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Relationship between Socialisation and Externalisation on Performance of Public Universities in Kenya

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Abstract:
The use of organisational learning (OL) to attain organisational performance (OP) has become a major area of concern for organisations. In the past, Kenya's Public Universities had an upper hand in student enrolment through Joint Admission Board Students and full reliance on funding by Government. In the current economic conditions, however, the Kenyan Government has been compelled to gradually reduce funding to Public Universities (Ogolla, Bolo & Muchemi, 2011; Nthiiri, Gachambi & Kathuni, 2014). While past OL studies examine continuous improvement (Pedler et al., 1991); knowledge management (Lyles, 1992); individual learning (Argyris & Schön, 1996); creativity and innovation (Drew & Smith, 1995); organisational memory (Hastie et al., 1984); technologies, beliefs, procedures and cultures (Hung et al. 2011), the effect of socialisation and externalisation on the performance of Kenya's Public Universities remains a relatively new perspective. Hence, the purpose of this study was to examine the relationship between two OL measures: socialisation and externalisation on performance of Kenyan Public Universities. The study used cross-sectional descriptive survey research design to ascertain the relationship between OL and OP in Kenya's Public Universities. A census survey was used since all the 22 Kenyan Public Universities authorised to offer higher education in Kenya were studied.

Keywords: organisational learning, socialization, externalization, organisational performance

1. Introduction

In the current global economic climate, organisations are facing many difficulties and challenges due to a multiplicity of factors such as globalisation and resulting intensification of competition within organisations. In the same way, Kenyan Public Universities have progressively become more competitive. Therefore, Kenyan Public Universities, like most other organisations in the world, have found the need to improve performance in order to survive in today's competitive environment (Kaluyu *et al.*, 2014). Competition, therefore, serves as the driving force for a number of strategic changes in many organisations. To cope with the changing organisational expectations, different practices can be integrated to improve firm efficiency and success (Lee and Choi, 2002). This competitive pressure has also motivated many of Kenya's Public Universities to evaluate their business strategies and practices to become creative, adapt to modern practices and improve performance (Mbeche *et al.*, 2010). It has been stated that achieving a position of competitive advantage is the precursor to the significant performance of firms (Barney, 1991; Fahy, 2000). Competitive advantage may result from a range of factors including operational efficiency, mergers, acquisitions, diversification, composition and style of top management, organisational structures, human resource management, manipulation of political and social influences in the market, conformity to a variety of interpretations of socially responsible behaviours, international expansion, cross-cultural adaptation and various other organisational and industry-level phenomena (Ma, 1999; Flint & Van Fleet, 2011; King, 2007). Superior firm performance can develop from organisational learning (OL), which is often defined as a strategy consisting of systematic efforts to relocate knowledge throughout the organisation (Spector and Davidsen, 2006). On the other hand, a learning organisation is one that is skilled at creating, acquiring, transferring knowledge and modifying its behaviour to reflect the new knowledge and insights (Garvin, 1993).

2. Statement of the Problem

In the past, the Kenya's Public Universities had an upper hand in student enrolment through Joint Admission Board Students and full reliance on funding by Government. Under current economic conditions, however, the Government has had to gradually reduce funding to Public Universities (Ogolla, Bolo & Muchemi, 2011; Nthiiri, Gachambi & Kathuni, 2014). Kenya's Public Universities are therefore compelled to seek alternative funding to bridge the gap by formulating strategies to attract larger student enrolments, collaborate with the private sector and development partners so as to be self-sufficient (MoHEST, 2015).

This has created aggressive competition for enrolment of students, attracting a larger student enrolment which in turn has necessitated a commensurate increase in the requirement of qualified employees to sustain the rapid growth of Public Universities in Kenya (Nthiiri *et al.,* 2014; Ogolla *et al.,* 2011).

