

Operational Practices and Performance of Selected Textile Firms Within Export Processing Zone Athi River, Kajiado County, Kenya

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Abstract Kenya's garment and textile business encounters numerous challenges which arise from the continuous decrease in the spending power of the majority population, resulting in reduced demand for textile items. Furthermore, the country is vulnerable to intense competition in third markets from well-established manufacturing economies such as China, as a result of inexpensive imports and the removal of quotas following the expiration of the Agreement on Textiles and Clothes. This study sought to examine operational practices and performance of selected textile firms within Export Processing Zone Athi River, Kajiado County in Kenya. Specifically, the study investigated the impact of organizational systems approaches, innovation approaches and stakeholder involvement practice on performance of selected textile firms within Export Processing Zone Athi River, Kajiado County in Kenya. Using descriptive research design, a total of 29 Export Processing Zone Businesses in Athi River, Kajiado County, made up the research population. The sample size of 213 was drawn from a population consisting of 457 staff that were administrative staff, the research made use of a stratified simple random sampling design. The data collection method involved use of questionnaire for primary data source which were subjected to validity and reliability tests. The inferential techniques were used to determine central tendency metrics like the standard deviations and study mean and std. deviation. Finally, conducting regression and correlation analysis to compare variables. Using a statistical tool for social science to analyze data rendered the analysis less complex. For the purpose of making the comprehension of the quantitative data as straightforward as possible, tables were utilized. From the analysis, among selected textile firms within export processing Zone, a positive and statistically significant correlation ($\beta=0.217$, $t=3.874$, $p<0.05$) was found between the use of Organizational systems practice and increase in Performance of textile firms. From the analysis, among selected textile firms within export processing Zone, it was found that there was a significant and positive relationship between the Innovation practices and the Performance of textile firms (β) 0.397, $t=5.712$, $p\text{-value}<0.05$). The results of the study's analysis showed that there was a positive and significant relationship between Stakeholder Involvement Practice and Performance of textile firms among selected textile firms within export processing Zone, where the (β) value was 0.476, the $t=8.50$, $p\text{-value}$ was less than 0.05. The study recommended that setting clear performance targets for departments and the organization, along with encouraging open communication and feedback from employees, can significantly contribute to improving organizational performance. Informal discussions, teamwork, and a transparent process for assessing new ideas can promote an innovative environment within EPZs. Considerations should be made by policy makers in EPZs to maintain a database or contact sheet for all stakeholders involved in the project and develop an understanding of stakeholders' opinions, concerns, and best practices.

Keywords: *organizational system practices, innovation practices, stakeholder involvement practices & performance*

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1. Introduction

1.1. Background to the Study

The term performance is used in the textile industry to refer to the capacity of textile products to fulfill particular

functional needs and standards [1]. According to Tybout [2], performance in textiles is crucial since it directly impacts the end-use applications and the satisfaction of consumers. Rosli and Sidek [3] assert that specific performance requirements vary based on the intended application of the textile product, thus, intense global competition and fluctuating raw material prices pose challenges for textile manufacturers. Kim and Jon [4] posit

that textile industry is often criticized for its environmental impact, including water consumption, chemical usage, and waste generation. Balancing the need for performance with sustainable practices is a significant challenge.

Research has indicated a correlation between operational performance and processes. Li, Zhao and Liu [5] conducted a study in Irish manufacturing companies on the operations practice component of lean internal practices. They came to the conclusion that this has an effect on the aspects of organizational performance that are the level of quality, cost and adaptability. Feng, Li, Sun, and Wang [6] found that internal business activities, particularly the operations management component of the supply chain, have an effect on business operational performance in their study of Chinese manufacturing businesses. In their study, Psomas and Jaca [7] show that the Japanese originated the concept of lean management, which integrates ongoing enhancements in operational manufacturing processes and supply chains. They have achieved success in manufacturing their products by prioritizing defect-free production, efficient operations, little inventory, and automation.

Gokkaya, [8] focuses in relating core competence, innovation and organization performance in Ugandan Textile firms. The sector encountered significant obstacles such as exorbitant energy costs, a scarcity of qualified personnel, and technological limitations. Additionally, the reliability of electrical service was a concern. Despite this, the textile industry is able to borrow money at extremely high interest rates, some of which range from 18 to 24 percent, which hinders their efficiency in operations. Tybout [2] examined the textile manufacturing industry in developing nations, specifically the instance of Uganda Republic. Uganda is a net importer in the CTA sector, according to the study, with net imports amounting to US\$ 0.09 billion, according to trade statistics. This is the percentage of total imports that Uganda has. Since 2005, Call to Action (CTA) exports have declined from \$0.06 billion to \$0.03 billion.

The textile and garment industry in Kenya has emerged as a major manufacturing sector with regard to of both scale and employment. It is estimated that approximately thirty percent of the workforce in the manufacturing sector of the country now has jobs as a result of it [9]. In 2000, a preferential trade deal was negotiated between Kenya and the U.S. Government under the African Growth Opportunity Act. The agreement effectively removed all duties and quotas on Kenyan textile exports to the U.S. market, as stated by Omolo [10]. Nevertheless, this sector has been operating at a suboptimal level, mostly because of the insufficient availability of indigenous cotton lint [11].

Mukami [12] argues that Kenya's import substitution policy had achieved its maximum capacity by the early 1980s. However, Tybout [2] stated that textile subsector's competitiveness and growth potential were significantly undermined by the extensive practice of dumping used apparel, commonly referred to as "*mitumba*", on the local market. Additionally, the use of Kenya's textile mills has significantly decreased as a result of the entry of textile products following the nation's economic liberalization, reducing it to approximately 50%. The research study is justified by the Ministry of Industrialization and Enterprise Development's [13] report titled "Kenya

Apparel and Textile Industry: Diagnosis, Strategy and Action Plan. This research shows that, in 2020, Kenya's apparel exports were \$420 million, despite supply-chain problems made worse by the Covid-19 outbreak.

1.1.1. Organizational Performance

The term organizational performance, describes the observable results or accomplishments of a business, which are assessed in relation to its intended end products, targets, and goals (Grissmann & Sperdin, 2019). This evaluation takes into account three different characteristics of corporate performance: Product market performance, encompassing sales, market share, and service offerings; financial performance, comprising earnings, return on assets, and return on investments; and shareholder return and economic value contributed. Because of this, one of the most important research topics for financial management is corporate performance. Micro and macro components are the elements that have a major impact on how a firm's performance is determined [14].

The non-financial metrics of performance identified by Kompula [15] include employee efficiency, customer satisfaction, and customer retention. In numerous organizations, performance enables management and staff to discern whether they are engaged in legitimate activities [16]. The effectiveness of an operation management strategy is assessed based on the operational performance along five critical dimensions: factors such as cost, quality, speed, dependability, and flexibility [17].

The performance that is achieved is the result of carrying out the assigned responsibilities. Organizational performance describes the manner in which members of the company collaborate to achieve a common objective. The assessment of an organization's performance is predicated on the extent to which the outcomes of an accomplished process align with the objectives of the company [18]. Evaluation of organizational performance occurs along three dimensions. The primary aspect concerns the organization's productivity, specifically its capacity to efficiently transform inputs into outputs. An additional element to consider is profitability, denoting the degree to which an organization's revenues surpass its expenditures. The third dimension is the market premium, or the amount that a company's market value is more than its book value [14].

Demirkesen and Reinhardt [19] propose that organizational performance can be assessed through four key dimensions: effectiveness (determination of the organization's capacity to accomplish its goals), efficiency (an organization's capacity to utilize its resources effectively), relevance (regarding the degree to which the actions of the business are in accordance with the requirements and preferences of its stakeholders), and financial viability (the organization's sustainability and profitability over both short and long-term periods). According to Psomas and Jaca [7], key factors contributing to organizational performance are: generated revenue, Key factors that contribute to a high-performing workforce include employee motivation, corporate culture, and well-defined organizational structures and processes.

Chemengich [20] did a study focusing the effect of inventory management on organizational performance among textile manufacturing firms in Kenya. Kenya's

textile sector contributes significantly to the country's economy. However, it is unclear how long-lasting this sector was given the possibility of competition from imported used clothing. The demise of a few prominent textile enterprises and the stagnation of Kenya's major textile companies serve as examples of this. Fukunishi [21] highlighted that the garment and textile business is developed by worldwide trading agreements. There used to be export quotas for emerging nations to manufacturing nations in order to protect domestic textile businesses. These limitations, known as the Multi-Fibre Arrangement of the World Trade Organization, were lifted in 2005. Because of this, commerce in textile and apparel products is now unrestricted.

In the context of textile industry, the study seeks to adopt the following measurement parameters; customer satisfaction, customer retention and employee efficiency in textile industry.

1.1.2. Operational Practices

A company's operational practices are influenced by both the presence of uncertainty and the presence of competitiveness. Systems, processes, and strategy are the component parts that make up the three layers of operations practice. The strategic level incorporates the operational strategies so that they can be considered. Developing an operations plan that was to determine how an organization's manufacturing processes are controlled is a requirement for all organizations. The operations strategy is extremely important since it serves to establish the manner in which the organization was allocate its resources in order to support both production and infrastructure [22].

Gill, Singh, and Mand [23] argue that including operations policies and competitive priorities is essential in developing an operations strategy. Competitive priorities identify the areas of attention in order to obtain a competitive edge, whereas operations policies delineate the course of action required to meet business and operations objectives. The systems level comprises the quality and supply chain of an organization. This is generated by management and must comply to operations management guidelines, as it is a crucial aspect in fulfilling the organization's goals.

It has been mentioned by Jayani and Yan [24] that businesses are able to position themselves in a competitive manner within a certain industry if they implement appropriate organizational systems. For organizations, it is crucial to establish and sustain a competitive edge over their competitors. This can be accomplished through efficient recruitment and selection processes, the participation of stakeholders, and the identification of acceptable methods for optimizing operating expenses. The authors Francalanci and Morabito [25] emphasized the importance of organizations maintaining a state of readiness to seize opportunities whenever they present themselves. By extrapolating their customers' existing interests and preferences, they are required to always make predictions about the potential changes that occur in the consumption patterns of their customers.

In order to meet the ever-changing customer expectations, textile enterprises must strive to be inventive and efficient in their operations. If they do this, it was ensure that their products are of a superior quality and that

their prices are competitive with those of their competitors. The textile industry in Kenya has been confronted with intense competition from international corporations and foreign suppliers that have established their operations in Kenya as well [13]. It is possible to recognize the industry by its high pricing for energy and raw materials, its lack of marketplace diversity, and its utilization of outdated technology, all of which contribute to a reduction in the degree of value that is produced. As a result of the introduction of multinational brands, the level of rivalry has increased, which has compelled regional manufacturers to reevaluate their strategy in order to maintain their competitive posture [26].

Interacting with stakeholders is essential for the prosperity of any firm. In order to achieve success, an organization must possess a well-defined vision that is developed through a strong strategic planning process. Furthermore, a strategic plan or marketing plan can only be effective if it is the result of active involvement and collaboration with stakeholders. Efficient involvement facilitates the conversion of stakeholder requirements into organizational objectives and forms the foundation for good strategy formulation [27]. Each stakeholder has a different viewpoint on what is necessary for the business to succeed. As stakeholders within the company, the staff members are well-versed with the company's benefits and disadvantages from a bottom-up approach. They possess firsthand knowledge of the requirements for successful delivery. External stakeholders possess a distinct, although equally significant, viewpoint about the organization and its activities and how they affect them [19].

1.1.3. Export Processing Zone

Kenya has implemented export processing zones (EPZs) to promote and facilitate investments focused on exports, while also fostering a supportive environment for such investments. Currently, there are around forty designated areas being developed and operated by private and public developers in Nairobi, Voi, Athi River, Kerio Valley, Mombasa, and Kilifi. The Export Processing Zones Authority is responsible for the supervision and advancement of these zones [8].

