STRATEGIC ORIENTATION AND PERFORMANCE OF PUBLIC UNIVERSITIES IN KENYA

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DECLARATION

This research project is my original work and has not been presented for a degree at any other university for examination.

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This research project has been submitted for examination with my approval as the University Supervisor.

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DEDICATION

Dedicated to my Family, for your love and support

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I would like to appreciate a number of people who made this project a success. First my supervisor, Prof. Martin Ogutu for his tireless efforts in his guidance. May God Bless you abundantly. I cannot forget the Moderator of my project Dr. Muya Ndambuki for his informed corrections. My family, a big thank you for walking patiently through this journey with me. To God almighty, may your name be exalted.

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ABSTRACT

There continue to be mixed reactions on the relationship between strategic orientation and performance. This study sought to establish this relationship among public universities in Kenya. The anchor theories were the Miles and Snow Typology and the Dynamic Capabilities theory. Cross sectional research design was utilized. All public universities in in Kenya were the target population for this study. In Kenya there are thirty one registered public universities in Kenya as at 31st December, 2019. Given the size of the population (31), the researcher carried out a census survey. This study utilized primary data obtained by use of questionnaire. The respondents were the senior managers in this case the academic registrars in each university. Descriptive analysis was used to show the manifestation of the variables. Descriptive statistics including mean, standard deviation and co-efficient of variation (COV) were used. Further statistical analysis was by way of simple regression analysis to inspect the variables relationship. The findings revealed that Analysis Dimension, Aggressiveness Dimension, Defensiveness Dimension and Proactiveness Dimension had no statistically significant contribution to performance of the universities, however, the 18.5 % that strategic orientation antecedents account for could be attributed to chance factor, although a substantial contribution to performance of the universities is evidently attributed to other factors as well. It is recommended that there is a need for universities, especially decision-makers at the top level, to exercise more flexibilities in terms of policy to able to quickly adopt competitive strategies like strategic orientation to meet the challenges of evolving business environment. the level of awareness of strategic orientation practices among the universities is seemingly a matter for consideration, which can be addressed through training programs for the top decision-makers at these intuitions.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Business strategy has been examined from differing perspectives (Porter, 1980; Kotabe, 1990). He alludes that, businesses can be categorized depending on their degree of environmental aggressiveness. Zahra and Pearce (1990) alludes that corporates in the same industry are categorized into four classifications namely; prospectors, defenders, analyzers and reactors. Empirical evidence points that each of this strategic orientation relates to the firm's performance. Pleshko and Nickerson (2008) found out that analyzer firms perform better than prospectors. A firm's choice of strategic orientation outlines its deliberate decision on how it will interact with the environment and is bound to be correlated to performance.

The typology classifies firms depending on their strategic postures as implied from the activities of the managers. These postures are also referred to as orientations. Studies report that the firm performance is influenced by strategic orientation (Pleshko & Nickerson, 2008). The proponents of the dynamic capabilities theory were Teece, D.J., Pisano, G. and Schuen, A. in 1992. The theory holds that firms develop capabilities that confer to it the ability to gain competitive advantage which leads to enhanced performance in the market (Wang & Ahmed, 2007). The firm develops capabilities that enhance that firm's survival in the market. These capabilities could include innovation, managerial characteristics, market sensing (Day, 1994) among others.

Globally, higher education has been one of the growth industries. According to British Council (2012) Governments view education as one of the major contributors of national wealth and economic development. Enrollment in tertiary institutions has been reported

to be significantly and positively correlated to a country's GDP (British Council, 2012). In Kenya, there has been an exponential growth in the last 2 decades. The universities tally has grown to a total of 76 currently, with 36 of these being public universities. To a large extent, this growth is attributable to the emergence of the self-sponsored student's concept. This number of universities means that competition for students is quite high and therefore managers in these universities have to devise strategies that will enable their respective institutions survive.

1.1.1 Strategic Orientation

According to Stacey (2007) the traditional hierarchical and top down management approaches have been viewed as being ineffective in the current dynamic business environments. Eisenhardt & Sull (2001) alluded that rather than overseeing the practices of the individual actors through proper measures or progressive systems, firms depend more on culture, basic principles and strategic direction to manage their activities. These guiding beacons on how organizations conduct their business are in most cases referred to as as strategic orientations. Gatignon and Xuereb (1997) characterize strategic orientation as those rules that direct and impact the exercises of a firm and produce the practices planned to guarantee the reasonability and firm performance.

Firms with different strategic orientations perceive contrastingly hence engage differently in developing organizational capabilities. The firm's strategic orientation may assume a key role in how the firm characterizes and structures its activities and initiatives Desarbo et al. (2008). Organization's strategy is defined as the bearing and impact given by managers and the top supervisors to the firm's general vision and direction. Miles and Snow (1978) present an alternative perspective of strategic orientation in which they

argue that an organization may be viewed as a defender, reactor, analyzer or prospector depending on the behaviors of managers. The two perspectives are however in agreement that strategic orientations are construed from managerial actions. Secondly "strategic orientation" is viewed as forms of strategic intent (see Hamel and Prahalad, 1989, 2005). This study is focused on external and internal factors that may encourage the interpretation intent into a company.