Performance (OP) is the product of interactions of different parts or units in the organisation (Stankard, 2002). In this study, two critical factors used to measure the OP construct are: market effectiveness (represented by growth in student enrolments/admissions and revenue growth) (Cheng, Wang & Pan, 2009) on the one hand and employee satisfaction (job security, policies of compensation and benefits) on the other (Sageer *et al.,* 2012).

2.1. Objectives of the Study
1. To examine the relationship between socialisation and performance of Public Universities in Kenya.
2. To evaluate the relationship between externalisation and performance of Public Universities in Kenya.

3. Literature Review
Numerous scholars consider organisational learning as a major firm resource since it improves firm performance (Appelbaum & Gallagher, 2000; Curado, 2006; Saru, 2007). Organisational learning is conceptualised as the ability to make sense of the environment and develop new understandings which ultimately manifest in improved performance through internal and external actions of the firm (Moore, 2007; Dimitriades, 2005).

The learning process is depicted in three forms, namely: adaptive learning or single-loop learning, generative or double-loop learning and triple-loop learning. Adaptive learning is about accepting changes without changing organisational norms, values and practices. In the case of generative learning, organisations respond to trends by changing its norms, practices and assumptions (Dimitriades, 2005). Triple-loop learning is about a higher level of learning that calls for challenging organisational vision, culture, mission; revaluation of current processes, products and systems (Wang and Ahmed, 2003).

Nonaka *et al.* (1994) conducted a confirmatory factor analyses to test the organisational learning (OL) model of Nonaka (1994). In a study undertaken in Japan, they validated that knowledge is fundamentally convertible and proposed four key stages of knowledge conversion known as SECI (socialisation, externalisation, combination and internalisation). The factor analysis of Nonaka & Takeuchi (1995) suggested four modes of knowledge conversion based on transformation of tacit and explicit knowledge. Nonaka labelled the mode of converting tacit knowledge into tacit as the socialisation process; the mode of converting tacit knowledge into explicit knowledge was labelled externalisation; the mode of converting explicit knowledge into explicit as combination and the mode of converting explicit knowledge into tacit as internalisation process (Monika, 1994).

4. Research Methodology

4.1. Research Design
This study adopted a descriptive cross-sectional survey design. According to Creswell (2009), a combined descriptive cross-sectional survey research design is used when seeking to gather information, summarise, present and interpret it for the purpose of clarification. This design was therefore chosen as the study sought personal views, opinions, attitudes, and perceptions about relationship between organisational learning and performance.

4.2. Target Population
The target population comprised senior managers in all the 22 Public Universities in Kenya. A census survey was used since all the listed 22 Public Universities in Kenya were targeted. The sample population was made up of a total of 220 respondents, comprising 10 participants from each of the 22 Kenyan Public Universities.

4.3. Data Collection
The study collected both primary and secondary data. Primary data were collected using survey questionnaires, although interviews and observations were also employed where necessary and possible. Secondary data sources included journals, books and articles addressing the objectives of the study.

The sample population comprised: The Vice Chancellor/ CEO, Deputy Vice Chancellor (Administration), Head of Quality Assurance, Registrar (Administration), Finance Officer, Human Resource Manager, the Dean of Students' and one representative each from the University's Academic Staff Union (Uasu), Kenya University Staff Union (Kusu) and Kenya Union of Domestic, Hotels, Educational Institutions, Hospitals & Allied Workers (Kudheiha).

4.4. Data Analysis
Data analysis and presentation was both qualitative and quantitative in nature. Qualitative data that was obtained from the questionnaires was edited/cleaned and classified into classes or groups with common characteristics or themes. The content within the themes was then analysed guided by the research objectives. Inferential data analysis techniques (regression and factor analysis) were used to analyse the quantitative data. Descriptive Statistics such as frequencies and percentages were used to show the inherent relationship between variables and research questions in the proposed study. Findings of the study were reported in frequency Tables, graphs and pie charts in MS-Excel before being interpreted and conclusions being made.