EPZ enjoys a ten-year exemption from corporate income tax, followed by a ten-year period with a 25% tax rate (which does not apply to EPZ commercial enterprises). Dividends and other payments sent to non-resident parties are not subject to withholding taxes for a period of ten years, except for EPZ commercial license enterprises. Certain items such as building materials, machinery, office supplies, specific petroleum fuel for boilers and generators, raw materials, and other supplies are permanently exempt from both value-added tax (VAT) and customs import duty. The exemption from Value Added Tax (VAT) also extends to purchases made within Kenya from businesses operating within the Kenyan customs territory or domestic market [28].

This company's expansion is incredibly advantageous in terms of its growth since it possesses the potential to provide a source of income for a large number of individuals, considering that the sector currently employs 50,000 individuals in Kenya. The EPZ, which operates in nearly 40 zones and accounts for 10.7% of all exports, asserts that it has made a significant impact on Kenya.

EPZs significantly contribute to the creation of apparel, accounting for approximately 60% of Kenya's total garment output. The Annual Performance Report [29] of the Export Processing Zones program reveals that the manufacturing sector's contribution to GDP had a significant rise, increasing from 9% in 2017 to 15% in 2022, primarily attributable to the EPZ effort.

1.2. Statement of the Problem

Businesses including textile firms have relied heavily on organizational performance to survive in the face of rapidly advancing technology, shifting political and economic landscapes, and changing consumer needs that firms experience challenging goal of meeting customer satisfaction [18]. According to Laosirihongthong, Adebajo and Choon Tan [30], textile companies must reconsider their operational strategies in the extremely dynamic business operations environment of today if they hope to achieve both improved performance and operational efficiency aided by the efficiency of employees.

Kenya's garment industry has experienced performance declines; this is shown by Omolo [10] who conducted a study on the textile and garment sector in Kenya, specifically examining its future prospects in Sub-Saharan Africa. The result revealed that the textile industry in the country has experienced numerous business shutdowns and workforce reductions. In reference to the study, closure of industrial facilities and reduced operations led to a loss of approximately 12,000 employment opportunities linked to challenges of operational practices. According to Li, Zhao and Liu [5], Kenya is vulnerable to intense competition in third markets from well-established manufacturing economies such as China, as a result of inexpensive imports and the removal of quotas following the expiration of the Agreement on Textiles and Clothes (ATC).

There are studies that focused on aspects of operational practices and performance of organizations. Sutawidjaya and Ramadhan [31] did a research based on operation management and performance of micro and small enterprises in Dekranasda sukabumi region, Thailand. However, the research was conducted in a foreign Nation in which their findings may not be applicable locally. While Kemunto [32] examined operations management practices and performance of telecommunications firms in Kenya although the study was not based in EPZ. Further studies showed that Owino and Mututunga [33] focused on operational practices and financial performance of manufacturing companies. However, dependent variable was based on financial performance, despite the present research addressing organizational performance who parameters may differ. Lastly, Kaberi [34] focused on the organizational systems and program performance in Kenya Non-Governmental organizations. However, it involved NGOs who mode of operations was considered dissimilar. It is against these assertions that this study purposed to fill the gaps by focusing extensively on operational practices and performance of selected textile firms within Export Processing Zone, Kajiado County.

1.3. Objectives of the Study

Listed below constituted study objectives;

1.3.1. General Objectives

Study objective was to determine operational practices and performance of selected textile firms within export processing Zone Athi River, Kajiado County, Kenya.

1.3.2. Specific Objectives

- i. To establish the effect of organizational systems practices on performance of selected textile firms within Export Processing Zone, Athi River, Kajiado County, Kenya.
- ii. To determine the effect of innovation practices on performance of selected textile firms within Export Processing Zone, Athi River, Kajiado County, Kenya.
- iii. To establish the effect of stakeholder involvement practices on performance of selected textile firms within Export Processing Zone, Athi River, Kajiado County, Kenya.

1.4. Research Questions

- ii. To what extent does an organizational systems practice affect performance of selected textile firms within Export Processing Zone, Athi River, Kajiado County, Kenya?
- ii. How does innovation practices affect performance of selected textile firms within Export Processing Zone, Athi River, Kajiado County, Kenya?
- iii. How does stakeholder involvement practices on performance of selected textile firms within Export Processing Zone, Athi River, Kajiado County, Kenya?

1.5. Significance of the Study

Through the examination of optimal operational management methods, which are essential for improving performance, the study may provide EPZ businesses with significant insights. The implementation of efficient processes, good cost management, and powerful organizational structures are all included in this. The findings may provide significant advantages to the Kenyan government, namely the Ministry of Industrialization, in terms of formulating and putting into action effective plans to enhance performance in the textile industry. Additionally, the results of the study may provide a foundation for further investigation into operating practices, which may be carried out in the future, they may also indicate areas that require further study on the development of operational practices and performance across a variety of industries in Kenya.

1.6. Scope of the Study

The scope entailed addressing operational practices and performance of selected textile firms within Export Processing Zone. The geographical scope entailed focusing on Export Processing Zone firms situated in Athi River, Kajiado County. The conceptual scope entailed examining the effect of organizational systems practices, innovation practices and stakeholder involvement practices on and performance of selected textile firms within Export

Processing Zones. For theoretical scope, the study was founded on The Balance Score Card, System Theory, The Quality Improvement Theory and Shareholder Wealth Maximization Theory as applicable in the study. For methodological scope, the study targeted the strategic managers or representatives from the textile firms in Athi River, Kajiado County. For the purpose of time scope, the study was accomplished within a span ten months.

1.7. Limitation of the Study

In this study, some participants were initially not willing to freely disclose the important data that researcher was requesting because they were concerned about confidentiality aspects. However, to overcome the challenge, respondents were provided with the assurance that the study was exclusively carried out for scholarly purposes. In addition to that, the researcher provided them with an introductory letter from the institution, which was intended to instill confidence in order to enable them participate in this research with total assurance.

Some respondents were initially showing reluctance to cooperate while sharing their opinions on the subject of study. This arose from a feeling of distrust and contempt. It was therefore, an obligation of the researcher to ensure that the data to be acquired would solely be utilized for fulfillment of school's requirements; hence, it would be subjected to total privacy it deserves, as a result, responders were effectively encouraged to take part in the study.

1.8. Organization of the Study

The study was divided into three separate chapters that built up the project. The first chapter focused on background to the study, statement of the problem, the study objectives, research questions, the relevance of the study, various study constraints finally the scope of the study. The study was further split down into various components in the second chapter, which included a theoretical review, an empirical review, a synthesis of the existing literature and research gaps, last but not least, the conceptual framework of the study. In methodology, the study included introduction, research design, target population, samples and sampling techniques, sample frame, data collection instruments, data collection procedure, pilot study, operationalization of study variables, data analysis and presentation, lastly, ethical considerations in the research study.

2. Literature Review

2.1. Introduction

The chapter presents an introduction to review both theoretical and empirical review. The chapter further covers research gaps and lastly conceptual framework showing dependent and independent variable.

2.2. Theoretical Literature Review

The comprehensive assessment of established theories which gives guide for constructing the arguments

employed by researchers in their own work is referred to as theoretical framework. Consequently, researchers generate theories to elucidate phenomena, establish correlations, and formulate predictions. Within a theoretical framework, the researcher elucidates the prevailing hypotheses that underpin the research, demonstrating their foundation in established concepts [35]. The study majored on The Balance Score Card, System Theory, and The Quality Improvement Theory Shareholder Wealth Maximization Theory as applicable in the study.

2.2.1. The Balance Score Card

The Balance Score Card (BSC) was developed by Kaplan and Norton [36], theory is a strategy framework that enables organizations to effectively manage performance by providing a comprehensive and equitable evaluation of their overall performance. The theory emphasizes the importance of assessing performance beyond only financial measures. The study primarily examines four fundamental perspectives: financial, customer, internal processes, and learning and growth [36]. Organizations can improve their understanding of performance and make informed strategic decisions by analyzing financial, customer, internal operations, and learning and growth perspectives. The BSC theory enables collaboration, promotes alignment of performance measurements with strategic objectives, and enables continuous improvement [37].

The benefit of the Balanced Scorecard lies in its ability to provide an all-encompassing perspective on performance by taking into consideration the non-financial aspects and financial aspects of the organization's operations. By integrating many viewpoints, firms can circumvent the drawbacks of exclusively depending on financial measures, which may fail to encompass the entirety of their operations [38]. The application of the Balanced Scorecard in the workplace entails a series of processes, which encompass establishment of strategic objectives, critical performance indicators are identified through this process (KPIs) for each perspective, the establishment of targets, and the ongoing monitoring and adjustment of the strategy based on performance outcomes. This dynamic process guarantees that the organization maintains its agility and responsiveness to evolving internal and external circumstances [39].

The BSC assumes that a comprehensive understanding of organizational performance requires considering multiple dimensions, including financial and non-financial factors. This assumption challenges the traditional emphasis on financial metrics alone and acknowledges that a holistic view is essential for strategic management [40]. According to Nørreklit [41], the BSC theory assumes that by defining and measuring key performance indicators (KPIs), organizations can influence the behavior of individuals and teams. Through the establishment of a connection between performance measurements and strategic objectives, the BSC works to encourage a concentration on operations that directly contribute towards accomplishment of company objectives. Hoque [42] states that the BSC assumes that improvements in one perspective can positively impact others. Improvements in internal company procedures, for

instance, can result in increased levels of customer satisfaction, which, in turn, can have an impact on the outcomes of financial transactions.

Critics of Balance Score Card theory as stated by Ittner, Larcker and Meyer [43], shows that the BSC may lead to an overemphasis on metrics and key performance indicators (KPIs) at the expense of a deeper understanding of the strategic context. Still, Critics argue that by predominantly concentrating on internal perspectives, the BSC may not capture critical external factors such as changes in the competitive landscape, technological disruptions, or shifts in customer preferences. While (Speckbacher, Bischof and Pfeiffer [44] stated that Organizations may become overly committed to the initial set of perspectives and metrics, hindering their ability to adapt to changing circumstances. This can be particularly problematic in dynamic and rapidly evolving industries.

The application of the Balanced Scorecard in Export Processing Zone textile firms can help align their activities with strategic objectives, measure performance comprehensively, and foster sustainable growth. The application of the Balanced Scorecard in EPZ firms requires careful consideration of the unique challenges and opportunities within the export-oriented environment. Customizing the BSC to suit the specific needs of EPZ firms can contribute to better decision-making, improved strategic alignment, and enhanced overall performance. This led to better and improved outcome.

2.2.2. System Theory

Ludwig von Bertalanffy is credited with the development of the system theory in the year 1940. According to this theory, an organization is viewed as an open system that is situated within its external environment. The external environment exerts an influence on the organization and serves as a source of interaction with it. The external environment is characterized by its inherent unpredictability and constant fluctuations. How effectively a firm's strategies are matched with the external environment is a critical factor in determining how successful the company was be. The strategic compatibility of an organization is contingent not only on the internal environment for its operations but also on the ability of the company to adapt to the shifting conditions that are present in that environment.

Heravi, Coffey, and Trigunarsyah [26] offered data to support the premise that the external environment, which encompasses aspects over which an organization has no control but which affect its performance, also determines its organizational systems. External influences encompass several aspects such as politics, economy, society, technology, consumers, laws, and regulations. Mathys [37] assert that an organization is able to manage its internal environment, but it is unable to manage its exterior environment. This is despite the fact that the organization is able to manage internally. The potential, challenges, flaws, and strengths of an organization are all included in the organization's internal environment.

Conner and Prahalad [45] offered a critique of system theory, stating that one of its drawbacks is that it suggests that all variables are equal in terms of how much of an impact they have and how much control they have over the conditions and circumstances of the business

environment. We are aware that this idea is inaccurate because some variables are likely to have a greater influence and degree of control than other variables.