1.1.2 Firm Performance

Performance is defined as the outcome acquired in the management, financial matters, and marketing that gives attributes of intensity, proficiency, and adequacy to the firm and its structural and procedural components (Verboncu and Zalman, 2005). Firm performance compares achievement against predetermined objectives. The concept of performance has gained prominence in research because it is the residual for all enterprise activities. The manner in which performance is measured is depended on the institutional context. According to Man (2006) performance measures can be categorized into four categories namely financial, non-financial, tangible, and intangible measures.

Performance of measurement is aligned to the study's objectives including working performance (Jaworski and Kohli, 1993); global performance (Arbaugh, 2003; Knight, 2000); trade performance (Thirkell and Dau, 1998; financial performance (Zahra and Covin, 1995); The aforementioned studies confirm that the manner in which performance is measured depends on the nature of the empirical study.

The Balanced Scorecard (BSC) model is utilized for portraying, explaining, and executing the vision and methodology of a firm into fixed targets and away from financial and nonfinancial performance pointers (Taouab and Issor, 2019). The utilization of the BSC implies that objectives and key activities are allotted to solid viewpoints (Horvath et al., 2004). The BSC really deciphers the mission and the association procedure into many performance pointers that offer a model for performance measurement. In measuring performance of state funded colleges, pointers, for example, research findings were the most regularly utilized by scholars, though measures identifying with community service and third role activities were utilized least (Alach, 2017). Waithaka (2014) measured the measured the performance of public universities in Kenya using corporate image and brand performance.

1.1.3 Public Universities in Kenya

The public universities tally has grown exponentially for the last 2 decades. According to Nyang'au (2014) university education in Kenya leads across the East African.. This growth is in terms of students and the number of universities. Today, Kenya has 26 fully fledged universities and 9 constituent colleges. Like in other African countries, private universities have complimented the public universities. The development of private university began way back in 1970s as a result of limited funding. Today there are 37 private universities in Kenya comprising of 17 fully chartered universities, five constituent colleges of various universities and 14 other institutions baring interim Authority letters and one registered institution.

Growth of university education in Kenya and indeed globally has been facilitated by several factors. Key among these factors is the undue emphasis by on the importance of education and university education specifically in economic and social development (Bailey, Cloete & Phillay, 2013). In Kenya the emphasis on a degree and related qualifications has been viewed as a pathway to employment and promotion to those already in employment.

1.2 Research Problem

The survival of a business in a turbulent environment necessitates the development of clear strategies and the ability to orient those strategies to the prevailing business environment. According to Baker and Sinkula (2015), performance of a business across the world depend on how it can organize strengths and opportunities available to counter threats and minimize weaknesses. Companies with clearly set roadmaps inevitably achieve their objectives. Despite the fact that weaknesses and threats stay a reality, an organization will beat utilizing its strengths and available opportunities. however, numerous organizations fall flat since they can't distinguish what they are good at or weak in and subsequently drawing a vital bearing in this manner discovering what they truly need to do during specific circumstances (Lechner and Gudmundsson, 2014).According to Ameer and Othman (2012), the best approach to establishing a company's strategic direction originates with a strategic dialogue followed by strategic planning, strategy measurement and integration of strategy into the company.

Higher education in Kenya has witnessed massive growth in the last two decades. Several factors have facilitated this upsurge in demand for university education including government emphasis on the contribution of university education to the economic and

social development. The society has also contributed by placing a premium on a degree. This has inevitably raised the tally of public and private universities in Kenya. Currently, there are 76 universities in Kenya. The level of competition among these universities is quite high especially in relation to the self-sponsored students. Each university is strategically positioning itself as the University of Choice. University managers are developing strategies and attempting to align with the environment for survival.

Deutcher (2015) developed a configurational perspective on the connection between strategic orientation and performance. Adams et al., (2019) considered the strategic orientation, development performance and the directing impact of advertising the managers. They report that the directing impact of marketing the managers on the relationship between direction and performance increases as more elements of the marketing mix are deployed at the same time. Olufemi and Olayinka (2013) inspected strategic orientation and hierarchical performance utilizing contextual analysis of the African material industry in Nigeria. The outcomes show that the relationship fluctuates relying upon the sort of performance measure utilized. This examination will respond to the accompanying inquiry. What is the relationship between strategic orientation and performance of public universities in Kenya?

1.3 Research objective

The objective of this study is to determine the relationship between strategic orientation and performance of public universities in Kenya.

1.4 Value of the Study

The findings of the study will be useful to managers of public universities in understanding the relationship between the strategic direction they choose for their universities and performance.

It will serve to enrich theory on the relationship between strategic orientation and performance especially in public institutions. The study will also test the Miles and Snow Typology against public enterprises. The findings will also provide grounds for further research.

The findings of the study will be useful in so far as informing policy is concerned. Policy formulators and implementing bodies such as the Commission for University Education will benefit from the findings in that they will get an appreciation of the relationship between the strategic orientation of a university and the performance of that university.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This section describes the theories involved in this study. An in-depth description of the theories that support the study is provided. It also contains an empirical review of the concepts of the study that is the reported relationships among the variables.