5. Results and Discussions

A sample population of 220 Public Universities were used for the study. Out of the total number of 220 questionnaires distributed, a total of 172 questionnaires (78.18% response rate) were collected from the respondents.

5.1. Descriptive statistics

5.1.1. Socialisation

The socialisation factor was measured using 5 statements. A majority of the respondents unanimously agreed with statement that their institutions promoted face-to-face discussions at social breaks and that their institutions provided support for apprenticeships and internships with mean scores of 4.25 and 4.03, respectively. On the other hand, many respondents somewhat disagreed with the statement that their institutions followed a systematic staff rotation plan, which had a relatively low mean score of 3.30. The results are shown in Table 1.

	SD	MD	N	MA	SA	Mean	Std. Dev.
Promotes face-to-face discussion	2%	5%	6%	40%	47%	4.25	.93
Follows a systematic staff rotation plan	16%	10%	19%	37%	18%	3.30	1.33
Conduct meetings, seminars & workshops	4%	8%	11%	45%	31%	3.92	1.06
Encourages employees to engage at breaks & social activities	5%	10%	16%	40%	29%	3.77	1.14
Provide support for apprenticeships and internships	3%	12%	11%	28%	46%	4.03	1.14

Table 1: Descriptive Statistics of Socialisation

5.1.2. Externalisation (X_2)

The externalisation factor was measured using 6 statements. Respondents generally agreed with the statements that their institutions had well-established work procedures and routines; that the input of external experts to design training programs/seminars was sought, and; it is mandatory to document the deliberations of meetings, seminars, workshops, conferences and trainings. The mean scores for these measures were 4.38, 4.06 and 4.40, respectively. The results are shown in Table 2.

	Mean	Std. Dev.
Employee's points of view in setting organisational goals	3.84	1.05
Established work procedures/routines	4.38	.75
Reporting outcomes of negotiations with customers	3.93	.99
Input of external experts to design training programs & seminars	4.06	.89
Document meetings, seminars, workshops, conferences & trainings	4.40	.81
Use of concepts, metaphors and images to relay information	3.62	1.10

Table 2: Descriptive Statistics of Externalisation (X_2)

5.1.3. Performance of Public Universities in Kenya

The performance factors were measured using 8 statements. Respondents collectively agreed with the statements that student enrolment and admission rates had increased and that their institutions attract qualified and capable employees. As presented in Table 3, the mean scores for increased student enrolment and admission rates and attracting qualified and capable employees were: 4.45 and 4.3, respectively.

	Mean	Std. Dev.
Student enrolment and admission rates have increased	4.45	.86
Management attracts qualified and capable employees	4.39	.89
Organisation's revenue base has grown	3.58	1.19
Employee career paths have improved	3.77	1.14
Clarity of job requirements have improved	3.91	1.10
Employees satisfaction surveys carried out & requirements met	3.79	1.18
Job security has improved	3.98	.99
Working conditions have improved	3.78	1.10
Opportunities for promotion in the organisation have improved	3.57	1.25

Table 3: Descriptive Statistics of Performance

5.2. Factor Analysis

5.2.1. Factor Analysis on Socialisation (X_1)
Socialisation was measured using 5 constructs. Factor analysis was undertaken to verify measures that were not key to socialisation, to validate responses and to check for consistency.
The KMO test for socialisation of 0.790 showed that factor analysis on socialisation could be carried out because the KMO value for socialisation was between 0 and 1 and greater than 0.5. Bartlett's test of sphericity was significant (Chi-square 280.565, $p < 0.001$), which was within the acceptable level to carry out factor analysis. The socialisation construct was subjected to a variance test using the principal component analysis which aimed at identifying a group of factors that are able to explain most of the variation in the construct. Principal component analysis was carried out to simplify interpretation of the results and to formulate generalisations with regard to the overall socialisation construct. Table 4 explains the variances, Eigenvalues and cumulative percentages for the socialisation measure.