Systems theory can be applied effectively in understanding and managing organizational systems. Systems theory views organizations such as textile EPZ as complex systems with interconnected and interdependent parts. The ability of textile firms to foresee and respond to changes in their external environment is essential to the practice of operations because it determines whether or not these organizations was able to survive and prosper in a world that is always evolving [44] Systems theory encourages organizations to be viewed holistically, considering the entire system rather than individual components. This perspective helps in understanding how different departments, teams, and processes within the organization are interconnected and how changes in one area may affect the entire system.

2.2.3. The Quality Improvement Theory

Demin developed the Quality improvement theory in 1940, the duty for quality management lies with the manufacturing organization. This theory provides businesses with effective strategies to address issues in quality standards management and implement relevant actions. This can be achieved through construction of mechanisms that foster collaboration towards effective execution of operational management practices.

The process of quality improvement requires the concerted and unremitting efforts of all employees within an organization to enhance the quality of all aspects of the organization, particularly the production process. The elimination or decrease of rework, waste, and losses in the manufacturing processes is the goal of this methodical technique, which is a systematic approach [46]. As an illustration, the phrase almost always relates to the production process when it is used in the manufacturing industry. On the other hand, management has the ability to focus quality improvement efforts on any element of a company or organization. The manner in which changes are introduced and implemented is an essential component that contributes to successful and long-lasting improvement. It is essential to stick to a consistent approach [47].

Battistoni, Bonacelli, and Schiraldi [48] criticize the QIT by arguing that if management does not completely adopt a Total Quality Management (TQM) program, any incomplete effort would inevitably be unsuccessful. Merely restricting the project to staff training, without utilizing statistical techniques to assess and appraise process modifications, would lead to dissatisfaction or subpar outcomes. Training programs should undergo comprehensive reviews and be assessed based on measurable outcomes. However, without continuous mentoring, the knowledge and skills acquired via training are unlikely to be retained.

In this study, application of quality improvement theory on innovation practices do share common elements, such as a focus on continuous improvement, problem-solving, customer-centric approaches, data-driven decision-making, collaboration, testing, and adaptability. This supports EPZ businesses in making sure they implement the necessary cutting-edge processes to assure the manufacturing of premium clothing items that satisfy the evolving needs of their clientele.

2.2.4. Shareholder Wealth Maximization Theory

According to Milton Friedman's Shareholder Wealth Maximization Theory [49], an organization's main responsibility is to maintain the contentment of its shareholders. Consequently, the corporation should consistently strive to optimize its profitability in order to enhance shareholder returns. Work is done to increase the stock value of the company when business managers have the goal of increasing the wealth of the company to its maximum potential. When the price of a company's stock goes up, the value of the business goes up as well, which in turn enhances the wealth of the shareholders. Increasing the wealth of shareholders is a tenet of corporate governance that provides a top priority for the management of the organization.

According to John, Loy, and Clements-Croome [50], a primary goal of a corporation is to optimize the value of its stock's market positioning. This is described as the fundamental objective of a firm. This is the fundamental goal of any business. The responsibility for achieving that purpose lies with the managers of the firm, and this responsibility may involve enhancing the wealth of shareholders whenever it is feasible to do so. The level of success that a textile EPZ achieves in terms of performance is indicative of how well its management is able to adjust to shifting operational conditions. The quality of the management of the company can be characterized by its capacity to respond appropriately and promptly to shifts in the circumstances of the business environment.

The dilemma arises as to whether there should be a clear definition of the operational aims of management and investors, as well as the ultimate social purpose of a public corporation, or if there should be significant differences between the two, according to Abend [35]. In economics and finance, the abbreviation SWM stands for a standard that is generally acknowledged and used. With this goal in mind, SWM operations should maximize the allocation of funds in a way that is best for society. Scholarly work in stakeholder theory, corporate social responsibility, and business ethics highlights key distinctions between a publicly traded company's overarching social aim and the more pragmatic objective of socially responsible management (SWM). Financial and non-financial stakeholders alike have their rights and duties outlined in the statutes and ordinances that control businesses [47].

Wealth Maximization assumes that investors and other market participants are rational and act in their best financial interests. Li, Zhao and Liu [5] expressed those decisions made by shareholders, such as buying or selling shares, are assumed to be based on a rational evaluation of information to maximize their wealth. The theory assumes that financial markets are efficient and that stock prices reflect all available information. If markets are efficient, it becomes challenging to consistently outperform the market through stock trading or other financial activities.

The application of Shareholder Wealth Maximization Theory on stakeholder involvement practice brings out how textile EPZ are prompted to recognize the importance of a broader range of stakeholders and to involve them in decision-making processes. The textile EPZ have expanded their focus to include various stakeholders, recognizing that their interests are interconnected.

Stakeholder involvement practices aim to balance the needs of shareholders with those of employees, customers, communities, and the environment. Managers and investors should focus more on involving the stakeholders on major investment direction they want to make for better performance of the textile firms.

2.3. Empirical Literature Review

This part indicates various researches carried out in relation organizational systems practices, innovation practices, stakeholder involvement practice and performance of the organization.

2.3.1. Organizational Systems Practices and Performance

An analysis carried out by Ogbo, Nwankwere and Chukwudi [51] sought to ascertain impact of organizational structure on performance. Given the rising automation and complexity of modern companies, it is imperative to maintain and improve performance via restructuring and reorganizing in order to adapt to changing strategic objectives. The investigation was conducted using the survey methodology. Geographical scope was a Enugu Regional Office of Etisalat and Innoson Nigeria Ltd. The primary source of information for the study was the distribution of questionnaires to the sample of eighty (80) respondents. Study found that managers implemented decentralized organizational models in order to enhance decision-making and increase productivity. Despite the potential disparity between Nigerian laws and practices and the Kenyan environment, the study conducted in Nigeria reveals a significant gap. Therefore, within the specific context of Kenya, the present study seeks to direct its objectives by employing organizational systems techniques, innovation practices, and stakeholder participation practices.

Kaber's [34] study mostly examined the performance of programs and the organizational structures of NGOs in Kenya. An approach known as descriptive research was utilized for the investigation. The research population in Nairobi consisted of thirty NGOs, whose selection was made through the use of purposive sampling. From each NGO, one respondent was chosen from the finance, human resources, simple random. The respondents who were selected were given a physical questionnaire to fill out in order to collect data. There was a response rate of 91% for the questionnaire among the respondents. In order to analyze the data, inferential statistics were utilized. The analysis revealed that their business consistently identifies areas of underperformance and had a thoroughly documented management framework. System management strategies significantly impact the efficiency of organization programs, according to the study's conclusions. Estimating the tasks that must be completed for targeted results, evaluating risks involved, estimating the capabilities of important tasks are all components of these strategies. NGOs, which are organizations that are not-for-profit, were the major focus of the study; however, the study is now aiming to cover enterprises that are a part of the Export Processing Zone. The investigation's empirical evidence appears to be lacking as a consequence of this.

The Huduma Centers in Nairobi County, Kenya, were the subjects of an investigation that was carried out by Muzuva [52] to investigate the effectiveness and procedures of management information systems. Management information system efficacy and efficiency, service value, decision-making efficacy, and information management were some of the numerous variables that the study set out to investigate. Eighty participants were selected from within the target group, which included five Huduma Centers in Nairobi County. The research was conducted primarily through the use of questionnaires, which were subsequently evaluated through the application of descriptive and inferential statistics. Based on the research, workplace information systems have the ability to handle and analyze substantial amounts of data from many sources, generating detailed reports that organizations can use to make educated decisions. The current study focuses on exploring innovative practices in textile firms located within the Export Processing Zone. In contrast, the previous study specifically examined the practices and performance of management information systems at Huduma Centers located in Nairobi County.

In his study, Wagara [53] focused on the operational performance of food manufacturing enterprises in Nairobi County, Kenya, as well as the influence of overall quality management systems. The primary objective of this study was to analyze the impact of implementing TQM methodologies on the operational performance of the food and beverage manufacturing industries in Nairobi. An investigation was conducted to examine the utilization of Total Quality Management (TQM) methods and their impact on operational performance. This study employed both explanatory and cross-sectional study methodologies. The target demographic comprised the prominent food manufacturing enterprises in Nairobi, which can be further categorized into seven subsectors. The study employed a survey that included all 87 firms. Primary data was acquired through the use of a questionnaire. Descriptive statistics such as the mean and standard deviation were utilized. Cross-tabulation was utilized to ascertain the authentic response from each of the participating firms. The data was analyzed using the Statistical Package for Social Sciences (SPSS 20.0). The findings of the study indicate that continuous development is an essential component in effectively ensuring the success of manufacturing companies. Taking into consideration the designs for cross-sectional and explanatory research, the gaps that have been observed in this study have been recognized. In spite of the fact that this study was conducted using a descriptive design, it is essential to keep in mind that descriptive designs frequently concentrate on situations that occur in the actual world. However, the current design seeks to adopt descriptive research design considering that the design helps to describe various phenomena in their current state.

2.3.2. Innovation Practices and Performance

In their study, Alosani, Yusoff, and Al-Dhaafri [54] examined the impact of innovation and strategic planning on the organizational performance of Dubai Police. Hypothesised model of the study was investigated through use of a questionnaire for the survey. There were 150 questionnaires that they get delivered, however only 95

authentic surveys were received and prepared for analysis. Analyzed data and evaluated hypotheses using the regression approach in SPSS. The study found that reducing transaction and administrative costs associated with innovation in service delivery generally improves organizational performance. Due to the research being conducted in Dubai and focusing on a police institution, there exists a contextual discrepancy. Conversely, this study specifically examined textile enterprises situated in Kenya's Export Processing Zones (EPZ) and seek to ascertain the impact of innovation on the success of these companies, among other factors.

Boamah, Ayesu, and Pardie [55] aimed to assess the impact of institutional textiles research on Ghana's textile industry. The objective of the researchers was to ascertain whether or not it would be possible to put the findings of the research into practice in order to effectively revitalize and maintain the Ghana's textile sector. The study makes use of quantitative assessment research methodologies, with questionnaires and interviews serving as the key instruments for data gathering. A total of 142 respondents were chosen by a combination of methods, including deliberate sampling and stratified random selection, which were both used in the selection process. Despite this, only 54 individuals agreed to participate in the study. The data underwent a descriptive analysis based on frequency. The study's findings indicate that although there has been an increase in research studies offering practical and achievable recommendations for addressing the challenges encountered by textile factories, the absence of collaboration between the industry and academia is hindering the potential profitability of implementing these findings. The gaps, however, arise from the potential inapplicability of Kenyan methodologies used by Kenyan EPZ firms to Ghanaian practices. Therefore, it is essential to provide context on matters related to Kenya.

The authors of the study, Kiarie and Lewa [56], conducted an investigation on the influence that innovative practices have on the effectiveness of providers of medical insurance in Kenya. When conducting the study, a descriptive research methodology was utilized. The research was conducted with a particular group of people in mind, namely there were 224 managers who were employed by health insurance service providers. An approach known as stratified sampling was utilized in order to put together the sample. The gathering of primary data was accomplished through the utilization of questionnaires that had questions that were not open-ended. Descriptive statistics were employed to conduct analyses that encompassed both quantitative and qualitative aspects. Additionally, market innovation was shown to facilitate the exploration of new markets for insurance companies. These findings are relevant to the quality of the products and services that insurance companies provide to their customers. The highlighted innovation strategies; however, it has conceptual gaps because it did not cover additional variables such as organizational systems practices and stakeholder involvement. To address this discrepancy, the study examines the impact of organizational systems practices, innovation practices, and stakeholder participation practices on the productivity of certain textile enterprises.