2.2 Theoretical Foundation

The Miles and Snow Typology and the dynamic capabilities theory are featured in this study. A description of each theory follows;

2.2.1 Miles and Snow Typology

The proponents of this typology Raymond E. Miles and Charles C. Snow in 1978. They contended that distinctive organization procedures emerge from the manner in which organizations choose to address three important issues: entrepreneurial, engineering (or operational), and administrative troubles. The entrepreneurial issue is the manner an organisation have to cope with its marketplace proportion. The engineering problem consists of how an agency ought to actualize its solution for the pioneering trouble. eventually, they proposed that there are 4 standard key sorts of institutions: prospector, defender, analyzer and reactor groups (Moore, 2005).

in line with Naranjo-Gil (2004) prospector groups face the entrepreneurial trouble of locating and exploiting new product and market opportunities. Prospector corporations face the operational issue of now not being difficulty to any innovation. Prospector agencies face the pioneering problem of the way to keep up a regular marketplace percentage, and henceforth they paintings best in strong situations. Moore (2005) alludes

that an average answer for this difficulty is fee leadership, as a consequence those businesses make development through gaining practical revel in precise regions and using set up and standardized technical tactics to keep low charges. Defender agencies will in general be vertically integrated for you to accomplish price productiveness. They face the authoritative problem of ensuring productivity, and on this way they require centralization, formal systems, and discrete capacities. On the grounds that their environment change progressively, defender groups can rely upon long time planning. Analyzer institutions proportion traits with prospector and defender organizations; along these traces, they face the enterprising difficulty of the way to preserve up their gives in present commercial enterprise sectors and a way to discover and exploit new business sectors and product opportunities(Naranjo-Gil, 2004). These companies have the operational problem of keeping up the skillability of set up products or services, even as staying adaptable sufficient to are looking for after new enterprise activities. As a result, they search for specialised effectiveness to hold up low expenses, yet they moreover underscore new products and services development to live critical when the market adjustments. Reactor associations, as the name recommends, don't have a methodical gadget, plan, or shape. They're not geared up for transforms they face of their business environment. In the event that a reactor association has a characterized methodology and structure, it is not, at this point proper for the firm's condition. Their new item or administration improvement changes because of the manner in which their supervisors see their condition. Reactor associations don't make long term arrangements, since they consider them to be as changing excessively fast.

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2.2.2 Dynamic capabilities Theory

This theory was at first presented by David Teece and Gary Pisano in 1994. As per Teece and Pisano (1994), before, effective organizations sought after a resource-based strategy of gathering significant mechanical resources, frequently saved by a cautious methodology towards intellectual property. This resource based view was started with respect to the conviction that an organization's wellspring of competitive advantage lied in that organization's capacity to manage internal resources (Das and Teng, 2000). The contention was that since certain assets are firm explicit and can't be effectively imitated firms vary in their resource use. This theory embarks to clarify how competitive advantage is accomplished. It proposes that fruitful organizations in the global market place can show convenient responsiveness to advertise elements and speedy product innovation. Moreover, successful organizations can viably facilitate and redeploy internal and external competence (Teece et al., 1997).

Easterby-Smith, Lyles and Peteraf (2009) characterize the term dynamic as a company's ability to recharge capabilities in order to accomplish harmoniousness with the changing business environment; this is significant in circumstances where time to market is basic and the idea of rivalry is hard to decide. Capabilities are defined as the key role of strategic management in suitably adjusting, incorporating and reconfiguring, internal and external organizational skills, assets, and functional competences to coordinate the necessities of an evolving domain. Advocates of the DCT contend that the resource based view isn't fit for supporting continued competitive advantage. This must be given by the DCT. The strategic alternatives available largely highlight the key direction of the firm.

2.3 Empirical Review and Knowledge Gaps

The Structural Equation Modeling (SEM) investigation uncovered that key direction straightforwardly, decidedly, and fundamentally influenced innovation. innovation was discovered to be straightforwardly and emphatically identified with organizational performance. The findings show that strategic orientation has no impact on organizational performance. To test the interceding impacts of development, this study's focus was on the immediate impact of strategic orientation on firm performance and its indirect impact through the mediatory path of innovation. It was accounted for that key direction influences authoritative exhibition fundamentally both directly and indirectly.

As indicated by Escribá-Esteve and Sánchez-Peinado (2008) research has zeroed in not just on the idea of company's strategic orientation as confirmed by crafted by Covin & Slevin (1989) and Lumpkin & Dess (1996), yet in addition on the ramifications on strategic orientation on performance Zahra and Covin (1995). There has been an overall understanding that firm's strategic orientation positively affects its performance. The suggestion is that receiving an administrative stance that tries to manufacture, secure and support competitive advantage through examination, organizational planning and long-term vision improves that firm's presentation. Despite the fact that reviews uphold the positive impact of strategic orientation on performance, assuming such a relationship is universal is being too simplistic.

Recent studies have recommended investigations including the directing and interceding factors in the connection between strategic orientation and performance (McMahon, 2001; Covin et al., 2006). McMahon (2001) proposes that the connection between

strategic orientation and performance is more grounded when organizations seek to expand and separate methodologies that empower them to get to new business openings.

