

**MODERATING EFFECT OF COMPETITIVE STRATEGY ON THE
RELATIONSHIP BETWEEN STRATEGIC ORIENTATION AND
PERFORMANCE AMONG PHARMACEUTICAL
MANUFACTURING FIRMS IN KENYA**

BY

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DECLARATION

Declaration by Candidate

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DEDICATION

Dedicated to my parents, family and colleagues who have constantly encouraged and motivated me to successfully complete my postgraduate studies.

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ABSTRACT

Organizational performance is key to the sustainability of a firm. However, pharmaceutical firms have been experiencing performance issues in the recent past. Thus, the study sought to examine the moderating effect of competitive strategy on the relationship between strategic orientation and performance among pharmaceutical manufacturing firms in Kenya. The study was informed by the resource-based view theory and the dynamic capability theory. The explanatory research design was utilized in the study. The study targeted employees from the top and middle level management of 43 Pharmaceutical manufacturing firms in Kenya. According to HR records, by the end of 2020, there were 168 employees from the top management and 469 employees from the middle management from the registered pharmaceutical manufacturing firms in Kenya. The sample size was 246 obtained by using the Yamane formula. The researcher used a random sampling technique to get the sample size from each firm. Questionnaires were used as the research instruments. The pilot study was conducted to examine the validity and reliability of the research instruments. The study was analyzed using descriptive and inferential statistics. The correlation results showed that entrepreneurial orientation, learning orientation, technological orientation and customer orientation are positively and significantly associated with performance. The regression results showed that entrepreneurial orientation and performance are positively and significantly related ($\beta=0.162$, $p=0.001$). Learning orientation and performance was found to be positively and significantly related ($\beta=0.441$, $p=0.000$). Technological orientation and performance are positively and significantly related ($\beta =0.169$, $p=0.002$). It was established that customer orientation and performance are positively and significantly related ($\beta=0.241$, $p=0.000$). The study showed the coefficient of determination (R squared) increased in all six models (R square in the first model was 0.697 (69.7%), 0.920 (92.0%) in the second model, 0.929 (92.9%) in the third model, 0.931 (93.1%) in the fourth model, 0.937 (93.7%) in the fifth model and 0.939 (93.9%) in the sixth model. Thus, competitive strategy moderates the relationship between strategic orientation and the performance of pharmaceutical manufacturing firms in Kenya. The study concluded that entrepreneurial orientation includes the firm introducing new products ahead of the competitors, concentrating on the expected future demand and supply, manipulating the market environment through unique marketing tactics, minimizing the expected risks and targeting different market segments. The study further concludes that learning orientation is determined by employees working in unity and any opinion being taken with much consideration. Similarly, technological orientation and performance is positively and significantly related. The customer orientation includes the firm continually monitoring its commitment levels and positioning in serving the needs of its consumers. Customer orientation is influenced by ensuring the business goals are driven largely by consumer satisfaction. Competitive strategy moderates the relationship between strategic orientation and the performance of pharmaceutical manufacturing firms in Kenya. Thus, the study recommended that every organization should pay attention to customer orientation, entrepreneurial orientation, learning orientation and technological orientation. The firms should introduce new products ahead of the competitors, concentrates on the expected future demand and supply, manipulates the market environment through unique marketing tactics and minimize the expected risks. The firms need to adopt new modern ways of marketing and support new ideas of all the employees. Learning in the firms be promoted and learning opportunities compulsory to all the employees. The organization should provide customers with unique, different and distinct products from competitors. Moreover, it is recommended that future studies can be conducted to examine other factors that influence the performance within the pharmaceutical manufacturing firms other than strategic orientation, such as capacity building, working environment and leadership styles with a moderating effect of regulatory framework or firm size.

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ABBREVIATIONS AND ACRONYMS

CO	Customer Orientation
CRM	Customer Relationship Management
EO	Entrepreneurial Orientation
FY	Financial Year
GDP	Gross Domestic Product
LO	Learning Orientation
NACOSTI	National Commission for Science, Technology and Innovation
R&D	Research and Development
RBV	Resource Based View
SEM	Structural Equation Modelling
SMEs	Small and Medium Enterprises
SPSS	Statistical Package for Social Sciences
TO	Technological Orientation

OPERATIONAL DEFINITIONS OF TERMS

Competitive Strategy: The competitive strategy consists of the business approaches and initiatives undertaken by a company to attract customers and to deliver superior value to them through fulfilling their expectations (Hou, Hong & Zhu, 2019). The aim of the competitive strategy is to strengthen its market position. The competitive strategy can include pricing strategy, differentiation strategy, focus strategy and competitor strategies

Learning Orientation: This refers to an organization's propensity to creating and using knowledge to realize competitive advantage by influencing new behaviors or value creation (Rhee, Park, & Lee, 2010).

Performance: This incorporates the actual results of the organization against its intended outputs. The performance of the organization is said to be positive when the actual results are more or equal to the expected results. The performance can be measured by both the financial and non-financial indicators such as profitability, market share, customer satisfaction, among others (Tomal & Jones, 2015).

Strategic management: This refers to the collection of choices as well as actions that ensure that plans that are crafted so as realize the dream, mission, corporate strategy as well as the strategic goals of

an organization in its operating environment are formulated, implemented and also controlled (Ansoff et al., 2018).

Strategic orientation: This refers to the strategic decisions or principles that lead the actions of a firm and create the behaviors to make sure excellent performance is attained (Hakala, 2011).

Strategy: This refers an integrated pattern of decisions defining the purpose, goals as well as the objectives of the organization that establishes its competitiveness and positioning in the operating environment and which expresses its core business (Pearce & Robinson, 2011)

Technological orientation: This incorporates the ability and willingness of the company to introduce modern technology in the organization and use it to enhance efficiency in products and service production (Henzab, Tarhini, & Obeidat, 2018).

CHAPTER ONE

INTRODUCTION

1.0 Overview

This chapter is the introduction of the study presenting the background of the study, research problem, objectives of the study, research hypotheses, justification of the study, scope of the study, limitation and assumptions of the study.

1.1 Background of the Study

The manufacturing sector is of vital importance in maintaining our innovative capacity. Manufacturers are responsible for more than 70 percent of all business R&D, which ultimately benefits other manufacturing and non-manufacturing activity. The manufacturing sector offers special opportunities for capital accumulation. Pharmaceutical companies are critical in promoting the good health of a nation. The industry plays an influential role in policy surrounding the research, discovery and development of new medicines (Rosenbusch, Rauch & Bausch, 2013). Thus, their performance and sustainability are not only beneficial to companies only but the entire society (Kwambai, 2018). The performance of these enterprises is of great concern to governments, the general public, development partners and other stakeholders due to their critical role in promoting and accelerating national growth and supporting social-economic transformation (Wanjala, 2016).

The performance can be measured using both financial and non-financial indicators. The financial indicators comprise the net profits, return on assets, return on equity, net profit margin, while non-financial indicators include market share, customer base, growth, production efficiency, customer service, among others (Datche, 2015). The performance of these pharmaceutical manufacturing firms may be influenced by

strategic orientation (Maswili & Kariuki, 2019; Al-Barghouthi, 2014; Leskovar-Špacapan & Bastič, 2007; Ho, Plewa & Lu, 2016; Kwambai, 2018)

Strategic orientation is an extensively applied concept in different research fields, particularly strategic management, entrepreneurship and marketing (Al-Ansaari, Bederr, & Chen, 2015). The strategic orientation of a firm, according to Blankson et al. (2013), mirrors the strategic directions or decisions that a firm implements to create appropriate actions for superior constant company performance. According to Sosiawani et al. (2015), the core principle of the strategic management process is the realization of high performance which allows firms to be competitive over time. With the ever-changing dynamics in the operating environments of firms, managers are hard-pressed to deliver higher performance and enhance value to shareholders (Thoumrunroje & Racela, 2013).

Firms endeavor to enhance performance by developing adequate strategies that allow them to exploit opportunities and be responsive to marketplace dynamics while making the most out of existing resources and capabilities (Hilman & Kaliappen, 2014). Strategic orientation denotes how strategy is applied to enhance the firm's success probabilities (Cadogan, 2012). It is a choice that dynamically builds capabilities in a continuously changing operating environment and helps a company to respond to these changes rapidly (Al-Barghouthi, 2014). Leskovar-Špacapan and Bastič (2007) indicated that strategic orientation consists of various orientations that include customer, competitor, and technology existed in firms. This study will consider entrepreneurial, learning, technological and customer orientations as the critical measures of strategic orientation.

Entrepreneurial orientation (EO) is a premeditated orientation that records the specific entrepreneurial elements of companies' methods (Bhuiyan et al., 2015; Covin & Slevin,

2019; Lumpkin & Dess, 2016). The entrepreneurial propensities towards risk-taking, innovativeness and proactiveness are thought about as primary to entrepreneurial alignment (Lumpkin & Dess, 2015). In this research, entrepreneurial orientation will be examined in regards to innovativeness, risk-taking and proactiveness.

The learning orientation (LO) is a collection of values within an organization that influences its proneness to create and understand to acquire a competitive advantage (Hakala, 2011). It affects the degree to which a firm is likely to grow generative discovering as core skills (Laukkanen et al., 2013). In this research, LO to be conceptualized in regards to commitment to learning, shared organizational vision, open-mindedness and intra organizational knowledge sharing. Hargreaves and Fink (2012) show that leaders who are dedicated to altering are regularly committed to discovering. Shared vision, on the other hand, alludes to a firm-wide emphasis or direction of learning and also results in the improved top quality of learning (Sinkula et al., 1997). Receptivity describes the essential appraisal of a firm's day-to-day procedures and the approval of originalities (Eshlaghy & Maatofi, 2011).

Technology orientation (TO) is the choice of a firm to introduce or apply better technologies, products, or innovations (Al-Ansari, Altalib, & Sardoh, 2013). It is argued by Al-Henzab, Tarhini, and Obeidat (2018) that a technology-oriented firm can be described as an entity with the capability and drive to secure a considerable technological background and apply it to develop new products besides building novel technical solutions for emerging customer needs. The central assumption behind TO is that consumers prefer products and services that are technologically superior (Urban & Barreria, 2010). Consistent with this basis, firms channel their resources to research and development (R&D), aggressively secure new and sophisticated technologies and manage uncertainty through innovations (Liu & Su, 2014).

Customer orientation stresses the prominence of a firm to gain an adequate understanding of its customers and constantly discover means of delivering superior customer value (Tajeddini, 2010). Given that CO places the greatest urgency on satisfying consumer's wants, a customer-oriented firm is keen on and capable of identifying and analyzing the needs and preferences of its customers and, accordingly, can offer better service to customers. As stated by Grisseemann, Plank, and Brunner-Sperdin (2013), customer orientation is the adequate comprehension of one's targeted customers to be able to create superior value for them constantly. Korschun, Bhattacharya, and Swain (2014) describe CO as the set of beliefs that puts the customer interests first. Thus, a consumer-oriented firm can be perceived as able and keen on identifying, analyzing, understanding and answering customer needs.

The extent to which strategic orientation could affect the performance of pharmaceutical manufacturing firms in Kenya could be affected by competitive strategy. The competitive strategy consists of the business approaches and initiatives undertaken by a company to attract customers and to deliver superior value to them through fulfilling their expectations (Hou, Hong & Zhu, 2019). The competitive strategy aims to strengthen its market position (Rua, França & Ortiz, 2018). The competitive strategy includes a long-term plan intended to gain a competitive advantage over its competitors in the industry. Chung and Kuo (2018) noted that before devising a competitive strategy, one needs to evaluate all strengths, weaknesses, opportunities, and threats in the industry and then go ahead, which would give one a competitive advantage. Competing, studying customer needs and evaluating their strengths and weaknesses are critical aspects of competitive strategy (Galbreath, Lucianetti, Thomas & Tisch, 2020).

Thus, strategic orientation is considered an essential aspect that influences performance. The pharmaceutical manufacturers in Kenya need to understand whether strategic orientation is the cause of performance hurdles or the solution to the performance issues. The performance of these pharmaceutical manufacturers in Kenya has been dismal. For instance, the profits of Dawa Limited were reduced by 35% in 2020. This illustration indicates the companies are not performing well and thus the rationale of the current study. The manufacturers need to understand whether strategic orientation is the basis of performance obstacles or the solution to the performance issues.

1.1.1 Pharmaceutical manufacturing firms in Kenya

The manufacturing sector is one of Kenya's main priority sectors in Kenya's blueprint for economic growth (KNBS, 2017). The Pharmaceutical manufacturing firms in Kenya include a chain of stakeholders, including the manufacturers, distributors, and retailers. Kenya has the largest hub of pharmaceutical facilities in East Africa, with more than 60% of manufacturers in the region. There are 43 registered and licensed pharmaceutical manufacturing firms that produce pharmaceutical products for both the local and regional markets.

The firms are grouped as multi-national firms, local manufacturing, joint ventures and subsidiaries. According to the Kenya Association of Manufacturers (KAM, 2018), Kenya dominates 50% of the market share for pharmaceutical products within the Common Markets for Eastern and Southern Africa regions. The pharmaceutical manufacturing firms have operated under an unstable business environment, resulting in reduced profitability, high cost of production and low sales volume (KNBS, 2020). The subjection of the market to political instability has significantly and negatively impacted the production and operation costs leading to a decline in financial

performance in the industry. This necessitated a need to adapt to the pressing challenges by seeking knowledge on the effect of strategic orientation on the performance of various industry players in Kenya.

1.2 Statement of the Problem

The pharmaceutical industry remains a pivotal national development component as it plays a major role in supporting Kenya's health sector. However, statistics from World Bank show that pharmaceutical manufacturers operating in Kenya registered a poor performance for the last five years due to a competitive operating environment (World Bank, 2020). In 2019, the pharmaceutical industry reported a 8% decline in production (World Bank, 2020). For instance, Dawa Limited experienced performance issues where the profits reduced by 35% in 2020. Moreover, the pharmaceutical industry contributed only 9.8 percent to the GDP in 2019, which declined from 13.3% in 2018 (KNBS, 2020). The majority (53%) of the pharmaceutical manufacturing firms in Kenya are rethinking relocating, downsizing and winding up due to environmental dynamisms (Kegoro & Anyango, 2020). Thus, it is critical to conduct a study to establish factors that can enhance the performance of these pharmaceutical firms.

However, despite the researchers focusing on the relationship between strategic orientation (entrepreneurial orientation, learning orientation, technological orientation and customer orientation) and performance, insufficient information exists in the case of pharmaceutical manufacturing firms in Kenya. In addition, existing literature showed mixed findings regarding the effect of some dimensions of strategic orientation and performance. For instance, while Atieno (2018) and Mbonoka (2015) found a positive relationship between customer orientation and performance, Ogunkoya and Shodiya (2013) established that customer orientation had neither a positive nor negative effect

on the performance and Altindag, Zehir, and Acar (2011) found no direct effect of customer orientation on performance.

Further, Lita and Faisal (2018), Hussein et al. (2014), and Mahmoud and Yusif (2012) reported a positive influence between learning orientation and performance, while Jerez (2011) indicated that learning orientation does not necessarily improve performance. Hence, it can be noted that existing information that can be used to make a comprehensive inference concerning the current study is scanty. In addition, the mixed results from the reviewed literature present a knowledge gap that needs to be ascertained. Thus, conducting the current study was considered worthy. The performance can be influenced by strategic orientation as supported by Maswili and Kariuki (2019), Al-Barghouthi (2014), Leskovar-Špacapan and Bastič (2007), Ho, Plewa and Lu (2016) and Kwambai (2018).

The conducting of the study was considered worthy to precisely show the relationship between strategic orientation and performance in the case of pharmaceutical manufacturing firms in Kenya. The strategic orientation included entrepreneurial orientation, learning orientation, technological orientation and customer orientation. The justification for using entrepreneurial orientation, learning orientation, technological orientation and customer orientation as measures of strategic orientation was that they had been widely employed in previous studies. Some of the studies included Leskovar-Špacapan and Bastič (2007), Bhuian et al. (2015), Covin and Slevin (2019), Lumpkin and Dess (2016), Hakala (2011), Eshlaghy and Maatofi (2011), Al-Ansari, Altalib, & Sardoh (2013), Al-Henzab, Tarhini and Obeidat (2018), Liu and Su (2014), Tajeddini (2010) and Grisseemann, Plank and Brunner-Sperdin (2013).

1.3 Objectives of the Study

1.3.1 General Objective

To assess the moderating effect of competitive strategy on the relationship between strategic orientation and performance among pharmaceutical manufacturing firms in Kenya

1.3.2 Specific Objectives

The study sought to achieve the following specific objectives;

- i. To establish the effect of entrepreneurial orientation on performance of pharmaceutical manufacturing firms in Kenya
- ii. To examine the effect of learning orientation on performance of pharmaceutical manufacturing firms in Kenya
- iii. To determine the effect of technological orientation on performance of pharmaceutical manufacturing firms in Kenya
- iv. To examine the effect of customer orientation on performance of pharmaceutical manufacturing firms in Kenya
- v. To examine the moderating effect of competitive strategy on the relationship between strategic orientation and performance of pharmaceutical manufacturing firms in Kenya

1.4 Research Hypotheses

- i. **H₀₁**: Entrepreneurial orientation has no significant effect on performance of pharmaceutical manufacturing firms in Kenya
- ii. **H₀₂**: Learning orientation has no significant effect on performance of pharmaceutical manufacturing firms in Kenya

- iii. **H₀₃**: Technological orientation has no significant effect on performance of pharmaceutical manufacturing firms in Kenya
- iv. **H₀₄**: Customer orientation has no significant effect on performance of pharmaceutical manufacturing firms in Kenya
- v. **H₀₅**: Competitive strategy does not moderate the relationship between strategic orientation and performance of pharmaceutical manufacturing firms in Kenya

1.5 Significance of the Study

This study is useful not only to the management of the pharmaceutical firms considered in the study, but also that of other others not considered in this study. The study findings to equip the managers of these firms with knowledge related to how the current strategic orientation posture of the entity has affected different aspects of its organizational performance. The insight and knowledge obtained will help the management in making difficult decisions pertaining to the dimensions of strategic orientation which ought to be emphasized depending on which aspect of performance the firms want to improve. The findings of this study will assist the managers in comprehending the relative importance of different dimensions of strategic orientation and guide them on how to efficiently combine them to achieve greater performance.

This study also benefits policy makers at various levels and also on how to develop adequate and suitable policies and regulations. By so doing, these policy makers can gain important insight on how to design frameworks that will motivate businesses and other firms in the sector. This study will go a long way in expanding the existing literature on the adoption of strategic orientation in pharmaceutical firms and its effect on these firms, an area which has been inadequately explored. The study will also provide an informed position regarding the effect of various dimensions of strategic

orientation on organizational performance where mixed findings have been obtained in different studies. The study is a crucial reference point for other scholars pursuing related research and the findings obtained could also provoke further areas of research.

1.6 Scope of the Study

The objective scope was to examine the effect of strategic orientation on the performance of pharmaceutical manufacturing firms in Kenya. The specific objectives were to determine the effect of entrepreneurial orientation, learning orientation, technological orientation and customer orientation on performance. The study also examined the moderating effect of competitive strategy. The study utilized an explanatory research design. Studies utilizing this design try to find an explanation of the kind of a given relationship between the variables. The target population was 43 pharmaceutical manufacturing firms in Kenya. The geographical scope was Nairobi City County. The time scope covered the period between October 2021 and August 2022.

1.7 Assumptions of the Study

The study assumed that the selected participants expressed their honest opinions without biases during data collection. Further, the study assumed the senior managers did not interfere with the respondents for giving information regarding the firms' internal operations. The study assumed the respondents included in the study were sufficient in giving their opinions regarding the internal operations of the organizations. The strategy used to ensure the assumptions were met was that data collection permits from the university and NACOSTI were availed to the management of the firms. The permits increased their confidence and they understood the study's rationale was for the academic purpose only. Moreover, the researcher assured the management of the firms they could get a soft copy of the study findings upon request.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presented a review of available literature concerning the effect of strategic orientation on organizational performance. Notably, the chapter includes the concept of performance, strategic orientation, competitive strategy, theoretical review, empirical review, a summary of research gaps and finally, the conceptual framework.

2.2 Concept of Organizational Performance

The concept of performance is a fairly broad and its meaning changes in accordance with the user's perspective and needs (Mbonoka, 2015). It includes both financial performances, as well as non-financial performance indicators (Zehir, Can, & Karaboga 2015). Financial measures of performance also termed as subjective measures relate to economic indicators, for instance, profitability, sales growth, return on assets or return on sales (Agwu, 2018) while non-financial measures or objective measures pertain to operational success indicators in the long term among them market share, quality, customer and employee satisfaction, company image, customer loyalty, internal business process efficiency, new product development and market effectiveness (Gálvez & García, 2011).