Mbocho [9] conducted a study on the manufacturing

sector's performance at Bamburi Company, to examine influence of strategic innovation. The study focused on the 300 employees of Bamburi Cement as its target audience. In order to make sense of the data and write a comprehensive report, a descriptive research strategy was employed. The research included 171 people and used a stratified random sampling technique to choose them. To collect main data, questionnaires were used. Multiple regression analysis and correlations were the inferential statistics used to evaluate the association across the independent and dependent variables. Descriptive statistics, on the other hand, were employed to quantify percentages and frequency. Evidence has shown that technological innovation enables firms to generate and improve novel products and services based on inventive concepts. The previous study focused solely on strategic innovation, but the current study seeks to encompass a range of operational techniques, including those pertaining to organizational systems, innovation, and stakeholder engagement. A gap in the previous study is brought to light by this. However, the current study seeks to incorporate a range of operational practices which comprises of organizational systems, innovation practices, stakeholder involvement practice, Export Processing Zone and how they affect performance in EPZ.

2.3.3. Stakeholder Involvement Practices and Performance

Demirkesen and Reinhardt [19] conducted a study to examine the influence of stakeholder engagement on the effectiveness of government initiatives in Poland. The analysis was carried out using a descriptive research design, which involved collecting data based on the perspectives and opinions of the participants. Thirteen government activities were aimed at the specific population. The project managers and extra support staff acted as the observational unit. Questionnaires were employed as the study instruments. Project managers may encounter challenges in coordinating diverse stakeholders, which can potentially complicate the project's development when policy is being formulated. Because the study was conducted only in Poland, it may be regarded as having a contextual gap even though it incorporates one of the study's aims. By concentrating on the Kenyan environment and integrating the three practices—organizational structures, innovation, and stakeholder involvement—that are pertinent in the Kenyan setting, the current study seeks to close the gap.

In Rivers State, Nigeria, indigenous oil servicing enterprises' organizational decision-making and stakeholder participation were explored by Sorbariko [27]. Through a use of a self-administered, structured questionnaire, primary data was produced. A total of 48 managers, employed by 24 locally owned oil service companies, resided in Rivers State. Sampling was not employed as the census accounted for the entire population. The Spearman rank order correlation coefficient was used for the analysis of the hypotheses. The results show that indigenous oil service companies in Rivers State benefit much from collaborating when making decisions. It indicates the manner in which stakeholders are more inclined to demonstrate significant project endorsement when they are consulted and actively

involved in the solution. However, the study has limitations as it solely relied on a cross-sectional survey and focused exclusively on one aspect of the study's objectives, namely stakeholder participation. The purpose of this study is to fill in this knowledge vacuum by analyzing a variety of operational activities, including organizational systems practices, innovation practices, and stakeholder participation practices, among others. A descriptive design serves the purpose of identifying prospective areas for future research and addressing existing knowledge gaps. Additionally, it can be utilized as a foundation for polishing research subjects and theories.

A study by Githinji, Ogolla, and Kitheka [57] was conducted on the impact of stakeholder participation on project performance. An analysis of the provision of ferry services in Kenya. Kenya Ferry Services has implemented several initiatives to enhance traffic across the Likoni Channel. Instances of traffic congestion and delays during the crossing process indicate a lack of collaboration between the two parties in addressing the problems at the channels. The study employed a descriptive research technique. Subsequently, 70 individuals were chosen selected using a random process to complete the survey. Following a preliminary investigation, data was gathered using questionnaires. The study's findings indicate that an organization's consideration of stakeholders' concerns is the primary factor in determining project selection. Additionally, involving stakeholders in project monitoring is strongly correlated with improved project performance. Although the study examined stakeholder engagement, it focused specifically on non-profit companies, which may have different approaches compared to for-profit enterprises. Therefore, the purpose of this study is to fill the existing void by investigating the influence that various techniques for stakeholder involvement have on the performance of particular textile businesses that are situated within the Export Processing Zones in Athi River.

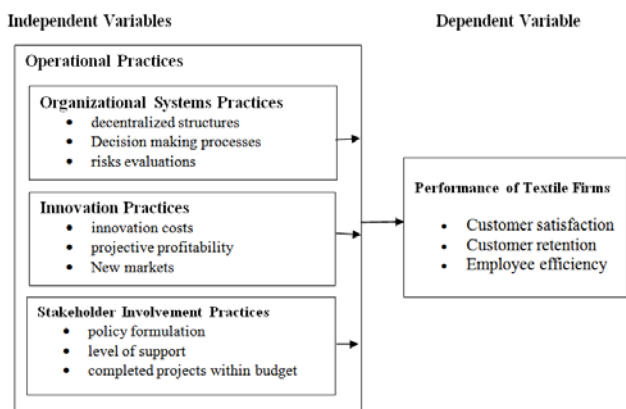
Mouldid, Muchelule, and Wechuli [13] conducted a study that examined the performance of Kenya's Coast Development Authority (CDA) projects in terms of stakeholder management. Within the scope of this descriptive research study, there were a total of 171 key technical staff members from seven different CDA projects that were recruited as participants. Project officers, key representatives from the beneficiaries, team leaders, and managers all fall within this category. In the course of the research, both stratified and simple random sampling was utilized. SPSS version 23 to analyze the quantitative data was used. Involvement of stakeholders in planning, communication, and monitoring procedures significantly improves the effectiveness of Coast Development Authority projects in Kenya, according to the research. Thus, achieving true strategic alignment often requires a combination of performance management systems at both the organizational and individual levels. This leads to cost savings since it eliminates impediments and reduces the occurrence of unforeseen occurrences that could hinder an organization's productivity. The discrepancy arises from the study's utilization of purposive sampling technique with Spss version 26. However, the present study employed a stratified random sample design, and the data analysis was conducted using SPSS version 26.

Table 2.1. Summary of review of Literature and Gaps in Research

Author & Year	Focus of Study	Research Findings	Research Gaps	Focus of Current Study
Alosani, Yusoff and Al-Dhaafri [54]	Effect of innovation and strategic planning on enhancing organizational performance of Dubai Police	Innovations in organization typically enhance the performance of the organization by reducing transactional and administration costs linked to the use of innovative service delivery methods.	There is contextual gap considering that the research was based in Dubai and in reference to a police organization	However, the current study was based in textile firm based in Kenya and the study sought seek to find out how innovation among other variables influences performance of textile companies
Boamah, Ayesu, and Pardie [55]	Impact of institutional textiles research on Ghana's textile industry.	The absence of collaboration between the industry and academia is hindering the potential profitability of implementing these findings	The gaps, however, arise from the potential inapplicability of Kenyan methodologies used by Kenyan EPZ firms to Ghanaian practices	To fill the gaps, Therefore, it is essential to provide context on matters related to Kenya.
Demirkesen and Reinhardt [19]	conducted a study to examine the influence of stakeholder engagement on the effectiveness of government initiatives in Poland	The study revealed that stakeholder participation in decision-making processes enables the availability of a diverse array of choices for policy creation.	The study has a contextual gap as it was conducted exclusively in Poland whose practices and operational approaches may differ with Kenyan context.	The current study aims to bridge the gap by focusing on the Kenyan environment and combining all three practices—organizational structures, innovation, and stakeholder involvement—that are relevant in the Kenyan context.
Githinji, Ogolla, and Kitheka [57]	Impact of stakeholder participation on project performance. A case of Kenya Ferry Services	The study's findings indicate that an organization's consideration of stakeholders' concerns is the primary factor in determining project selection. involving stakeholders in project monitoring is strongly correlated with improved project performance	Although the study examined stakeholder engagement, it focused specifically on non-profit companies, which may have different approaches compared to for-profit enterprises	By analyzing the effects of stakeholder involvement strategies on the performance of particular textile businesses situated inside the Export Processing Zones in Athi River, this study aims to close the current gap.
Kaberi [34]	organizational systems and program performance in Kenya Non-Governmental Organizations	When it comes to defining the activities that are required to accomplish the intended results, evaluating risks, and monitoring the capabilities of important activities, the utilization of system management methodologies has a significant impact on the performance of those activities within the	From the study, there is empirical gap considering that as much as organizational system was adopted, the study was made in reference to NGOs being non-profit oriented organization	Despite the current study making use of organizational systems practices, the reference to organization was on textile firms in Kenya.
Kiarie and Lewa [56]	impact of innovative methods on organizational effectiveness in Kenyan health insurance service providers	The pace of innovation is vital in meeting the demands of the market in insurance firms. Market innovation is responsible for creating opportunities for expansion into new markets within the insurance industry.	As much as the study made reference to innovation practices, there is conceptual gaps considering that other variables such as organizational systems practices stakeholder involvement practice was not addressed.	To fill the gap, the study seeks to involve all the three variables: organizational systems practices, Innovation practices and stakeholder involvement practice on performance of selected textile firms.
Mbocho [9]	Conducted a study on the manufacturing sector's performance in Kenya, using the Bamburi Company as a case study	Findings revealed that technological innovation enables firms to generate and improve novel products and services based on inventive concepts	The previous study focused solely on strategic innovation, but the current study seeks to encompass a range of operational techniques, including those pertaining to organizational systems, innovation, and stakeholder engagement	. However, the current study seeks to incorporate a range of operational practices which comprises of organizational systems, innovation practices, stakeholder involvement practice, Export Processing Zone and how they affect performance in EPZ.
Moulid, Muchelule, and Wechuli [13]	conducted a study that examined the performance of Kenya's Coast	The findings indicate that engaging with stakeholders ultimately enables projects	However, The gap arises from the study's utilization of purposive sampling	However, the present study employed a stratified random

	Development Authority (CDA) projects in terms of stakeholder management	to be successfully executed within the designated timeframe and allocated resources. This leads to cost savings since it eliminates impediments and reduces the occurrence of unforeseen occurrences that could hinder an organization's productivity	technique with Spss version 25	sample design, and the data analysis was conducted using SPSS version 26.
Muzuva [52]	Huduma Centers' management information systems procedures and operational results in Nairobi County, Kenya	workplace information systems have the ability to handle and analyze substantial amounts of data from many sources, generating detailed reports that organizations can use to make educated decisions	In contrast, the previous study specifically examined the practices and performance of management information systems at Huduma Centers located in Nairobi Count	The current study seeks to focus on exploring innovative practices in textile firms located within the Export Processing Zone
Ogbo, Nwankwere and Chukwudi [51]	impact of structure on organizational performance case of Innoson Nigeria Ltd, and Etisalat, Enugu Regional Office	The study's conclusions showed that managers choose to use decentralized organizational structures to enhance decision-making and, as a result, increase performance.	The contextual gap is realized on the basis of location. Being based in foreign organization may not necessarily be applicable in Kenyan situation	However, the study seeks to use organizational systems practices innovation practices stakeholder involvement practice as guiding objectives in Kenya.
Sorbariko [27]	Stakeholder engagement and organizational decision making of indigenous oil servicing companies in rivers state, Nigeria.	The results of the study show that information sharing significantly affects how indigenous oil service companies in Rivers State make decisions.	However, the study has limitations as it solely relied on a cross-sectional survey and focused exclusively on one aspect of the study's objectives, namely stakeholder participation	By examining a number of operational practices, such as organizational systems practices, innovation practices, and stakeholder participation practices, the current study intends to close this knowledge gap
Wagara [53]	Effect of total quality management practices on operational performance of food manufacturing firms in Nairobi County, Kenya	Findings shows that continuous improvement was crucial factor in ensuring the performance of manufacturing firms	The gaps have been identified in this study considering that designs for cross-sectional and explanatory studies Despite the utilization of a descriptive design in this study, it is important to note that descriptive designs often focus on real-world contexts	However, the current design seeks to adopt descriptive research design considering that the design helps to describe various phenomenon in their current state.

Source: Research Data (2024)



Source: Researcher (2024)

Figure 2.1. Conceptual Framework

2.4. Summary of Literature Review

The gaps summarized in table 1.

