

## ABSTRACT

The declining trend in the value added by food and beverage subsector to manufacturing sector in Kenya and the resulting decline in manufacturing sector as evidenced by the sector's contribution to GDP, employment and overall sectoral growth has been a major concern. To reverse this trend, different scholars and studies have suggested the adoption of entrepreneurial practices as part of the solution. Therefore, this study sought to establish influence of entrepreneurial orientation on performance of food and beverage manufacturing enterprises in Nairobi City County. This was achieved by determining the effect of innovativeness, pro-activeness and risk-taking on performance and moderating effect of organization learning. It was anchored on Schumpeter's innovation theory, Covin and Slevin model and Resource based theory. A descriptive survey research design was adopted. The target population was 138 food and beverage manufacturing enterprises registered under Kenya Association of Manufacturers. A questionnaire was used as a tool, to obtain information from general managers of the enterprises. Data analysis was done using descriptive statistics, multiple regression and correlation analysis. Presentation of data was done using tables and figures. Out of 138 respondents, 97 responded making a 70.29% response rate. The study revealed statistically significant positive influence of innovativeness and pro-activeness on performance with coefficients of 0.446 and 0.407 respectively with p values  $< 0.05$  while risk taking significantly influenced performance negatively with a coefficient of -0.260 and p value  $< 0.05$ . The study further found that, entrepreneurial orientation comprising of innovativeness, pro-activeness and risk taking had the greatest influence on performance while organization learning did not significantly moderate the relationship between entrepreneurial orientation and performance ( $p = 0.097 > 0.05$ ). Therefore, the study recommended that, food and beverage manufacturing enterprises need to assess their ability to engage in creative ideas and processes that results into development of new products, markets or technologies. Food and beverage manufacturing enterprises need to be on the ground through observing market trends so that they are able to detect if there is any change in the market and therefore proactively satisfy their customer's needs and be pioneers in the industry to reap the benefits from new ideas or innovations. The study also recommended that, although firms are encouraged not to shy away from taking risks, they need also exercise caution when taking risks and develop risk treatment procedures. Food and beverage manufacturing enterprises can consider entrepreneurial orientation in their strategic planning process.