Component	Initial Eigen values			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.844	56.874	56.874	2.844	56.874	56.874
2	.829	16.575	73.449			
3	.531	10.623	84.072			
4	.484	9.689	93.760			
5	.312	6.240	100.000			
Extraction Method: Principal Component Analysis.						

Table 4: Total Variance of Socialisation Measures

The analysis of variance identified by Eigenvalues is the variance for a given factor that measures the variance in all the variables accounted for by that factor. Analysis of variance for socialisation also included the percentage of variance and cumulative percentages explained by the extracted factors before and after the analysis. The five measures of socialisation were subjected to factor analysis and the results showed one critical factor that measures socialisation accounted for 56.874% of the total variance. This factor had the greatest influence in socialisation because it had an Eigenvalue of 2.844 which is greater than the required minimum value of 1.0.

5.2.2. Factor Analysis on Externalisation (X_2)
Externalisation was measured using 5 constructs. Factor analysis was undertaken to check for any measures that were not key to externalisation, to validate responses and to check for consistency. The KMO test for externalisation of 0.796 showed factor analysis on externalisation could be carried out because the KMO value was in the range of 0 to 1 and greater than 0.5 (Cerny & Kaiser, 1977). Bartlett's test of sphericity was significant (Chi-square 284.326, $p<0.001$). The externalisation construct was subjected to a variance test using the principal component analysis which aimed at identifying a group of factors that are able to explain most of the variation in the construct. Principal component analysis was carried out to simplify interpretation of the results and to formulate generalisations with regard to the overall externalisation construct. Table 5 explains the variances, Eigenvalues and cumulative percentages for the externalisation measure. The analysis of variance in Table 5 identified by Eigenvalues is the variance for a given factor that measures the variance in all the variables accounted for by externalisation. Analysis of variance for externalisation also included the percentage of variance and cumulative percentages explained by the factors extracted before and after the analysis. The six measures of externalisation were subjected to factor analysis and the results show the one critical factor that measures externalisation accounted for 49.892% of the total variance. This factor had the greatest influence in externalisation because it had an Eigenvalue of 2.993 which is greater than the minimum required minimum value of 1.0.

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.993	49.892	49.892	2.993	49.892	49.892
2	.895	14.909	64.800			
3	.727	12.116	76.916			
4	.559	9.315	86.232			
5	.447	7.448	93.679			
6	.379	6.321	100.000			
Extraction Method: Principal Component Analysis.						

Table 5: Total Variance of Externalisation Measures

5.2.3. Factor Analysis on Performance Measures
Principal Component Analysis (PCA) with Varimax rotation was performed on the nine (9) measures used to assess performance. This was carried out to reduce and group the large number of variables into a few core factors that have the greatest influence in measuring

performance. The KMO test for performance of 0.854 showed factor analysis on performance could be carried out because the KMO value was in the range of 0 to 1 and greater than 0.5 (Cerny & Kaiser, 1977). Bartlett's test of sphericity was significant (Chi-square 698.704, p<0.001), which was within the acceptable level to carry out factor analysis. The performance construct was subjected to variance test using the principal component analysis which aimed at identifying a group of factors that are able to explain most of the variation in the construct. Principal component analysis was carried out to simplify the interpretation of results and to formulate generalisations with regard to the overall performance construct. Table 6 explains the variances, Eigenvalues and cumulative percentages for the performance measure.

The analysis of variance identified by Eigenvalues in Table 6 is the variance for all the measures accounted for by performance. Analysis of variance for performance also included the percentage of variance and cumulative percentages explained by the extracted factors before and after the analysis. The nine measures of performance were subjected to factor analysis and the results showed one critical factor that measures performance accounted for 40.687% of the total variance.

