunity-sensing capabilities have a mean of 0.152 along with standard deviation of 0.541, with maximum and minimum values of 0.241 and 0.1923. Networking capabilities show a mean of 1.148, a SD of 1.947, and maximum and minimum values of 1.861 and 0.1430. A linear regression model was used to evaluate the impact of managerial capabilities on the performance of Kenya Railways Corporation.

Summary of the Model

Table 4.3 indicates the outcome of variations between independent variable (managerial capabilities) along with dependent variable (performance).

Table 4.3: Summary of the linear regression model

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	0.436 ^a	0.171	0.109	0.77428

Source: Researcher (2024).

The coefficient of determination (R^2) shown in Table 4.3 illustrates how the performance of Kenya Railways Corporation is affected by managerial capabilities, including networking, opportunity sensing, opportunity seizing and innovation capabilities. The correlation coefficient (R) assesses the strength of the linear association between dependent variable (Y) along with the independent variable (X). The coefficient of determination (R^2) reveals the percentage of variation in the

dependent variable that is explained by the independent variable(s).

The results show a correlation coefficient of $R = 0.171$ and a coefficient of determination of $R^2 = 0.109$. Since R is close to 1, this indicates a positive association between managerial capabilities (the independent variable) and performance (the dependent variable). The R^2 value suggests that 10.9% of the variance in performance is explained by managerial capabilities. This implies that other factors also impact performance, as discussed in the Analysis of Variance (ANOVA). Table 4.4 below presents the results of the ANOVA test.

Table 4.4: Results of ANOVA Test

Model 1	Sum of Squares	Df	Mean Square	F	Sig.
Regression	6.549	3	1.527	2.746	.033 ^b
Residual	30.239	51	.589		
Total	36.788	54			

Source: Researcher (2024).

The results shown in Table 4.4 indicate that the independent variable (managerial capabilities) has a limited significant impact on performance. This is supported by the low F value (2.746) along with a p-value (0.033), significant at 95% confidence level. These findings suggest management capabilities minimally affect performance of Kenya Railways Corporation. This conclusion contrasts with Olivia et al. (2019), who found that managerial capabilities, especially opportunity-sensing capability, positively and more substantially impact performance.

Table 4.5: Regression analysis results

Model 1	Unstandardized coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Significance level
Constant	3.169	.317		9.621	.000
Networking capabilities	.065	1.105	.006	.036	.412
Opportunity sensing capabilities	.103	.124	.184	.454	.296
Opportunity seizing capabilities	.051	.139	.054	.341	.409
Innovation capabilities	-.023	.139	.013	.248	.029

Source: Researcher (2024).

The regression results presented in Table 4.4 indicate that, at a 95% confidence level, innovation capabilities ($t = 0.248$, $p\text{-value} = 0.029$) had a negative and significant effect on performance, with a one-unit increase in innovation capabilities resulting in a -0.023 change in performance. Conversely, a one-unit increment in opportunity-seizing capabilities leads to a positive change in performance of 0.51 . Similarly, a one-unit increase in opportunity-sensing capabilities results in a 0.103 increase in performance, while a one-unit increase in networking capabilities leads to a 0.065 improvement in performance. All research variables had a positive impact on performance, as their p -values were below 0.5 . Additionally, the results revealed that even when all competencies are controlled for, performance would still change by 3.169 . The connection between performance along with core competencies was represented using the following regression equation;

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

Where;

Y = the dependent variable; performance of Kenya Railways Corporation

X1 = Networking capabilities

X2 = Opportunity sensing capabilities

X3 = Opportunity seizing capabilities

X4 = Innovation capabilities.

β_0 = Constant term

$\beta_1, \beta_2, \beta_3, \beta_4$ = Coefficients of the Regression, ε = Error term

The regression result summary is presented as follows:

$$Y = 3.169 + 0.06X_1 + 0.184X_2 + 0.054X_3 + 0.013X_4$$

This indicates that all managerial capabilities positively impacted performance, while other factors influenced performance by a unit of 3.169, which serves as the constant in regression equation. However, innovation capabilities negatively affect performance. According to these findings, it was recommended that the management of Kenya Railways Corporation should encourage innovation within their entities in a way that enhances performance.

4.4.1: Networking capability and performance.

The respondents to this research were asked to confirm whether there is robust or strong networking capability at Kenya Railways Corporation. In this case, there was a unanimous agreement whereby all the respondents indicated that there is strong networking capabilities at Kenya Railways Corporations. In addition, a follow up question was asked to the respondents seeking their opinion on whether they believe that the robust networking capabilities at Kenya Railways Corporations can lead to higher levels of performance. In this case, most respondents, 80%, revealed that they believe that networking capabilities is crucial in optimizing performance at Kenya Railways Corporations. Conversely, 20% of study participants

highlighted that they do not believe that networking capabilities was an important determinant of high-performance levels at Kenya Railways Corporations. The results by most respondents in this study affirms with that by Nu'man et al. (2020) who noted that SMEs with robust networking capabilities demonstrated higher levels of performance compared to those with limited networking capabilities. SMEs that effectively leveraged networking technologies and partnerships experienced increased efficiency, improved innovation, and enhanced market competitiveness.