2.5. Conceptual Framework

It is a representation, either in written or visual form, of the relation that exist between the variables that are independent and those that are dependent [58].

3. Research Methodology

3.1. Introduction

The chapter comprises of comprehensive overview on research design, population for study, samples and methods of sampling, data collection instrument, procedure of data collection, pilot study, validity and reliability of the research instruments, data analysis and presentation, and ethical considerations.

3.2. Research Design

Descriptive research is a type of research design that aims to describe the characteristics, behaviors, and attributes of a population or phenomenon without manipulating variables or attempting to establish cause-and-effect relationships [59].

Bray and Maxwell [60] state that an intensive descriptive research design is employed to create estimations, whereas an extensive descriptive research design is used when a researcher aims to make generalizations. A descriptive design requires the utilization of diverse tools to collect data from samples. This method encompasses the process of carrying out surveys or interviews. The type of survey required for a study depends on its objectives, the characteristics of the data and the target demographic and sample to address the operational practices and performance of selected textile firms within export processing zone (EPZ) Kajiado County.

3.3. Target Population

Target population is made up of a specific set of individuals, elements and events, as well as a collection of items that are being studied [59]. While Peil (2013) states that by defining population, it comprises of the number of items that share one or more traits to be studied or provide information for study. The research population consisted of EPZ textile firms in Kajiado County. A total of 29 EPZ textile firms available in Kajiado County were targeted. A 20% sample size or more is considered to be relevant with reflective of the population that is being targeted, as stated by Glass and Hopkins [61]. In Kajiado County, the sample that was collected consisted of 20 percent of the textile EPZ enterprises. Therefore, a total of 6 EPZ were randomly selected. The 6 were sampled EZP with their corresponding 457 administrative staff as provided in table 3.1.

Table 3.1. Target Population

Category	Population of Study Administrative Staff
African Coffee Roasters EPZ Ltd	79
Al Borj East Africa EPZ Ltd	86
Avo Health EPZ Ltd	58
Botanical Extracts EPZ Ltd	78
Celebrity Fashions EPZ Ltd	73
Dala Textiles EPZ Ltd	83
Total	457

Source: Export Processing Zones Program Annual Performance Report (2024)

3.4. Sample and Sampling Techniques

The sample is defined by Trochim [58], as a portion of the population, considering that because researchers are unable to test each and every individual in a group, the concept of a sample was developed to account for this limitation. As a result of this, it was essential that a sample be an accurate representative of the population from which it was derived.

Conversely, as stated by Kothari [62], a sampling frame refers to a comprehensive list of all the populations from which a researcher chooses a sample. A total of 457 administrative staff members were involved in the study, and they were obtained from the EPZ textile in Kajiado County.

For the aim of finding the appropriate sample size for the research, a stratified random sampling design was adopted as the sampling method. Kothari [62] states that

stratified random sampling offer an equitable chance for respondents to partake in the research exercise. This sampling design is particularly effective for populations with diverse characteristics as it minimizes errors and guarantees equal representation of all entities under the research exercise.

The research adopted Taro Yamane formula to come up with sample size. Cooper and Schindler [63] states that Taro Yamane formula provides a quick estimation of the required sample size. This was particularly useful when time and resources are limited, and a researcher needs to make a rapid determination of the sample size for a survey. Still, Yamane's formula is particularly useful for relatively homogeneous populations. When the population is relatively uniform, the formula can provide a reasonable estimate of the required sample size without overcomplicating the process.

Taro Yamane formula depicts the formula as;

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

Where;

n- Sample size in the strata

N- Population

e- Level of precision (0.05) ²

$$n = \frac{457}{1 + 457(0.05)^2}$$

$$n = \frac{457}{1 + 1.1425}$$

Sample size n = 213

3.5. Data Collection Instrument

This research study used questionnaires to acquire primary data. According to Kerlinger [64], questionnaires are data collection tools with a sequence of standardized questions to manage individual information from a study sample. Questionnaires that were adopted comprised of closed-ended questions. According to Krishnaswami [65], close-ended questions had either mutually exclusive response options or contain an explicit instruction that respondents may pick more than one response from the options.

Kerlinger [64] states that the reason for using questionnaires in data collection is that questionnaire may collect large quantitative data types. In addition, they offer a more expedient method of obtaining results, while simultaneously enabling the researcher to collect data from a substantial sample size. Additionally, the questionnaire makes it easier to conduct effective data analysis.

The closed-ended questions used a 5-point Likert scale which describes [strongly agree, agree, neutral, disagree and strongly disagree]. The questionnaire was divided into three sections. The First Sections was to address background information about respondents and comprised of work experience, level of education, age and gender. The Second Section addressed the Operational Practices which constituted; organizational systems practices, innovation practices and stakeholder involvement practice.

The Third Section comprised of performance of selected textile firms within export processing zone.

3.6. Data Collection Procedure

Kenyatta University provided the researcher with an official letter introducing the researcher to respondents during the session of data collection. Researcher then proceeded to acquire a permit from the National Commission for Science, Technology and Innovation (NACOSTI) to undertake the study and book an appointment with the respondents. Following the distribution of questionnaires to respondents for the purpose of eliciting responses, the researcher picked the responses after a length of time that is mutually agreeable in order to get ready for the analysis to be performed.

3.7. Validity and Reliability of Research Instruments

The data collection instruments were subjected to validity and reliability of research instruments.

3.7.1. Validity of the Research Instrument

According to the definition provided by Gujarati [66], validity is the degree to which a test accurately evaluates the particular construct that it is designed to measure. Content validity is whether the measure applied in this study tends to cover all the content in underlying study [67]. The researcher ensured that the content of a measure used covers all domain of the questionnaire. Face validity is the validity of the results that may appear based on how someone looks at it. The supervisor guided and provided additional guidance on improving face validity. To enhance the construct validity, the investigator provided evidence to establish the alignment between the data and the theoretical framework.

The degree to which the independent variable can be specified with precision in order to generate the influence that is being seen is what is meant by the term internal validity [59]. In internal validity, the researcher discussed at length the independent variables with the supervisor to ensure that they were best suited for this research. According to Glass and Hopkins [61], statistical conclusion validity is the process of determining whether or not there is a correlation or co-variation between the variables that were involved in the cause-and-effect relationship. The researcher made certain that proper sample procedures are carried out in order to make this situation much better. The accuracy and dependability of measuring procedures were evaluated from the perspective of criterion-related validity. To enhance this, the researcher ensured the criterion was measured well.

3.7.2. Reliability of Research Instrument

The reliability test findings were determined by the use of Cronbach's Alpha, which is a tool for measuring and determining the internal consistency of different items. According to Cooper and Schindler [63], the range that is tested by Cronbach Alpha is between 0 and 1, so when the Cronbach Alpha has a score between 0 and 0.6, it indicates that the instrument reliability is low. On the

other hand, a score of 0.7 or higher indicates that the reliability and internal consistency is acceptable as shown on table 3.

Table 3.2. Reliability Test Results

Variable	Cronbach Alpha	No. of Items	Ruled
Performance of EPZ	0.983	7	Accepted
Organizational Systems Practices	0.934	6	Accepted
Innovation Practices	0.958	6	Accepted
Stakeholder Involvement Practice	0.982	6	Accepted

Source: Research Data (2024).

Cronbach's alpha, a test of reliability, was included in the presentation. The analysis shows performance of EPZ had an internal consistency of 0.983, the organizational systems had an internal consistency of 0.934, Innovation Practices had an internal consistency of 0.958, and Stakeholder Involvement Practice had an internal consistency of 0.982. When looking at Alpha as an evaluation of internal consistency across all variables, it was found to be greater than 0.70. All of the variables tested as reliable, as shown by a p-value of over 0.7.

3.7.3. Pilot Study

According to Kothari [62], the primary objective of pilot testing was to detect any flaws in the instruments and assess the respondents' understanding of the questions. Therefore, the area of observation chosen by the researcher for a preliminary investigation might be considered as a pilot test. Cohen [68] suggests that doing pilot testing of data gathering approaches enhances the probability of detecting errors and eliminating inefficiencies prior to the commencement of the main study. A pilot study additionally guarantees the internal consistency of research instruments by aiding in the discovery of significant themes and notions that may have been neglected by the data gathering tool. According to Lyon [69], pilot research with a sample size of 10% or more is sufficient to evaluate the accuracy and reliability of the data collection method. As a result, a total of 4 individuals were approached in the neighboring garment firm and had them respond to the questionnaire.

3.8. Data Analysis and Presentation

According to Kothari [62], the act of packing the received data, organizing them and the technique for analyzing the data consists of organizing its essential components in such a way that the findings may be presented in a manner that is effective enough to be understood. Therefore, upon completion of the collection of all relevant data, it was edited, coded, and tabulated. Then, descriptive statistic was applied to the data in order to derive the mean and standard deviations.

A number of inferential statistical methods, including correlation and regression analysis, were also utilized in the research with the purpose of determining the extent of the relationship that exists between the variables.

In order to determine the combined influence on the variables under investigation, the regression analysis was

utilized, and the regression model was specified in the manner that is shown;

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon;$$

Y = is the dependent variable, Performance of selected textile firms;

Whereas, X is a set of independent variables

X₁ = Organizational Systems Practices;

X₂ = Innovation Practices;

X₃ = Stakeholder Involvement Practice,

α = constants term.

β₁, β₂, β₃, = regression coefficients of X₁, X₂, and X₃ while ε = error item

3.9. Ethical Consideration

Ethics is a vital element in every investigation or research. It is a crucial element of every research work as it enhances the integrity and overall welfare of study participants [70]. The study incorporated all requisite measures to ensure that ethical considerations about research are appropriately attended to. The selected participants were educated about the research goals and made aware that the study was purely academic, in order to get their informed consent. Furthermore, by abstaining from soliciting the identities of respondents, the researcher ensured the highest level of confidentiality for their views they provided. Consequently, responses were not disclosed to external entities or utilized for any purposes other than academic research.

4. Research Findings and Discussions

4.1 Introduction

This chapter covers the statistical analysis, presentation, and interpretation of data pertaining to the response rate, respondent demographics, reliability testing and inferential statistical procedures (such as correlation, multiple regression, and analysis of variance).

4.2. Response Rate

The presentation shown constitutes the response rate.

Table 4.1. Response Rate

Category	Frequency	Percentage
Response	188	88
Non-Response	25	12
Issued	213	100

Source: Research Data (2024).

The percentage of questionnaires that were responded to was summarized on table 4.1 During the course of the study, 213 questionnaires were handed out to participants. Of these, 188 questionnaires were handed back, representing a return rate of 88%, while 25 questionnaires were not handed back, representing a failure rate of 12%. According to Mugenda and Mugenda [59], an adequate response rate for analysis and reporting is a percentage of fifty, a response rate of sixty percent is considered to be good, and a response rate of seventy percent or higher is

considered to be excellent. The final analysis received a response rate of 88% considered to be excellent responses.

4.3. Demographic Data

The findings of the study gave a summary of the information pertaining to the respondents who took part in the research. The information was organized according to their gender, their highest level of education, and the work experience in the EPZs.

4.3.1. Gender Responses

The gender response focused towards both the male and female respondents who participated in this survey as presented in table 4.2.

Table 4.2. Gender Response

Category	Frequency	Percent	Valid Percent	Cumulative Percent
Male	96	51.1	51.1	51.1
Female	92	48.9	48.9	100.0
Total	188	100.0	100.0	

Source: Research Data (2024).

The conclusions of the survey were presented in table 4.2 and it reveals that male respondents made up 51.1% of the total, while female respondents made up 48.9%. According to the findings of the study, there was adequate participation from people of both sexes in this research because the responses were evenly distributed.

4.3.2. Responses on Education Level of Respondents

The education level of each respondent was used to compile the study's summary, which was presented on table 4.3.