Morgan and Strong (2003) allude that strategic orientation of a firm is a multidimensional assemble consisting of each entrepreneurial orientations particularly; innovative, proactive, competitive, and threat-taking and strategic postures namely; facts evaluation and processing and destiny orientation. Mill operator (1983) takes note of that an entrepreneurial firm takes part in item market innovations, embraces fairly risk endeavors, and is first to concoct developments. This point of view is upheld by research findings (Messeghem, 2003; Spicer and Sadler-Smith, 2006; Gabrielsson, 2007). Empirical reports give measurement ways to deal with strategic orientation and there seems to be agreement across the researches.

Escribá-Esteve *et al*. (2008) conjectured that more elevated levels of natural antagonism will expand the constructive outcomes of a firm's strategic orientation on performance. A company's external factors contain powers, components and factors past the limits of that firm and which influence its capacity to perform. The outcomes indicated that key direction has a more beneficial outcome on performance when organizations are working in conditions with a generally significant level of turbulence. Larger companies have ability to perform higher as compared to small ones, however company age doesn't affect performance.

Avci, Madanoglu and Okumus (2011) considered strategic orientation and performance of the travel industry firms in developing nations. The examination shows that performance of the organizations under scrutiny changed relying upon the direction

system they sought after the conceptualization by Miles and Snow (1978). Prospectors were found to outflank protectors, while analyzers indicated a tantamount performance to prospectors. This study's implications are that in developing countries, tourism businesses may be uninterested while picking between these methodologies dependent on their internal attributes since they yield comparable monetary outcomes.

Huang (2008) did a longitudinal report which was an endeavor to look at those impacts and connections of different performance measuring dimensions utilizing the decent scorecard calculated structure on travel services under various strategic orientation in Taiwan. Longitudinal examinations include information assortment at multiple points. The goal is to inspect the conduct of a variable upon different presentations of a treatment. As per this examination, Taiwanese travel services considered five monetary, three client, four inner cycle, and three development and learning point of view markers of performance estimation that additionally have circumstances and logical results connections among themselves under two distinct procedures.

Melody and Jing (2017) examined the connection between strategic orientation and performance of new ventures in China. Based on organizational ambidexterity theory, they framed five theories that portrayed the connections among entrepreneurial orientation, market orientation, and technological orientation, just as their effect on new venture performance. The pointers of strategic orientation were, market direction, mechanical direction and enterprising direction. The findings reveal that exploration–entrepreneurial orientation and exploitation–technological orientation significantly affect enterprising performance, though exploitation–market orientation doesn't. Cooperation

between innovative direction and mechanical direction shows a critical positive effect on enterprising performance.

Espino-Rodríguez and Ramírez-Fierro (2018) analyzed the connection between strategic orientation measurements and hotel outsourcing and its effect on organizational performance in a travel industry objective. The elements of strategic orientations utilized in this study incorporate serious investigation, forcefulness, preventiveness, futurity, proactiveness, and risk as stated by Venkatranan (1989). The discoveries propose that most of the vital measurements impact the hotel's degree of outsourcing. The protectiveness and proactive measurements are emphatically identified with the degree of outsourcing, whereas the competitive analysis and aggressive aggressiveness dimensions impact it negatively. Also, the riskiness measurement has a nice impact, though the dimension identified with futurity would not impact the degree of outsourcing. A fantastic and crucial courting is determined among outsourcing and financial performance, while for non-financial performance, the connection isn't always huge.

Dimara, Skura, Tsekouras and Goutsos (2004) studied how strategic orientation impacts financial performance in Greek firms implementing ISO 900. Strategic orientation was operationalized utilizing Porter's competitive strategies; differentiation, focus and cost leadership. Those organizations seeking after a cost authority system introduced a measurably critical development of financial profitability pointers, while those organizations seeking after a market separation technique present factually noteworthy development of their turnover and market share.

2.4 Summary of Literature and Knowledge Gaps

Review of literature have elicited blended outcomes on the connection between strategic orientation and performance. Obeidat (2016) contemplated that intervening impact of development on the connection between strategic orientation and performance. The Structural Equation Modeling (SEM) investigation uncovered that strategic orientation legitimately, influenced innovation. Innovation was found to be directly and positively

related to organizational performance. The findings additionally show that strategic orientation has no impact on organizational performance. As indicated by Escribá-Esteve and Sánchez-Peinado (2008) research has zeroed in not just on the idea of firm's strategic orientation. There has been an overall understanding that an association's strategic orientation positively affects its performance.

As per Morgan and Strong (2003) the strategic orientation of a firm is a multidimensional construct. Mill operator (1983) noticed that a entrepreneurial firm participates in product market innovations, embraces fairly risky endeavors, and is first to think of developments. Escribá-Esteve and Sánchez-Peinado (2008) theorized that more significant levels of ecological aggression will build the beneficial outcomes of a company's strategic direction on performance. The internal factors of a farm includes forces, elements and variables beyond the boundaries of that firm and which influence the firm's ability to perform. The findings indicated that strategic orientation has a more beneficial outcome on performance when organizations are working in situations with a generally significant level of turbulence.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This part introduces the system that was utilized to do the investigation.