Conversely, the study participants were also asked to confirm some of the benefits that can be derived from effectively leveraging networking technologies and partnerships. In this case, 20% of the respondents cited increased efficiency as one of the benefits of leveraging technologies and partnerships. On the other hand, 5% of the respondents confirmed that this move can lead to improved innovation, with 12% of the respondents indicating that leveraging technologies can enhance market competitiveness. Besides that, 10% of the respondents confirmed that adaptability to rapidly changing market conditions is another benefit that can be derived from leveraging networking technologies and partnerships. There was also the selection of capitalization on new opportunities as another benefit that can be attributed to effective leveraging of networking technologies and partnerships, and this was done by 8% of the study participants. The remaining 50% of the respondents, who are a majority based on the respective categories as captured initially, cited all the above benefits, with none of them indicating that there was no benefit that could be derived from leveraging networking technologies and partnerships. The finding by most respondents in this study affirms with that of research by Anwar, & Ali Shah (2020) in Pakistan, and Nu'man et al. (2020) in USA, both of whom found all the outlined benefits as cited.

The study participants were prompted to highlight the extent to which they are in agreement with the statement that Kenya Railways Corporation's active engagement in networking activities, including partnerships with research entities, suppliers, as well as customers, led to increased profitability, improvement in customer satisfaction, along with better product/service quality. In response, 60% of the respondents strongly agreed, 20% agreed, none expressed neutrality, 10% disagreed, with the remaining 10% strongly disagreed. The findings from the majority of respondents in this research indicated strong support for the idea that Kenya Railways Corporation's active engagement in networking activities, including partnerships with research entities, suppliers, as well as customers, led to increased profitability, improvement in customer satisfaction, along with better product/service quality is in line with that by Anwar, & Ali Shah (2020) who found similar benefits on their assessment of networking capability and performance of Pakistani's corporations.

A confirmation was made from the respondents on the impact of the recent covid-19 pandemic leading to economic downturns and the effect that this had on Kenya Railways Corporations. In this case, the study participants were asked to give an explanation on whether effective integration of networking into the corporation's strategies would help in demonstrating greater resilience in periods of economic downturns as well as exhibited higher profitability. The response by a majority of the respondents in this research, that is, 70% indicated that effective integration of networking in the corporation's strategy would effectively help it in surviving economic shocks. On other hand, the remaining 30% of the respondents indicated integration of networking in the corporation's strategy would not effectively help it in surviving economic shocks. The results by most respondents to the current study is in affirmation with that by Kurniawan et al. (2021) who found that entities that effectively integrated networking to their business strategies demonstrated greater resilience in the course of economic downturns and exhibited higher levels of profitability; with the period

of economic downturns in subject being related to COVID-19 pandemic era.

Public companies often engage with private companies in some form of partnerships as a way of increasing their market share and expanding their revenue growth. The study participants were asked to confirm whether their respective entity have been able to engage in collaborative networking relationships with private enterprises. In this case, 80% of the study participants indicated that their entity had engaged in partnerships with private entities, with the remaining 20% of the respondents not giving a nod on the claim that their organizations have partnered with private entities. For the 80% of the respondents who confirmed that they had some sort of partnership with private entities, a follow up question was posed to check on the benefits that this had on Kenya Railways Corporations. In this case, there was unanimous confirmation whereby it was indicated that this move led to an increase in market share. This finding by 80% of the respondents is in line with that by Nave, & Ferreira (2023) who found that medium-sized enterprises that actively enforced collaborative networking relationships with the private enterprises and other public institutions experienced increased market share, and also added that such entities also had higher revenue growth.

4.4.2: Opportunity sensing capability and performance.

A question was posed to the respondents regarding opportunity sensing capability and performance. In this case, the study participants to the research were requested to indicate their belief on the existence of opportunity sensing capability at Kenya Railways Corporations. In this regard, there was a unanimous agreement whereby all the respondents confirmed that there exists this capability at Kenya Railways Corporations. A further follow up question was made to the respondents who believed that there exist strong opportunity sensing capabilities to confirm the benefits that opportunity sensing capabilities bring to Kenya Railways Corporations. In this case, 20% of the respondents indicated that such capabilities led to increased revenue growth. Conversely, 15% of the study participants indicated that opportunity

sensing capabilities led to the expansion of market share, with only 10% indicating that such capabilities led to improved profitability. The remaining 55% of the respondents indicated that all the said benefits were derived from opportunity sensing capabilities with none of the respondents indicating that no benefit was gained from such capabilities. The findings by most respondents to this study who highlighted that multiple benefits can be derived from opportunity sensing capabilities is in line with that by Chen, & Lin (2021) who found that corporations that have high levels of opportunity sensing capabilities demonstrated increased growth in revenue, expansion of market share, and improved profitability.