Table 4.3. Level of Education

Category	Frequency	Percent	Valid Percent	Cumulative Percent
O-Level	3	1.6	1.6	1.6
Diploma Level	42	22.3	22.3	23.9
Bachelor's degree	75	39.9	39.9	63.8
postgraduate degree	12	6.4	6.4	70.2
other qualification	56	29.8	29.8	100.0
Total	188	100.0	100.0	

Source: Research Data (2024).

The conclusions of an investigation into the respondents' highest degree of education were presented in table 4.3 It was found that 1.6% of respondents had only completed up to the O-level, 22.3% had completed a diploma level as 39.9% had completed a bachelor's degree, 6.4% had completed a postgraduate degree, and 29.8% had other credentials. According to the findings of this study, the majority of the persons in the study had university degrees, which indicates that the staff had appropriate knowledge about aspect of Organizational systems practice and Performance of selected textile firms.

4.3.3. Responses on Work Experienced

The presentation of the findings focused on the job experience of workers; the length of time spent at work is

one factor that helps determine the level of knowledge that respondents have about the subject of the research.

Table 4.4. Work Experience of Respondents

Category	Frequency	Percent	Valid Percent	Cumulative Percent
less than 1 year	10	5.3	5.3	5.3
2-4 years	26	13.8	13.8	19.1
5-8 years	69	36.7	36.7	55.9
9-12 years	45	23.9	23.9	79.8
Over 12 years	38	20.2	20.2	100.0
Total	188	100.0	100.0	

Source: Research Data (2024).

The survey provided a summary of the data in table 4.4 which highlighted the employment experiences of those who took part in the survey. It was discovered that 5.3% of respondents had worked for less than a year, 13.8% had worked for a period between 2-4 years, 36.7 had worked for a period between 5-8 years, 23.9% had worked for a period between 9-12 years, and those with over 12 years of work experience were 20.2%. On the basis of the Organizational systems practice and Performance of selected textile firms, respondents with over 8 years and more had adequate knowledge about the topical issues of the study

4.4. Descriptive Analysis

The data presented was based on the effect of the study variables adopted and included; Organizational Systems Practices, Innovation Practices and Stakeholder Involvement Practice.

4.4.1. Effect of Organizational Systems Practices

The analysis was based on the influence of organizational systems practices on performance of selected textile firms within export processing zone.

The presentation of analysis on table 4.5 was aimed at establishing the influence of organizational system practices. From the responses, it was noted that managers implemented decentralized frameworks to boost performance through enhancing the way decisions are made as depicted with $M=4.388$; $SD=1.07$. The other analysis sought to establish whether the utilization of system management methodologies to delineate essential actions for attaining the intended results in the assessment of risks. This was supported by majority of respondents who affirmed by a $M=4.58$; $SD=0.912$. The analysis sought to confirm whether at workplace, the information system can process massive amounts of data from multiple sources by generating detailed reports. From the high support by the respondents, it was confirmed there was influence as represented by $M=4.239$; $SD=1.03$. The study further to examine whether continuous improvement is considered one of the pillars upon which firms' performance can be guaranteed.

With majority of respondents, the analysis confirmed as represented by $M= 4.164$; $SD=1.12$. Least but not last, majority of respondents did not agree to the statement that there is utilization of system management methodologies to delineate essential actions for attaining the intended results in the assessment of risks. This is shown by

$M=2.414$; $SD=1.57$. Lastly, majority of respondents were not in support to the idea that the operational efficiency has effectively minimized the occurrence of typical risks and losses. This was affirmed by $M=2.398$; $SD= 1.38$.

Table 4.5. Organizational Systems Practices

Statement on Organizational Systems Practices	N	Mean	Std. Deviation
Managers implemented decentralized frameworks to boost performance through enhancing the way decisions are made.	188	4.388	1.07
The utilization of system management methodologies to delineate essential actions for attaining the intended results in the assessment of risks.	188	4.585	.912
At workplace, the information system can process massive amounts of data from multiple sources by generating detailed reports	188	4.239	1.03
Continuous improvement is considered one of the pillars upon which manufacturing firms' performance can be guaranteed.	188	4.164	1.12
The creating a personal organization system tailored to individual needs and goals can significantly increase productivity and efficiency.	188	2.414	1.57
The operational efficiency has effectively minimized the occurrence of typical risks and losses.	188	2.398	1.38
Aggregate Mean & Std. Deviation		3.698	1.18

Source: Research Data (2024).

From the analysis with an aggregate $M=3.698$ and std. dev. of 1.18 is an affirmation that there was significant influence of organizational systems practices on performance of selected textile firms within export processing zone. The analysis implied that creating a personal organization system tailored to individual needs and goals can significantly increase productivity and efficiency. This involves effectively sorting, ordering, and managing tasks to ensure a clear routine and timely completion of work items. The findings are considered similar to a study by Kaberi [34] who established that operations consistently identify areas of underperformance and had a thoroughly documented management framework. System management strategies significantly impact the efficiency of organization programs. Further analysis therefore, revealed that organizational systems practices on the performance of firms within EPZs in Kenya are multifaceted. It encompasses strategic planning systems, organizational learning, continuous development, strategy implementation and supply chain management practices all aimed at ensuring the organization runs smoothly with minimal risks. Results were also closely similar to Wagara [53] who established that continuous development is an essential component in effectively ensuring the success of manufacturing companies.

4.4.2. Effect of Innovation Practices

The analysis was based on the influence of innovation practices on performance of selected textile firms within export processing zone.

The presentations provided on table 4.6 was aimed at establishing whether innovation practices affect performance of selected textile firms within export

processing zone. Therefore, various mean and std. dev. values have been used to ascertain the significance of their responses. The analysis showed that organizational innovations typically enhance organizational performance by reducing administrative expenses linked to innovations. This was depicted by a value $M=3.75$; $SD=1.30$. Further analysis was aimed at establishing whether innovation typically enhances organizational performance by reducing transaction costs. It was confirmed by $M=3.70$ & $SD=1.33$, majority being in total support. Further analysis was aimed at establishing whether by implementing elaborate strategies and financial plans, the firm has successfully cultivated performance goals through innovation. Going by the majority of respondents who strongly agreed, it was depicted by $M=4.04$; $SD=1.32$. From the analysis, majority of respondents strongly disagreed that technological innovation empowers organizations to generate novel items from inventive concepts and enhance existing ones this was confirmed by low $M=2.05$; $SD=1.37$. Lastly, there was mixed responses where respondents were expected to show whether there is a clear supervision of the quality of both the inputs and the outputs in order to achieve the standards. From $M=3.54$; $SD=1.29$, it depicts that some were in agreement and notable other respondents were also not in agreement to the statement.

Table 4.6. Innovation Practices Statement on Innovation Practices

	N	Mean	Std. Deviation
Organizational innovations typically enhance organizational performance by reducing administrative expenses linked to innovations.	188	3.75	1.30
Innovation typically enhances organizational performance by reducing transaction costs.	188	3.70	1.33
Rate of innovation plays a crucial role in fulfilling new market needs	188	2.21	1.57
By implementing elaborate strategies and financial plans, the firm has successfully cultivated performance goals through innovation	188	4.04	1.32
Technological innovation empowers organizations to generate novel items from inventive concepts and enhance existing ones.	188	2.05	1.37
There is a clear supervision of the quality of both the inputs and the outputs in order to achieve the standards.	188	3.54	1.29
Aggregate Scores.		3.219	1.36

Source: Research Data (2024).

From an overall mean of 3.219 and std. dev. of 1.36 is a depiction that there was notable influence of innovation practices on performance of selected textile firms within export processing zone although, other another of respondents were disagreeing with a number of issues. The results in general implied that innovation allows EPZ firms to differentiate themselves from competitors. By introducing unique products, services, or production methods, firms can attract new customers and retain existing ones. This differentiation helps in building a strong market presence and capturing higher market share. The results were considered similar as evidenced by the findings provided by Mbocho [9] who established that technological innovation enables firms to generate and

improve novel products and services based on inventive concepts. However, other findings were in contrast to results provided by Kiarie and Lewa [56] who established that market innovation was shown to facilitate the exploration of new markets for insurance companies. Still, from the analysis, EPZ firms could be facing issues, such as declining financial support, lack of resources, and inadequate information technology infrastructure, which can hinder their ability to effectively implement innovation practices and thereby impact their performance.

4.4.3. Effect of Stakeholder Involvement Practices

The study findings provided was to establish the level of influence of stakeholder involvement practice on performance of selected textile firms within export processing zone.

Table 4.7. Stakeholder Involvement Practices

Statement on Stakeholder Involvement Practices	N	Mean	Std. Deviation
Stakeholders who are consulted and made part of the solution feel more willing to show high level of supporting the project.	188	3.35	1.234
During the process of policy creation, the introduction of extra challenges to the project may be brought about by the alignment of various stakeholders.	188	3.96	1.220
Aligning many different stakeholders together can be challenging for project managers.	188	3.7	1.235
The primary determinant in project identification is the organization's prioritization of stakeholders' issues.	188	3.5	1.264
Engaging with stakeholders ultimately enables timely completion of projects and on budget.	188	3.62	1.505
Communication with stakeholders and monitoring of their activities has a good impact on performance.	188	3.97	1.285
Aggregate Scores.		3.68	1.29

Source: Research Data (2024)

Table 4.7 constitutes study findings. The analysis revealed that stakeholders who are consulted and made part of the solution feel more willing to show high level of supporting the project. This had mixed reaction as depicted by average $M=3.35$; $SD=1.234$. In the analysis, it was noted that during the process of policy creation, the introduction of extra challenges to the project may be brought about by the alignment of various stakeholders as shown by $M=3.96$; $SD=1.220$. The analysis further revealed on whether aligning many different stakeholders together can be challenging for project managers. This was highly supported by majority of respondents as depicted by $M=3.79$; $SD=1.235$. Respondents were tasked to show whether the primary determinant in project identification is the organization's prioritization of stakeholders' issues. Going by the respondents, half of the respondents were in agreement whereas a significant

number were not in agreement. In the analysis, it was confirmed from the majority of respondents in agreement that engaging with stakeholders ultimately enables timely completion of projects and on budget as depicted by $M=3.62$; $SD=1.505$. Lastly, the study established that communication with stakeholders and monitoring of their activities has a good impact on performance and this was strongly agreeable by majority of respondents as depicted through the responses with a $M=3.97$; $SD=1.29$.

The interpretation drawn from the analysis was evidenced by a mean of 3.68 and std. 1.29 that there was significant influence of stakeholder involvement practice on performance of selected textile firms within export processing zone. This implied that stakeholder involvement practices bring out challenges and opportunities for effective performance of EPZ firms in Kenya. The influence of stakeholders in shaping change management practices, and policy engagement sessions underscores the significant role of stakeholder involvement in shaping the business environment within which EPZ firms operate. In the context of development projects, involving stakeholders in various stages such as planning, identification, monitoring, and evaluation significantly contributes to performance. These findings were significantly related to a study by Githinji, Ogolla, and Kitheka [57] who established that involving stakeholders in project monitoring is strongly correlated with improved project performance.

4.4.4. Performance of Selected Textile Firms

The analysis of data covers the state of performance of textile firms within export processing Zone Athi River, Kajiado County.

The presentation of data in table 4.8 addresses the state of performance of textile firms within export processing Zone Athi River, Kajiado County. This was represented by various mean and std dev. with their implications. The study showed that quality based on textile products is paramount for customer satisfaction. Majority were in agreement with the statement as depicted by $M=3.96$; $SD=1.27$. The study established that Performance of textile firms and unique designs can be a competitive advantage in meeting customer satisfaction. This response was fully supported by majority of respondents represented by $M=3.55$; $SD=1.34$. The study sought to establish whether EPZs are home to numerous garment manufacturers that need to continuously differentiate themselves to retain customers in a crowded market. Going by the majority who strongly agreed, it was depicted by 3.57' $SD=1.41$. The analysis showed majority of respondents were not agreeing to the idea that customers may be swayed by lower prices or better terms offered by competitors, making it challenging for garment manufacturers to maintain customer retention. Hence, signified by $M=2.46$; $SD=1.55$. In the analysis, respondents were tasked to show whether the level of skill and training of garment-making employees significantly influences efficiency. Respondents who were majority agreed to the idea as shown by mean of 3.51; $SD=1.52$. In the analysis, the study sought to establish whether the organization of the production line and the layout of workstations can impact workflow efficiency. It was

therefore supported by majority of respondents who were in agreement. This was showed by $M=3.45$; $SD=1.37$.