3.2 Research Design

Research design is the general arrangement for responding to the exploration question. Creswell and John (2014) characterize inquire about plan as the association of strategies and method utilized in gathering and dissecting proportions of the factors indicated in the issue look into. The research design of any proposed study is heavily reliant on the overarching philosophy. Two main philosophies apply in business researches; phenomenology and positivism.

The research design used in this observe became a pass sectional census survey. Move-sectional research make inductions about ability connections or to bring together essential information to help in addition research and experimentation (Cherry, 2019). This implies that data collection was done at only one point at a time.

3.3 Target Population

According to Yin (2003), population is an entire group of individuals, events or objects having common characteristics that can be observed and measured. Derivation of the population should be carried out carefully and in view of the problem under investigation. According to Cherry (2019), improper identification of the population will throw the researcher off-tangent in relation to the research objective.

This study's population was the public universities In Kenya comprising of thirty-one registered public universities in Kenya as at 31st December, 2019. Given the size of the population (31), the researcher carried out a census survey. In censuses, all members of the population are involved in the study. All the public universities in Kenya therefore were used for data collection.

3.4 Data Collection

Data to be collected in any study can be qualitative or quantitative. Whether data collection is qualitative or quantitative is dependent on the research philosophy guiding the study. The type of data collection will in turn inform the method of data analysis chosen. Data can also be primary or secondary. Primary data is data collected first hand and for purposes of solving the current problem.

This study utilized primary data obtained by use of questionnaire which consisted of three parts. Part A was be intended to collect demographic data about the universities. Part B was be designed to collect data about strategic orientation. Part C was designed to gather data on Performance, the dependent variable. Responses were measured on a scale of 1-5. The respondents were the senior managers in this case the academic registrars in each university. These are responsibilities that enable the holders to interact with nearly all levels at the university.

3.5 Data Analysis

Bimel (2014) characterizes data analysis as the way toward investigating, changing and displaying information with the objective of finding useful data. The information gathered was checked for fulfillment and consistency. Information was at that point

cleaned to take out disparities and from that point ordered based on nature and afterward organized. To determine the suitability of data for further analysis, the Cronbach's Alpha was used to check reliability of the instrument.

Descriptive analysis was used to show the manifestation of the variables. Descriptive statistics including mean, standard deviation and co-efficient of variation (COV) were used. Further statistical analysis was by way of simple regression analysis to establish the relationship between the variables. The following equation guided data analysis;

$$Y = \alpha + \beta X + e$$

Whereby:

Y= Performance

β=Co-efficient of X

X= Strategic Orientation

α=Constant

e= Error Term

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents analysis of data collected from respondents. The chapter includes descriptive statics and the results of regression analysis, the intention is to provide answers to the core objective, which is to determine the relationship between strategic orientation and performance. Subsequently, the analysis focuses on Analysis Dimension, Aggressiveness Dimension, Defensiveness Dimension and Proactiveness Dimension, which are the independent variables. The dependent variable is in this case Performance

4.2 Response Rate

The response is presented as measured by the return of questionnaires from the respondents. 68 questionnaires were distributed out to the respondents and out of that number 64 were returned for analysis after a successful completion. This shows a response rate of 94%. A 30 percent response rate in a survey is reasonable, according to researchers (Bryman & Bell, 2007). The response rate is satisfactory, since it is well above the lowest reasonable rate of 70% suggested by Mugenda and Mugenda (2003).

4.3 Strategic Orientation

This section presents descriptive analysis of strategic orientation variables, which include Analysis Dimension, aggressiveness dimension and Defensiveness Dimension. The analysis is done using the likert scale response instruments: On a scale of 1-5, where respondents ticked appropriately the degree to which they agree or disagree to the statements.

4.3.1 Analysis Dimension

Table 4.1: Analysis Dimension

Variables	N	Mean	Std. Deviation
Our university puts more effort on effectual coordination among its diverse functional areas	64	3.16	.963
In the university the information systems are fundamental in making decisions	64	3.14	.889
Before making a key decision the university completely analyses the situation	64	2.62	.845
The university uses business planning techniques	64	3.06	.974
The university usess the data provided by management information and control systems	64	2.97	.835
Averages	64	2.99	0.9010

Analysis dimension was measured using five indicators, as shown in Table 4.1. Respondents rated analysis dimension indicators on a 1-5 likert scale measure, where 1 represented "Totally Disagree" and 5 represented "Totally Agree" and the findings, which included the mean and standard deviation tabulated as show in table 4.1 above. Analysis Dimension had an average mean score of 2.99 and an average standard deviation of 0.9010. This infers that majority of the respondents agree with the state of analysis dimension, and there is low variability in opinion among the respondents.