The application of only the financial indicators to measure performance can not be adequate due to dynamics of the environment (Santos & Brito, 2012). The combination of both the financial and non-financial to measure the performance give true picture of the extent of performance (Dragnić, 2014). According to Harrim (2010), organizations should not rely on the financial measures of performance but should also incorporate non-financial measures such as customer base, number of branches, market share

among others. Therefore, the performance of the organization needs to be determined by both the financial and non-financial indicators.

2.3 Concept of Strategic Orientation

It has been noted in the available literature that a universally accepted definition of strategic orientation does not exist (Obeidat, 2016). The nature of orientation remains highly debated and diverse literature streams have advanced different concepts. Strategic orientation is concerned with the decisions made by companies or organizations towards realizing superior performance (Yang & Wang, 2014). Strategic orientation is the ability to link the long-term vision to the determination to daily work, ranging from a basic understanding to a sophisticated understanding of the full impact of one's thoughts and actions (Herhausen & Schögel, 2013).

Strategic orientation is the ability to think and act broadly, with the goal of sustainability, to advance peoples' goals in a way that meets the collective public interest (Wirtz & Daiser, 2018). This also entails accepting responsibility for collaboratively designing and implementing steps to rectify past wrongs and putting frameworks in place to prevent them from happening again. It can be termed as the direction an organization takes to reach proper behaviour and achieve above-average performance (Hao & Song, 2016).

Strategic orientation indicates the future direction of a company and how well it is set up to do so. This concept has two major components (Blocker et al., 2011). The first is the perception that a company has a strategy for future growth and the second is that a business can also assess how well it is progressing along that path (Spanjol, Qualls, & Rosa, 2011; Langroudi, Sharifi, & Langroudi, 2019). These two components, when combined, define the company's strategic orientation, as someone can compare this strategy for future change or growth to the actual procedures carried out.

This concept has been interpreted in broader terms where it has been treated as a general term for describing different types of strategic behaviours of an organization (Balodi, 2014). This multidimensional, strategic orientation construct fits the organization's alignment towards the selection of outside forces that are most likely to impact its efficiency (Floor & Hughes, 2013). The dimension of Strategic orientation in the study will include technological orientation, entrepreneurial orientation, learning orientation, customer orientation and competitive strategy are considered.

Technological orientation is the ability and willingness of a company to develop a technology mindset and utilize it in improving or developing products and services (Song & Jing, 2017). In addition, technological orientation refers to the tendency to invest in monitoring and adopting technological innovations (Spanjol, Qualls, & Rosa, 2011) and on the tendency of firms to often engage with new technologies (Sainio et al., 2012). A technology-oriented company that combines customer value innovation with technological innovation has a greater chance of maintaining high returns and performance (Batra et al., 2015).

Learning orientation refers to firm values that influence the tendency to create and use knowledge to achieve competitive advantage (Wolff, Pett, & Ring, 2015). A company with a learning orientation views the importance of being oriented towards developing new skills, preferring challenging jobs, and demonstrating a high curiosity for new ways of improving performance (Herhausen & Schögel, 2013). Companies with higher levels of learning orientation are better able to outperform their competitors, which is one way for organizations to survive in highly competitive environments.

Customer orientation emphasize the need to not only introduce the terms of the business unit to be favorable to its customers, but also to collect information of their customer's tastes, needs and preferences. Thus, customer orientation is an essential element of an

organization and attention drawn on information about customer needs should be taken as value-add within the firm (Wirtz & Daiser, 2018). Further, customer orientation is a concept that comprises of orientations that understand customers and those that focus on customer satisfaction (Blocker et al., 2011). Aminu and Shariff (2015) explain that the concept of strategic orientation is an activity that can be used to develop and improve superior performance. Therefore, interaction between different dimensions of strategic orientation can provide a competitive advantage that can improve organizational performance.

2.4 Concept of Competitive Strategy

Competitive strategy is concerned with how a company competes in a particular business and gains a competitive advantage through a distinctive way of competing (Kharub, Mor & Sharma, 2019). Competition is at the core of firms' success or failure, and thus effective competitive strategy has to be acquired. Competition determines the appropriateness of a firm's activities that can contribute to its performance, such as innovations (Linton & Kask, 2017). The competitive strategy includes a long-term plan intended to gain a competitive advantage over its competitors in the industry. The competitive strategy consists of the business approaches and initiatives undertaken by a company to attract customers and deliver superior value to them through fulfilling their expectations and strengthening its market position (Mburu, 2019).

It was indicated by Hakobyan, Khachatryan, Vardanyan and Chortok (2019) that competitive strategy helps to search for a favorable competitive position in the industry to establish a profitable and sustainable position against the forces that determine industry competition. The ability of a company to capture the opportunity that industry gives depends on its core competency. A competitive advantage distinguishes a company from its competitors and can contribute to higher prices, more customers, and

brand loyalty (Zhang, Wang & Song, 2019). The competitive strategy is mainly characterized by how firms would like to compete, which can be through cost or differentiation and also where to compete (market scope).

The competitive strategies can include the pricing strategy, differentiation strategy, focus strategy and competitor strategies. Differentiation involves portraying a particular product or service in a way that it stands out against other competitor products and services, forming distinctive marketing competencies which are basis for competitive advantage, which leads to improved sales performance (Chege, 2018). Cost leadership is developing strategies that will lower the cost of production as possible (Zhang, Wang & Song, 2019). The focus strategy includes concentrating on a particular market to sell the products and services. It has become critical for the companies to examine the competitive strategy utilized by other firms in the industry, notably the performing ones to be embraced by other firms (Hakobyan, Khachatryan, Vardanyan & Chortok, 2019).

Thus, the extent in which the pharmaceutical manufacturing firms in Kenya perform could be influenced by the competitive strategies embraced. Taking note of pricing, differentiation, focus, and competitor strategies can be the ground of the pharmaceutical manufacturing firms in Kenya to increase their performance. The competition is always stiff in any of the industry and thus, it is paramount that management adjusts the firms according to the dynamics of the markets. Therefore, the study seeks to examine whether the competitive strategy can influence the relationship between strategic orientation and performance among pharmaceutical manufacturing firms in Kenya. The competitive strategy aims to create value and improve a firm's effectiveness and efficiency and thus is critical in enhancing the firm's performance.

2.5 Theoretical Review

2.5.1 Resource-Based View Theory

Barney (2001) developed the Resource Based-View theory (RBV), which proposes that for a resource to be beneficial, it must generate monetary value. McIvor (2009) proposed that an organization consists of physical and intellectual resources contributing to income generation and sustainability. Furthermore, Bromiley and Rau (2016) reported that the assets available within an organization are critical to revenue generation and can be classified as either physical assets or intellectual assets. The resource-based perspective focuses on what happens within the firm, how decisions are made, value-creating activities, and how various resource inputs are used to boost performance (Alvarez & Torres-Barreto, 2018). Individuals must have insight and anticipated innovation to appropriately deal with material and budgetary support (Murray, Gao, & Kotabe, 2011).

According to RBV, a firm's strategic orientation posture can be considered a critical business capacity (Toppinen, Wan, & Lahinen, 2013). If this capacity can be converted into a valuable and in-imitable resource, the business can realize a competitive advantage (Henkel, Bider, & Perjons, 2014) and achieve superior performance and growth for the firm (Campbell & Park, 2017). A large number of researchers who have conducted studies on strategic orientation have discovered a link between strategic orientation and firm performance (Avci, Madanoglu, & Okumus, 2011). Nonetheless, some researchers argue that strategic orientation has only prospective value as a resource, which is insufficient for delivering value (Lisboa, Skarmeas, & Lages, 2011). According to these scholars, businesses should develop appropriate capabilities to fully exploit the potential in strategic orientation, specifically competitive advantage, and improve their performance.

A systematic review of existing studies that deal with the influence of strategic orientation on performance reveal two arguments. While there are those studies that suggest that strategic orientation impact performance via appropriate capabilities for instance, innovation (Hortinha, Lages, & Lages, 2011), there is correspondingly concrete evidence that establishes a direct link between strategic orientation and performance (Hong, Song, & Yoo, 2013; Mu & Di Benedetto, 2011; Sainio, Ritala, & Hurmelinna-Laukkanen, 2012). This theory provided a basis for comprehending the manner in which pharmaceutical firms can exploit the various dimensions of strategic orientation to obtain a competitive advantage which would ultimately affect their performance.

2.5.2 Dynamic capabilities theory

Teece developed the dynamic capabilities Theory in 1990. Ambrosini and Bowman (2009) expanded on the theory later. The theory investigates how firms integrate, construct, and reconfigure their internal and external firm-specific competencies into new competencies that are appropriate for their turbulent environment (Teece, Pisano, & Shuen, 2010). According to the theory, firms with more exceptional dynamic capabilities outperform firms with lower dynamic capabilities. The theory's primary goal is to understand how firms use dynamic capabilities to create and sustain a strategy implementation advantage over competitors by responding to and creating environmental changes. According to the theory, continued strategy implementation with dynamic capabilities stems from the firm's ability to leverage and reconfigure its existing competencies and assets in ways that are valuable to the customer but difficult for other competitors to imitate.

Dynamic capabilities enable firms to detect and capitalize on opportunities by successfully reallocating resources, often by adjusting existing competencies or

developing new ones (Teece, 2007). The theory also establishes the need for considerations to be made on changing external environment situations, thereby contributing to strategic management whose primary concern is an adaptation, reconfiguration, and integration of internal and external organizational resources, skills, and practical competency for dynamic environments (Teece, 1990). According to the theory, a company's position is determined by its endowment of resources such as intellectual property, technology, and relationships with suppliers and clients.

The current study sought to examine the effect of strategic orientation on the performance of pharmaceutical manufacturing firms in Kenya. The pharmaceutical manufacturing firms in Kenya can be enhanced by shaping the threats of the companies to become opportunities. The dynamic capabilities are notably the capacity to sense and shape opportunities and threats, to seize opportunities and to maintain competitiveness through innovation. These can be achieved through learning orientation, technology orientation, customer orientation, strategic orientation and competitive strategy. Thus, the theory was considered to be relevant in addressing the current study.

2.6 Empirical Literature Review

2.6.1 Entrepreneurial Orientation and Organizational Performance

Omondi (2017) sought to determine the effect of strategic orientation on the performance. The study found learning orientation as a dimension of strategic orientation had a significant positive impact on the performance of these enterprises. The study discovered that enterprises that had embraced entrepreneurial orientation were able to more efficiently detect and get ready for changes that were occurring in their day-to-day operations which enabled them to be receptive to the changes and patterns in the market place. The study further noted that learning orientation enabled the SMEs to keep changing their old traditions about satisfying market needs and to

attain sustainable competitive advantage. The practices applied by the organization in the case of commitment to the learning, unlearning, openness and experimentation, contribute in a very important way enabled the enterprises to obtain improvements in the quality of its products, coordination of internal processes, customer satisfaction, the ability to adapt to changing market, brand image of the company and its products.

Martinez, et. al. (2019) analyzed the direct impact of each dimension of the learning orientation construct on the performance of SMEs in Mexico using the SEM technique. A cross sectional study research style was employed. The research developed that open mindedness and dedication to learning had a favorable significant impact on the efficiency of these business. Nonetheless, shared vision was located to have a considerable inverse connection with efficiency clarified by the finding that although partners were encouraged to discover, it was difficult to recognize what required to be learned, which a comprehensive issue in companies was that because of the absence of a typical instructions, numerous good concepts were never learned as well as implemented since they were never brought into actions due to the fact that no focus was paid to approaches for sharing vision. According to the study, when there is no clear direction towards organizational objectives, or there are different priorities among the members, the results are not adequate. Another explanation for this finding was that may be, there was no coordination of the SMEs' approaches due to the lack of communication of the actions within the enterprises. The study found concluded that although LO improved performance, it was important to improve strategies in terms of developing a shared vision.

Another study conducted by Maduagwu, Okoro, and Ede (2018) on the effect of customer orientation on the performance of selected firms in the manufacturing industry in Enugu State, noted that customer orientation facilitates the creation of more value

for customers which translated to enhanced performance. The study underscored the importance of firms continually embarking on customer orientation so that they can gather crucial information on their customer needs which would help them mapping out strategies for meeting these needs.

2.6.2 Learning Orientation and Organizational Performance

According to Sawaeen and Ali (2020), contrasting results have been found in the study of the relation of learning orientation with organizational performance, in other words, there are authors who link LO with positive results in organizations and performance improvement. The studies by Lita and Faisal (2018), Hussein et al. (2014), and Mahmoud and Yusif (2012) for instance, have supported the positive influence of LO on organizational performance.

On the other hand, there are those who say that learning does not necessarily improve performance or there is no positive relationship between them (Jerez, 2011). Another evidence is the study conducted in 123 SMEs of Rio Grande do Sul by Abbade (2012), to prove the influence of LO with performance. It was found that only the dimension of open-mindedness had a positive and significant impact, the other two dimensions, learning commitment and shared vision, presented positive influence but not significant. These results contradict some theoretical cases, challenging the systemic thinking of Senge (2010) since the commitment to learning and shared vision does not influence significantly with organizational performance.

Martinette et al. (2014) unearthed that increased LO leads to enhanced performance. Through LO, the firms are able to rapidly detect the constant changes in the field of accounting and execute those changes that enhanced the productivity of the firms and thus, boosting their profitability. This was attained through the cultivation of a learning culture in the firms. According to the study, LO facilitated behavior change which in

due course resulted to improved performance through superior outcomes among them the success of new services.

Kamau (2019) investigated the influence of strategy orientation on the performance of clearing and forwarding SMEs in Nairobi County, Kenya. The study adopted a descriptive research design. The study results showed that the businesses had the tendency to create and apply knowledge within their operations known as learning orientation which had helped them in foreseeing environmental and market changes. The study also observed that firms evaluated their daily operations and they accepted new ideas easily, because they were always willing to question their current thinking and practices. According to the study, organizational knowledge transfer had improved the performance of the firms while enabling them to generate new ideas for service development. The study findings revealed that in deed, LO had impacted the performance of these businesses positively. The study recommended that SMEs should obtain, share, integrate, and create information and knowledge among employees. The SMEs should adopt learning orientation to ensure that they are consistently search for new and better ways of carrying out their business, thus ensuring that they are always ahead of their competitors.

2.6.3 Technological Orientation and Organizational Performance

Nganga (2017) explored the effect of strategic orientation on performance of telecommunication firms in Kenya. The study adopted descriptive survey design. The study established that technology orientation had been embraced to great extent in these firms and this form of strategic orientation had a large positive and significant effect on the performance of these firms. The study found that the firms through technological orientation were able to embrace technological advancement which allowed them to at all time catch up with up-to-date trends which would assist them in detecting their

customers' needs and that of the market as whole in order to satisfy them, which was similarly a great chance to expand their businesses. The study suggested that these firms ought to make investments in innovations and refined telecommunication technologies in new product development (NPD) for them to create a new market niche for their products and services

Agu, Nnabugwu, and Okocha (2019) investigated the effect of strategic orientation on the performance of selected manufacturing firm in Enugu State, Nigeria. A descriptive survey research design was employed. The study found that technological orientation when combined with other strategic orientations resulted to enhanced performance of the firms. The study found that TO resulted to enhanced product quality and given that customers preferred to select and use products that were technologically superior, the performance of firms in terms of customer satisfaction, profitability and productivity was enhanced. The study found that technological orientation guided the firms' attempts to realize technological capabilities that were superior to that of their rivals thus giving them a competitive edge which contributed to superior performance. This finding was attributed to the fact that technology-oriented firms had an upper hand in terms of technology leadership and offered differentiated products, which resulted to superior performance. The study suggested that the firms needed to undertake periodic reviews of the technological posture and upgrade so that the production of quality products that would stand the test of time was promoted.

Mwaura and K'Obonyo (2018) sought to determine the effect of strategic orientation on the performance of medium manufacturing firms in Kenya. The study observed that technology orientation had a positive impact on the performance of the firms. The study found that the firms were continuously exploring new innovations and carried out online marketing for their products. The study concluded that technologically-oriented

firms that combined customer-value innovation with technological innovation had a higher chance of reaping benefits in terms of sustainable profit and performance. They recommended that firms ought to apply new information systems and also explore new innovations in order to fulfill the expectations of their customers besides establishing good communication lines with their customers.

Nakola, Tarus, Buigut, and Kipchirchir (2015) revealed that by being technologically oriented, the ventures would be able to improve and enhance the speed, integrity and also information management in their internal procedures. The research concluded that with exceptional technology positioning, business remains in a placement to reap better efficiency gains by introducing process innovations and might understand enhanced distinction by innovating items that would result in boosted efficiency.

2.6.4 Customer Orientation and Organizational Performance

Atieno (2018) investigated the impact of customer orientation on the performance of suppliers of steel roofing sheets in Nairobi. The study applied a cross-sectional survey research design. The study established that being customer oriented positively affect the performance of these suppliers. By providing efficient services to the customers, the suppliers were able to enhance customer retention which contributed to greater sales and profitability. The study found that enhanced understanding of customer needs by carrying out intensive marketing research and customer satisfaction surveys enabled the suppliers to adequately respond to current needs of their customers and further predict their future needs. The findings revealed that the suppliers were committed to developing new products/services so that they could adequately cope with the dynamics in the continuous changing of their customer tastes and preferences. Furthermore, customers care was exercised during service delivery and the staff understood the target market needs and wants. The study recommended that it was necessary for these

suppliers to pay greater attention to the requirements and inclinations of their clients, and serve clients effectively with the end goal of enhancing their performance.

Mbonoka (2015) assessed the effect of customer orientation on the performance of mobile phone companies in Kenya. The study applied a descriptive cross-sectional study design. The study established a positive significant effect of customer orientation on the performance of these companies. The study discovered that the mobile companies greatly valued their customers in order to boost their competitiveness. The study noted that these companies were exploiting customer orientation since it assisted them in ensuring that their customers were highly satisfied, that the value they created for their customers was enhanced and so that they could better comprehend the needs besides ensuring that the companies' level of commitment in meeting their customer needs were closely monitored. The study found that customer orientation greatly enhanced consumer satisfaction; it boosted the company's competitive edge and resulted to enhanced profitability for the companies. The study concluded that given that today's consumers were highly well-informed and demanding, it was important for the firms to readily respond to what their targeted customers wanted by developing their customer orientation strategy.

Mokhtaran and Komeilian (2016) explored the influence of customer orientation on firms operating within the insurance industry in Tehran, Iran. The study used a cross-sectional descriptive survey design. The findings of the research disclosed that client alignment had a significant favourable effect on the business performance exemplified by raised sales, enhanced company's affordable setting, the development of new and improved products/services, reduced products or services delivery times as well as expanded markets. Customer orientation was found to significantly enhance customer relationship management (CRM) and service quality which resulted to greater customer

satisfaction and the cultivation of mutually profitable long-term relationships with customers which consequently led to improved performance. The study recommended for a control system which could be used in analyzing and solving customers' problems and also the use of information and feedback from customers in product development process.

Ali, Leifu, and Rehman (2016) investigated the effect of customer orientation on firm performance in the context of Chinese firms. A cross sectional survey was conducted. The study found that customer orientation had a positive significant impact on the performance of the firms. Through customer orientation, closer relations with customers were created which enabled the firms to better comprehend the customers' needs, provide tailor-made products and services to them, actions which ensured that customers were satisfied and their demand was easily forecasted. This resulted to the development of long-term profitable viable enterprises.

Ogunkoya and Shodiya (2013) revealed that client alignment had neither a positive nor damaging effect on the performance of these firms. According to the research study, these findings implied that efforts made at producing items in reaction to the demands made by customers did not award companies in this sector in regards to boosted attendance, enhanced profits, or boosted bottom lines. The study recommends that clients who often visited these firms reacted more favourably to a method that aimed to lead and enlighten consumers than to consumer-led. Altindag, Zehir, and Acar (2011) likewise explored the effect of strategic alignment on the efficiency of household-owned companies in Turkey and discovered no direct impact of client alignment on the performance of these companies. The study highlighted that this search might have been due to reasons such as disregarding consumer complete satisfaction and needs, insufficient capital and absence of administration skills.

2.6.5 Moderating Effect of Competitive Strategy

A study was conducted by Mburu (2019) to examine the moderating effect of competitive strategies on the relationship between entrepreneurial orientation and performance of manufacturing family-owned enterprises in Kenya. The study adopted the cross-sectional survey research design. The study population was the 201-manufacturing small and medium family-owned enterprises registered by the Kenya Association of Manufacturers based in Nairobi City County. The study findings indicated that competitive strategies moderate the relationship between entrepreneurial orientation and the performance of these enterprises. The study indicated that some of the competitive strategies include pricing strategies, differentiation and cost leadership strategy.

In addition, Su, Guo and Sun (2017) sought to examine the moderating effect of competitive strategy (including differentiation and cost-leadership strategies) on the relationship between exploration and firm performance. The study adopted the descriptive research design. The study results indicated that moderating effect of the differentiation strategy is positive while that of the cost-leadership strategy is negative. The study concluded that competitive strategy is a long-term action plan of a company directed to gain a competitive advantage over its rivals after evaluating their strengths, weaknesses, opportunities and threats in the industry and comparing them with their own.