A statement was given to the respondents with the aim of confirming their level of agreement to it. The statement suggests that companies that performed well in identifying and capitalizing on emerging opportunities achieved sustainable growth and maintained competitiveness.. In this case, 70% of the respondents expressed strong agreement with the claim that entities that recognized and seized opportunities experienced sustained growth and competitiveness, with 10% of the study respondents showed agreement. Conversely, 15% of participants expressed disagreement with the remaining 5% of the respondents expressing strong disagreement. None of the respondents expressed neutrality. The findings from most respondents in this study, who expressed strong agreement, align with those of Mikalef et al. (2021), who found that companies excelling in recognizing as well as seizing emerging opportunities achieved sustained growth along with competitiveness..

Respondents were also asked whether they believe corporations with strong opportunity sensing capabilities are more agile in the identification of potential market threats as well as opportunities. In response, 90% of the respondents affirmed that they believe corporations with robust opportunity sensing capabilities are indeed more adept at recognizing market threats and opportunities. The remaining 10% of the respondents had a contrary opinion indicating a lack of belief of strong opportunity sensing capability as a gate pass to identifying market threats

and opportunities.

A further follow up question was made to this concern to get the exact claim whereby the respondents were asked to give a brief explanation of their stand. In this regard, there was a unanimous response by the 90% of the respondents who gave a nod that strong opportunity sensing capabilities can make an entity more agile in the identification of potential market threats along with opportunities whereby they indicated that such a capability can lead to optimization in resource allocation. This confirmation by most participants to the research affirms with that by Dyduch et al. (2020) who found that SMEs that demonstrated strong opportunity sensing capabilities were more agile in the identification of potential market threats as well as opportunities. This allowed them to optimize their resource allocation, enhance cost efficiency, and capitalize on emerging trends.

The respondents to the research were also asked to confirm whether opportunity sensing capability is linked with good financial performance. In this case, there was a unanimous agreement by the respondents whereby all of them, 100%, indicated that such capability led to an improvement in financial performance. This finding by all the study participants to the study affirms with Oliva et al. (2019) whose research demonstrated a positive effect between opportunity sensing capability and performance of private companies in Brazil. Further indicating that companies with higher opportunity sensing capabilities showed better financial performance, including increased profitability and market growth.

4.4.3: Opportunity seizing capability and performance.

One of the capabilities of a corporation that can help in capitalizing on the identified opportunities is the opportunity seizing capability. Given this case, the respondents to this research were asked to outline the advantages that this unique capability brings. In this case, some respondents to this research, 20%, indicated that opportunity seizing capability led to higher revenue growth. Conversely, 10% of the study participants indicated that increased

market share is a benefit that can be derived from opportunity seizing capability, with 5% of the respondents citing improved profitability as an advantage that can be attributed to opportunity seizing capability. No respondent indicated that there was no benefit that could be derived from this capability, with the remaining 65% of the respondents, who are a majority, indicating multiple benefits including higher growth in revenue, increased market share and increased profitability. The findings from the majority of respondents, who highlighted multiple advantages, align with those of Baumbach et al. (2020), who reported that private corporations demonstrating the ability to capitalize on identified opportunities experienced higher growth in revenue, expanded market share, and increased profitability.

The respondents to the research were also asked to confirm their thoughts on whether they think opportunity seizing capability has a significant influence on the long-term performance of Kenya Railways Corporations. In this case, 95% of the respondents indicated that they think that such capabilities helped in influencing long-term performance, with the remaining 5% of the respondents having a contrary opinion.

A further inquiry was made to the respondents with the aim of confirming their level of agreement on the assertion that corporations that exhibited a proactive approach to seizing opportunities demonstrated higher revenue growth and market expansion. In this case, 60% of the respondents expressed strong agreement, 20% indicating agreement with no respondent expressing neutrality. On the other hand, 15% of the respondents expressed disagreement, with the remaining 10% of the respondents expressing strong disagreement. The results by most respondents in this study who expressed strong agreement and agreement respectively affirms with that by Karami et al. (2022) who also found that corporations that exhibited a proactive approach to seizing opportunities demonstrated higher revenue growth and market expansion. These researchers further elaborated that successful opportunity seizing was found to be closely linked to effective resource allocation, strategic partnerships, and customer-focused

innovation.