4.3.2 Aggressiveness Dimension

Variables	N	Mean	Std. Deviation
The university sacrifices benefit in order to gain market share	64	3.11	.779
The university lowers charges to increase its market share	64	2.31	.852
To achieve a good market position, our university even sacrifices cash flow and profitability	64	2.39	.902
The university sets prices below those of the competition	64	2.78	.881
Average scores	64	2.65	0.854

Table 4.2: Aggressiveness Dimension

Table 4.2 indicate analysis of aggressiveness dimension, the mean and standard deviation is 2.65 and 0.854 respectively, which reflect low variability among the measures of aggressiveness dimension. This infers that majority of the respondents had an agreeable opinion about the aggressiveness dimension in the organization. The findings also show that there is low variation of opinion among the respondents concerning the organizations aggressiveness dimension.

4.3.3 Defensiveness Dimension

Table 4.3: Defensiveness Dimension

Variables	N	Mean	Std. Deviation
The university makes significant modifications in its service processes	64	3.22	.934
The university applies cost control systems to monitor its performance	64	3.14	.974
The university uses production management techniques in its services	64	2.83	.883
The university emphasizes service quality through the use of quality circles	64	3.20	.946
Average scores	64	3.10	0.934

The defensiveness dimension indicators returned an average score of 3.10 for the mean and 0.934 for the standard deviation. This indicates that majority of the respondents neither agreed nor disagreed with the statements that characterized defensiveness dimension. The average mean score of 3.10 indicates that the central tendency by majority of the respondents was towards neutrality concerning defensiveness dimension. The average standard deviation of 0.934 indicates minimal variation of opinion from neutrality. Thus, majority of the respondents had a neutral opinion concerning defensiveness dimension factors in their organization as evident from the low dispersion from the mean by the data set.

4.3.4 Proactiveness Dimension

Table 4.4: Proactiveness Dimension

Variables	N	Mean	Std. Deviation
the university constantly seeks new opportunities related to its present operations	64	3.22	.983
the university is usually one of the first to launch new services	64	2.31	.833
the university is always ahead of its competitors	64	2.91	.955
the university constantly looks for new business opportunities	64	2.37	.951
Average scores	64	2.703	0.931

Table 4.4 shows data associated with variables of proactiveness dimension. The average mean and standard deviation scores for proactiveness dimension factors is 2.703 and 0.931 respectively. This indicates that the opinion of majority of the respondents were agreeable to proactiveness dimension factors level of effect on the organization. Further, the standard deviation of 0.931 shows that the opinion of the majority of the respondents did not vary significantly from that indicated by the mean.

4.4 Performance

Table 4.5: Performance

Variables	N	Mean	Std. Deviation
Our surplus has increased overtime	64	2.17	.680
Satisfaction index of our stakeholders has gone up	64	1.64	.804
Student enrolment has increased	64	3.27	.963
Capitation from the government has gone up	64	2.64	.915
Average scores	64	2.43	0.841

Table 4 indicates analysis of performance factors, of which the average scores for the mean and standard deviation are 2.43 and 0.841 respectively. The 2.43 mean indicates that majority of the respondents agree with performance levels as reflected by the indicators in table 4.5. The standard deviation of 0.841 is an indication that majority of respondent opinion was not far off from the 2.43 average mean value, which reflects agreement with statements attributed to performance.

4.5 Regression Analysis

Table 4.6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
Regression	.185[a]	.034	-.031	1.823

a. Predictors: (Constant), Proactiveness Dimension, Analysis Dimension, Aggressiveness Dimension, Defensiveness Dimension

Table 4.7: ANOVA[a]

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	6.952	4	1.738	.523	.719[b]
Residual	195.985	59	3.322		
Total	202.938	63			

a. Dependent Variable: performance

b. Predictors: (Constant), Proactiveness Dimension, Analysis Dimension,

Aggressiveness Dimension, Defensiveness Dimension

Table 4.8: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	9.057	2.088		4.337	.000
Analysis Dimension	.107	.113	.125	.948	.347
Aggressiveness Dimension	.027	.094	.039	.285	.776
Defensiveness Dimension	.010	.120	.012	.086	.932
Proactiveness Dimension	-.125	.120	-.155	-1.045	.300

a. Dependent Variable: performance

Table 4.6, 4.7 and 4.8 show the results of the regression analysis output, in which the dependent variable is performance and the independent variables are analysis dimension, aggressiveness dimension, defensiveness dimension and proactiveness dimension. Table 4.6 indicates that 18.5% of the performance is attributed to the independent variables: analysis dimension, aggressiveness dimension, defensiveness dimension and proactiveness dimension. The ANOVA, table 4.7, indicates the F value as 0.523 and the p-value as 0.719, which demonstrates that there is no statistically significant difference between the means of the analyzed variables. Table 4.8 shows the coefficients of the regression analysis, which shows that without the independent variables; analysis dimension, aggressiveness dimension, defensiveness dimension and proactiveness dimension, the regression coefficient is equal to 9.057. The regression coefficient of analysis dimension is 0.107 with a p-value of 0.347, aggressiveness dimension has 0.027 and p-value 0.776, defensiveness dimension has 0.010 and p-value 0.932 and proactiveness dimensions -0.125 and p-value of 0.300, none of which is statistically significant at an alpha level of 0.05. However, based on the analysis, the regression equation predicts the level of performance (Y) when values of predictors: analysis dimension (X_1), aggressiveness dimension (X_2), defensiveness dimension(X_3), and proactiveness dimension (X_4) are available.