Table 4.8. Performance of Selected Textile Firms

Statement on Performance	N	Mean	Std. Deviation
Quality based on textile products is paramount for customer satisfaction	188	3.96	1.27
Performance of textile firms and unique designs can be a competitive advantage in meeting customer satisfaction	188	3.55	1.34
EPZs are home to numerous garment manufacturers that need to continuously differentiate themselves to retain customers in a crowded market	188	3.57	1.41
Customers may be swayed by lower prices or better terms offered by competitors, making it challenging for garment manufacturers to maintain customer retention	188	2.46	1.55
Timely delivery of textile products is critical to meet customer demands and expectations.	188	3.00	1.41
The level of skill and training of garment-making employees significantly influences efficiency	188	3.51	1.52
The organization of the production line and the layout of workstations can impact workflow efficiency	188	3.45	1.37
Aggregate Scores.		3.35	1.41

Source: Research Data (2024)

From the analysis, it brought up the conclusion using an aggregate value of 3.35 and std. deviation of 1.41. From the analysis, it was deduced that frequent changes in government policies and regulations was create uncertainty, making long-term planning difficult for EPZ firms. Managing labor relations, including addressing worker grievances, skills shortage and ensuring compliance with labor laws, can be challenging and may affect overall performance of textile firms in EPZ zones. Further analysis shows that insufficient investment in research and development can hinder the ability of firms to innovate and improve products and processes. Lastly, customer demand in textile firms is influenced by a variety of factors, including fashion trends, economic conditions, consumer preferences, and technological advancements. Understanding and responding to these factors was considered complex subject for textile firms to remain competitive and successful and attain high level of performance. These findings were considered closely similar to a study that was conducted by Moulid, Muchelule, and Wechuli [13] who examined the performance of Kenya's Coast Development Authority (CDA) projects in terms of stakeholder management and found that achieving true strategic alignment often requires a combination of performance management systems at both the organizational and individual levels.

4.5. Inferential Statistics

The analysis was guided by regression analysis and correlation analysis.

4.5.1. Correlation Analysis

Correlation analysis is a statistical method used to discover if there is a relationship between two variables or datasets, and to determine the strength of that relationship. Thus, correlation analysis calculates the level of change in one variable due to the change in the other. A high correlation points to a strong relationship between the two variables, while a low correlation means that the variables are weakly related. Pearson's product-moment coefficient is used to measure correlation, with values ranging between +1 and -1. A coefficient of +1 indicates the strongest positive correlation, while -1 indicates the strongest negative correlation [64].

When r is less than 0.3, the correlation between the variables is considered weak. This suggests that the variables have little to no linear relationship, indicating that changes in one variable are not strongly associated with changes in the other. Values of between 0.3 and 0.5 indicate a moderate linear relationship. When r is greater than 0.5, the correlation is considered strong. This implies a strong linear association, meaning that as one variable changes, the other variable tends to change in a predictable way. The findings of the correlation study are shown here in Table 4.9.

The presentations on table 4.9 were designed to demonstrate the correlation analysis. By conducting a correlation analysis, the study sought to determine the direction of strength in terms of the relationship that exists between several variables considered to have an effect on performance of textile firms. As a result, at the 1% level of significance, the association between the organizational systems practice and Performance of textile firms was determined to be $r=0.864$, $p\text{-value}=0.000$). Thus, from the analysis, the significance of relationships was determined in relations to the fact that the $p\text{-value}$ of 0.000 was lower than the predetermined significance level of 0.05.

Showing that organizational systems practices had influence on performance of textile firms, creating a personal organization system tailored to individual needs and goals can significantly increase productivity and efficiency. In the analysis, it was found to be similar to Wagara [53] who found that continuous development is an essential component in effectively ensuring the success of manufacturing companies.

Further examination of the relationship between innovation practices and performance of textile firms revealed a strong positive association with $r= 0.918$ $p\text{-value}$ 0.000 at the 1% level of significance. Thus, from the analysis, the significance of relationships was found out in relations to the fact that the $p\text{-value}$ of 0.000 was lower than the predetermined significance level of 0.05. There, results implied that that innovation allows EPZ firms to differentiate themselves from competitors. By introducing unique products, services, or production methods, firms can attract new customers and retain existing ones. This was similar to Mbocho [9] who claimed that technological innovation enables firms to generate and improve novel products and services based on inventive concepts.

Lastly, the researcher also discovered a strong positive association between stakeholder involvement practice and Performance of textile firms, with $r=0.930$, $p\text{-value}$ of 0.000 at 1% significance level. Therefore, from the analysis, the significance of relationships was determined in relations to the fact that the $p\text{-value}$ of 0.000 was lower than the predetermined significance level of 0.05. This implied that the substantial importance that stakeholder involvement has in shaping the business environment in which EPZ operates is highlighted by the fact that stakeholders have a significant influence on change management methods and policy engagement sessions. The results of this study were highly associated with a research conducted by Githinji, Ogolla, and Kitheka [57], which found a substantial correlation between integrating stakeholders in project monitoring and enhanced project performance.

Table 4.9. Correlation Analysis

		Performance of textile firms	Organizational systems practice	Innovation practices	Stakeholder involvement
Performance of textile firms	Correlation Coefficient	1.000			
	Sig. (2-tailed)	.			
	N	188			
Organizational systems practice	Correlation Coefficient	.864**	1.000		
	Sig. (2-tailed)	.000	.		
	N	188	188		
Innovation practices	Correlation Coefficient	.918**	.868**	1.000	
	Sig. (2-tailed)	.000	.000	.	
	N	188	188	188	
Stakeholder involvement	Correlation Coefficient	.930**	.835**	.915**	1.000
	Sig. (2-tailed)	.000	.000	.000	.
	N	188	188	188	
**. Correlation is significant at the 0.01 level (2-tailed).					

Source: Research Data (2024)

4.5.2. Multiple Regression Analysis

Multiple regression analysis is a statistical technique used to analyze the relationship between a single dependent variable and multiple independent variables. It extends the concepts of simple linear regression by allowing for the consideration of more than one predictor variable [61]. The technique is valuable for understanding how changes in the independent variables are associated with changes in the dependent variable, and it provides insights into the relative importance of each independent variable in predicting the outcome. Adjusted R² value based on the number of predictors and the sample size, providing a more accurate measure of model fit when multiple predictors are used.

A multiple regression analysis was used in this study to determine the significance of the relationship that exists between the dependent variable— Performance of textile firms—and the independent variables— organizational systems practice, innovation practices and stakeholder involvement practice. Thus, on the table 4.10, the model summary was provided.

Table 4.10. Multiple Regression Analysis

Model Summary									
		Std. Change Statistics		R		F		Sig. F	
Model	R	Adjusted R Square	Estimate	Change	Change	df1	df2	Change	
1	.959 ^a	.920	.919	.38197	.920	707.130	3	184	.000

A. Predictors: (Constant), Stakeholder involvement, Organizational systems practice, Innovation practices

Source: Research Data (2024)

The model summary results showed that the organizational systems practice, innovation practices and stakeholder involvement practice could explain be explained by R square of 0.920% (92.0%) of the variability in Performance of textile firms. As a result, the remaining percentage might be explained by other factors not included in the model, which contributed 8.0%.

4.5.3. Analysis of Variance

Analysis of Variance (ANOVA) is a statistical technique used to compare the means of three or more groups to determine if there are statistically significant differences among them. It extends the t-test, which is limited to comparing two groups, to multiple groups. ANOVA helps in understanding whether observed differences among group means are due to actual differences or simply random variation.

The factors organizational systems practice, innovation practices and stakeholder involvement practice all had a substantial influence on Performance of textile firms, according to the analysis in table 4.11.

As a result of the analysis, it was discovered that the regression model had a significance level of 0.000%, proving that the data in this study was adequate for drawing conclusions about the population parameters because the level of significance was less than 0.005. The significance value of 0.000 is less than the approximated value of 0.005, indicating that the data was significant for drawing conclusions, namely, that the predictor variables of organizational systems practice, innovation practices

and stakeholder involvement practice show variation in the dependent variable of Performance of textile firms.

Table 4.11. Analysis of Variance

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	309.511	3	103.170	707.130	.000 ^b
Residual	26.846	184	.146		
Total	336.356	187			

a. Dependent Variable: Performance of textile firms

B. Predictors: (Constant), Stakeholder involvement, Organizational systems practice, Innovation practices

Source: Research Data (2024)

4.5.4. Regression Coefficient Tests

A regression coefficient test assesses whether the estimated coefficient (β₁) beta is significantly different from zero. This test helps determine if there is a statistically significant relationship between the independent variable and the dependent variable

Table 4.12. Regression Coefficient Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.480	.127		-3.784	.000
Organizational systems practice	.217	.056	.173	3.874	.000
Innovation practices	.397	.070	.387	5.712	.000
Stakeholder involvement	.476	.056	.439	8.500	.000

Dependent Variable: Performance of textile firms.

Source: Research Data (2024)

The regression analysis model developed is specified as follows;

$$Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \epsilon$$

Whereas, X is a set of independent variables

X₁ = Organizational Systems Practices;

X₂ = Innovation Practices;

X₃ = Stakeholder Involvement Practice,

α = constants term.

β₁, β₂, β₃, = regression coefficients of X₁, X₂, and X₃ while ε = error item

$$Y = Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \epsilon$$

From the analysis, among selected textile firms within export processing Zone, a positive and statistically significant correlation ((β)=0.217, t=3.874, p<0.05) was found between the use of Organizational systems practice and increase in Performance of textile firms. When controlling for other variables, the analysis suggested that a one-unit increase in the use of Organizational systems practice would lead to a 0.217-unit increase in Performance of textile firms.

From the analysis, among selected textile firms within export processing Zone, it was found that there was a significant and positive relationship between the Innovation practices and the Performance of textile firms (β) 0. 397, t=5.712, p-value<0.05). According to the findings from the analysis, a unit change in Innovation practices results in an increase on the level of Performance of textile firms that is 0.397 units higher provided that all other parameters remain unchanged.

The results of the study's analysis showed that there was a positive and significant relationship between

Stakeholder Involvement Practice and Performance of textile firms among selected textile firms within export processing Zone, where the (β) value was 0.476, the $t=8.50$, p -value was less than 0.05. Based on the findings of the investigation, it was deduced that a change of one unit in Stakeholder Involvement Practice results in a 0.476 unit rise in the level of Performance of textile firms when all other parameters remain unchanged.

5. Summary, Conclusion and Recommendation

5.1. Introduction

The results of the research on the operational practices and performance of selected textile firms within export processing zone (EPZ) Kajiado County, Kenya, are discussed, and a conclusion and recommendations are presented.

5.2. Summary of Research Findings

5.2.1. Organizational Systems Practice

The analysis indicates that there was a considerable influence of organizational systems practices on the performance of chosen textile enterprises inside the export processing zone, with an aggregate mean of 3.698 and a standard deviation of 1.18. The investigation suggested that developing a customized personal organization system based on individual needs and goals can greatly enhance productivity and efficiency. This entails efficiently categorizing, arranging, and overseeing jobs to guarantee a well-defined schedule and punctual accomplishment of work assignments. Therefore, it can be observed that the impact of organizational systems practices on the performance of enterprises within EPZs in Kenya is complex and has multiple aspects. It includes the integration of strategic planning systems, organizational learning, strategy execution, and supply chain management methods, all with the objective of guaranteeing the efficient operation of the firm while minimizing potential hazards.