Component	Initial Eigen values			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.427	49.194	49.194	3.662	40.687	40.687
2	1.241	13.786	62.980	2.006	22.294	62.980
3	.934	10.378	73.359			
4	.572	6.358	79.717			
5	.491	5.450	85.167			
6	.447	4.967	90.134			
7	.394	4.379	94.514			
8	.272	3.027	97.541			
9	.221	2.459	100.000			

Table 6: Total Variance of Performance Measures

5.3. Correlation Analysis

In order to validate the hypothesised relationships among the study variables (organisational learning and performance of Kenya's Public Universities) Pearson's correlation was used to assess the degree of interrelationships as shown in the correlation matrix in Table 16. Correlation coefficient values ranging from 0 to ±0.3 indicates no linear association between variables; ±0.3 to ±0.5 indicates a weak linear relationship; ±0.5 to ±0.7 indicates a moderate linear, whereas ±0.7 to ± 1 indicates a strong linear association between variables (Cohen, *et al.,* 2003).

	1	2	3
1. Socialisation (X_1)	1		
2. Externalisation (X_2)	.766[**]	1	
3. Performance (Y)	.722[**]	.735[**]	1

Table 7: Pearson Correlation (n = 172)
**. Correlation is significant at the 0.01 level (2-tailed).

5.4. Multiple Linear Regression Analysis

Multiple linear regression analysis was used to assess the effect organisational learning (socialisation and externalisation) on the OP of Kenya's Public Universities. Table 8 presents the results of the analysis.

The results in Table 8 indicate that socialisation, and externalisation as the predictor variables explained 60.1% of the variation in the performance of Public Universities in Kenya. Moreover, the Durbin Watson statistic of 2.087 showed that the model did not suffer significantly from autocorrelation since the value was between 1 and 3.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.775[a]	.601	.596	.47984	2.087
a. Predictors: (Constant), Externalisation, Socialisation					
b. Dependent Variable: Performance					

Table 8: Model Summary

5.5. Analysis of Variance (ANOVA) Model

ANOVA test was carried out to test the overall significance (R^2) of the predictor variables in influencing the level of performance of Kenya's Public Universities. Table 9 exhibits the F statistic result of 127.213 (p < .05) which shows that all the predictor variables regressed together had an overall positive effect on performance of Public Universities in Kenya. Similar studies (Teece, 1997; Droge,

Claycomb & Germain, 2003; Chia, 2003; Lee & Choi, 2002) established that OL processes can enhance ability of firms to fulfil their strategic objective improve effectiveness, innovation and overall performance.

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	58.582	2	29.291	127.213	.000[a]
	Residual	38.912	169	.230		
	Total	97.494	171			
a. Predictors: (Constant), Socialisation, Externalisation,						
b. Dependent Variable: Performance						

Table 9: Analysis of Variance (ANOVA[b])

The multiple regression coefficients Table 10 presents unstandardised and standardised coefficients of the model, the t-statistic for each coefficient and associated p-values.

	Model	Unstandardised Coefficients		Standardised Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.551	.227		2.431	.016		
	Socialisation (X_1)	.346	.068	.384	5.074	.000	.385	2.599
	Externalisation (X_2)	.502	.086	.441	5.826	.000	.318	3.140
a. Dependent Variable: Performance								

Table 10: Multiple Regression Coefficients with Moderation of TQM

The multiple regression coefficients in Table 54 show that the outcome variable had a significant positive relationship with socialisation (β_1=.346, $p < 0.05$) and externalisation (β_2=.502, $p < 0.05$). The findings verify that internalisation and socialisation had a statistically significant influence on performance of Kenya's Public Universities. Thus, every additional unit increase in socialisation while holding externalisation to a constant increases the level of performance by .346.

6. Conclusion
The key findings of the study indicate that individual OL variables had a positive influence on the level of performance of Kenya's Public Universities. There was a significant positive relationship between socialisation and externalisation on performance of Public Universities in Kenya.

7. Recommendations
In view of the study findings, the researcher recommended that Public Universities in Kenya should fully adopt and embrace the continuous improvement as a management strategy to promote and facilitate OL in order to enhance performance of Kenya's Public Universities.

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