STRATEGIC ALLIANCES, ORGANIZATIONAL CHARACTERISTICS, COMPETITIVE ADVANTAGE AND PERFORMANCE OF SELECTED ENTERPRISES IN KENYA

BY:

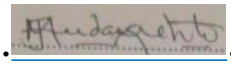
METITO J. KATOO

A THESIS SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF DOCTOR OF PHILOSOPHY IN BUSINESS ADMINISTRATION, FACULTY OF BUSINESS AND MANAGEMENT SCIENCES, UNIVERSITY OF NAIROBI

DECEMBER, 2023

DECLARATION

I, the undersigned, declare that this thesis is my original work and has not been submitted for any award to any other college, institution or university other than the University of Nairobi.

Signed …  **……** **Date……4th December, 2023..**.....

Metito Judah Katoo

D80/97110/2015

SUPERVISORS APPROVAL

The thesis has been submitted for examination with our approval as the university supervisors.

Signed  **Date: 6th December 2023.**

Prof. Jackson Maalu
Department of Business Administration
Faculty of Business and Management Sciences
University of Nairobi

Signed …  **..** **Date…7th December 2023..**

Dr. Peterson Obara Magutu, Ph.D
Department of Management Science and Project Planning
Faculty of Business and Management Sciences
University of Nairobi

DEDICATION

To my beloved family and the friends, thank you so much for your continuous support and encouragement during the entire doctoral studies.

ACKNOWLEDGEMENT

Glory is to God for the care, protection, love and guidance in my life and especially throughout the doctoral studies. A prayer always goes a long way to remain guided appropriately. May the Almighty be glorified forever.

The journey in this doctoral research has been made successful through the direction, guidance, dedication and encouragement of particular professionals. My felicitations and gratitude firstly go to my competent supervisors; Prof. Martin Ogutu, Prof. Peter K'Obonyo, Prof. Jackson Maalu and Dr. Peterson Obara Magutu. Their intellect, advice and guidance at each phase of this research have been helpful towards the completion of this study.

I also acknowledge the support from all the lecturers in the doctoral studies for their guidance and dedication. In addition, I would like to thank the entire University of Nairobi post graduate support team

Many thanks go to the managers of the respondent organizations for their kindness in completing the questionnaires. To my friends, colleagues and the data analyst team who made immense contribution to make this study a reality I say a big thank you.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

ABBREVIATIONS AND ACRONYMS

BSC	**:**	Balanced Score card
DV	:	Dependent Variable
GDP	:	Gross Domestic Product
IV_1	:	Independent Variable
IV_2	:	Intervening Variable
MV	:	Moderating Variable
NGOs	**:**	Non-Governmental Organizations
NT	:	Network Theory
Q-Q	**:**	Quantile Quantile Plot
RBT	:	Resource Based Theory
RDT	:	Resource Dependence Theory
SAE	:	Selected enterprises
SME	:	Small and Medium Enterprises
VIF	**:**	Variance Inflation Factor