5.2.2. Innovation Practices

The data shows that there was a significant impact of innovation methods on the performance of chosen textile enterprises within the export processing zone. However, it is worth noting that some respondents disagreed with certain aspects. The findings as depicted by from an overall mean of 3.21 and std. dev. of 1.36 suggested that innovation enables EPZ enterprises to distinguish themselves from their competition. By implementing innovative products, services, or production techniques, companies can draw in fresh clientele and maintain their current customer base. This distinction aids in establishing a robust market presence and attaining a larger market share. However, based on the investigation, EPZ enterprises may encounter challenges such as reduced financial backing, insufficient resources, and inadequate information technology infrastructure. These obstacles can impede their capacity to successfully apply innovative

methods, ultimately affecting their performance.

5.2.3. Stakeholder Involvement Practice

The study indicated that the average value of 3.68 and the measure of variability of 1.29 provided evidence to support the conclusion that the practice of involving stakeholders had a notable influence on the performance of the chosen textile enterprises in the export processing zone. Thus, it can be deduced that the participation of stakeholders in EPZ enterprises in Kenya can provide both difficulties and benefits for their performance. The significance of stakeholder engagement in influencing the business environment of EPZ enterprises is emphasized by the fact that stakeholders exert a substantial influence on change management strategies and policy engagement sessions. Engaging stakeholders at all levels, including planning, identification, monitoring, and evaluation, greatly improve the overall efficacy of development projects.

5.3. Conclusion of the Study

The study concluded that a personalized organization system based on needs and goals boosts productivity and efficiency. This requires efficiently categorizing, organizing, and managing jobs to ensure a well-defined schedule and timely completion. Therefore, organizational systems practices have a complicated and multifaceted effect on EPZ enterprise performance in Kenya. It integrates strategic planning, organizational learning, strategy implementation, and supply chain management to ensure company efficiency and minimize risks.

The conclusion drawn from the analysis showed that innovation helps EPZ companies stand out. Companies can attract and retain customers by offering new products, services, or production methods. This differentiator helps develop a strong market presence and increase market share. According to the report, EPZ firms may face budgetary constraints, insufficient resources, and poor IT infrastructure. These limitations can hinder their ability to implement novel ways, hurting performance.

The study concluded that stakeholder involvement affected textile companies' performance. The participation of stakeholders in EPZ firms in Kenya can have both positive and negative effects on their success. The fact that stakeholders influence change management strategies and policy engagement sessions emphasizes the importance of stakeholder engagement in EPZ firms' business environments. Development programs are more effective when stakeholders are involved in planning, identification, monitoring, and evaluation.

5.4. Recommendations of the Study

5.4.1. Organizational Systems Practice

The study recommends that to enhance organizational systems practice in an Export Processing Zone (EPZ), several key practices can be implemented by the policy makers to improve efficiency, transparency, communication and overall organizational performance; Setting clear performance targets for departments and the organization, along with encouraging open communication and feedback from employees, can

significantly contribute to improving organizational performance. Professionals in organizational development should launch a systematic improvement process to address conflicting aspects within organizational processes in EPZ; regularly upgrade and maintain systems to ensure they are functioning optimally; ensure that team members are trained in various aspects of emergency response to enhance versatility.

5.4.2. Innovation Practices

The policy makers in EPZ should consider fostering a culture that encourages creative thinking and action in the workplace can inspire employees to share their knowledge, experience, skills, and suggestions, ultimately leading to innovation. Informal discussions, teamwork, and a transparent process for assessing new ideas can promote an innovative environment within EPZs. The further recommends that EPZs may promote innovation by encouraging collaboration and knowledge sharing among employees with different sets of ideas and approaches. This can lead to improved business practices, efficiency, and performance. The regulators such as the government of Kenya should consider providing support for good environmental and social practices for firms operating within their boundaries; EPZs can gain a competitive advantage and enhance innovation.

5.4.3. Stakeholder Involvement Practice

The study recommends that the management in selected EPZs should aim to engage stakeholders in a manner that is equitable and meaningful. This involves ensuring that multiple stakeholders are involved in a way that considers their interests, leading to improved acceptability and feasibility of guidelines and recommendations. Considerations should be made by policy makers in EPZs to maintain a database or contact sheet for all stakeholders involved in the project and develop an understanding of stakeholders' opinions, concerns, and best practices. Early engagement with stakeholders is crucial to gaining their support and involvement towards realizing significance performance.

5.5. Suggestions for Further Studies

The study majored on operational practices and performance of selected textile firms within export Processing Zone Athi River, Kajiado County, Kenya. Therefore, from model summary results, it was established that organizational systems practice, innovation practices and stakeholder involvement practice could be explained by R square of 0.92% (92.0%) of the variability in Performance of textile firms. As a result, the remaining percentage might be explained by other factors not included in the model, which contributed 8.0%. It is against this establishment that those other factors not involved in this study should be given consideration by other researchers in order to obtain findings that exhaust major aspects of operational practices.

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Appendices

Appendix 1: List of EPZ Companies in Athi River

- 1) African Coffee Roasters EPZ Ltd
- 2) Al Borj East Africa EPZ Ltd
- 3) Avo Health EPZ Ltd
- 4) Botanical Extracts EPZ Ltd
- 5) Celebrity Fashions EPZ Ltd
- 6) Dala Textiles EPZ Ltd
- 7) Duhani Group Trading EPZ Ltd
- 8) Earth Oil Africa EPZ Ltd
- 9) Equatorial Processing EPZ Ltd
- 10) Eureka Nuts EPZ Ltd
- 11) Farmica EPZ Ltd
- 12) Global Apparel EPZ Ltd
- 13) Hela Intimates EPZ Ltd
- 14) Nguo Yetu
- 15) Leatherlife EPZ Limited
- 16) Insta Products EPZ Limited
- 17) Kenya Supply Platform EPZ Limited
- 18) Lycan EPZ Enterprises Limited
- 19) Mac Nut International EPZ Limited
- 20) Meru Green Horticulture EPZ Limited
- 21) PJ Dave EPZ Limited
- 22) Top Investments EPZ Limited
- 23) Victoria Imports & Export EPZ Limited
- 24) Hela Intimates EPZ Limited
- 25) Kikoy Mall EPZ Limited
- 26) Lambardo Logistics EPZ Limited
- 27) Mahalakshimi Garments EPZ Limited
- 28) New Wide Garments EPZ Limited
- 29) Royal Garments EPZ Limited

Source: Export Processing Zones Program Annual Performance Report, (2020)

<https://victormatara.com/list-of-epz-companies-in-kenya/>

Appendix 2: Introduction Letter



KENYATTA UNIVERSITY
GRADUATE SCHOOL

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P.O. Box 43844, 00100
NAIROBI, KENYA
Tel. 8710901 Ext. 57530

Our Ref: D53/CTY/PT/27926/2019

DATE: 19th April, 2024

Director General,
National Commission for Science, Technology
and Innovation
P.O. Box 30623-00100
NAIROBI

Dear Sir/Madam,

RE: RESEARCH AUTHORIZATION FOR MURUNGA AYUB MALALA – REG. NO. D53/CTY/PT/27926/2019.

I write to introduce Murunga Ayub Malala who is a Postgraduate Student of this University. The student is registered for M.B.A degree programme in the Department of Business Administration.

Murunga intends to conduct research for a M.B.A Project Proposal entitled, “**Operational Practices and Performance of Selected Textile Firms within Export Processing Zone Athi River, Kajiado County, Kenya**”.

Any assistance given will be highly appreciated.

Yours faithfully,

A handwritten signature in blue ink, appearing to be 'E. Kimani'.

PROF. ELISHIBA KIMANI
EXECUTIVE DEAN, GRADUATE SCHOOL

Appendix 3: Questionnaire

Kindly respond to the questions by following the instructions as per the question. That is either by ticking on what you agree or disagree. The information that has been provided is solely for educational purposes and will be accorded the highest level of confidentiality. The findings of the study are based on Operational Practices and Performance of selected textile firms Within Export Processing Zone (EPZ) Kajiado County, Kenya

Section I: Ackground Information

1. Gender

Male { }

Female { }

3. Highest Level of Education

O-Level Certificate { }

Diploma Level { }

Bachelor’s Degree { }

Postgraduate { }

Other Qualifications { }

4. Work Experience of staff

Less than 1 year { }

2-4 years { }

5-8 years { }

9-12 years { }

Over 12 years { }

Instruction:

Kindly tick appropriately on a measure of 1-5.1=Strongly Disagree, 2=Disagree, 3=Uncertain, 4=Agree, 5=Strongly Agree.

SECTION II: OPERATIONAL PRACTICES

(i). Organizational Systems Practices

The statements in this section indicate how organizational systems practices affects performance of selected textile firms within export processing zone (EPZ) Kajiado County, Kenya. Kindly indicate a mark where your opinion is;

Statements	1	2	3	4	5
Managers implemented decentralized frameworks to boost performance through enhancing the way decisions are made.					
The utilization of system management methodologies to delineate essential actions for attaining the intended results in the assessment of risks.					
At workplace, the information system can process massive amounts of data from multiple sources by generating detailed reports					
Continuous improvement is considered one of the pillars upon which manufacturing firms’ performance can be guaranteed.					
The creating a personal organization system tailored to individual needs and goals can significantly increase productivity and efficiency					
The operational efficiency has effectively minimized the occurrence of typical risks and losses.					

(ii). Innovation Practices

The statements in this section indicate how innovation practices affects performance of selected textile firms within export processing zone (EPZ) Kajiado County, Kenya. Kindly indicate a mark where your opinion is;

Statements	1	2	3	4	5
Organizational innovations typically enhance organizational performance by reducing administrative expenses linked to innovations.					
Innovation typically enhances organizational performance by reducing transaction costs.					
Rate of innovation plays a crucial role in fulfilling new market needs					
By implementing elaborate strategies and financial plans, the firm has successfully cultivated performance goals through innovation					

Technological innovation empowers organizations to generate novel items from inventive concepts and enhance existing ones. .					
There is a clear supervision of the quality of both the inputs and the outputs in order to achieve the standards.					

(iii). Stakeholder Involvement Practices

The statements in this section indicate how stakeholder involvement practices affects performance of selected textile firms within export processing zone (EPZ) Kajiado County, Kenya. Kindly indicate a mark where your opinion is;

Statements	1	2	3	4	5
Stakeholders who are consulted and made part of the solution feel more willing to show high level of supporting the project					
During the process of policy creation, the introduction of extra challenges to the project may be brought about by the alignment of various stakeholders.					
aligning many different stakeholders together can be challenging for project managers					
The primary determinant in project identification is the organization's prioritization of stakeholders' issues.					
Engaging with stakeholders ultimately enables timely completion of projects and on budget					
Communication with stakeholders and monitoring of their activities have a good impact on performance.					

SECTION III: PERFORMANCE OF SELECTED TEXTILE FIRMS

The statements in this section indicate the state of performance of selected textile firms within export processing zone (EPZ) Kajiado County, Kenya. Kindly tick appropriately.

Statements	1	2	3	4	5
Quality based on textile products is paramount for customer satisfaction					
Offering customization and unique designs can be a competitive advantage in meeting customer satisfaction					
EPZs are home to numerous garment manufacturers that need to continuously differentiate themselves to retain customers in a crowded market					
Customers may be swayed by lower prices or better terms offered by competitors, making it challenging for garment manufacturers to maintain customer retention					
Timely delivery of textile products is critical to meet customer demands and expectations.					
The level of skill and training of garment-making employees significantly influences efficiency					
The organization of the production line and the layout of workstations can impact workflow efficiency					