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

Whereby:

Y= Performance; X_1 = Analysis Dimension; X_2 = Aggressiveness Dimension; X_3 = Defensiveness Dimension; X_4 = Proactiveness Dimension; β=Co-efficient of X

$$Y = 9.057 + 0.107X_1 + 0.027 X_2 + 0.010 X_3 - 0.125X_4$$

4.6 Discussion of the Findings

The findings show that there is still very little grasp of the concept of strategic orientation or its adoption and implementation in the universities in Kenya, even though various studies show that strategic orientation plays a significant role in the performance of organizations whose aims are to gain competitive advantage in the market place. Organizations that adopt strategic orientation positions would normally be expected to have a stance, in terms of structures and approaches, that clearly reflects future business direction. The dynamic capability theory (Teece and Pisano, 1994) suggest that an organization needs to have flexible resources together with dynamic management to be able to take advantage of the opportunities provided by an environment that is continually fluid, and strategic orientation one of the approaches that can provide capabilities for competitive effectiveness.

Studies (Esteve and Peinado, 2008; Covin & slevin, 1989; Lumpkin & Dess, 1996; Zahra & Covin, 1995) have shown that strategic orientation have a positive effect on organizational performance, however this can only be realized if the organization has the awareness of strategic orientation, but it seems this may not be the case in most of the universities that were surveyed, hence the reason why the effects of strategic orientation at the universities contribute only 18% to performance of the organizations. McMahon (2001) and Covin et al. (2006) suggest that for corporate leadership to improve the impact of strategic orientation on the performance of their organizations they need to be more innovative, proactive and aggressive, and to be willing to take risks and also have the requisite skills for information analysis and processing. This seems to have not been

the case in the universities, as noted in the descriptive analyses of the strategic orientation antecedents: analysis dimension, aggressiveness dimension, defensiveness dimension and proactiveness dimension. Thus, it is important, going forward that universities adopt a strategic posture to be able to fully access strategic orientation benefits and to become more competitive in an ever-evolving environment.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter provide a summary of the findings of the study, and highlights conclusion that can be made as a result of the findings and gives a recommendation for critical areas that may need further study.

5.2 Summary of Findings

The study investigated the relationship between strategic orientation and performance of public universities in Kenya. The study used primary data collected from respondents in the target institutions, registrar level personnel were the main target of the survey, and data collected from this group of respondents delivered 64 usable questionnaires. A 94% response rate was attained based on the usable questionnaire analyzed. Subsequently, the variables Analysis Dimension, Aggressiveness Dimension, Defensiveness Dimension and Proactiveness Dimension as well as performance were descriptively analyzed, regression analysis also performed to determine the relationship between the independent variables Analysis Dimension, Aggressiveness Dimension, Defensiveness Dimension and Proactiveness Dimension, and the dependent variable performance.

The findings on the analysis dimension predictor reveal that majority of the respondents were agreeable to the notion that their university had put more effort on effectual coordination among its diverse functional areas, made information systems a fundamental aspect of decision-making, made situation analysis a prerequisite for key decision making, had made use of business planning techniques and used the data provided by management information and control systems. These observations were supported by

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data that indicated average mean score and average standard deviation of 2.99 and 0.9010 respectively. The analysis of Aggressiveness dimension revealed that majority of the respondents had a neutral opinion on whether the university sacrificed benefits in order to gain market share, but it was agreeable to the respondents that the university had lowered charged to increase its market share, sacrificed cash flow and profitability to achieve a good market position and set prices below those of the competition. These observations were supported by the data, which indicated an average mean score and average standard deviation of 2.65 and 0.854.

The analysis of defensiveness dimension included evaluation of respondents' opinion on five indicators, whose average scores was 3.10 and 0.934 for the mean and standard deviation respectively. The findings revealed that majority of respondents had a neutral opinion on whether the university made significant modifications in the service processes and applied cost control systems to monitor it is performance. However, use of production management techniques and quality circles by the university was a subject matter that majority of the respondents were agreeable about. Proactiveness dimension findings show an average mean score of 2.703 and an average standard deviation of 0.931. This suggests that majority of the respondents had an agreeable opinion on whether the university is one of the first to launch new offerings, is ahead of its competition and constantly looks for new business opportunities. However, on whether or not the college turned into continuously looking for new opportunities associated with its present operation, majority of the respondents neither agreed nor disagreed on the matter. Descriptive analysis of performance indicated an average mean score and standard deviation of 2.43 and 0.841 respectively. This finding reflects an agreeable opinion on a

number of indicators, among which includes increased surplus overtime and capitation from the government in addition to a fully agreeable opinion that the satisfaction index of stakeholders had gone up, but majority of the respondents also expressed neutrality on increase student enrolment.

Findings of the regression analysis indicated that 18.5% of the increase in performance was attributed to the indicators of strategic orientation, which included Proactiveness Dimension, Analysis Dimension, Aggressiveness Dimension and Defensiveness Dimension. Further analysis showed, based on the F value (0.523) and the p-value (0.719), that no statistically significant difference existed between the means of the variables. The regression coefficients affirmed that none of the independent variables, Proactiveness Dimension, Analysis Dimension, Aggressiveness Dimension and Defensiveness Dimension were statistically significant at an alpha level of 0.05. Thus, strategic orientation was not a significant contributor to performance of the universities, there were other factors that were highly involved in determining performance.