Further, Sagwa, K'Obonyo and Ogutu (2015) examined the moderating effect of competitive strategy on the relationship between employee outcomes and performance of firms listed on the Nairobi securities exchange. The research design was cross sectional descriptive survey. Data was collected using a self-administered questionnaire. Descriptive statistics, correlation and regression techniques were used to

analyze the data. The results indicate that competitive strategy moderates the relationship between employee outcomes and firm performance. The study has empirically confirmed that competitive strategy moderates the relationship between employee outcomes and firm performance. It was recommended that firms have to align employee outcomes to the competitive strategy adopted by the firms in order to attain and sustain a superior competitive advantage in their operations.

Moreover, Onditi, Kibera, Aranga and Iraki (2020) sought to examine the moderating effect of competitive intensity on the relationship between market orientation and performance of private security firms in Kenya. Data was collected from key informants in the private security firms and they were either the marketing managers or the Chief Executive Officer of the firms. The study targeted 39 firms that were members of the Kenya Security Industry Association (KSIA). Data was collected using a semi-structured questionnaire. The results of the study indicated that competitive intensity moderated the relationship between market orientation and non-financial performance but not with financial performance. Further, another study was conducted by Zhang, Wang and Song (2019) to determine whether competitive intensity moderates the relationships between sustainable capabilities and sustainable organizational performance. The study was conducted in new ventures in U. S. The sample size was 146 U.S. new ventures. The study used ordinary least squares regression analysis to test the research model. The results of the study showed that the relationships between sustainable capabilities and sustainable organizational performance are moderated by the competitive intensity.

2.7 Summary of Research Gaps

The literature review on the effect of strategic orientation on the performance of pharmaceutical manufacturing firms in Kenya reflects that strategic orientation is

critical in influencing performance. However, despite the researchers focusing on the relationship between strategic orientation (entrepreneurial orientation, learning orientation, technological orientation and customer orientation) and performance, trivial information exists in Kenya's case and particularly within pharmaceutical manufacturing firms in Kenya. The inconsistency in findings forms the rationale of the current study. It becomes challenging to make inferences when the study findings from the previous studies have discrepant results.

The review of existing literature shows that mixed findings exist regarding the effect of some dimensions of strategic orientation on organizational performance. For instance, while Atieno (2018) and Mbonoka (2015) found a positive relationship between customer orientation and performance, Ogunkoya and Shodiya (2013) established that customer orientation had neither positive nor adverse effect on the performance of firms and Altindag, Zehir, and Acar (2011) found no direct effect of customer orientation on the performance of companies. Further, although the studies by Lita and Faisal (2018), Hussein et al. (2014), and Mahmoud and Yusif (2012) for instance, have supported the positive influence of LO on organizational performance, there are those who say that learning does not necessarily improve performance or there is no positive relationship between them such as Jerez (2011). This study will thus, go a long way in providing an informed position on the effect of strategic orientation on performance of these firms in Kenya. Therefore, conducting the current study was worthy being conducted to bridge the existing knowledge gap.

2.8 Conceptual Framework of the Study

The conceptual framework of the study which reveals the hypothesized relationship between variables is illustrated in Figure 2.1

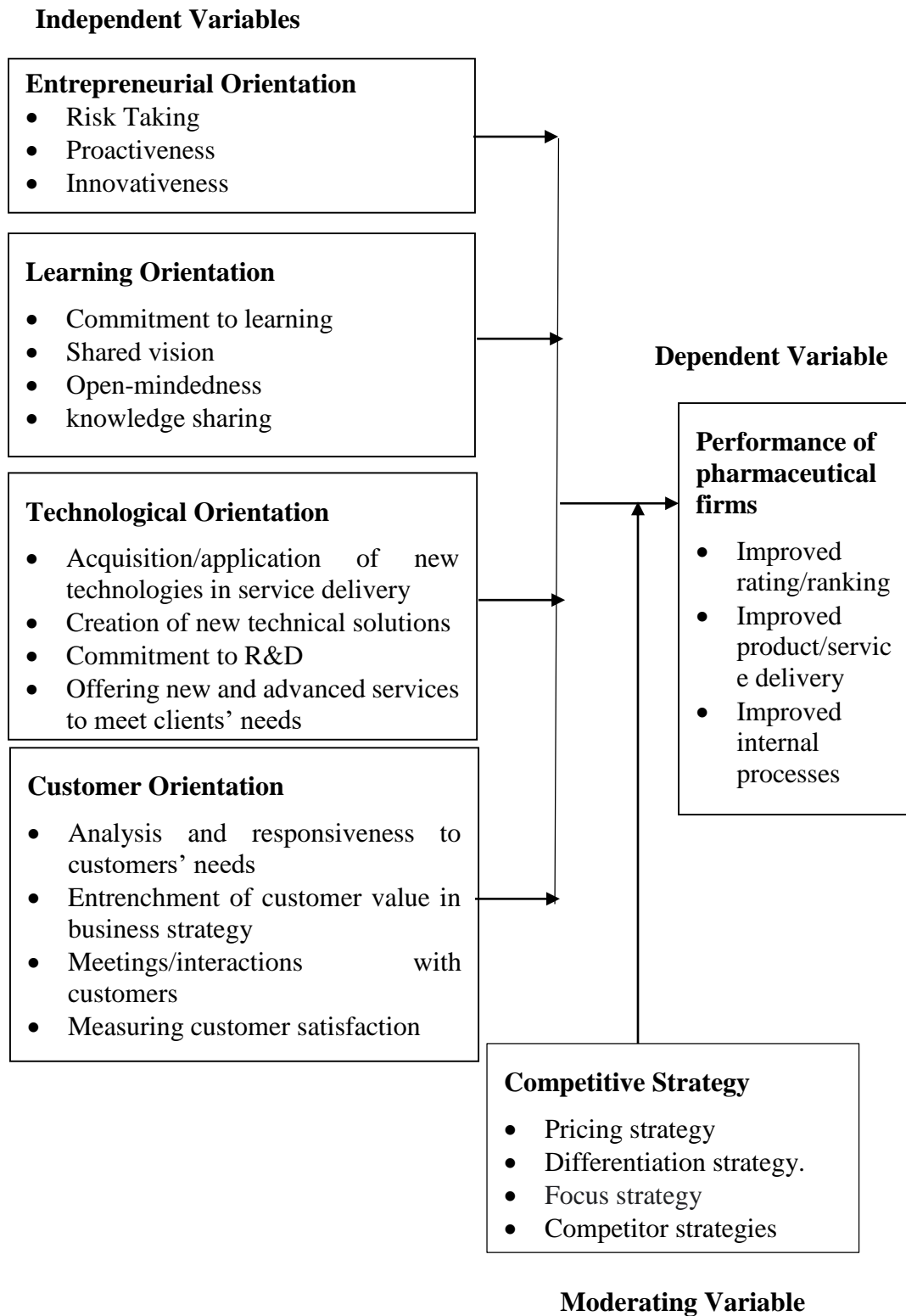


Figure 2.1: Conceptual Framework

Source: Researcher (2021)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The chapter presented the analysis of the study area, research design, target population, sampling design, data collection procedure, pilot testing, measurement of the variables, data analysis procedure and finally, the ethical considerations.

3.2 Study Area

The study was conducted in Nairobi City County. The justification for conducting the study in Nairobi City County was that most of the offices of the companies are situated in Nairobi City County. Moreover, it was more apparent to conduct the study in Nairobi County due to its accessibility in terms of infrastructure and communication. Thus, Nairobi City County was a good representation of the other companies in making the inferences.

3.3 Research Design

The study applied an explanatory research design. Studies utilizing this design try to find an explanation of the kind of a given relationship. The testing of hypotheses helps one to comprehend the relationship existing between variables (Creswell, 2017). Therefore, an explanatory design strives to find out how a given variable impacts changes in another the main focus being to understand, explain, predict and control relationships existing between variables (Check & Schutt, 2011). Making use of this design was considered necessary at any given time when the need for clarifying an alleged problem arises. Hence, this design was of great help in guiding the answering of the 'how' question of the effect of strategic orientation on the performance of these firms.

3.4 Study Population

The target population was 43 pharmaceutical manufacturing firms in Kenya. Employees from the two top cadres of management (top level and middle level) were the study population since the performance of firms hinges on the concerted efforts of different staff and that the strategic outlook embraced by the firms affects the ability of employees to contribute positively to the success of the firms. The top management employees are the directors and the chief executive officers (CEO) while the middle level employees are the supervisors (head of departments). Moreover, these employees are involved actively in key decision-making processes in the firms and hence, they are in a position to respond to the study issues adequately compared to employees at lower levels. According to HR records (2022) of the firms, there is a total of 168 employees from the top management and 469 employees from the middle management, as depicted in Table 3.1

Table 3.1: Population

Level	Number
Top (Directors/CEOs)	168
Middle (Supervisors)	469
Total	637

Source: HR Departments (2022)

3.5 Sample Size

The sample size is a subset of the population (Creswell, 2017). The sampling frame for this study was the list of top and middle/supervisory level management employees of the targeted firms based at the firm's offices in Nairobi. Yamane (1967) formula was used to compute the sample size using the equation;

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

Where:

n = sample size

N = population size

e = the level of precision (0.05)

1 = Constant

This formula assumes a degree of variability (i.e. proportion) of 0.5, the level of precision of 5% and a confidence level of 95%.

$$n = \frac{637}{1 + 637(0.05)^2}$$

$$= 245.71 \approx 246$$

Thus, the sample size was 246. The sample size was apportioned based on the target population. The sample size of the study was presented in Table 3.2

Table 3.2: Sample Size

Level	Sampling Technique	Determination (Calculations)	Sample size
Top management (Directors/CEOs)	Simple random sampling	168/637*246	65
Middle management (Supervisors)	Simple random sampling	469/637*246	181
Total			246

Source: Researcher (2022)

3.6 Sampling Design and procedure

The sampling technique refers to the process used to get the sample (Cooper & Schindler, 2014). The researcher used random sampling technique to get the sample size from each of the firms. In the random sampling technique, each element in the population has an equal probability of being chosen (Acharya, Prakash, Saxena & Nigam, 2013). The randomly sampling approach is meant to be an unbiased representation of the picking of the respondents from the population (Creswell, 2017). Thus, the 74 employees from top management (directors/CEOs) and 148 from middle management (supervisors) were randomly picked from each of the pharmaceutical

manufacturing firms in Kenya. The randomly choosing of the respondents was based on the number of top management (directors/CEOs) and middle management (supervisors) from each firm. The study stratified the sample across the top and middle management cadres across the pharmaceutical firms.

3.7 Data Collection

3.7.1 Data Types and Sources

The study used primary data. The data was gathered first hand from the firm's employees for the purpose of determining the effect that strategic orientation has on the firm's organizational performance. The primary data was obtained from the respondents using questionnaires.

3.7.2 Data Collection Instruments

Questionnaires was used to collect the data. The questions asked was based on a 5-point Likert Scale. The rationale of using the five-point Likert scale ranging from strongly disagree to strongly agree was because it had been most recommended by the researchers that it would increase response rate and response quality (Omondi, 2017; Maduagwu, Okoro, & Ede, 2018; Kamau, 2019; Agu, Nnabugwu, & Okocha, 2019). The questions were drawn from the constructs developed by recognized scholars such as Hakala (2011) and Chandler (2010). The justification for using the questionnaires was that they are presumed to give a higher response rate.

3.7.3 Data Collection Procedures

First, the researcher sought an approval from NACOSTI and the university to go on with the research. The researcher utilized the drop and pick technique. Respondents were guaranteed their personal details will not be exposed to anyone unless those helping in the study (research assistants).

3.8 Pilot Testing

O'Connor & Kleyner (2012) define a pilot test as duplication and preparation of the main study. In this study, 24 employees (10% of the sample size) from Biodeal laboratory Ltd in Nairobi County were considered for the pilot study. They were selected based on the judgment of the researcher. Biodeal laboratory Ltd was excluded in the final data collection.

3.8.1 Validity of the Research Instrument

The study considered both construct and content validity in assessing the validity of the questionnaire. Content validity tests whether the survey tool measures content from an expert theoretical perspective. Content validity requires recognized subject matter experts to evaluate whether test items assess defined content and more rigorous statistical tests. Construct validity is about ensuring that the measurement method matches the construct you want to measure (Rahi, 2017). Construct validity is the degree to which a test measures what it claims, or purports, to be measuring. The content validity was obtained from the supervisor, who counterchecked the questions in the research instruments to make sure they are satisfactory for the data collection. Moreover, the construct validity was determined using Kaiser-Meyer-Olkin (KMO). KMO test is a statistical measure used to determine how suited data is for Factor Analysis.

3.8.2 Reliability of the Research Instrument

Reliability is obtained when the same results are produced by the instruments when used on numerous occasions (Sekaran & Bougie, 2016). The reliability of the questionnaire was determined by calculating the cronbach alpha coefficient. Coefficients of more than 0.7 was regarded as adequate as recommended by Tavakol and Dennick (2011).

3.9 Measurement of Variables

Table 3.3 outlined the variables considered in this study and their operationalization which encompasses the identification of the specific indicators of the variables and the measurements to be applied in estimating these variables.

Table 3.3: Measurement of Variables

Nature of Variable	Variable	• Indicators	Measurement Scale	Relationship	Source
Dependent	Performance	<ul style="list-style-type: none"> Improved rating/ranking Improved product/service delivery Improved internal processes 	Ordinal scale	N/A	Martinette et al. (2014); Nakola, et.al. (2015); Altindag, et. al. (2011)
Independent	Entrepreneurial Orientation	<ul style="list-style-type: none"> Risk Taking Proactiveness Innovativeness 	Ordinal scale	+	Kajalo. Et. al 2015; Martinez, et. al. ((2019); Maduagwu, et. al (2018); Al-Henzab, et. al (2018); Swierczek et. al. (2013)
	Learning Orientation	<ul style="list-style-type: none"> Commitment to learning Shared vision Open-mindedness Intra-organizational knowledge sharing 	Ordinal scale	+	Sawaeen et.al (2020); Hussein et al. (2014), Hussain et al. (2018); Martinette et al. (2014); Omondi (2017); Kamau (2019)
	Technological Orientation	<ul style="list-style-type: none"> Acquisition/application of new technologies in service delivery Creation of new technical solutions Commitment to R&D 	Ordinal scale	+	Mwaura, et. al. (2018); Obeidat (2016); Nakola, et.al. (2015); Agu, et.al. (2019)
	Customer Orientation	<ul style="list-style-type: none"> Analysis and responsiveness to customers' needs Entrenchment of customer value in business strategy Meetings/interactions with customers Measuring customer satisfaction 	Ordinal scale	+	Kang'ethe (2015); Atieno (2018); Mbonoka (2015); Mokhtaran, et. al. (2016); Altindag, et. al. (2011)
	Competitive Strategy	<ul style="list-style-type: none"> Pricing strategy Differentiation strategy. Focus strategy Competitor strategies 	Ordinal scale	+	Mburu (2019); Su, Guo and Sun (2017); Sagwa, K'Obonyo & Ogutu (2015); Onditi, Kibera, Aranga & Iraki (2020); Zhang, Wang & Song (2019)

Source: Researcher (2022)

3.10 Data Analysis Procedures

Data processing is converting raw data into a readable format that can be interpreted, analyzed and used (Chakravarthy & Jiang, 2009). SPSS was used in the analysis of the data. The data was analyzed using descriptive (mean, frequencies) and inferential statistics (correlation and regression). The correlation analysis was used to present the association between variables while regression analysis showed the relationship between variables. In regression analysis, there is examination of the model fitness, analysis of variable and regression coefficients. The regression model specification was;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon \dots \dots \dots (3.1)$$

Where:

Y = Performance of the pharmaceutical firms

β_0 = Constant Term, that is, the value of Y when strategic orientation is equal to zero.

$\beta_1, \beta_2, \beta_3,$ and β_4 = Beta coefficients

X_1 = Entrepreneurial Orientation

X_2 = Learning Orientation

X_3 = Technological Orientation

X_4 = Customer Orientation

ε = Error term

3.10.1 Diagnostic Tests

Various diagnostic tests were conducted before the estimating the model in order to ensure that there is no violation of the assumptions of the linear regression model. This assisted in reducing the risks of obtaining biased, inefficient, and inconsistent parameter estimates.

3.10.1.1 Normality Test

The study tested the normality using the Shapiro-Wilk test. For datasets small than 2000 elements, we use the Shapiro-Wilk test; otherwise, the Kolmogorov-Smirnov test is used. For data to be normal, the p-value must be > 0.05 at a 95% confidence level. If that is the case, then we conclude that the data is normally distributed.

3.10.1.2 Multicollinearity Test

The multicollinearity test is to determine if the independent variables in the study are strongly correlated. Multicollinearity was assessed using variance inflation factors (VIF). If the VIF values exceed 10, multicollinearity exists. In such a situation where Multicollinearity exists, the data was cross-checked again to remove those variables that correlate. i.e., the data was cleaned.

3.10.1.3 Linearity Test

The overall idea of the linearity test is to establish variables that are significant predictors of the outcome variable (Rao & Gabr, 2010). It is important to establish whether there is the relationship between the variables. Linearity test in the study was tested using the graphs.

3.10.1.4 Heteroscedasticity

Since the data for this research was a cross-section of firms, this raised concerns about the existence of heteroscedasticity. To test for heteroscedasticity, the Breusch-Pagan/Godfrey test was used. The null hypothesis of this study was that the error variance is homoscedastic. Thus, if the p-value is more than 0.05, it is concluded there is no heteroskedasticity in the data. If the null hypothesis is rejected and a conclusion made that heteroscedasticity is present, then this was accounted for by running a FGLS model.

3.11 Moderating Effect of Competitive Strategy on the Relationship between Strategic Orientation and Performance

The moderating variable refers to a variable that can strengthen, diminish, negate or otherwise alter the association between independent and dependent variables. Moderating variables can also change the direction of the relationship between the independent and dependent variables. The moderating variable in the study was the competitive strategy. The moderation effect was tested using Baron and Kenny's (1986) approach. The moderating effect of the competitive strategy was analyzed in six steps as guided by the following models;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon \dots \dots \dots (3.2)$$

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \varepsilon \dots \dots \dots (3.3)$$

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \varepsilon \dots \dots \dots (3.4)$$

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + \varepsilon \dots \dots \dots (3.5)$$

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + \beta_8 X_8 + \varepsilon \dots \dots \dots (3.6)$$

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + \beta_8 X_8 + \beta_9 X_9 + \varepsilon \dots \dots \dots (3.7)$$

Y=Performance

X₁=Entrepreneurial Orientation; X₂=Learning Orientation; X₃=Technological Orientation; X₄=Customer Orientation; X₅=Competitive Strategy

X₆=Entrepreneurial Orientation* Competitive Strategy; X₇=Learning Orientation* Competitive Strategy; X₈=Technological Orientation* Competitive Strategy; X₉=Customer Orientation* Competitive Strategy

3.12 Ethical Considerations

Ethical issues in research relate to the moral code of conduct which must be observed by researchers in all phases of the research. Their main is to ensure that the integrity of findings obtained is enhanced (Resnik, 2011). To this end, informed consent of the targeted pharmaceutical firm's employees was sought before embarking on the research process. It was ensured that those who will take part in the study did so voluntarily without being subjected to any form of bribery or coercion. They was informed about the purpose of the study, expected gains and any risks that employees might be exposed by agreeing to take part in the study. The employees were allowed to withdraw from the research process if they wish not to continue being part and parcel of the study without any consequences. A clearance letter from the school and NACOSTI was obtained to increase the confidentiality of the participants when responding to the survey questions.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATIONS

4.1 Introduction

This chapter presents the data analysis, findings and interpretation. Results are presented in tables and graphs. Precisely, the chapter includes the discussion of the response rate, validity tests, reliability test, demographic characteristics, descriptive statistics, correlation analysis, diagnostics tests, regression analysis and discussion of the hypotheses testing. Each section is comprehensively presented to depict its relevance for inclusion in the study.

4.2 Response Rate

This section provides the response rate of all questionnaire issues and justification of why that response rate is adequate for data analysis. The results of the response rate are presented in Table 4.1.

Table 4.1: Response Rate

Level	Questionnaires Issued	Responses	Response rate
Top management (Directors/CEOs)	65	62	95.38
Middle management (Supervisors)	181	169	93.37
Average	246	231	93.90

Based on the results presented in Table 4.1, the average response rate is 93.90%. Moreover, the response rate from the top management (Directors/CEOs) is 95.38%, while those from middle management (supervisors) are at 93.37%. The response rate is deemed satisfactory for further analysis and the making of the inferences. Some scholars, such as Kothari (2004) and Babbie (2004), indicate that a response rate above 60% is sufficient for the analysis. Hence, the current study's average response rate is 93.90% and is considered sufficient.