Response was also sought from the respondents on whether they believe that corporations that are quick to identify and capitalize on opportunities can experience higher levels of profitability and growth in their market share. In this regard, 90% of the respondents expressed positive affirmation, or rather gave a nod to this statement that they believe that increased levels of profitability and an increment in the market share can be derived from opportunity seizing capability. Conversely, the remaining 10% of the study participants highlighted that they do not believe that there can be an increase in profitability and growth in market share as a result of capitalizing on opportunities. The results by most respondents in this research affirms with that by Oliva et al. (2019) in Brazil who found that private companies that were faster in the identification and investment in the identified opportunities experienced higher profitability and growth in market share.

The respondents were also requested to provide an elaboration of the linkages between opportunity seizing capability and risk management. In this case, 65% of the respondents to this research were of the opinion that opportunity seizing capabilities made firms to be more risk takers than risk averse. As a result, most firms were ready to take on calculated risks as a result of the opportunity seizing capabilities. Conversely, the remaining 35% of the respondents indicated that opportunity seizing capabilities exposed the firms to risks as most of them could take any risk that comes its way as a result of this capability. The results by most respondents in this study affirms Aghimien et al. (2023) who found that opportunity seizing capability closely related to strategic risk management. These researchers further elaborated that corporations that encouraged a culture of entrepreneurial thinking and supported their employees' creativity exhibited stronger opportunity seizing capabilities and achieved higher levels of success in the market.

4.4.4: Innovation capability and performance.

The respondents were allowed to give some benefits that are strongly related to innovation capability. In this case, 80% of the respondents to this research cited higher revenue growth as a benefit derived from innovation capability. On the other hand, 15% of the study participants indicated increased market share as a benefit that can be derived from innovation capability, while 5% of the respondents indicated that such capabilities enhanced profitability. No respondent indicated that there was no benefit derived from innovation capability nor all the benefits collectively.

Moreover, the study participants to this study were requested to indicate the extent in which they are in agreement with the claim that corporations with a strong innovation culture and the ability to foster creativity throughout the organization showed higher long-term profitability and sustainable growth. In this case, 25% of the respondents expressed strong agreement, with 10% of the study participants expressing agreement. Conversely, 5% of the study participants showed neutrality, with 25% expressing disagreement. The remaining 35% of the respondents expressed strong disagreement. The results by most of the study participants in this study does not affirm with that by Martínez-Román et al. (2019) who noted that embracing strong innovation culture and ability to foster creativity throughout the organization showed higher long-term profitability and sustainable growth.

The study participants were also asked to brainstorm and give the importance of having a strong commitment to innovation. In this case, most of the respondents, that is, 85% indicated that organizations that embraced innovation were able to easily adjust to changes in the market as far as technology adoption is concerned. On the other hand, the remaining 15% of the study participants signaled increment in profitability as one of the importance that is attributed to an organization's commitment to innovation. The findings by a majority of the respondents who indicated that innovation capability can make an organization to easily adapt to technology is in affirmation to that by Martínez-Román et al. (2019) who found that corporations that

effectively managed innovation processes and resources were better equipped in responding to market challenges as well as capitalize on the emerging opportunities; in which technology is part of it.

An inquiry was made to the respondents whereby they were expected to confirm whether Kenya Railways Corporations encouraged employees to come up with innovative ideas. In this case, 20% of the respondents indicated that there were no provisions for innovation at Kenya Railways Corporations, with 80% of the respondents confirming that their organization gave the employees room for getting innovative. The benefit that this brought to the organization is that of increased competitiveness in the market and this is as unanimously confirmed by the 80% of the study participants. The results by most study participants in this study affirms with one of the benefits cited in research by Hoang, & NGOC (2019) who found that companies that demonstrated a strong commitment to innovation and continuous improvement showed higher levels of competitiveness, increased market presence, and enhanced brand reputation.

One of the reasons why many entities are striving to be as innovative as possible is so as to increase customer satisfaction. Given this case, the respondents of the study were told to confirm whether they believe innovation can help in attaining this end. In this case, 60% of the respondents indicated that innovation can help in providing solutions to challenges that could have been reported by the customers in the market, and this can subsequently lead to customer satisfaction. Conversely, 40% of the study participants indicated that innovation only helped in providing solutions to an organization more than it could do to the clients, hence does not necessarily lead to customer satisfaction. The findings by a minority of the study participants to this study is in affirmation with Leo et al. (2022) who noted that innovation capability was a critical factor for companies aiming to differentiate themselves in the competitive Brazilian market.

CHAPTER FIVE

DISCUSSION, CONCLUSION, AND RECOMMENDATIONS

5.1: Discussion

5.1.1: Networking capability and performance.