5.3 Conclusion

The increasing competition among universities in Kenya, both public and private, for students, the core clientele for these organizations, has witnessed a trend in which each one of them is nowadays positioning as the University of Choice. The universities are trying to meet the demands of a first-class institution of higher learning, and at the same time to maintain levels of performance that can ensure not only sustainability, but also growth. Various studies have been undertaken to help these universities achieve these aims, but none had been contextually undertaken so far on the potential contribution of strategic orientation to the performance objectives of these universities.

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This study had strategic orientation as the independent variable represented by the antecedents: Analysis Dimension, Aggressiveness Dimension, Defensiveness Dimension and Proactiveness Dimension, and the dependent variable as performance. The findings revealed that Analysis Dimension, Aggressiveness Dimension, Defensiveness Dimension and Proactiveness Dimension had no statistically significant contribution to performance of the universities, however, the 18.5 % that strategic orientation antecedents account for could be attributed to chance factor, although a substantial contribution to performance of the universities is evidently attributed to other factors as well.

5.4 Limitations of the Study

This study was limited by resources in terms of adequacy of funds to facilitate a fully-fledged survey, as such, not all the eligible members of the population was sampled due to the geographical scope of the organizations. However, this did not in any way affect the outcome of the study. The research instruments, questionnaires, were distributed to the sample population with the assumption that they would provide honest responses to the questions. The performance measures used were not exhaustive, in any case there are no unified measures of strategic orientation.

5.5 Recommendations for Policy and Practice

There is a need for universities, especially decision-makers at the top level, to exercise more flexibilities in terms of policy to able to quickly adopt competitive strategies like strategic orientation to meet the challenges of evolving business environment. The level of awareness of strategic orientation practices among the universities is seemingly a matter for consideration, which can be addressed through training programs for the top decision-makers at these intuitions.

5.6 Suggestions for Further Research

Future areas of research that can be considered by researchers includes use of expanded predictors of strategic orientation to give not only the universities, but also other sectors of the economy the opportunity to appreciate the value-add that strategic orientation can bring to their organizations. Future researchers can also survey both top level management and middle level management and ordinary staff to evaluate the level of awareness of strategic orientation in the organization and its implementation as well to understand the role that synergy can play in improving performance of an organization.

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APPENDICES

APPENDIX 1: QUESTIONNAIRE
PART A

1. Name of University…………………………………….

2. Year of Charter…………………………………………

3. Number of Students

    Undergraduate………………

    Posthraduate………………..

    Diploma……………. ………...

4. Number of Staff

    ( ) Below 500

    ( ) 500- 1000

    ( ) 1000- 1500

    ( ) 1500-2000

    ( ) Above 2000

TABLES ARE COPY PAST AND SECTIONS CONTAIN HOTEL, REVIEW, IE, IN PROACTIVE DIMENSION, TALKS ABOUT THE UNIVERSITY IS ONE OF THE FIRST HOTELS

PART B; STRTEGIC ORIENTATION

B1: Analysis Dimension

On a scale of 1-5 indicate your agreement or disagreement with the following statement

    (1=Totally Disagree, 5=Totally Agree)

STATEMENT	1	2	3	4	5
Our university puts more efforts on effectual coordination among its diverse functional areas.					
In the university, the information systems are fundamental in making decisions.					
Before making a key decision, the university completely analyzes the situation					
The university uses business-planning techniques					
The university uses the data provided by management information and control systems					

B2: Aggressiveness dimension

On a scale of 1-5 indicate your agreement or disagreement with the following statements (1=Totally Disagree, 5=Totally Agree)

STATEMENT	1	2	3	4	5
The university sacrifices benefits in order to gain market share.					
The university lowers to increase its market share					
To achieve a good market position, our university even sacrifices cash flow and profitability					
The university sets prices below those of the competition					

B3: Defensiveness dimension

On a scale of 1-5 indicate your agreement or disagreement with the following statements

(1=Totally Disagree, 5=Totally Agree)

STATEMENT	1	2	3	4	5
The university makes significant modifications in its service processes					
The university applies cost control systems to monitor its performance.					
The university uses production management techniques in its services.					
The university emphasizes service quality through the use of quality circles					

B4: Proactiveness dimension

On a scale of 1-5 indicate your agreement or disagreement with the following statements

(1=Totally Disagree, 5=Totally Agree)

STATEMENT	1	2	3	4	5
The university constantly seeks new opportunities related to its present operations.					
The university is usually one of the first hotels to launch new services					
The university, my hotel is always ahead of its competitors					
The university constantly looks for new business opportunities.					

PART C: PERFORMANCE

On a scale of 1-5 indicate your agreement or disagreement with the following statements

(1=Totally Disagree, 5=Totally Agree)

STATEMENT	1	2	3	4	5
Our surplus has increased overtime					
Satisfaction index of our stakeholders has gone up					
Student enrollment has increased					
Capitation from the government has gone up					