4.3 Validity Test

The study examined both the content and construct validity of the research instruments. To achieve content validity, procedures recommended by Cooper and Schindler (2014) were used. Precisely, identification of the existing scales from the literature, developing data collection instrument and administering it to the supervisors in charge of the project and experts such as Directors and CEOs. Modifications arising from these experts were in-cooperated in the survey tool for clarity, comprehensiveness, relevance, meaning and requisite depth. The supervisors did a final review of the data collection tool and their valuable recommendations were used to finalize the instrument. Moreover, the study used Keyser Meyer Olkin (KMO) and the test of Sphericity to examine the construct validity. The test measures sampling adequacy for each variable in the model and the complete model. The rule of thumb is that if the KMO value is more than 0.4 and the P-value of Sphericity is less than 0.05, then the statements are valid / measures what it purports to measure (Rojas-Valverde, Pino-Ortega, Gómez-Carmona & Rico-González, 2020). Validity results are presented in Table 4.2

Table 4.2: Construct Validity

Variable	KMO Value	Sphericity
Entrepreneurial Orientation	0.682	0.000
Learning Orientation	0.648	0.000
Technological Orientation	0.745	0.000
Customer Orientation	0.679	0.000
Competitive Strategy	0.596	0.000
Performance	0.506	0.000

Results in Table 4.2 show that entrepreneurial orientation had a KMO value of 0.682 and Barlette's test of sphericity of $0.000 < 0.05$ and thus, the statements are valid/it

measures what its purport to measure. Learning orientation had a KMO value of 0.648 and Barlette's test of sphericity of $0.000 < 0.05$ and thus the statements are valid/it measures what its purports to measure. Technological orientation had a KMO value of 0.745 and Barlette's test of sphericity of $0.000 < 0.05$ and thus, the statements are valid/it measures what its purport to measure. Customer orientation had a KMO value of 0.679 and Barlette's test of sphericity of $0.000 < 0.05$ and thus, the statements are valid/it measures what its purport to measure. The competitive strategy had a KMO value of 0.596 and Barlette's test of sphericity of $0.000 < 0.05$ and thus, the statements are valid/it measures what its purport to measure. Lastly, the performance had a KMO value of 0.506 and Barlette's test of sphericity of $0.000 < 0.05$ and thus the statements are valid/it measures what its purports to measure. In conclusion, all the variables met the minimum KMO value of 0.4 and Barlette's test of sphericity of < 0.05 and thus, they were valid.

4.4 Reliability Test

Reliability is the consistency of measurement or the degree to which an instrument measures the same way each time used in the same condition with the same subjects. The reliability of the research instruments for this study was obtained using the Cronbach's Alpha coefficients and the results are presented in Table 4.3

Table 4.3: Reliability Results

Variable	Number of items	Cronbach alpha	Comments
Entrepreneurial Orientation	8	0.788	Reliable
Learning Orientation	8	0.865	Reliable
Technological Orientation	8	0.852	Reliable
Customer Orientation	9	0.895	Reliable
Competitive Strategy	9	0.848	Reliable
Performance	8	0.818	Reliable

The results in Table 4.3 show Cronbach's alpha coefficients for entrepreneurial orientation, learning orientation, technological orientation, customer orientation, competitive strategy and performance were above 0.7, indicating that they are reliable. Taber (2018) suggests that Cronbach's alpha values of items included in the study should not be lower than 0.7. According to Golafshani (2003), Cronbach alpha should not be lower than 0.7, while Gliem and Gliem (2003) recommend a Cronbach alpha should exceed 0.7. Hence, the variables of the study are considered reliable.

4.5 Demographic Characteristics

Demographics are characteristics of a population. Demographic information provides data regarding research participants and is necessary to determine whether the individuals in a particular study are a representative sample of the target population for generalization purposes. Demographic analysis was done to study the nature in which the population changes over time, and this is important as it allows us to study how changes to the population. The demographic characteristics included age bracket, gender, highest academic attainment, period of working in the firm and department/work designation stationed in the firm. Each of the demographic characteristics is discussed in the subsequent sections.

4.5.1 Gender of the Respondents

Figure 4.1 presents the gender of the respondents

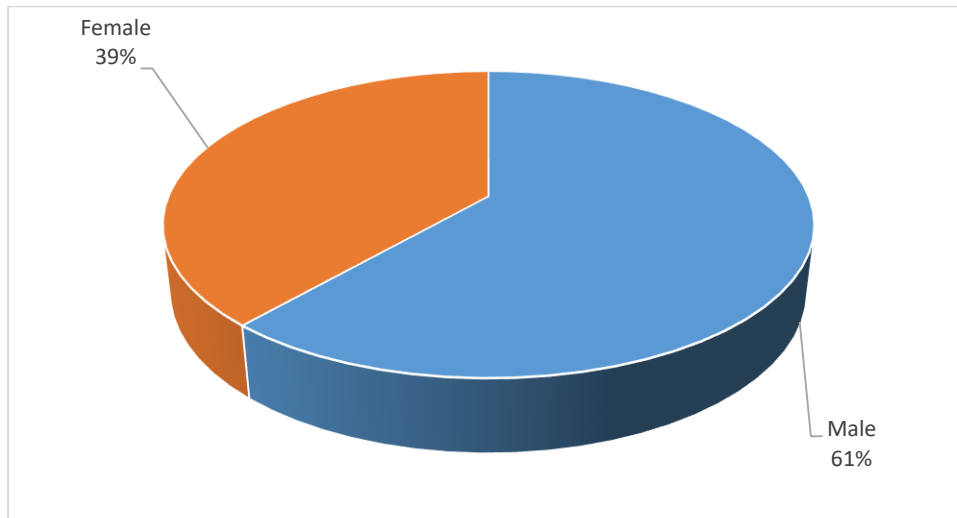


Figure 4.1: Gender of the Respondents

The result in figure 4.1 shows that majority of the respondents were male, who represented 61% of the respondents, while 39% of the respondents were female. This implies that the gender distribution in most pharmaceutical manufacturing firms is uneven, but it is near equal. The result agrees with that of Kyalo (2014), who also identified male domination in most sectors of an economy. Hence, there is a need to empower women to have equal opportunities in a society.

4.5.2 Age bracket

The respondents were requested to indicate their age bracket and the results are as shown in figure 4.2

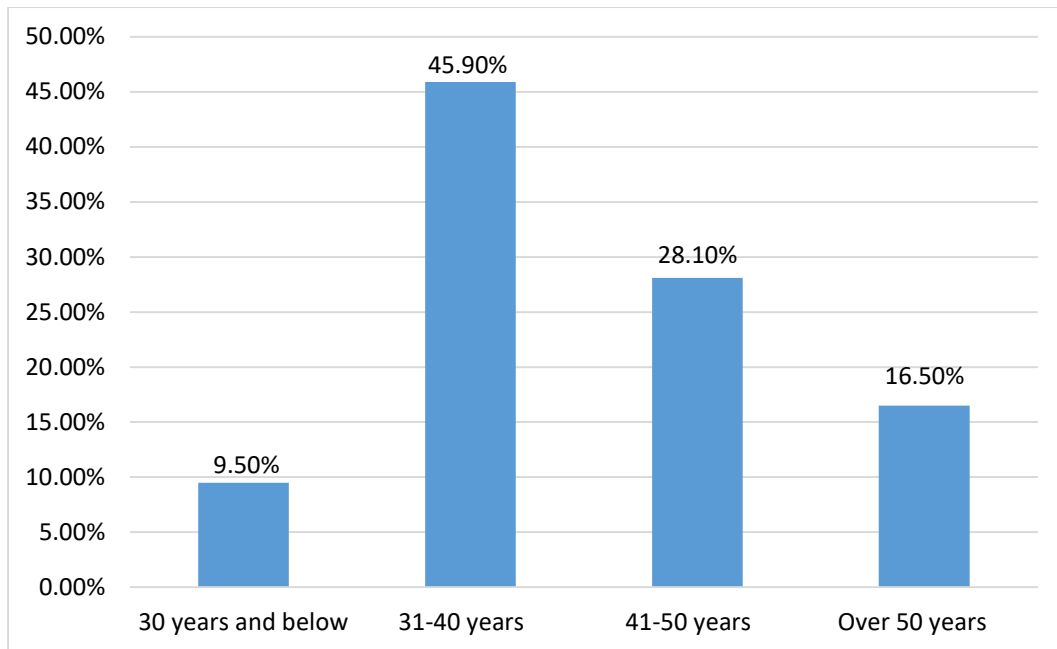


Figure 4.2: Age bracket

The result in figure 4.2 shows that majority of the respondents were between the age bracket of 31- 40 years, which represented 45.90% of the respondents, 28.10% of the respondents were between the age bracket of 41-50 years, while 16.50% of the respondents were over 50 years. Similarly, 9.50% of the respondents indicated that they were 30 years and below. The results implied that most respondents were aged between 31 and 40 years and thus were more energetic and resourceful. In addition, this age group is expected to be more competent and innovative since they are not either very old or young.

4.5.3 Highest academic attainment

The respondents were request to indicate their highest academic attainment and the findings are presented in Figure 4.3

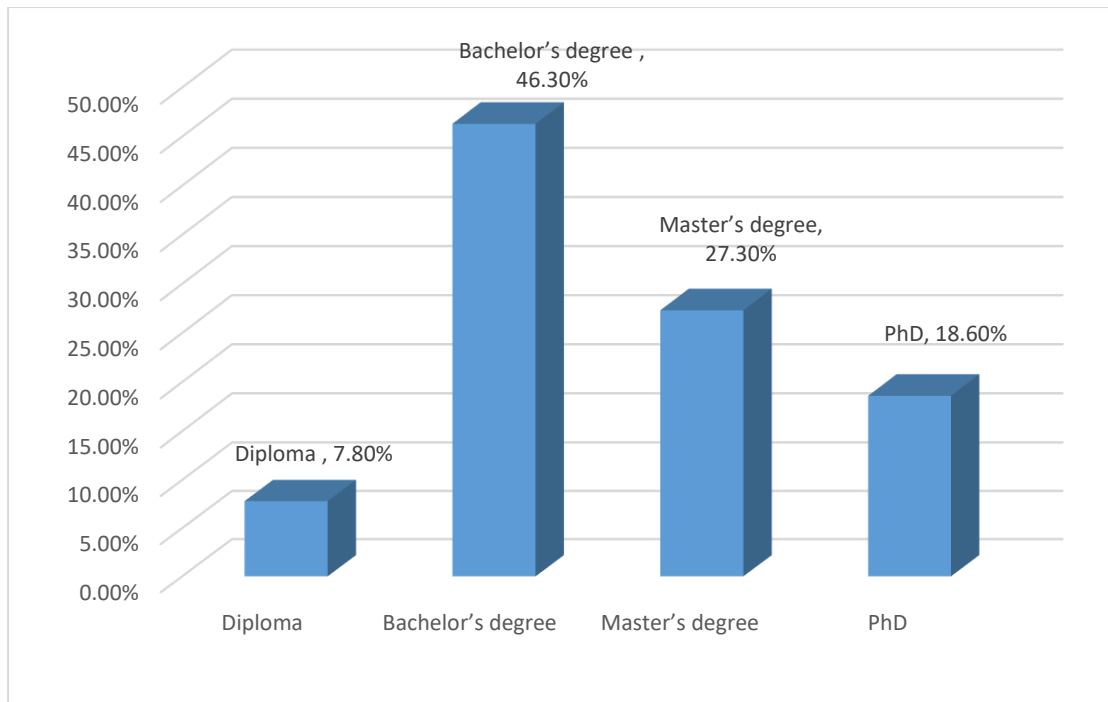


Figure 4.3: Highest academic attainment

The results in figure 4.3 show that majority of the respondents (46.30%) had bachelor's degrees. Likewise, 27.30% had master's degrees and 18.60% were Ph.D. holders. Similarly, 7.80% of the respondents had a diploma, which was considered to be the lowest level of education. The result implied the respondents understood the questionnaire and gave valid responses since they had a better understanding as guided by their level of education, which in this case, the majority had bachelor's degree and the highest level of education being PhD. A high degree of education is essential for success in an organization due to the competency of the employees.

4.5.4 Period of working in this firm

The respondents were asked to indicate their period of working in the firm. Results are presented in figure 4.4.

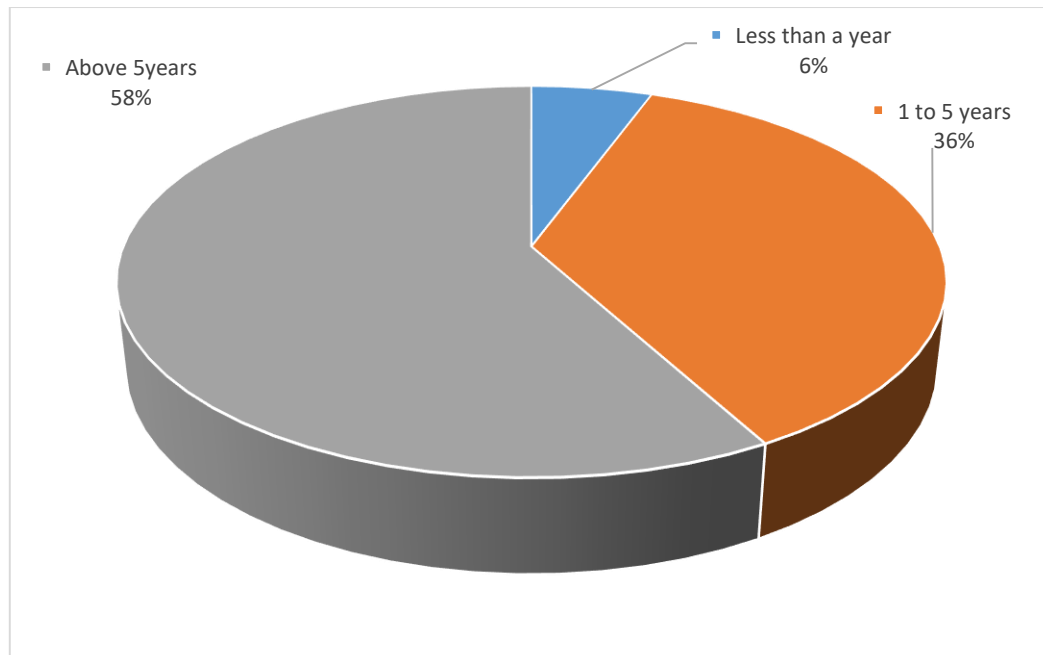


Figure 4.4: Period of working in this firm

The findings from figure 4.4 show that the majority of the respondents (58%) had worked for more than 5 years in the firm, 36% of the respondents had worked in the firm for a period of 1 to 5 years while 6% of the respondents had worked in the firm for a period of less than a year. This implies that the majority of the respondents have been in the firm for a substantive period; thus, they were experienced and had knowledge of how the firm operates. Hence, their opinions were considered to be appropriate for the study.

4.5.5 Department/ work designation stationed in this firm

The respondents were asked to indicate their department/ work designation stationed in the firm. Results are presented in figure 4.5

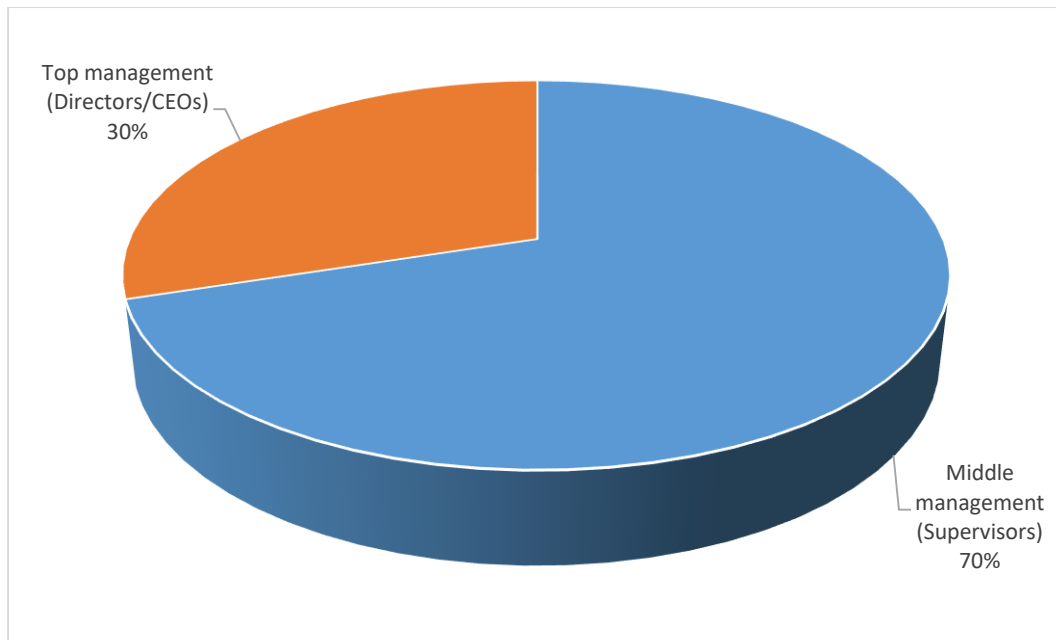


Figure 4.5: Department/ work designation stationed in this firm

The findings from figure 4.5 show that the majority of the respondents (70%) were in the middle management in the firm, 30% of the respondents were in the top management in the firm. This implies that the majority of the respondents were in the middle management and a small number of respondents were in the top management. The inclusion of the management in the study implies that the study gets the most appropriate information regarding the internal operations and policy implementation strategies.

4.6 Descriptive Statistics

This section presents the descriptive statistics of entrepreneurial orientation, learning orientation, technological orientation, customer orientation, competitive strategy and performance. Numbers 4 & 5 (Agree and strongly agree) are grouped together as agree, while 1 & 2 (strongly disagree and disagree) are grouped as disagree while 3 is neutral. The mean and standard deviation are generated using a five-point Likert Scale.

4.6.1 Entrepreneurial Orientation

The descriptive statistics on entrepreneurial orientation is summarized in Table 4.4

Table 4.4: Descriptive statistics on entrepreneurial orientation

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. deviation	Skewness	Kurtosis		
								Statistic	Std. Error	Statistic	Std. Error
The firm introduces new products ahead of the competitors	20.30%	52.40%	4.30%	16.50%	6.50%	2.36	1.17	0.879	0.16	-0.244	0.319
The firm concentrates on the expected future demand and supply	13.40%	44.60%	9.10%	20.80%	12.10%	2.74	1.27	0.469	0.16	-1.031	0.319
The firm manipulates market environment through unique marketing tactics	5.60%	63.20%	8.20%	13.90%	9.10%	2.58	1.09	1.07	0.16	-0.006	0.319
The firm is keen to minimize the expected risks	30.70%	45.90%	6.90%	9.10%	7.40%	2.16	1.18	1.119	0.16	0.411	0.319
The firm has products that target different market segments	48.10%	35.90%	5.20%	7.40%	3.50%	1.82	1.05	1.461	0.16	1.551	0.319
The firm is willing firm to take risks	27.30%	50.60%	5.60%	12.10%	4.30%	2.16	1.09	1.075	0.16	0.452	0.319
The firm have adopted new modern ways of marketing	33.80%	45.50%	3.50%	15.20%	2.20%	2.06	1.08	1.008	0.16	0.095	0.319
The firm supports new ideas of all the employees	19.50%	53.70%	6.50%	17.70%	2.60%	2.3	1.06	0.818	0.16	-0.205	0.319
Average						2.27	1.12				

The field results (descriptive statistics) depicted in Table 4.4 indicate that 72.70% (20.30%+52.40%) of the respondents disagreed that the firm introduces new products ahead of the competitors, while 23% (16.50%+6.50%) agreed with the statement and 4.30% remained neutral. This implied that the majority of the respondents disagreed that the firm introduces new products ahead of the competitors, as supported by the mean score of 2.36 with a standard deviation of 1.17. It was found that 58.00% of the respondents disagreed the firm concentrates on the expected future demand and supply, while 32.90% agreed with the statement and 9.10% remained neutral. The mean score of the survey question was 2.74 with a standard deviation of 1.27 and this signified that the majority of the respondents disagreed that the firm concentrates on the expected future demand and supply.

The study found that 68.80% of the respondents disagreed the firm manipulates the market environment through unique marketing tactics and 23.00% agreed with the survey question, while 8.20% remained neutral. This showed that the majority of the respondents disagreed that the firm manipulates the market environment through unique marketing tactics, as supported by the mean score of 2.58 with a standard deviation of 1.09. The study found that 16.50% of the respondents agreed the firm is keen to minimize the expected risks, while 76.60% disagreed with the statement, with 6.90% remaining to be neutral. The mean score was 2.16, with a standard deviation of 1.18. It was found that 10.90% of the respondents agreed the firm has products that target different market segments, while 84.00% disagreed with the statement and 5.20% remained neutral. The mean score of the survey question was 1.82, with a standard deviation of 1.05.

The study found that 16.40% of the respondents agreed the firm is willing firm to take risks, while 77.90% disagreed with the statement and 5.60% remained neutral. This showed that the majority of respondents disagreed that the firm is willing firm to take risks, as support by the mean score of 2.16, with a standard deviation of 1.09. The study found that 17.40% of the respondents agreed the firm has adopted new modern ways of marketing, while 79.30% disagreed with the statement and 3.50% remained neutral. The mean score was 2.06, with a standard deviation of 1.08. It was found that 20.30% of the respondents agreed the firm supports new ideas of all the employees, while 73.20% disagreed with the statement and 6.50% remained neutral. The mean score was 2.30 with a standard deviation of 1.06.