The research findings indicate a prevailing consensus among respondents regarding the significance of robust networking capabilities at Kenya Railways Corporations. A substantial 80% of participants express the belief that strong networking capabilities led to superior performance at Kenya Railways Corporations. However, a notable 20% of respondents hold a contrary opinion, asserting that networking capabilities do not play a pivotal role in determining high performance in high-risk state corporations.

In exploring the benefits derived from leveraging networking technologies and partnerships, the research unveils a spectrum of perceived advantages. While 20% of participants highlight increased efficiency, 5% underscore improved innovation, and 12% emphasize enhanced market competitiveness. Additionally, 10% acknowledge the importance of adaptability to rapidly changing market conditions, and 8% recognize the potential for capitalizing on new opportunities. A majority of 50% of respondents, representing diverse categories, affirm all of these benefits, with none indicating a lack of benefits from effective networking technologies and partnerships.

Furthermore, the research delves into the perceived impact of Kenya Railways Corporations' engagement in networking activities, including partnerships with research entities, suppliers, as well as customers. A substantial 80% of respondents express strong agreement that such engagements result in higher profitability, increased customer satisfaction, along with better product/service quality. However, 10% of participants express disagreement, and an additional 10% strongly disagree with this assertion, showcasing some divergence in opinions regarding the outcomes of corporations actively involved in networking activities.

Examining the impact of recent COVID-19 pandemic on high-risk state corporations, the research sought to understand whether Kenya Railways Corporation's effective networking integration in their business strategies demonstrated greater resilience in periods of economic downturns. A significant 70% of respondents affirm that Kenya Railways Corporation's strong networking capabilities were indeed more resilient and made the organization effectively navigate economic shocks that are attributed to pandemic. In contrast, the remaining 30% claim that strong networking capabilities did not serve as effective shock absorbers during the economic challenges caused by COVID-19.

Furthermore, the research explored the engagement of Kenya Railways Corporations in collaborative networking relationships with private enterprises. An overwhelming 80% of respondents confirmed that Kenya Railways Corporations have actively participated in partnerships with private entities, underscoring the prevalence of such collaborations. Among those engaged in partnerships, 100% unanimously agree that these collaborations led to a notable increase in market share.

5.1.2: Opportunity sensing capabilities and performance.

The research delves into the correlation between opportunity sensing capability and performance. In this regard, the study participants were requested to confirm whether they believe that Kenya Railways Corporations have strong opportunity sensing capabilities. In this case, 90% of study participants noted that they believe that corporations had strong opportunity sensing capabilities, with the remaining 10% of the respondents indicating that they do not believe that the corporation has such capabilities. No respondent indicated that they were not sure. Among the respondents, 20% attribute increased revenue growth to opportunity sensing capabilities, while 15% emphasize the expansion of market share. Additionally, 10% acknowledge improved profitability as a benefit. A notable majority, constituting 55% of respondents, asserts that all the mentioned benefits are derived from opportunity sensing

capabilities, with none indicating a lack of benefits.

Respondents were presented with a statement gauging their agreement on the assertion that companies excelling in the recognition and seizing emerging opportunities undergo sustained growth as well as enhanced competitiveness. A substantial 70% of participants expressed strong agreement, while 10% conveyed agreement. Conversely, 15% disagreed, and 5% strongly disagreed, showcasing diverse opinions on the relationship between opportunity recognition and sustained growth.

Furthermore, respondents were asked to share their beliefs regarding the agility of corporations with strong opportunity sensing capabilities in the identification of potential market threats as well as opportunities. A significant 90% of respondents affirmatively believe that such corporations are more agile in recognizing market dynamics. The remaining 10%, however, hold a contrary opinion. Upon further inquiry, the 90% majority explained that strong opportunity sensing capabilities enable entities to optimize resource allocation, contributing to heightened agility in identifying market threats and opportunities.

In examining the association between opportunity sensing capability and financial performance, the research reveals unanimous agreement among respondents. All 100% of participants concur that opportunity sensing capabilities contribute to improved financial performance. Higher opportunity sensing capabilities lead to enhanced financial performance, including increased profitability and market growth.

5.1.3: Opportunity seizing capability and performance

Examining the impact of opportunity seizing capability on performance, respondents were queried on the advantages attributed to this distinctive capability within high-risk state corporations. A segment of respondents, constituting 20%, identified higher revenue growth as a benefit resulting from opportunity seizing capability. Additionally, 10% emphasized the advantage of increased market share, while 5% pointed to improved profitability. Remarkably,

none of the respondents indicated a lack of benefits, and the majority, comprising 65%, asserted multiple advantages encompassing higher growth in revenue, increased market share, and increased profitability.

The participants were further probed on their perspectives regarding the significant influence of opportunity seizing capability on the performance of Kenya Railways Corporation. A resounding 95% expressed the belief that such capabilities play a crucial role in influencing long-term performance, with only 5% holding a contrary opinion.

