

MOUNT KENYA UNIVERSITY

SCHOOL OF BUSINESS AND ECONOMICS

**EFFECTS OF CORPORATE INNOVATIONS ON A FIRM'S PERFORMANCE:
A SURVEY OF SELECTED TEXTILE FIRMS IN ELDORET TOWN**

By

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ABSTRACT

This study was being conducted in response to the myriads of problems currently affecting the textile manufacturing sector in Kenya. In the recent past the textile sector has been recording negative performance indices characterized by low quality, profitability, Flexibility, Productivity, efficiency and effectiveness. The net effect of these negative performance attributes had been the inability of the textile manufacturing companies to operate adequately and to capacity and lack of competitiveness in the process losing out to the rivals. These organizations are also unable to attract and retain the customers and employees apart from recorded cases of low expansion, investments and growth and developments. The problems affecting the textile sector could be attributed to their innovative efforts and strategies, which have been indicated as generally outdated and out of line with the current business requirements. This study therefore sought to investigate the effects of corporate innovation on the performance of the textile firms in Eldoret Town. The study takes the four key innovation dimensions of process, product, customer and channel innovation. The study was conducted among the textile companies in Eldoret town and will concentrate on three key companies of Rivatex, Ken-knit and RUPA textile manufacturing firms. The study adopted the descriptive approach to research. The population of the study comprised of the two hundred and three (203) employees in the three companies. The data that formed the basis of the study came from both secondary and primary sources. The data obtained was analysed using the descriptive statistics method, with the supplement of the computer packages of SPSS and Ms excel and Ms Word. Specifically the Regression analysis method was used. The study found out that corporate innovation is very significant for the growth, development prosperity of the companies in the textile sector in Kenya. Specifically the study found out that the corporate innovation aspects of product innovation, process innovation, channel innovation and customer innovation all have an effect on the performance of the companies in the textile sector. Specifically product innovation was found to have more effect on the performance of companies in the textile sector in Kenya. The study concludes that corporate innovation is significant for the performance of any organization. The study further recommends that organization in the textile sector work toward the improvements of the innovation process among other core recommendations