The average mean score of the survey questions on entrepreneurial orientation was 2.27, with a standard deviation of 1.12. This signified that the majority of the respondents disagreed with the majority of the survey questions. Kurtosis test was also run to test the normality of the distribution. The values of kurtosis ranged from -0.006 to 1.551. According to Celikoglu and Timakli (2018), the values for kurtosis between -2 and +2 are considered acceptable and thus, the distribution of response values was normal for all the items. The values of skewness statistics were positive, indicating that the data was skewed to the right and that both the mean and the median were more than the mode of the data set.

4.6.2 Learning Orientation

The descriptive statistics on learning orientation is depicted in Table 4.5

Table 4.5: Descriptive Statistics on Learning Orientation

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. deviation	Skewness	Kurtosis	Std. Error	Std. Error
								Statistic	Statistic		
The firm's entire staffs are committed to its goals.	18.60%	28.60%	9.10%	33.80%	10.00%	2.88	1.33	0.001	0.16	-1.361	0.319
The employees work in unity in this organization and any opinion is taken with much considerations	16.00%	42.40%	7.80%	19.00%	14.70%	2.74	1.34	0.452	0.16	-1.125	0.319
The firm's staffs view themselves as partners in charting the direction of the firm.	8.20%	55.40%	15.20%	13.00%	8.20%	2.58	1.08	0.909	0.16	-0.051	0.319
The basic values of this firm take account of learning as a key to improvement.	25.10%	31.20%	10.40%	21.60%	11.70%	2.04	1.37	0.362	0.16	-1.209	0.319
Learning in this firm is promoted and viewed as a fundamental commodity needed to warrant the firm's survival.	35.50%	34.60%	12.10%	12.60%	5.20%	2.17	1.19	0.856	0.16	-0.264	0.319
The learning opportunities for the employees is compulsory to all the employees	21.20%	43.30%	8.20%	17.70%	9.50%	2.41	1.27	0.634	0.16	-0.778	0.319
There is high sharing of the organizational vision and mission to all the employees	23.80%	39.00%	11.30%	18.20%	7.80%	2.47	1.25	0.583	0.16	-0.795	0.319
Staffs in this firm appreciate that the manner in which they perceive the marketplace ought to be constantly interrogated.	19.00%	39.40%	3.90%	35.50%	2.20%	2.62	1.21	0.169	0.16	-1.424	0.319
Average						2.49	1.25				

The field results (descriptive statistics) depicted in Table 4.5 indicate 47.20% of the respondents disagreed the firm's entire staffs are committed to its goals, while 43.80% agreed with the statement and 9.10% remained neutral. This implied that the majority of the respondents disagreed that the firm's entire staffs are committed to its goals, as supported by the mean score of 2.88 with a standard deviation of 1.33. It was found that 58.40% of the respondents disagreed the employees work in unity in this organization and any opinion is taken with much consideration, while 33.70% agreed with the statement and 7.80% remained neutral. The mean score of the survey question was 2.74 with a standard deviation of 1.34 and this signified that the majority of the respondents disagreed that the employees work in unity in this organization and any opinion is taken with much considerations.

The study found that 21.20% of the respondents agreed the firm's staffs view themselves as partners in charting the direction of the firm and 63.60% disagreed with the survey question, while 15.20% remained neutral. This showed that the majority of the respondents disagreed that the firm's staffs view themselves as partners in charting the direction of the firm, as supported by the mean score of 2.58 with a standard deviation of 1.08. The study found that 33.30% of the respondents agreed the basic values of this firm take account of learning as a key to improvement, while 56.30% disagreed with the statement with 10.40% remaining to be neutral. The mean score was 2.04, with a standard deviation of 1.37. It was found that 17.80% of the respondents agreed the learning in this firm is promoted and viewed as a fundamental commodity needed to warrant the firm's survival, while 70.10% disagreed with the statement and 12.10% remained neutral. The mean score of the survey question was 2.17, with a standard deviation of 1.19.

The study found that 27.20% of the respondents agreed the learning opportunities for the employees is compulsory to all the employees, while 64.50% disagreed with the statement and 8.20% remained neutral. This showed that the majority of respondents disagreed that the learning opportunities for the employees is compulsory to all the employees, as support by the mean score 2.41, with a standard deviation of 1.17. The study found that 26.00% of the respondents agreed the There is high sharing of the organizational vision and mission to all the employees, while 62.80% disagreed with the statement and 11.30% remained neutral. The mean score was 2.47, with a standard deviation of 1.25. It was found that 37.70% of the respondents agreed the Staffs in this firm appreciate that the manner in which they perceive the marketplace ought to be constantly interrogated, while 58.40% disagreed with the statement and 3.90% remained neutral. The mean score was 2.62 with a standard deviation of 1.21. Finally, the average mean score of the survey questions of learning orientation was 2.49, with a standard deviation of 1.25. This signified that the majority of the respondents disagreed with the majority of the survey questions.

Besides, the Kurtosis test was also run to test the normality of the distribution. The values of kurtosis ranged from -1.424 to -0.051. The values for kurtosis between -2 and +2 are considered acceptable to prove normal univariate distribution (George & Mallery, 2010). This means that the distribution of response values was normal. According to Ho and Yu (2015) If skewness is positive, the data are positively skewed or skewed right, meaning that the right tail of the distribution is longer than the left. If skewness is negative, the data are negatively skewed or skewed left, meaning that the left tail is longer. Therefore, the values of skewness statistics were positive, implying that the right tail was longer.

4.6.3 Technological Orientation

The descriptive statistics on technological orientation is summarized in Table 4.6

Table 4.6: Descriptive Statistics on Technological Orientation

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Standard deviation	Skewness	Kurtosis		
								Statistic	Std. Error	Statistic	Std. Error
The firm's policy is to embrace the latest technologies in the industry.	19.00%	51.10%	5.60%	16.90%	7.40%	2.42	1.19	0.81	0.16	-0.404	0.319
The firm secures and utilizes modern technologies so as to position itself ahead of competitors.	14.70%	44.20%	9.50%	17.70%	13.90%	2.72	1.3	0.512	0.16	-1.006	0.319
The firm regularly improves its internal processes for instance, speed, and reliability and information management.	7.40%	62.30%	9.10%	12.10%	9.10%	2.53	1.09	1.093	0.16	0.163	0.319
The firm is time and again the first to try out new methods and technologies.	15.60%	59.70%	7.40%	9.50%	7.80%	2.34	1.1	1.17	0.16	0.638	0.319
The firm makes resource allocations towards investments in newest technologies and future anticipated technological changes.	31.20%	52.80%	2.60%	10.80%	2.60%	2.01	1.00	1.255	0.16	1.145	0.319
The firm's technical innovations founded on research results are readily accepted.	28.60%	49.40%	6.10%	12.60%	3.50%	2.13	1.07	1.043	0.16	0.39	0.319
The firm's new products and services are at all times on the leading edge of technology.	32.00%	44.60%	6.10%	14.30%	3.00%	2.12	1.10	0.962	0.16	0.042	0.319
The firm is very proactive in the development of new technical solutions to answer customers' needs.	19.00%	43.30%	4.80%	20.80%	12.10%	2.64	1.33	0.512	0.16	-1.069	0.319
Average						2.36	1.15				

The descriptive statistics depicted in Table 4.6 indicate that 70.10% of the respondents disagreed the firm's policy is to embrace the latest technologies in the industry, while 24.30% agreed with the statement and 5.60% remained neutral. This implied that the majority of the respondents disagreed that the firm's policy is to embrace the latest technologies in the industry, as supported by the mean score of 2.42 with a standard deviation of 1.19. It was found that 58.90% of the respondents disagreed the firm secures and utilizes modern technologies so as to position itself ahead of competitors, while 31.60% agreed with the statement and 9.50% remained neutral. The mean score of the survey question was 2.72 with a standard deviation of 1.30 and this signified that the majority of the respondents disagreed that the firm secures and utilizes modern technologies so as to position itself ahead of competitors.

The study found that 21.20% of the respondents agreed the firm regularly improves its internal processes for instance, speed, and reliability and information management and 69.70% disagreed with the survey question, while 9.10% remained neutral. This showed that the majority of the respondents disagreed that the firm regularly improves its internal processes for instance, speed, and reliability and information management, as supported by the mean score of 2.53 with a standard deviation of 1.09. The study found that 17.30% of the respondents agreed the firm is time and again the first to try out new methods and technologies, while 75.30% disagreed with the statement with 7.40% remaining to be neutral. The mean score was 2.34, with a standard deviation of 1.10. It was found that 13.40% of the respondents agreed the firm makes resource allocations towards investments in newest technologies and future anticipated technological changes, while 84.00% disagreed with the statement and 2.60% remained neutral. The mean score of the survey question was 2.01, with a standard deviation of 1.00.

The study found that 16.10% of the respondents agreed the firm's technical innovations founded on research results are readily accepted, while 78.00% disagreed with the statement and 6.10% remained neutral. This showed that the majority of respondents disagreed that the firm's technical innovations founded on research results are readily accepted, as support by the mean score 2.13, with a standard deviation of 1.07. The study found that 17.30% of the respondents agreed the firm's new products and services are at all times on the leading edge of technology, while 76.60% disagreed with the statement and 6.10% remained neutral. The mean score was 2.12, with a standard deviation of 1.10. It was found that 32.90% of the respondents agreed the firm is very proactive in the development of new technical solutions to answer customers' needs, while 62.30% disagreed with the statement and 4.80% remained neutral. The mean score was 2.64 with a standard deviation of 1.33.

Finally, the average mean score of the survey questions on technological orientation was 2.36, with a standard deviation of 1.15. This signified that the majority of the respondents disagreed with the majority of the survey questions. The Kurtosis test was also run to test the normality of the distribution. The values of kurtosis ranged from -1.006 to 1.145. The values for kurtosis between -2 and +2 are considered acceptable and thus, the distribution of response values was normal for all the items. The values of skewness statistics were positive, implying that both the mean and the median were more than the mode of the data set.

4.6.4 Customer Orientation

The descriptive statistics on customer orientation is presented in Table 4.7

Table 4.7: Descriptive Statistics on Customer Orientation

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Standard deviation	Skewness	Kurtosis		
								Statistic	Std. Error	Statistic	Std. Error
The firm continually monitors its commitment levels and positioning in serving the needs of its consumers.	13.90%	51.10%	8.20%	19.00%	7.80%	2.56	1.17	0.688	0.16	-0.618	0.319
The business goals of the firm are driven largely by consumer satisfaction.	5.60%	63.20%	9.50%	13.00%	8.70%	2.56	1.07	1.106	0.16	0.142	0.319
The firm's approach to attaining competitive edge is founded on understanding consumer needs.	29.90%	45.00%	7.80%	9.10%	8.20%	2.21	1.2	1.064	0.16	0.228	0.319
The firm measures the levels of customer satisfaction in a systematic manner and on a regular basis.	30.70%	47.60%	6.50%	12.10%	3.00%	2.09	1.06	1.05	0.16	0.421	0.319
The firm pays closer attention to after-sales services.	23.40%	50.60%	5.60%	15.60%	4.80%	2.28	1.13	0.907	0.16	-0.083	0.319
The firm believes in obtaining customer feedback on the services it offers.	33.30%	46.30%	3.00%	14.30%	3.00%	2.07	1	1.063	0.16	0.251	0.319
Information regarding quality of our products and services as a firm gives us leverage in product/service design and packaging.	19.90%	53.20%	6.10%	17.30%	3.50%	2.31	1.08	0.847	0.16	-0.17	0.319
The firm has a standby team tasked with obtaining and addressing customer concerns.	17.70%	39.40%	9.50%	24.70%	8.70%	2.67	1.06	0.367	0.16	-1.103	0.319
Customer complaints are addressed immediately whenever raised.	14.70%	44.20%	6.90%	20.30%	13.90%	2.74	1.32	0.458	0.16	-1.115	0.319
Average						2.39	1.12				

The descriptive statistics depicted in Table 4.7 indicate that 65% of the respondents disagreed the firm continually monitors its commitment levels and positioning in serving the needs of its consumers, while 26.80% agreed with the statement and 8.20% remained neutral. This implied that the majority of the respondents disagreed that the firm should continually monitor its commitment levels and positioning in serving the needs of its consumers, as supported by the mean score of 2.56 with a standard deviation of 1.17. It was found that 21.70% of the respondents agreed the business goals of the firm are driven largely by consumer satisfaction, while 65.00% disagreed with the statement and 9.50% remained neutral. The mean score of the survey question was 2.56 with a standard deviation of 1.07 and this signified that the majority of the respondents disagreed that the business goals of the firm are driven largely by consumer satisfaction.

The study found that 17.30% of the respondents agreed the firm's approach to attaining a competitive edge is founded on understanding consumer needs and 74.90% disagreed with the survey question, while 7.80% remained neutral. This showed that the majority of the respondents disagreed that the firm's approach to attaining a competitive edge is founded on understanding consumer needs, as supported by the mean score of 2.21 with a standard deviation of 1.20. The study found that 15.10% of the respondents agreed the firm measures the levels of customer satisfaction in a systematic manner and on a regular basis, while 78.30% disagreed the statement with 6.50% remaining to be neutral. The mean score was 2.09, with a standard deviation of 1.06. It was found that 20.40% of the respondents agreed the firm pays closer attention to after-sales services, while 74.00% disagreed with the statement and 5.60% remained neutral. The mean score of the survey question was 2.28, with a standard deviation of 1.13.

The study found that 17.30% of the respondents agreed the firm believes in obtaining customer feedback on the services it offers, while 79.60% disagreed with the statement

and 3.00% remained neutral. This showed that the majority of respondents disagreed that the firm believes in obtaining customer feedback on the services it offers, as support by the mean score 2.07, with a standard deviation of 1.00. The study found that 20.80% of the respondents agreed information regarding quality of our products and services as a firm gives us leverage in product/service design and packaging, while 73.10% disagreed with the statement and 6.10% remained neutral. The mean score was 2.31, with a standard deviation of 1.08.

It was found that 33.40% of the respondents agreed the firm has a standby team tasked with obtaining and addressing customer concerns, while 57.10% disagreed with the statement and 9.50% remained neutral. The mean score was 2.67 with a standard deviation of 1.06. It was found that 34.20% of the respondents agreed customer complaints are addressed immediately whenever raised, while 58.90% disagreed with the statement and 6.90% remained neutral. The mean score was 2.74 with a standard deviation of 1.32.

Lastly, the average mean score of the survey questions of customer orientation was 2.39, with a standard deviation of 1.12. This signified that the majority of the respondents disagreed with the majority of the survey questions. Besides, the Kurtosis test was also run to test the normality of the distribution. The values of kurtosis ranged from -1.115 to 0.421. The values for kurtosis between -2 and +2 are considered acceptable and thus, the distribution of response values was normal for all the items. The values of skewness statistics were positive, indicating that the data was skewed to the right and that both the mean and the median were more than the mode of the data set.

4.6.5 Competitive Strategy

The descriptive statistics on competitive strategy is presented in Table 4.8

Table 4.8: Descriptive Statistics on Competitive Strategy

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Standard deviation	Skewness	Kurtosis		
								Statistic	Std. Error	Statistic	Std. Error
The organization focuses on low-cost production to reduce the price of goods and services in the market	16.50%	51.50%	5.20%	18.60%	8.20%	2.51	1.21	0.737	0.16	-0.596	0.319
The firm adds new products only after market demands it	14.70%	44.20%	10.00%	17.70%	13.40%	2.71	1.29	0.518	0.16	-0.981	0.319
The organization provides customers with unique, different and distinct products from those of the competitors	7.40%	61.50%	9.10%	13.90%	8.20%	1.54	1.08	1.035	0.16	0.047	0.319
The organization emphasizes on brand image as a differentiation strategy	29.90%	42.90%	6.90%	10.80%	9.50%	1.27	1.26	0.956	0.16	-0.172	0.319
The differential of our products helps the company to improve brand recognition to reach a wider audience and meet customers' needs	32.50%	45.00%	8.20%	7.80%	6.50%	2.11	1.14	1.175	0.16	0.687	0.319
The firm emphasizes on having a strong distributor network to differentiate it with the competitors	27.70%	48.10%	7.40%	13.40%	3.50%	2.17	1.08	0.96	0.16	0.157	0.319
The organizations emphasize on marketing and selling products to a niche market	30.30%	45.90%	5.60%	13.40%	4.80%	2.16	1.14	0.999	0.16	0.108	0.319
The production efficiency of the competitors is taken into consideration by the firm	20.30%	53.20%	6.10%	17.70%	2.60%	2.29	1.06	0.825	0.16	-0.206	0.319
The firms monitor the capabilities of the competitors regularly	11.60%	39.40%	7.40%	31.70%	10.00%	2.68	1.3	0.373	0.16	-1.158	0.319
Average						2.16	1.17				

The descriptive statistics depicted in Table 4.8 indicate that 68% of the respondents disagreed the organization focuses on low-cost production to reduce the price of goods and services in the market, while 26.80% agreed with the statement and 5.20% remained neutral. This implied that the majority of the respondents disagreed that the organization focuses on low-cost production to reduce the price of goods and services in the market, as supported by the mean score of 2.51 with a standard deviation of 1.21. It was found that 58.90% of the respondents disagreed the firm adds new products only after the market demands it, while 31.10% agreed with the statement and 10.00% remained neutral. The mean score of the survey question was 2.71 with a standard deviation of 1.29 and this signified that the firm adds new products only after the market demands them.

The study found that 22.10% of the respondents agreed the organization provides customers with unique, different and distinct products from those of the competitors and 68.90% disagreed with the survey question, while 9.10% remained neutral. This showed that the majority of the respondents disagreed that the organization provides customers with unique, different and distinct products from those of the competitors, as supported by the mean score of 2.54 with a standard deviation of 1.08. The study found that 20.30% of the respondents agreed the organization emphasizes on brand image as a differentiation strategy, while 72.80% disagreed with the statement with 6.90% remaining to be neutral. The mean score was 1.27, with a standard deviation of 1.26. It was found that 14.30% of the respondents agreed the differential of our products helps the company to improve brand recognition to reach a wider audience and meet customers' needs, while 77.50% disagreed with the statement and 8.20% remained neutral. The mean score of the survey question was 2.11, with a standard deviation of 1.14.

The study found that 16.90% of the respondents agreed the firm emphasizes on having a strong distributor network to differentiate it with the competitors, while 75.80% disagreed with the statement and 7.40% remained neutral. This showed that the majority of respondents disagreed that the firm emphasizes on having a strong distributor network to differentiate it with the competitors, as support by the mean score 2.17, with a standard deviation of 1.08. The study found that 18.20% of the respondents agreed the organizations emphasize on marketing and selling products to a niche market, while 76.20% disagreed with the statement and 5.60% remained neutral. The mean score was 2.16, with a standard deviation of 1.14. It was found that 20.30% of the respondents agreed the production efficiency of the competitors is taken into consideration by the firm, while 73.50% disagreed with the statement and 6.10% remained neutral. It was found that 41.70% of the respondents agreed the firms monitor the capabilities of the competitors regularly, while 51.00% disagreed with the statement and 7.40% remained neutral. The mean score was 2.68 with a standard deviation of 1.30. The mean score was 2.29 with a standard deviation of 1.06.

The average mean score of the competitive strategy survey questions of was 2.16, with a standard deviation of 1.17. This signified that the majority of the respondents disagreed with the majority of the survey questions. The Kurtosis test was also run to test the normality of the distribution. The values of kurtosis ranged from -1.158 to 0.157. The values for kurtosis between -2 and +2 are considered acceptable and thus, the distribution of response values was normal for all the items. The values of skewness statistics were positive, indicating that the data was skewed to the right and both the mean and the median were more than the mode of the data set.