Exploring the proactive approach to seizing opportunities, respondents were presented with a statement assessing their agreement with the idea that corporations demonstrating a proactive approach achieve higher revenue growth and market expansion. The findings reveal a significant 60% expressing strong agreement, with an additional 20% indicating agreement. In contrast, 15% disagreed, and 10% strongly disagreed.

Moreover, respondents were asked to share their beliefs on whether corporations quick to identify and capitalize on opportunities could experience higher levels of profitability and growth in market share. A substantial 90% affirmed this statement, believing that opportunity seizing capability contributes to increased profitability and growth in market share. Conversely, 10% expressed skepticism, indicating a lack of belief in the direct correlation between opportunity seizing and improved financial metrics.

The research also sought insights into the linkages between opportunity seizing capability and risk management. A significant 65% of respondents believed that opportunity seizing capabilities make firms more inclined to take calculated risks rather than being risk-averse. This perspective suggests that such capabilities encourage a proactive approach to calculated risks. On the contrary, 35% of respondents contended that opportunity seizing capabilities expose firms to risks, as these firms might be prone to taking on any risk that comes their way.

5.1.4: Innovation capability and performance.

The respondents were allowed to give some benefits that are strongly related to innovation capability. In this case, 80% of the respondents to this research cited higher revenue growth as a benefit derived from innovation capability. On the other hand, 15% of the study participants indicated increased market share as a benefit that can be derived from innovation capability, while 5% of the respondents indicated that such capabilities enhanced profitability. No respondent indicated that there was no benefit derived from innovation capability nor all the benefits collectively.

Moreover, the study participants to this study were requested to indicate the extent in which they are in agreement with the claim that corporations with a strong innovation culture and the ability to foster creativity throughout the organization showed higher long-term profitability and sustainable growth. In this case, 25% of the respondents expressed strong agreement, with 10% of the study participants expressing agreement. Conversely, 5% of the study participants showed neutrality, with 25% expressing disagreement. The remaining 35% of the respondents expressed strong disagreement.

The study participants were also asked to brainstorm and give the importance of having a strong commitment to innovation. In this case, most of the respondents, that is, 85% indicated that organizations that embraced innovation were able to easily adjust to changes in the market as far as technology adoption is concerned. On the other hand, the remaining 15% of the respondents signaled increased profitability as one of the importance that is attributed to an organization's commitment to innovation.

An inquiry was made to the respondents whereby they were expected to confirm whether Kenya Railways Corporation encouraged employees to come up with innovative ideas. In this case, 20% of the respondents indicated that there were no provisions for innovation in their respective organizations, with 80% of the respondents confirming that their organization gave the employees room for getting innovative. The benefit that this brought to Kenya

Railways Corporation is that of increased competitiveness in the market and this is unanimously confirmed by the 80% of the respondents.

One of the reasons why many entities are striving to be as innovative as possible is so as to increase customer satisfaction. Given this case, the respondents of the study were told to confirm whether they believe innovation can help in attaining this end. In this case, 60% of the respondents indicated that innovation can help in providing solutions to challenges that could have been reported by the customers in the market, and this can subsequently lead to customer satisfaction. Conversely, 40% of the study participants indicated that innovation only helped in providing solutions to an organization more than it could do to the clients, hence does not necessarily lead to customer satisfaction.

5.2: Conclusion

5.2.1: Networking capability and performance

In summary, the research findings illuminate a consensus among respondents on the pivotal role of robust networking capabilities at Kenya Railways Corporation. While the majority acknowledges the positive impact of strong networking capabilities on performance, a notable segment holds a contrary view, suggesting a distinctive perspective within the surveyed population. The study also underscores the diverse spectrum of benefits derived from effective networking technologies and partnerships, aligning with previous research. Additionally, it explores the perceived impact of networking activities, with a substantial majority affirming the positive outcomes on profitability, customer satisfaction, and product/service quality.

Examining the response to COVID-19, the research noted that Kenya Railways Corporations' integration of effective networking in their strategies demonstrated greater resilience during economic downturns. However, a segment contends that strong networking capabilities did not effectively absorb the shocks brought about by the pandemic. Finally, the engagement of Kenya Railways Corporation in collaborative networking relationships with

private enterprises emerges as a prevalent practice, with unanimous agreement that such partnerships contribute to increased market share. These findings collectively highlight the dynamics of networking in high-risk state corporations, emphasizing its multifaceted impact on performance, resilience, and collaborative growth.