4.6.6 Performance

The descriptive statistics on performance is summarized in Table 4.9

Table 4.9: Descriptive Statistics on Performance

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Standard deviation	Skewness	Kurtosis		
								Statistic	Std. Error	Statistic	Std. Error
The firm's profit margins have increased significantly over time.	20.30%	52.40%	4.30%	16.00%	6.90%	2.37	1.175	0.888	0.16	-0.236	0.319
The firm's asset base had expanded significantly over time.	13.40%	34.60%	12.60%	23.80%	15.60%	2.94	1.32	0.169	0.16	-1.256	0.319
The sales volumes and revenues for the firm have been improving continuously.	5.20%	58.90%	12.10%	14.70%	9.10%	2.64	1.09	0.948	0.16	-0.214	0.319
There has been continuous reduction in the costs of carrying out the firm's operations.	28.10%	45.50%	9.10%	9.50%	7.80%	2.23	1.19	1.021	0.16	0.18	0.319
The quality of products and services offered by the firm has significantly improved over time.	24.20%	49.40%	8.20%	12.10%	6.10%	2.26	1.14	0.974	0.16	0.142	0.319
There has been continuous improvement in the rating/ranking of the firm against other firms.	29.00%	52.80%	2.60%	10.00%	5.60%	2.1	1.1	1.266	0.16	0.935	0.319
The internal processes of the firm have improved significantly over time.	26.40%	41.10%	4.80%	25.10%	2.60%	2.36	1.19	0.536	0.16	-1.014	0.319
The level of product and service innovation within the firm has significantly increased over time.	19.90%	49.40%	7.40%	18.60%	4.80%	2.39	1.14	0.737	0.16	-0.46	0.319
Average						2.41	1.17				

The descriptive statistics depicted in Table 4.9 indicate that 72.70 % of the respondents disagreed the firm's profit margins have increased significantly over time, while 22.90% agreed with the statement and 4.30% remained neutral. This implied that the majority of the respondents disagreed that the firm's profit margins have increased significantly over time, as supported by the mean score of 2.37 with a standard deviation of 1.175. It was found that 39.40% of the respondents agreed the firm's asset base had expanded significantly over time, while 48.00% disagreed with the statement and 12.60% remained neutral. The mean score of the survey question was 2.94 with a standard deviation of 1.32 and this signified that the majority of the respondents disagreed that the firm's asset base had expanded significantly over time.

The study found that 64.10% of the respondents disagreed the sales volumes and revenues for the firm have been improving continuously and 23.80% agreed with the survey question, while 12.10% remained neutral. This showed that the majority of the respondents disagreed that the sales volumes and revenues for the firm have been improving continuously, as supported by the mean score of 2.64 with a standard deviation of 1.09. The study found that 17.30% of the respondents agreed there has been continuous reduction in the costs of carrying out the firm's operations, while 73.60% disagreed with the statement with 9.10% remaining to be neutral. The mean score was 2.23, with a standard deviation of 1.19. It was found that 18.20% of the respondents agreed the quality of products and services offered by the firm has significantly improved over time, while 73.60% disagreed with the statement and 8.20% remained neutral. The mean score of the survey question was 2.26, with a standard deviation of 1.14.

The study found that 81.80% of the respondents disagreed there has been continuous improvement in the rating/ranking of the firm against other firms, while 15.60% agreed

with the statement and 2.60% remained neutral. This showed that the majority of respondents disagreed that there has been continuous improvement in the rating/ranking of the firm against other firms, as support by the mean score 2.10, with a standard deviation of 1.10. The study found that 27.70% of the respondents agreed the internal processes of the firm have improved significantly over time, while 67.50% disagreed with the statement and 4.80% remained neutral. The mean score was 2.36, with a standard deviation of 1.19. It was found that 23.40% of the respondents agreed the level of product and service innovation within the firm has significantly increased over time, while 69.30% disagreed with the statement and 7.40% remained neutral. The mean score was 2.39 with a standard deviation of 1.14. A kurtosis test was also run to test the normality of the distribution. The kurtosis values ranged from -1.256 to 0.935 and according to Celikoglu and Tirnakli (2018), the values for kurtosis between -2 and +2 are considered acceptable. Hence, the distribution of response values was normal for all the items. The values of skewness statistics were positive, indicating that the data was skewed to the right and that both the mean and the median were more than the mode of the data set.

4.7 Correlation Analysis

Correlation analysis was conducted to establish the association between strategic orientation and performance among pharmaceutical manufacturing firms in Kenya. The Association of variables is established between 0 and 1. There is no relationship between variables in cases where the correlation value is 0. However, a correlation of ± 1.0 means there is a perfect positive or negative relationship. Results in Table 4.10 show the correlation analysis.

Table 4.10: Correlation Analysis

Variable		Performance	Entrepreneurial Orientation	Learning Orientation	Technological Orientation	Customer Orientation	Competitive Strategy
Performance	Pearson Correlation	1.000					
	Sig. (2-tailed)						
Entrepreneurial Orientation	Pearson Correlation	.612**	1.000				
	Sig. (2-tailed)	0.000					
Learning Orientation	Pearson Correlation	.755**	.546**	1.000			
	Sig. (2-tailed)	0.000	0.000				
Technological Orientation	Pearson Correlation	.672**	.593**	.620**	1.000		
	Sig. (2-tailed)	0.000	0.000	0.000			
Customer Orientation	Pearson Correlation	.629**	.454**	.502**	.554**	1.000	
	Sig. (2-tailed)	0.000	0.000	0.000	0.000		
Competitive Strategy	Pearson Correlation	.958**	.667**	.694**	.524**	.664**	1.000
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.000	

Source: Researcher (2022)

The results from table 4.10 show a positive and significant association between entrepreneurial orientation and performance ($r=0.612$, $p=0.000$). Similarly, results revealed a positive and significant association between learning orientation and performance ($r=0.755$, $p=0.000$). The results also indicated a positive and significant association between technological orientation and performance ($r=0.672$, $p=0.000$). Further, results showed a positive and significant relationship between customer orientation and performance ($r=0.629$, $p=0.000$). In addition, the results showed a positive and significant association between competitive strategy and performance ($r=0.958$, $p=0.000$). The results are consistent with Omondi's (2017) findings, who discovered that enterprises that have embraced entrepreneurial orientation could be more efficient and enhance performance positively. Another study conducted by Maduagwu, Okoro, and Ede (2018) noted that customer orientation facilitates the creation of more value for customers, which translates to enhanced performance.

Mwaura and K'Obonyo (2018) indicated that technologically-oriented firms that combine customer-value innovation with technological innovation had a higher chance of reaping benefits in sustainable profit and performance. Atieno (2018) established that being customer-oriented positively affects these suppliers' performance. Further, Sagwa, K'Obonyo and Ogutu (2015) indicate that competitive strategy moderates the relationship between employee outcomes and firm performance. Moreover, Onditi, Kibera, Aranga and Iraki (2020) revealed that competitive intensity moderates the relationship between market orientation and non-financial performance.

4.8 Diagnostic Tests

Various diagnostic tests are conducted before the estimating the model in order to ensure that there is no violation of the assumptions of the linear regression model. This assisted in reducing the risks of obtaining biased, inefficient, and inconsistent parameter estimates.

4.8.1 Normality Test

The study tested the normality using the Shapiro-Wilk test. For datasets small than 2000 elements, we use the Shapiro-Wilk test; otherwise, the Kolmogorov-Smirnov test is used. For data to be normal, the p-value must be > 0.05 at a 95% confidence level. If that is the case, then we conclude that the data is normally distributed. Table 4.11 presents that normality test results

Table 4.11: Normality Test

	Shapiro-Wilk		
	Statistic	df	Sig.
Performance	0.967	231	0.072
Entrepreneurial Orientation	0.976	231	0.084
Learning Orientation	0.986	231	0.231
Technological Orientation	0.979	231	0.102
Customer Orientation	0.984	231	0.092
Competitive Strategy	0.969	231	0.106

Table 4.11 shows that the data is normally distributed as the respective p values for all variables were greater than 0.05. Thus, it is concluded the data is normally distributed.

4.8.2 Multicollinearity Test

The multicollinearity test was examined to determine if the independent variables in the study are strongly correlated. The multicollinearity test results are presented in Table 4.12

Table 4.12: Multicollinearity Test

Variable	VIF
Entrepreneurial Orientation	1.889
Learning Orientation	2.757
Technological Orientation	2.276
Customer Orientation	1.834
Competitive Strategy	4.708

The results in Table 4.12 indicate the absence of multicollinearity since the VIF of all the variables were less than 10. According to Katrutsa and Strijov (2017), VIF values above 10 indicate the presence of multicollinearity. Multicollinearity inflates the

standard errors and confidence intervals, leading to unstable estimates of the coefficients for individual predictors.

4.8.3 Linearity Test

Linearity assumes a straight-line relationship between the predictor variables and the dependent variable. The linearity test was assessed by examination of a scatter plot of all the independent variables against the dependent variable to measure if there is a straight-line relationship. The linearity tests are presented in Figure 4.6, 4.7, 4.8, 4.9 and 4.10.

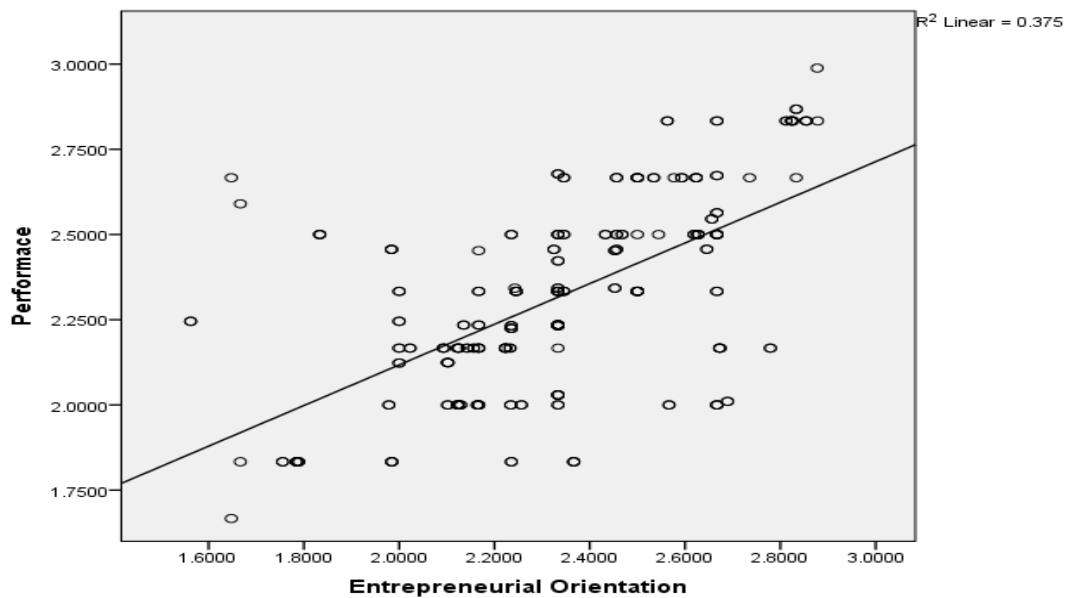


Figure 4.6: Scatter Plot of Entrepreneurial Orientation against Performance

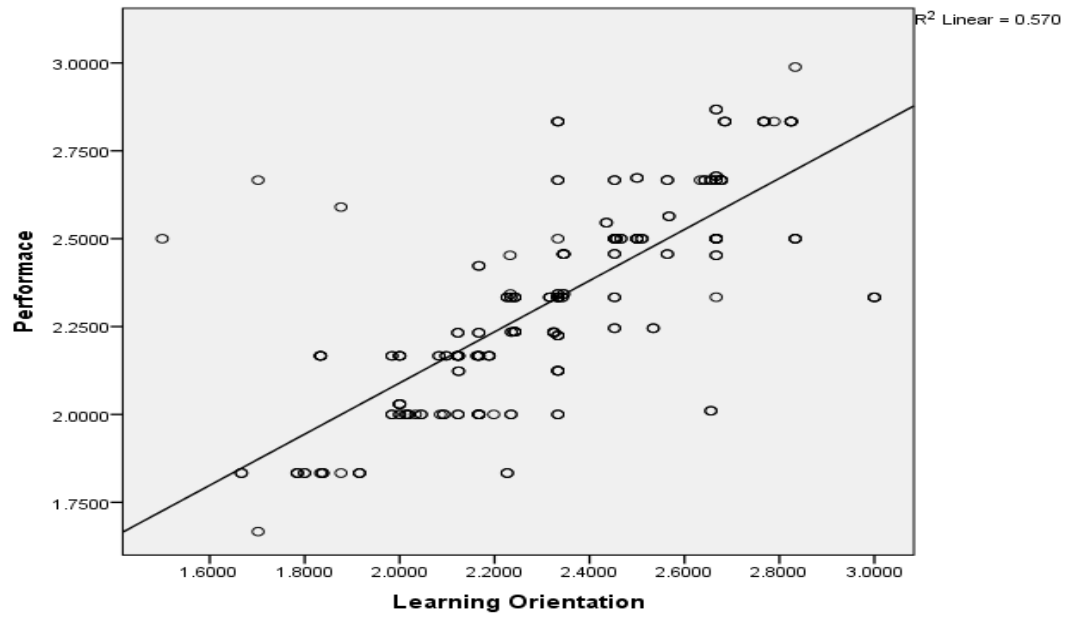


Figure 4.7: Scatter Plot of Learning Orientation against Performance

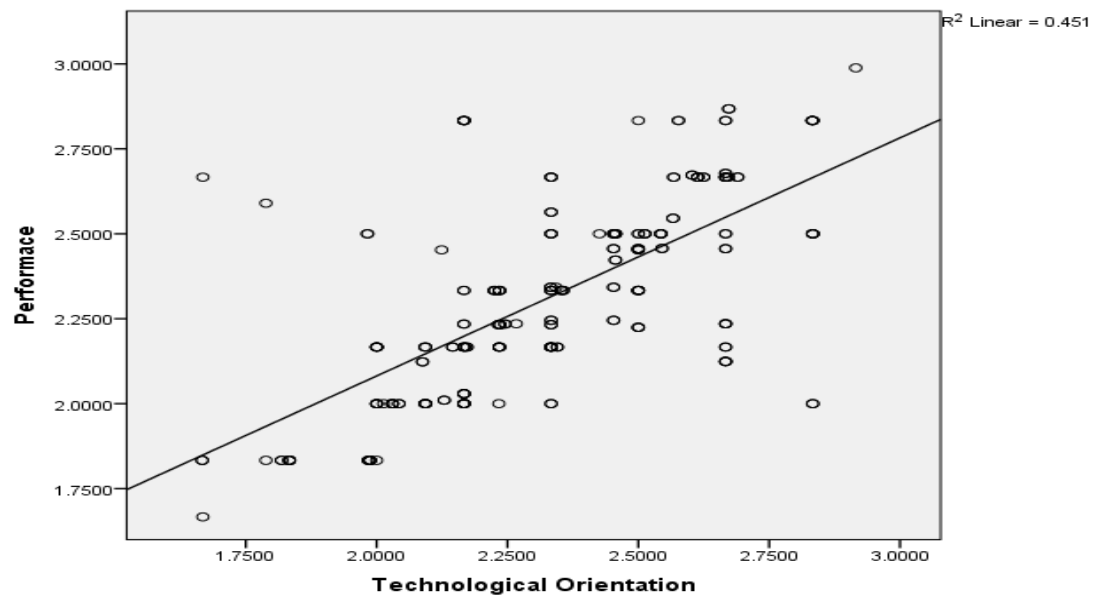


Figure 4.8: Scatter Plot of Technological Orientation against Performance

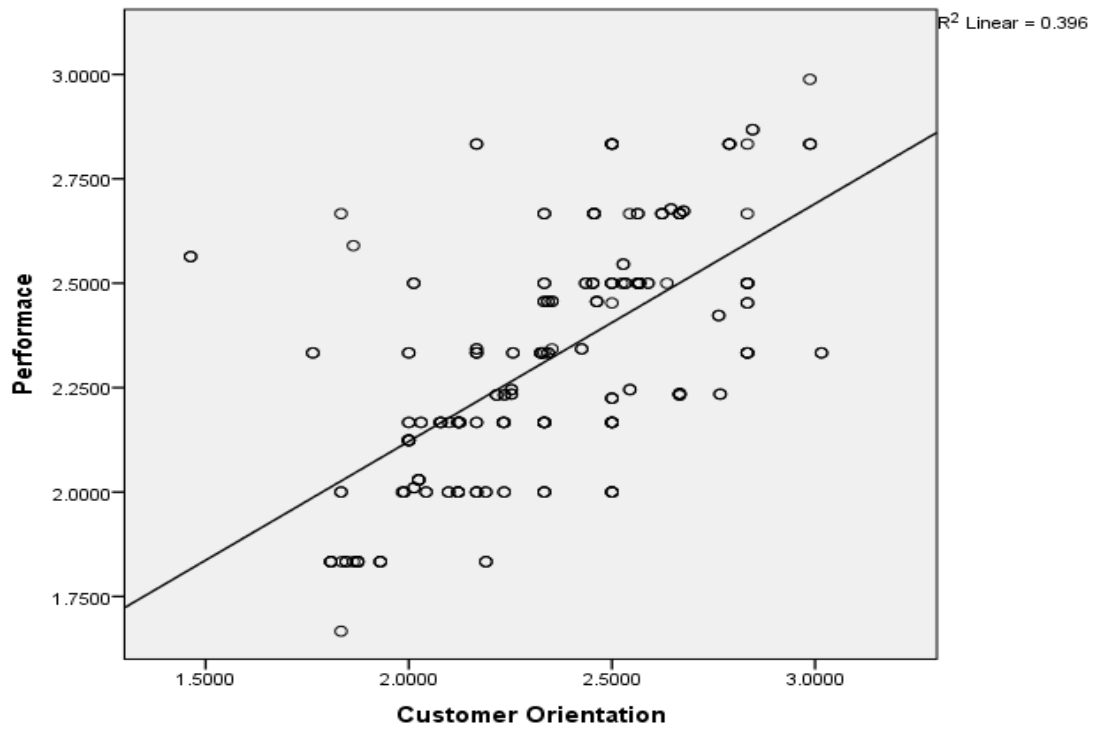


Figure 4.9: Scatter Plot of Customer Orientation against Performance

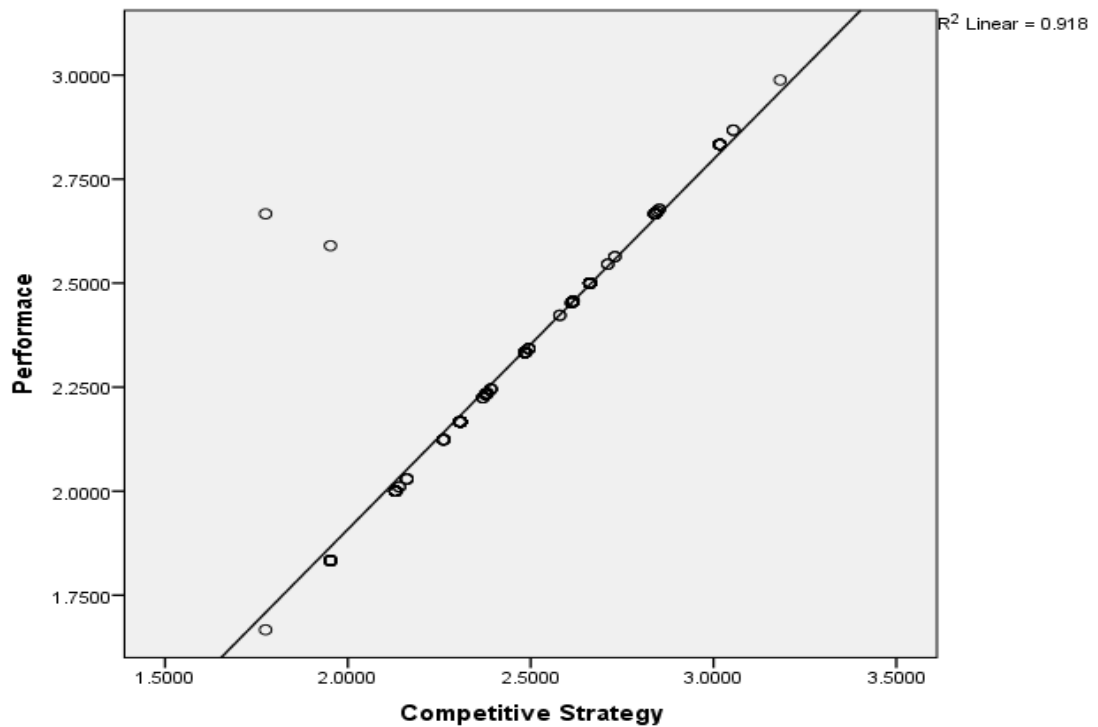


Figure 4.10: Scatter Plot of Competitive Strategy against Performance

The independent variables (entrepreneurial orientation, learning orientation, technological orientation, customer orientation and competitive strategy) depicted a straight-line relationship with the dependent variable (performance), as shown in Figure 4.6, 4.7, 4.8, 4.9 and 4.10. The R-squared showed the percentage of the dependent variable variation that a linear model explains.

4.8.4 Heteroscedasticity Test

A heteroscedasticity test was run using Breusch-Pagan / Cook-Weisberg test to test whether the error terms are correlated across observations in the cross-sectional of the data. If the p-value is less than 0.05, the null hypothesis is rejected. Results are presented in Table 4.13

Table 4.13: Heteroscedasticity Results

Breusch-Pagan / Cook-Weisberg test for heteroscedasticity		
Ho: Constant variance		
Variable: fitted values of Survival		
chi2(1)	=	4.59
Prob > chi2	=	0.322

Results in Table 4.13 show that the p-value is greater than 0.05. Then the null hypothesis is not rejected at a critical p value of 0.05 since the reported value is $0.322 > 0.05$. This concludes that the data did not suffer from heteroscedasticity.

4.9 Regression Analysis

Regression analysis examines the relationship between variables. It is a set of statistical methods used to estimate relationships between a dependent variable and one or more independent variables. The components of the regression analysis include the model fitness, analysis of variance and regression coefficients.

4.9.1 Regression Analysis Without Moderation Effect

The model fitness results are presented in Table 4.14

Table 4.14: Model Fitness

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.835a	0.697	0.692	0.157386

The results presented in Table 4.14 indicate that customer orientation, entrepreneurial orientation, learning orientation, and technological orientation are adequate variables in explaining performance. This is supported by the coefficient of determination also known as the R square, of 69.7%. This means that customer orientation, entrepreneurial orientation, learning orientation and technological orientation explain 69.7% of the variations in the performance (dependent variable) in pharmaceutical manufacturing firms in Kenya. The study results concur with Martinez et al. (2019), who indicated that learning orientation significantly impacts performance. The studies by Lita and Faisal (2018), Hussein et al. (2014), and Mahmoud and Yusif (2012) reported a positive influence of learning orientation on organizational performance. Martinette et al. (2014) unearthed that increased learning orientation enhances performance. Mwaura and K'Obonyo (2018) indicated that technologically-oriented firms that combine customer-value innovation with technological innovation had a higher chance of reaping benefits in sustainable profit and performance. Mbonoka (2015) revealed a significant positive effect of customer orientation on performance.

Table 4.15 provides the results on the analysis of variance (ANOVA).

Table 4.15: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	12.885	4	3.221	130.048	.000b
	Residual	5.598	226	0.025		
	Total	18.483	230			

The results in Table 4.15 indicate that the overall model is statistically significant. The results signify that customer orientation, entrepreneurial orientation, learning orientation and technological orientation are good predictors of performance. This is supported by an F statistic of 130.048 and the reported p-value (0.000), which is less than the conventional probability of 0.05 significance level. Further, the study sought to examine the regression coefficients and the study results are presented in Table 4.16

Table 4.16: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.044	0.103		0.430	0.668
	Entrepreneurial Orientation	0.158	0.047	0.162	3.387	0.001
	Learning Orientation	0.425	0.048	0.441	8.882	0.000
	Technological Orientation	0.177	0.047	0.169	3.799	0.002
	Customer Orientation	0.218	0.041	0.241	5.265	0.000

Based on the study results, the regression model specification was;

$$Y = 0.044 + 0.162X_1 + 0.441X_2 + 0.169X_3 + 0.241X_4$$

Where:

Y = Performance of the pharmaceutical firms

X₁ = Entrepreneurial Orientation

X₂ = Learning Orientation

X₃ = Technological Orientation

X₄ = Customer Orientation

The regression of coefficients results in table 4.16 shows that entrepreneurial orientation and performance are positively and significantly related ($\beta=0.162$, $p=0.001$). This signifies that an improvement in entrepreneurial orientation by one unit increases performance by 0.162 units, holding other factors constant. Equally, learning orientation and performance are positively and significantly related ($\beta=0.441$, $p=0.000$). This means that an improvement in learning orientation by one unit increases performance by 0.441 units while other factors are held constant. Similarly, technological orientation and performance are positively and significantly related ($\beta=0.169$, $p=0.002$). This indicates that an improvement in the technological orientation by one unit would lead to an increase in performance by 0.169 when other factors are held constant. Customer orientation and performance is found to be positively and significantly related ($\beta=0.241$, $p=0.000$). This means that an improvement in customer orientation by one unit would change the performance by 0.241 when other factors are held constant.

The study results concur with Mbonoka (2015), who revealed a significant positive effect of customer orientation on performance. Martinez et al. (2019) indicated that learning orientation had a significant impact on performance. Ali, Leifu, and Rehman (2016) found that customer orientation had a significant impact on performance. Further, Agu, Nnabugwu, and Okocha (2019) indicated that technological orientation guides the firms' attempts to realize technological capabilities superior to their rivals, thus giving them a competitive edge that contributes to superior performance. The studies by Lita and Faisal (2018), Hussein et al. (2014), and Mahmoud and Yusif (2012) reported a positive influence of learning orientation on organizational performance. Martinette et al. (2014) unearthed that increased learning orientation enhances performance. Kamau (2019) revealed that learning has a positive and significant effect

on performance. Atieno (2018) established that being customer-oriented positively affects these suppliers' performance.

4.9.2 Moderating Effect of Competitive Strategy

The study examined the moderating effect of competitive strategy and the summary that shows the moderating effect of competitive strategy on the relationship between strategic orientation and performance is presented in Table 4.17

Table 4.17: Moderating Effect of Competitive Strategy on the Relationship between Strategic Orientation and Performance

Variables	Model 1 B (Std Error)	Model 2 B (Std Error)	Model 3 B (Std Error)	Model 4 B (Std Error)	Model 5 B (Std Error)	Model 6 B (Std Error)
Predictors						
(Constant)	0.044 (0.103)	0.197 (0.053) *	1.735 (0.299) *	1.748 (0.339) *	1.869 (0.351) *	1.834 (0.352) *
Entrepreneurial Orientation	0.162 (0.047) *	0.040 (0.002) *	0.710 (0.131) *	0.698 (0.195) *	0.596 (0.210) *	0.670 (0.220) *
Learning Orientation	0.441 (0.048) *	0.011 (0.003) *	0.023 (0.002) *	0.004 (0.227)	0.089 (0.236)	0.027 (0.249)
Technological Orientation	0.169 (0.047) *	0.036 (0.004) *	0.040 (0.002) *	0.005 (0.030)	0.239 (0.019) *	0.306 (0.020) *
Customer Orientation	0.241 (0.041) *	0.007 (0.023)	0.006 (0.002) *	0.006 (0.002) *	0.007 (0.022)	0.263 (0.225)
Competitive Strategy		0.952 (0.038) *	0.230 (0.014) *	0.225 (0.162)	0.174 (0.163)	1.834 (0.352) *
Interactions						
Entrepreneurial Orientation* Competitive Strategy			0.276 (0.053) *	0.271 (0.079) *	0.229 (0.086) *	0.261 (0.090) *
Learning Orientation * Competitive Strategy				0.007 (0.089)	0.025 (0.093)	0.013 (0.098)
Technological Orientation * Competitive Strategy					0.097 (0.007) *	0.124 (0.008) *
Customer Orientation * Competitive Strategy						0.101 (0.009) *
Models Summary Statistics						
R	.835a	.959a	.964a	.967a	.968a	.971a
R Square	0.697	0.920	0.929	0.931	0.937	0.939
Adjusted R Square	0.692	0.919	0.927	0.928	0.932	0.933
Std. Error of the Estimate	0.157	0.808	0.076	0.077	0.077	0.076
R square change	-	0.223	0.009	0.002	0.006	0.002
F	130.048	521.036	527.515	549.269	554.523	569.381
F change	-	390.988	6.479	21.754	5.254	14.858
Sig.	.000b	.000b	.000b	.000b	.000b	.000b
Sig. F Change	0	0	0	0	0	0

Source: Researcher (2022)

The moderating effect of the competitive strategy was analyzed in six steps as guided by the following models;

$$Y = 0.044 + 0.162X_1 + 0.441X_2 + 0.169X_3 + 0.241X_4$$

$$Y = 0.197 + 0.040 X_1 + 0.011 X_2 + 0.036 X_3 + 0.007 X_4 + 0.952 X_5$$

$$Y = 1.735 + 0.710X_1 + 0.023X_2 + 0.04X_3 + 0.006 X_4 + 0.230 X_5 + 0.276X_6$$

$$Y = 1.748 + 0.698X_1 + 0.004X_2 + 0.005X_3 + 0.006 X_4 + 0.225X_5 + 0.271X_6 + 0.007X_7$$

$$Y = 1.869 + 0.596X_1 + 0.089X_2 + 0.239X_3 + 0.007 X_4 + 0.174X_5 + 0.229X_6 + 0.025X_7 + 0.097X_8$$

$$Y = 1.834 + 0.670X_1 + 0.027X_2 + 0.306X_3 + 0.263X_4 + 0.172X_5 + 0.261X_6 + 0.013X_7 + 0.124X_8 + 0.101X_9$$

Where ;

Y=Performance

X₁=Entrepreneurial Orientation

X₂=Learning Orientation

X₃=Technological Orientation

X₄=Customer Orientation

X₅=Competitive Strategy

X₆=Entrepreneurial Orientation* Competitive Strategy

X₇=Learning Orientation* Competitive Strategy

X₈=Technological Orientation* Competitive Strategy

X₉=Customer Orientation* Competitive Strategy

Results from Table 4.17 show the beta coefficients of entrepreneurial orientation, learning orientation, technological orientation, customer orientation, competitive strategy, and the interactions of competitive strategy with entrepreneurial orientation, learning orientation, technological orientation and customer orientation is positive.

Moreover, the asterisk (*) shows the significance level for those predictors and interactions that are significant. The results shows that most of the predictors and interactions were significant and thus good predictors in determining the performance.

The coefficient of determination, also known as the R square, changed significantly from the six models. The R square in the first model was 0.697 (69.7%), 0.920 (92.0%) in the second model, 0.929 (92.9%) in the third model, 0.931 (93.1%) in the fourth model, 0.937 (93.7%) in the fifth model and 0.939 (93.9%) in the sixth model. This

resulted in the R square change of 0.223 (22.3%) between model one and two, 0.009 (9%) between model two and three, 0.002 (2%) between model three and four, 0.006 (6%) between model four and five and 0.002 (2%) between model five and six. In addition, the Adjusted R square, which only improves when the new variable added improves the model, changed significantly from the first model to six models.

In model 1, the adjusted R square was 0.692 (69.2%), 0.919 (91.9%) in the second model, 0.927 (92.7%) in the third model, 0.928 (92.8%) in the fourth model, 0.932 (93.2%) in the fifth model and 0.933 (93.30%) in the sixth model. This signified that competitive strategy improves the overall model when added to the models. Moreover, the F change was found to be positive in all the models. This indicated that competitive strategy significantly improves the model prediction. A significant F change implies the variable added significantly improves the model prediction (Gautier, Vitalis, Flori & Estoup, 2022). The results indicate that the overall model is statistically significant in all six models. This is supported by the reported p-values (0.000), which is less than the conventional probability of a 0.05 significance level. Hence, competitive strategy has a moderating effect on the relationship between strategic orientation (customer orientation, entrepreneurial orientation, learning orientation and technological orientation) and performance.

The study results concur with Mburu's (2019) findings, who indicated that competitive strategies moderate the relationship between entrepreneurial orientation and the performance of these enterprises. In addition, Su, Guo and Sun (2017) indicated that competitive strategy is a long-term action plan of a company directed to gain a competitive advantage over its rivals after evaluating their strengths, weaknesses, opportunities and threats in the industry and comparing them with their own. Further, Sagwa, K'Obonyo and Ogutu (2015) indicate that competitive strategy moderates the

relationship between employee outcomes and firm performance. Moreover, Onditi, Kibera, Aranga and Iraki (2020) revealed that competitive intensity moderates the relationship between market orientation and non-financial performance. In addition, Zhang, Wang and Song (2019) showed that the relationships between sustainable capabilities and sustainable organizational performance are moderated by the competitive intensity.

4.10 Discussion of Hypotheses Testing

The first objective of the study was to establish the effect of entrepreneurial orientation on performance of pharmaceutical manufacturing firms in Kenya. The hypothesis was based on the null hypothesis as shown below;

H₀₁: Entrepreneurial orientation has no significant effect on performance of pharmaceutical manufacturing firms in Kenya

The hypothesis was tested by using regression results and determined using the p-value. The acceptance/rejection criterion was that if the p-value is less than 0.05, we reject the null hypothesis (H₀), but if it is more than 0.05, the H₀ is not rejected. Based on the results presented in Table 4.15 the p-value was 0.001. The null hypothesis is thus rejected. Therefore, entrepreneurial orientation has significant effect on performance of pharmaceutical manufacturing firms in Kenya

The second objective of the study was to examine the effect of learning orientation on performance of pharmaceutical manufacturing firms in Kenya. The hypothesis to be tested was;

H₀₂: Learning orientation has no significant effect on performance of pharmaceutical manufacturing firms in Kenya.

The hypothesis was tested by using regression results and determined using the p-value. The acceptance/rejection criterion was that if the p-value is less than 0.05, we reject the null hypothesis (H_0), but if it is more than 0.05, the H_0 is not rejected. Based on the results presented in Table 4.15 the p-value was 0.000. The null hypothesis is thus rejected. Hence, learning orientation has significant effect on performance of pharmaceutical manufacturing firms in Kenya.

The third objective of the study was to determine the effect of technological orientation on performance of pharmaceutical manufacturing firms in Kenya. The hypothesis tested was;

H₀₃: Technological orientation has no significant effect on performance of pharmaceutical manufacturing firms in Kenya

The hypothesis was tested by using regression results and determined using the p-value. The acceptance/rejection criterion was that if the p-value is less than 0.05, we reject the null hypothesis (H_0), but if it is more than 0.05, the H_0 is not rejected. Based on the results presented in Table 4.15 the p-value was 0.002. The null hypothesis is thus rejected. Thus, technological orientation has significant effect on performance of pharmaceutical manufacturing firms in Kenya.

The fourth objective of the study was to examine the effect of customer orientation on performance of pharmaceutical manufacturing firms in Kenya. The hypothesis to be tested was;

H₀₄: Customer orientation has no significant effect on performance of pharmaceutical manufacturing firms in Kenya

The hypothesis was tested by using regression results and determined using the p-value. The acceptance/rejection criterion was that if the p-value is less than 0.05, we reject the

null hypothesis (Ho), but if it is more than 0.05, the Ho is not rejected. Based on the results presented in Table 4.15 the p-value was 0.000. The null hypothesis is thus rejected. Hence, customer orientation has significant effect on performance of pharmaceutical manufacturing firms in Kenya.

The last objective of the study was to examine the moderating effect of competitive strategy on the relationship between strategic orientation and performance of pharmaceutical manufacturing firms in Kenya. The hypothesis to be tested was

H₀₅: Competitive strategy does not moderate the relationship between strategic orientation and performance of pharmaceutical manufacturing firms in Kenya

The hypothesis was tested by using regression results and precisely the coefficient of determination (R square results). The increase in the coefficient of determination after competitive strategy interacts with customer orientation, entrepreneurial orientation, learning orientation and technological orientation implies there is a moderating effect. Results from Table 4.17 show that coefficient of determination (R squared) increased in all the six models. The R square in the first model was 0.697 (69.7%), 0.920 (92.0%) in the second model, 0.929 (92.9%) in the third model, 0.931 (93.1%) in the fourth model, 0.937 (93.7%) in the fifth model and 0.939 (93.9%) in the sixth model. Therefore, competitive strategy moderates the relationship between strategic orientation and performance of pharmaceutical manufacturing firms in Kenya

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the findings, conclusions and recommendations. This is done according to the objectives of the study. Each of the sections is comprehensively discussed based on the research findings.

5.2 Summary of Findings

The general objective of the study was to assess the moderating effect of competitive strategy on the relationship between strategic orientation and performance among pharmaceutical manufacturing firms in Kenya. It was found that customer orientation, entrepreneurial orientation, learning orientation, and technological orientation are adequate variables in explaining performance. The coefficient of determination (R square) was found to be 69.7% which signified that customer orientation, entrepreneurial orientation, learning orientation and technological orientation explain 69.7% of the variations in the performance in pharmaceutical manufacturing firms in Kenya.

5.2.1 Entrepreneurial Orientation

The first objective of the study was to establish the effect of entrepreneurial orientation on the performance of pharmaceutical manufacturing firms in Kenya. Based on the descriptive results, it was revealed that the majority of the respondents disagreed with the majority of the survey questions developed. The correlation results showed a positive and significant association between entrepreneurial orientation and performance ($r=0.612$, $p=0.000$). The regression results showed that entrepreneurial

orientation and performance are positively and significantly related ($\beta=0.162$, $p=0.001$). The null hypothesis was rejected. Hence, entrepreneurial orientation has a significant effect on the performance of pharmaceutical manufacturing firms in Kenya. The study results concur with Martinez et al. (2019) who indicated that learning orientation had a significant impact on performance. The principal direction of business alignment is that organizations acting entrepreneurially are much better able to readjust their operations in a dynamic competitive environment, spurring the performance level (Anderson et al., 2015). Mbonoka (2015) revealed a significant positive effect on customer orientation, entrepreneurial orientation and performance.

5.2.2 Learning Orientation

The second objective of the study was to examine the effect of learning orientation on the performance of pharmaceutical manufacturing firms in Kenya. The descriptive results showed that most of the respondents disagreed with the majority of the survey questions developed. The correlation results revealed a positive and significant association between learning orientation and performance ($r=0.755$, $p=0.000$). Learning orientation and performance was found to be positively and significantly related ($\beta=0.441$, $p=0.000$). The null hypothesis was rejected. Thus, learning orientation has a significant effect on the performance of pharmaceutical manufacturing firms in Kenya. The studies by Lita and Faisal (2018), Hussein et al. (2014), and Mahmoud and Yusif (2012) reported a positive influence of learning orientation on organizational performance. Martinette et al. (2014) unearthed that increased learning orientation enhances performance. Kamau (2019) revealed that learning has a positive and significant effect on performance.

5.2.3 Technological Orientation

The third objective of the study was to determine the effect of technological orientation on the performance of pharmaceutical manufacturing firms in Kenya. The descriptive results showed that most of the respondents disagreed with the majority of the survey questions developed. The correlation results indicated a positive and significant association between technological orientation and performance ($r=0.672$, $p=0.000$). The regression results showed that technological orientation and performance are positively and significantly related ($\beta =0.169$, $p=0.002$). The null hypothesis was rejected. Therefore, technological orientation has a significant effect on the performance of pharmaceutical manufacturing firms in Kenya. The study concurs with Agu, Nnabugwu, and Okocha (2019), who indicated that technological orientation guides the firms' attempts to realize technological capabilities superior to their rivals, thus giving them a competitive edge that contributes to superior performance.

5.2.4 Customer Orientation

The fourth objective of the study was to examine the effect of customer orientation on the performance of pharmaceutical manufacturing firms in Kenya. Based on the descriptive statistics, most of the respondents disagreed with the survey questions. The correlation results showed a positive and significant relationship between customer orientation and performance ($r=0.629$, $p=0.000$). Moreover, the regression results showed that customer orientation and performance is positively and significantly related ($\beta=0.241$, $p=0.000$). The null hypothesis was rejected. Hence, customer orientation has a significant effect on the performance of pharmaceutical manufacturing firms in Kenya. Atieno (2018) established that being customer-oriented positively affects these suppliers' performance. Ali, Leifu, and Rehman (2016) found that customer orientation had a significant impact on performance.

5.2.5 Competitive Strategy

The last objective of the study was to examine the moderating effect of competitive strategy on the relationship between strategic orientation and the performance of pharmaceutical manufacturing firms in Kenya. The increase in the coefficient of determination after competitive strategy interacts with customer orientation, entrepreneurial orientation, learning orientation and technological orientation implies there is a moderating effect. The study showed the coefficient of determination (R squared) increased in all the six models. The R square in the first model was 0.697 (69.7%), 0.920 (92.0%) in the second model, 0.929 (92.9%) in the third model, 0.931 (93.1%) in the fourth model, 0.937 (93.7%) in the fifth model and 0.939 (93.9%) in the sixth model. Therefore, competitive strategy moderates the relationship between strategic orientation and performance of pharmaceutical manufacturing firms in Kenya. The study results concur with the findings of Zhang, Wang and Song (2019), who showed that the relationships between sustainable capabilities and sustainable organizational performance are moderated by the competitive intensity. Further, Sagwa, K'Obonyo and Ogutu (2015) indicate that competitive strategy moderates the relationship between employee outcomes and firm performance.

5.3 Conclusion

Based on the findings, it is concluded that entrepreneurial orientation and performance are positively and significantly related. The entrepreneurial orientation can include the firm introducing new products ahead of the competitors, concentrating on the expected future demand and supply, manipulating the market environment through unique marketing tactics, minimizing the expected risks and targeting different market segments. The entrepreneurial orientation can further include the firm's willingness to take risks, adopt new modern ways of marketing, and support new ideas of all the

employees. The improvement in entrepreneurial orientation by one unit increases performance by 0.162 units, holding other factors constant.

The study further concludes that learning orientation and performance are positively and significantly related. It was established that an improvement in learning orientation by one unit increases performance by 0.441 units while other factors are held constant. The learning orientation can be determined by employees working in unity and any opinion being taken with much consideration. Learning promoted and viewed as a fundamental commodity spurs the performance of an organization. The learning opportunities for the employees being compulsory to all the employees and sharing of the organizational vision and mission to all the employees can be critical indicators of learning orientation.