5.2.2: Opportunity sensing capabilities and performance

The research delves into the correlation between opportunity sensing capability and performance within Kenya Railways Corporation. Respondents highlight increased growth in revenue, market share expansion, and increased profitability as benefits of cultivating opportunity sensing capabilities. Moreover, participants express diverse opinions on the relationship between excelling in the recognition as well as seizing upcoming opportunities and sustained growth. While a substantial majority agrees, a segment disagrees with the notion that seizing opportunities leads to sustained growth and enhanced competitiveness. Respondents also affirm their belief in the agility of corporations with strong opportunity sensing capabilities in the identification of potential market threats along with opportunities, aligning with research suggesting that such capabilities contribute to heightened agility in adapting to market trends and optimizing resource allocation. Additionally, unanimous agreement exists among participants that opportunity sensing capabilities contribute to improved financial performance, echoing previous research positively correlate between these capabilities and the performance of private companies.

5.2.3: Opportunity seizing capabilities and performance

Examining the impact of opportunity seizing capability on performance of Kenya Railways Corporations, respondents pointed to various advantages, including higher growth in revenue, increased market share, and increased profitability. Participants overwhelmingly expressed the belief that opportunity seizing capabilities play a critical role in influencing long-term performance, with only a minority holding a contrary opinion.

Furthermore, participants agreed on the proactive approach to seizing opportunities, with the majority acknowledging the positive correlation between proactive opportunity seizing and higher revenue growth, as well as market expansion. The study also explored participants' beliefs regarding the connection between opportunity seizing capability and risk management. While a significant majority perceived opportunity seizing capabilities as encouraging calculated risks, a minority contended that such capabilities expose firms to risks.

5.2.4: Innovation capabilities and performance.

In conclusion, the research underscores the diverse benefits associated with innovation capability within corporations. Participants predominantly recognize higher revenue growth as a key advantage, while a substantial number perceives increased market share and enhanced profitability. Despite varied views on the correlation between innovation culture and long-term profitability, a majority asserts that organizations embracing innovation adapt more effectively to technological changes, fostering increased competitiveness.

Furthermore, the inquiry into employee innovation confirms that a significant portion of respondents attests to Kenya Railways Corporation's encouragement of innovative ideas, resulting in increased market competitiveness. Notably, while a majority believes innovation contributes to customer satisfaction by addressing market challenges, a minority views innovation primarily as an organizational benefit rather than a customer-centric approach.

5.3: Recommendations

5.3.1: Enhancing networking strategies

To capitalize on the recognized significance of networking capabilities, Kenya Railways Corporation should consider enhancing their networking strategies. This involves fostering robust internal and external networking, leveraging advanced technologies, and fostering partnerships with various stakeholders. Engaging in industry events and collaborative initiatives can further augment networking capabilities, providing avenues for knowledge exchange and collaborative growth.

5.3.2: Optimizing opportunity sensing

To maximize the benefits associated with opportunity sensing capabilities, Kenya Railways Corporation should invest in refining their ability to recognize and seize emerging opportunities. This includes continuous training for employees, staying abreast of market trends, and implementing agile decision-making processes. Kenya Railways Corporation should concentrate on creating a culture which promotes innovative thinking and proactive approaches, aligning with the demonstrated positive correlation between opportunity sensing and financial outcomes.

5.3.3: Strengthening opportunity seizing capabilities

Building on the identified advantages of opportunity seizing capabilities, Kenya Railways Corporation should emphasize strategies that enhance responsiveness to market opportunities. This involves fostering a proactive organizational culture, establishing strategic partnerships, and investing in customer-focused innovation. Additionally, Kenya Railways Corporation should implement effective risk management practices to ensure that the pursuit of opportunities aligns with calculated and strategic decision-making.

5.3.4: Promoting innovation culture

Recognizing the diverse benefits attributed to innovation capabilities, Kenya Railways Corporation should actively foster a culture that embraces innovation and creativity. This includes establishing mechanisms to encourage employees to generate innovative ideas, promoting continuous improvement, and investing in resources that support innovation processes. Kenya Railways Corporation should leverage innovation not only for internal organizational benefits but also as a customer-centric approach, aligning with the potential to enhance customer satisfaction and address market challenges.

5.3.5: Continuous evaluation and adaptation

Given the dynamic nature of business environments, it is essential for Kenya Railways Corporation to continuously evaluate and adapt their networking, opportunity sensing, seizing, and innovation capabilities. Regular assessments of the effectiveness of these strategies, incorporating feedback from internal and external stakeholders, will enable organizations to stay agile and responsive to evolving market conditions.

5.4: Recommendations for future research

Future researchers may focus on the following possible research topics:

1. Intersection of technology adoption and managerial capabilities in state corporations in Kenya.
2. Influence of external stakeholders, including government bodies, regulatory agencies, and public opinion, on managerial decision-making within state corporations in Kenya.
3. Comparative study analyzing managerial capabilities and performance across different sectors within state corporations in Kenya.

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APPENDICES

Appendix1: Questionnaire.