Similarly, technological orientation and performance was found to be positively and significantly related. The study results showed that an improvement in the technological orientation by one unit would lead to an increase in performance by 0.169 when other factors are held constant. The technological orientation can include having the policy to embrace the latest technologies in the industry and utilizing modern technologies ahead of competitors. The technological orientation can be influenced by the firm allocating resources towards investments in the newest technologies and future anticipated technological changes. In addition, it was found that technological orientation includes a firm being very proactive in developing new technical solutions to answer customers' needs.

The study concludes that customer orientation and performance is positively and significantly related. The customer orientation includes the firm continually monitoring its commitment levels and positioning in serving the needs of its consumers. Customer orientation can be influenced by ensuring the business goals are driven largely by

consumer satisfaction. The measurement of the levels of customer satisfaction in a systematic manner influences the performance. Information regarding the quality of the products and services is critical in determining the performance of an organization. The customer orientation includes addressing customer complaints immediately whenever raised. The study showed that an improvement in customer orientation by one unit would change the performance by 0.241 when other factors are held constant.

It is concluded that competitive strategy moderates the relationship between strategic orientation and performance of pharmaceutical manufacturing firms in Kenya. The study showed the coefficient of determination (R squared) increased in all the six models. The R square in the first model was 0.697 (69.7%), 0.920 (92.0%) in the second model, 0.929 (92.9%) in the third model, 0.931 (93.1%) in the fourth model, 0.937 (93.7%) in the fifth model and 0.939 (93.9%) in the sixth model. Therefore, competitive strategy moderates the relationship between strategic orientation and performance of pharmaceutical manufacturing firms in Kenya. The competitive strategy includes the organization focusing on low-cost production to reduce the price of goods and services. An organization that provides customers with unique, different, and distinct products from competitors increases its competitiveness. The differential of the products can help the company improve brand recognition to reach a wider audience and meet customers' needs. The consideration of the competitors on matters of production efficiency can influence the performance of the organizations. The study concludes that competitive strategy includes the firm monitoring the capabilities of the competitors regularly.

5.4 Recommendations

5.4.1 Implication to the policy and practice

The study findings indicated that customer orientation, entrepreneurial orientation, learning orientation, and technological orientation have a positive and significant relationship to performance. Thus, the study recommends that every organization should pay attention to customer orientation, entrepreneurial orientation, learning orientation and technological orientation. The firms should introduce new products ahead of the competitors, concentrates on the expected future demand and supply, manipulates the market environment through unique marketing tactics and minimize the expected risks. The firms need to adopt new modern ways of marketing and support new ideas of all the employees.

Moreover, it is recommended that employees be encouraged to work in unity and take any opinion with much consideration. Learning in the firms be promoted and learning opportunities compulsory to all the employees. There should be sharing the organizational vision and mission among all the employees. The firm's policy should embrace the latest technologies in the industry. The firms should regularly improve their internal processes, such as speed, reliability, and information management. Moreover, it is recommended that the firms to make allocations towards investments in the newest technologies and future anticipated technological changes.

Further, the study recommends that firms continually monitor their commitment levels and positioning in serving the needs of its consumers. The firm's approach to attaining competitiveness to be based on understanding consumer needs. The firm should pay closer attention to after-sales services. The firm should have a standby team tasked with obtaining and addressing customer concerns. Customer complaints be addressed

immediately whenever raised. Further, the study recommends that organizations should focus on low-cost production to reduce the price of goods and services in the market.

The organization should provide customers with unique, different and distinct products from competitors. The organization should emphasize on the brand image as a differentiation strategy. The firm should emphasize having a strong distributor network to differentiate it from the competitors. In addition, it is recommended that organizations emphasize marketing and selling products to a niche market. The firms be monitoring the capabilities of their competitors regularly. The policymakers at various levels to develop adequate and suitable policies and regulations that are conducive to the firms.

5.4.2 Implication to Theory

The study results found that strategic orientation positively and significantly increases performance. Thus, the study confirms the resource-based view theory and dynamic capabilities theory. The main argument behind the resource-based view theory (RBV) is that the differences in performance observed across businesses are explained by the different resources and capabilities that these firms' control. Moreover, the primary objective of dynamic capabilities theory is to understand how firms use dynamic capabilities to create and sustain a strategy implementation over other firms by responding to and creating environmental changes. The study, through its findings, contributes to the theories informing, competitive strategy, strategic orientation and performance. The study established the relationship between competitive strategy, strategic orientation and performance can be based on the effectiveness of the internal operations and this supports the arguments of the theories. Thus, the study recommends that future studies can borrow from the concepts and theories that informed each of the variables in the current study

5.4.3 Implication to Further study

The study determined the moderating effect of competitive strategy on the relationship between strategic orientation and performance among pharmaceutical manufacturing firms in Kenya. Future studies can be done in other firms other than pharmaceutical manufacturing firms in Kenya. Moreover, it is recommended that future studies can be conducted to examine other factors that influence the performance within the pharmaceutical manufacturing firms other than strategic orientation, such as capacity building, working environment and leadership styles with a moderating effect of regulatory framework or firm size. Conducting the studies in diverse firms will intensify comparison for effective decision-making.

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APPENDICES

Appendix I: Introduction Letter

Dear Sir/Madam

I am conducting a study titled; **moderating effect of competitive strategy on the relationship between strategic orientation and performance among pharmaceutical manufacturing firms in Kenya**". This letter, therefore, is meant to invite you to contribute to this research by providing the necessary information required to meet the research objectives. Thank you.

Yours Sincerely

Mumin Idow Dahir

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Appendix II: Questionnaire

Kindly respond to the developed questions accordingly based on the instructions provided.

Section A: Demographic Profile**1. Gender**

- a. Male []
- b. Female []

2. Age bracket

- a. 30 years and below []
- b. 31-40 years []
- c. c. 41-50 years []
- d. d. Over 50 years []

3. Highest academic attainment

- a. Diploma []
- b. Bachelor's degree []
- c. Master's degree []
- d. PhD []
- e. Others (specify) _____

4. Period of working in this firm

- a. Less than a year []
- b. 1 to 5 years []
- c. Above 5years []

5. Department/ work designation stationed in this firm? _____

SECTION B: ENTREPRENEURIAL ORIENTATION

Using the following scale, **1= Strongly Disagree (SD)**, **2=Disagree (D)**, **3=Neutral (N)**, **4=Agree (A)** and **5=Strongly Agree (SA)**, kindly indicate your level of agreement with following statements relating to entrepreneurial orientation in firm.

Statement	SD	D	N	A	SA
The firm introduces new products ahead of the competitors					
The firm concentrates on the expected future demand and supply					
The firm manipulates market environment through unique marketing tactics					
The firm is keen to minimize the expected risks					
The firm has products that target different market segments					
The firm is willing firm to take risks					
The firm have adopted new modern ways of marketing					
The firm supports new ideas of all the employees					

SECTION C: LEARNING ORIENTATION

What is your degree of agreement/disagreement with the following statements regarding learning orientation?

Statement	SD	D	N	A	SA
The firm's entire staffs are committed to its goals.					
The employees work in unity in this organization and any opinion is taken with much considerations					
The firm's staffs view themselves as partners in charting the direction of the firm.					
The basic values of this firm take account of learning as a key to improvement.					
Learning in this firm is promoted and viewed as a fundamental commodity needed to warrant the firm's survival.					
The learning opportunities for the employees is compulsory to all the employees					
There is high sharing of the organizational vision and mission to all the employees					
Staffs in this firm appreciate that the manner in which they perceive the marketplace ought to be constantly interrogated.					

SECTION D: TECHNOLOGICAL ORIENTATION

To what extent do you agree or disagree with the following statements concerning the adoption of technological orientation in the firm.

Statement	SD	D	N	A	SA
The firm's policy is to embrace the latest technologies in the industry.					
The firm secures and utilizes modern technologies so as to position itself ahead of competitors.					
The firm regularly improves its internal processes for instance, speed, and reliability and information management.					
The firm is time and again the first to try out new methods and technologies.					
The firm makes resource allocations towards investments in newest technologies and future anticipated technological changes.					
The firm's technical innovations founded on research results are readily accepted.					
The firm's new products and services are at all times on the leading edge of technology.					
The firm is very proactive in the development of new technical solutions to answer customers' needs.					

SECTION E: CUSTOMER ORIENTATION

What is your level of agreement or disagreement with the following statements pertaining to customer orientation in this firm?

Statement	SD	D	N	A	SA
The firm continually monitors its commitment levels and positioning in serving the needs of its consumers.					
The business goals of the firm are driven largely by consumer satisfaction.					
The firm's approach to attaining competitive edge is founded on understanding consumer needs.					
The firm measures the levels of customer satisfaction in a systematic manner and on a regular basis.					
The firm pays closer attention to after-sales services.					
The firm believes in obtaining customer feedback on the services it offers.					
Information regarding quality of our products and services as a firm gives us leverage in product/service design and packaging.					
The firm has a standby team tasked with obtaining and addressing customer concerns.					
Customer complaints are addressed immediately whenever raised.					

SECTION F: COMPETITIVE STRATEGY

What is your level of agreement or disagreement with the following statements pertaining to competitive strategy in this firm?

Statement	SD	D	N	A	SA
The organization focuses on low-cost production to reduce the price of goods and services in the market					
The firm adds new products only after market demands it					
The organization provides customers with unique, different and distinct products from those of the competitors					
The organization emphasizes on brand image as a differentiation strategy					
The differential of our products helps the company to improve brand recognition to reach a wider audience and meet customers' needs					
The firm emphasizes on having a strong distributor network to differentiate it with the competitors					
The organizations emphasize on marketing and selling products to a niche market					
The production efficiency of the competitors is taken into consideration by the firm					
The firms monitor the capabilities of the competitors regularly					

SECTION G: PERFORMANCE OF THE PHARMACEUTICAL FIRM

Give your assessment of the performance of firm by stating your level of agreement or disagreement with the following statements.

Statement	SD	D	N	A	SA
The firm's profit margins have increased significantly over time.					
The firm's asset base had expanded significantly over time.					
The sales volumes and revenues for the firm have been improving continuously.					
There has been continuous reduction in the costs of carrying out the firm's operations.					
The quality of products and services offered by the firm has significantly improved over time.					
There has been continuous improvement in the rating/ranking of the firm against other firms.					
The internal processes of the firm have improved significantly over time.					
The level of product and service innovation within the firm has significantly increased over time.					

Thank you for participating!

Appendix III: Data collection Permit



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KENYA

MU/NRB/MBA/NA/01 19th April, 2022

National Commission for Science, Technology and Innovation
Upper Kabete
P.O. Box 30623 00100
NAIROBI

Dear Sir/Madam,

RE: REQUEST FOR RESEARCH PERMIT
MUMIN IDOW DAHIR – SBE/MBA/2001/18

This is to confirm that the above named is a Postgraduate student of Moi University, School of Business and Economics, pursuing a Master of Business Administration (Strategic Management) at Nairobi campus.

The student successfully defended his proposal and is due to proceed for his research data collection.

The research Title is – **“Moderating effect of competitive strategy on the relationship between strategic orientation and performance among pharmaceutical manufacturing firms in Kenya.”**

The student is in the process of obtaining a research permit to enable him visit the identified research centers. The University ~~will~~ highly appreciate any assistance accorded to him.

Yours faithfully,




DR. ROBERT ODUNGA
FOR: DEAN, SCHOOL OF BUSINESS AND ECONOMICS

THE SCIENCE, TECHNOLOGY AND INNOVATION ACT, 2013

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Appendix V: List of Pharmaceutical Manufacturing Firms in Kenya

Local Manufacturing Sites (Certs. Approved for 2021)

#	Id	Site Name	Site Address	Physical Site	Street	Postal Code	Town	Cp Email
1	1005	Laboratory & Allied Ltd	P.O.Box 42875	Plot No. 209/10349 Mombasa Road	Mombasa Road	00100	NAIROBI	cp@laballie
2	1016	ULTRAVETIS EAST AFRICA LTD	P.O. BOX 44096 - 0010	L.R. NO. 209/3884, NANYUKI ROAD, INDUSTRIAL AREA,...	NANYUKI ROAD	00100	NAIROBI	ngugi.much
3	1064	BENMED PHARMACEUTICALS LTD	P. O BOX 22128	Plot No.. 4953/1295 Thika Industrial town, off...	OFF GARISSA ROAD	00400	NAIROBI	MWANGIBV
4	1067	BETA HEALTHCARE INTERNATIONAL LIMITED	P.O. BOX 42569	PLOT NO. LR 209/6554, MOGADISHU ROAD, INDUSTRIAL...	MOGADISHU ROAD	00100 GPO	NAIROBI	gmatharu@
5	1073	MEDIVET PRODUCTS LTD	P.O.BOX 47951	PLOT NO. 252 RUIRU TOWNSHIP	OFF RUIRU KIAMBU ROAD	00100	NAIROBI	INFO@MEC
6	1074	BIODEAL LABORATORIES LTD	32040	123, LUNGA LUNGA ROAD, INDUSTRIAL AREA, NAIROBI,...	LUNGA LUNGA ROAD, INDUSTRIAL AREA.	00600	NAIROBI	regulatorya
7	1154	CONCEPTS(AFRICA) LIMITED	P.O BOX 8970	ALPHA CENTER, BLOCK 58&59, ALONG MOMBASA ROAD	ALPHA CENTER, MOMBASA ROAD	00200	NAIROBI	qc@concep
8	1186	Medisel (Kenya) Limited	P.O BOX 540	Plot No. 4953/1209	General Kago Road	01000	Thika	nduati@me
9	1188	INNOVA BIOLOGICALS LTD	172 SARIT CENTRE	KARI MUGUGA	KARI MUGUGA		NAIROBI	peterithond
10	1278	COOPER K-BRANDS LTD	P.O BOX 40596	Kaptagat road, off waiyaki way, Nairobi Kenya	Kaptagat road	00100	Nairobi	cndungu@c
11	1411	AUTOSTERILE (EA) LIMITED	P.O BOX 27726	PLOT NO 9042/612 AIRPORT NORTH ROAD	AIRPORT NORTH ROAD EMBAKASI	00506	NAIROBI	wmkabutha
12	1412	Ivee Infusions Epz Ltd	Box 25251	Athi River Export Processing Zone LR No 18474/84...	Athi River EPZ	00100	Nairobi	kalpa@ivee
13	1418	Njimia (K) Limited	68502	22 Masaai Road off Namanga Road	22 Masaai Road	00622	Nairobi	info@njimia
14	1443	GlaxoSmithKline (Kenya) Ltd	P.O. Box 78392 – 00507	Industrial Area, Likoni Road	Likoni Road		Nairobi	Brigite.A.Oc
15	1517	BIOPHARMA LTD	PO BOX 32547	FACTORY STREET, SERENGETI HOUSE	FACTORY STREET	00600	NAIROBI	info@bioph
16	1541	MACS PHARMACEUTICALS LTD.	P.O.BOX 43912,NAIROBI,KENYA	MACS BUILDING OFF SHIMO LA TEWA ROAD	SHIMO LA TEWA CLOSE 19	00100	NAIROBI	macspharm
17	2108	Elys Chemical Industries Ltd. - Unit 1	P.O. Box 40411	Road B, Off Enterprise Road, Opposite Hillock...	Road B- Off Enterprise Road	00100	Nairobi	qa@elys.cc
18	2116	Universal Corporation Ltd	1748	Post Office, Club Road Plot No. 13777, Kikuyu	Club Road	00902	Kikuyu	janardhan.r

19	2163	DINLAS PHARMA EPZ LIMITED	P. O. BOX 22661	PLOT NO. LR 7149/121 MOMBASA ROAD, SYOKIMAU	MOMBASA ROAD SYOKIMAU	00505	NAIROBI	sani@dinla
20	2295	REGAL PHARMACEUTICALS LIMITED	P.O Box 44421-00100	Plot No. 7879/18, Off Baba Dogo Road, Ruaraka	BABA DOGO ROAD	00100	NAIROBI	info@regal
21	2363	BENMED PHARMACEUTICALS LIMITED	P.O BOX 22128	Plot No. 4953/1295 Thika Industrial town, off...	NAIROBI	00400	NAIROBI	MWANGIBM
22	2372	COSMOS LIMITED	P.O. BOX 41433 GPO 00100-NAIROBI KENYA	RANGWE CLOSE, RANGWE ROAD, OFF LUNGA LUNGA ROAD,...	LUNGA LUNGA ROAD	00100	NAIROBI	lina.lakhani
23	2435	MEDITEC EA FAIRLIFE LIMITED		NGONG ROAD PROFESSIONAL CENTER 3RD FLOUR, NGONG...	NGONG ROAD		NAIROBI	admin@me
24	2449	Ivee Aqua Epz	47536	18474/83 Athi River Export processing Zone. Athi...	Off Namanga Road	00100	Nairobi	iveeaqua@
25	2486	BIODEAL LABORATORIES LTD.		Plot No.123,Lunga Lunga Road,Industrial Area,P.O...	Lunga Lunga Road,Industrial Area		Nairobi	regulatorya
26	2611	QUESTA CARE LTD	Plot No. 209/7184 Homabay Road Terminus, Gate No....	Plot No. 209/7184 Homabay Road Terminus, Gate No....	Homabay Road, Industrial Area	00623	Nairobi	regulatory@
27	2667	Glenmark Pharmaceuticals Ltd. (Unit I)	Village Kishanpura, Baddi I -Nalagarh Road,....	Glenmark Pharmaceuticals Ltd. (Unit I)	Kishanpur, Baddi - Nalagarh Road	H.P - 173205	Kishanpura, Baddi, Distt. Soian, Himachal Pradesh	Vinay.Chatt
28	2793	OSS CHEMIE (K) LTD	P.O.BOX 2238	AMEE GO-DOWNS 1 AND 25 (LR NO 9042/279)	OLD AIRPORT NORTH ROAD	00621	EMBAKASI (NAIROBI)	qa@ossche
29	2881	B. BRAUN PHARMACEUTICALS EPZ LTD.	51200	EPZ, ATHI RIVER	OFF NAIROBI-NAMANGA HIGHWAY	00100	NAIROBI	khatib.ali@
30	2885	HIGHTECH PHARMACEUTICALS & RESEACH LTD	P.O.BOX 323	MAKUENI DRIVE INDUSTRIAL AREA RACECOURSE	MAKUENI DRIVE	20100	NAKURU	info@highte
31	2902	Universal Corporation Limited	P.O BOX 1748 -00902 Kikuyu, Kenya.	Post Office, Club Road Plot No, 13777, Kikuyu T...	Club Road	00902	Kikuyu	janardhanir
32	3031	Tasa Pharma Ltd	Kay Complex Mombasa Road	Unit C1-C3 Kay Complex	mombasa road	3959-00506	Nairobi	hitesh@tas
33	3035	STEDAM PHARMA MANUFACTURING LIMITED	P.O Box 1152	Plot No. 20753, Off North Airport Road	North Airport	00521	Nairobi	info.stedam
34	3051	Viva Healthcare Ltd	PO BOX 51596-00200, Nairobi, Kenya	Plot no. L.R. NO 209/12249, Mombasa Road, Nairobi	MOMBASA ROAD	00200, Nairobi, Kenya	NAIROBI	enquiries@

35	3081	Elys Chemical Industries Ltd.-Unit 1	P. O. Box 40411 - GPO	Road B, Off Enterprise Road, Opposite Hilllock...	Road B, Off Enterprise Road	00100	Nairobi	qa@elys.co
36	3082	Elys Chemical Industries Ltd.-Unit 2	P. O. Box 40411, GPO	LR 209/15128 Mombasa Road, Old North Airport Road	Mombasa Road	00100	Nairobi	pv@elys.co
37	3083	aesthetics ltd	po box 18171	lusaka road	pembe	00500	nairobi	aesthetisim
38	3101	Dawa Limited	16633	Baba Dogo Rd, Ruaraka	Baba Dogo Road	00620	Nairobi	Imuteti@da
39	3108	ZAIN PHARMA LIMITED		PLOT No. 209/13741, COLCHESTER PARK, GODOWN...	MOMBASA ROAD		NAIROBI	Cbeatrice1
40	3178	Biopharma Limited	A-116 BSCIC Industrial Estate, Tongi Gazipur,...	Serengeti House, Factory Street, Industrial area,...	Factory Street		Nairobi	nancywego
41	3215	BAT Kenya Tobacco Company Ltd	P.O Box 30000 -00100	BAT building, Plot No. 8 Likoni Road	Likoni Road, Industrial Area	00100	Nairobi	douglas_we
42	3476	BENMED PHARMACEUTICALS LTD THIKA	P. O BOX 22128-00400	Plot No.. 4953/1295 Thika Industrial area, off...	thika industrial area	00400	NAIROBI	mwangibm
43	3536	Tropikal Brands (Afrika) Ltd	P. O. Box 49465-00100	Kasarani	Kasarani Road	00100	Kasarani	info@tropik

Source: Pharmacy and Poison Board (2021)

Appendix VI: Plagiarism Report

MODERATING EFFECT OF COMPETITIVE STRATEGY ON THE RELATIONSHIP BETWEEN STRATEGIC ORIENTATION AND PERFORMANCE AMONG PHARMACEUTICAL MANUFACTURING FIRMS IN KENYA

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