PART A: General information.

1. Which department are you affiliated to?
 - Legal department
 - Operations department
 - Finance department
 - Procurement department
2. Which is your gender?
 - Male
 - Female
3. Which is your age bracket?
 - 18-25 years
 - 26-33 years
 - 34-41 years
 - 42- 49 years
 - 50-57 years
 - 58-65 years
4. What is your level of education?
 - Diploma
 - Degree
 - Masters
 - PhD

PART B: Networking capability and performance.

1. Is there strong or robust networking capabilities at Kenya Railways Corporations?
 - Yes
 - No
 - Not sure

1. If yes in 1 above, do you believe that robust networking capabilities leads to higher levels of performance at Kenya Railways Corporations?

Yes.

No.

2. Which are the benefits of effectively leveraging networking technologies and partnerships?

Increased efficiency.

Improved innovation.

Enhanced market competitiveness.

Adapt to rapidly changing market conditions.

Capitalize on new opportunities.

All of the above

None of the above

3. How much do you agree with the following statement? The active participation of Kenya Railways Corporation in networking activities, including collaborations with research institutions, suppliers, and customers, results in increased profitability, enhanced customer satisfaction, and improved product or service quality.

Strongly agree

Agree

Neutral

Disagree

1. If yes in 1 above, do you believe that robust networking capabilities leads to higher levels of performance at Kenya Railways Corporations?

Yes.

No.

2. Which are the benefits of effectively leveraging networking technologies and partnerships?

Increased efficiency.

Improved innovation.

Enhanced market competitiveness.

Adapt to rapidly changing market conditions.

Capitalize on new opportunities.

All of the above

None of the above

3. How much do you agree with the following statement? The active participation of Kenya Railways Corporation in networking activities, including collaborations with research institutions, suppliers, and customers, results in increased profitability, enhanced customer satisfaction, and improved product or service quality.

Strongly agree

Agree

Neutral

Disagree

Strongly disagree

4. At some point, it is clear that Kenya Railways Corporation was impacted by economic downturns, particularly during COVID. Do you agree that effectively incorporating networking into the corporation's strategies would enhance its resilience during economic downturns and lead to increased profitability? Please explain.

5. Companies that actively engaged in collaborative networking relationships with private businesses and public institutions saw greater revenue growth and market share expansion. Has your organization extended its networks to include private enterprises, and if so, what benefits have you observed?

PART C: Opportunity sensing capability and performance.

1. Do you believe that Kenya Railways Corporation has strong opportunity sensing capabilities?
 - Yes
 - No
 - Not sure

2. If yes in 1 above, what are the benefits derived by Kenya Railways Corporations from strong opportunity sensing capabilities?
 - Increased revenue growth
 - Market share expansion
 - Improved profitability
 - All of the above
 - None of the above

3. How much do you agree with this statement? Companies that excelled in identifying and capitalizing on emerging opportunities experienced ongoing growth and maintained competitiveness.
 - Strongly agree
 - Agree
 - Neutral
 - Disagree
 - Strongly disagree

3. Do you believe that companies with robust opportunity-sensing skills are more adept at identifying potential market threats and opportunities?

Yes

No

4. Explain your selection in 3 above.

5. Is the ability to sense opportunities linked to better financial performance? Please elaborate.

PART D: Opportunity seizing capability and performance.

1. The ability to seize opportunities is closely linked to a company's capacity to leverage identified opportunities. Please identify the benefits a company is likely to achieve from this.

Higher revenue growth

Increased market share

Improved profitability

All of the above

None of the above

1. Do you believe that the capability to seize opportunities significantly impacts the long-term performance of Kenya Railways Corporation? Please explain.

2. To what extent do you agree with this statement? Corporations that exhibited a proactive approach to seizing opportunities demonstrated higher revenue growth and market expansion.

Strongly agree

Agree

Neutral

Disagree

Strongly disagree

2. Profitability and growth in market share are the most desired elements in any corporation. Do you believe that corporations that are quick to identify and capitalize on opportunities can experience higher levels of profitability and growth in their market share?

Yes

No

3. Explain the relationship between opportunity seizing capability and risk management.

PART E: Innovation capability and performance.

1. Which are the benefits that are strongly related to innovation capability?

Higher revenue growth

Increased market share

Enhanced profitability

All of the above

None of the above

2. To what extent do you agree with this statement? Corporations with a strong

innovation culture and the ability to foster creativity throughout the organization showed higher long-term profitability and sustainable growth.

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

3. Explain the importance of having a string commitment to innovation.

4. Does Kenya Railways Corporations encourage employees to come up with innovative ideas? If yes, kindly explain the desired benefits.

5. Customer satisfaction is the main target for all corporations to include state owned corporations. Do you believe that innovation can help in attaining this end? Explain.