ABSTRACT

Researchers and practitioners in strategic management are increasingly trying to figure out why some businesses perform better than others even when they are in the same or similar business conditions. With the ever changing business environment strategic alliances are seen as the best strategies to enhance organizations innovative capabilities as a means to stay current in their field and enhance performance. The objective of this study was to determine the effect of organizational characteristics and competitive strategies on the relationship between strategic alliances and performance of selected enterprises in Kenya. The relevant theories reviewed for this study are network theory, Resource Dependency Theory, Resource Based View theory and Market Based View Theory. The study applied positivism research philosophy and descriptive cross-sectional design with target population constituted of the executives of the 40 selected enterprises in Kenya. With the aid of semi-structured questionnaires, primary data was gathered. Both descriptive and inferential statistics were used to analyze the data. Based on the goals of the study, the hypotheses were created and evaluated. The findings of the study showed that strategic alliance significantly influence enterprise performance. In addition, the study observed that organizational characteristics significantly moderate the relationship between strategic alliance and enterprise performance. The findings of the study also showed that competitive advantage mediates the relationship between strategic alliance and enterprise performance. Finally, the study observed that jointly, strategic alliances, organizational characteristics and competitive advantage have a significant influence on enterprise performance. The results contribute to policymakers as the insights gained aid them in improving their policymaking abilities, as well as using invention in strategy employment in zones of aptitude creation, alliance building by selected companies, and the overall benefits accrued by companies in alliances. The study recommends that managers must take cognizance of the fact that their main duty revolves around isolating the exact needs of customers and deciding on the best strategies including entering in to alliances in order to build stronger competitive advantage for their desired performance outcome to be realized. Thus, suitable and effectively implemented strategic alliances are necessary to effectively guide the placement of existing resources in pursuit of desired enterprise goals. The study further suggests that running a successful business is not merely about having a high quality product or picking a suitable strategic alliance. It is also about leveraging the right kind of strategies to reach out to the target audience and convert them into enterprise profits. Thus, policymakers and practitioners operating in the selected enterprises should take advantage of the findings of this research and benefit from the implementation of the right kind of strategies like strategic alliance together with putting in place the right organizational characteristics and competitive advantage to maximize on their performance.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Researchers and practitioners of strategic management generally aim to understand why some organizations perform better and grow at a faster rate than others, although operating in a similar market conditions (Hahn, Howard, Lyon, Russo & Walls, 2021). Rapid changes in globalization and technology necessitate organizations to constantly examine their strategies to enhance their innovative capabilities as a means to stay current in their field and enhance performance (Hayfa, Abraddous, Abdullah, Sokkar, Blaqees, 2018). In an effort to identify sources of heterogeneous enterprise performance, strategy scholars have researched on various factors. Among the factors which have been linked to enterprise performance are strategic alliances.

Organizations use strategic alliances as road map to acquire valuable resources necessary for successful performance (Das & Teng, 2000). Even though strategic alliances have been found to influence enterprise performance, they cannot be the only factor. Other factors include organizational characteristics and competitive advantage. Organization characteristics can influence management decisions and the strategies adopted by a particular organization and thus are important for overall performance. Competitive advantage enables firms to explore and developing their resource and also plays important role in creating the uniqueness to support future success (Abubakar, Sulaiman & Haruna, 2018). It is thus very important for a firm to amalgamate strategic alliances with other management variables, like organizational characteristics and competitive advantage for superior performance to be realized.

The study is guided by four key theories namely Network Theory (NT), Resource Dependency Theory (RDT), Resource-Based Theory (RBT) and Market Based View theory. NT (Laumann et al. 1978) as a foundation for this study serves that social context influence organizations activities in which they are introduced and the actor s situation in societal webs may influence activities. RDT (Pfeffer & Salancik, 1978), argues that businesses are reliant on possessions of other firms, interfirm relations institute a tactical reaction which governs dependency plus improbability. RBT looks at tactic plus resolution creation behavior as entrenched inside broader societal arrangement established progressively for some period to barricade imitations (Moroz et al. 2014). Market Based View theory argues that the sources of value for the firm are embedded in the competitive situation characterizing its end-product strategic position**.**

1.1.1 Strategic Alliances

Strategic alliances are partnerships of two or more corporations or business units that work together to achieve strategically significant objectives that are mutually beneficial to the parties. Strategic alliances essentially involve coordinating two or more partners to pursue shared objectives and satisfactory cooperation is vital to their success (Das & Teng, 1998; Wei, 2007). According to Culpan (2009), most strategic alliances are based on mergers, acquisitions, differentiation and cost leadership.

Li et al (2008) argued strategic alliances are based on authority and configuration, while Park et al., (2004) opined that strategic alliances are anchored on partnership reputation. This study measured the dimensions of strategic alliances as joint venture, equity strategic alliances and non-equity alliances. A joint venture is established when the parent companies establish a new child company. An equity strategic alliance is formed when

one company purchases a certain equity percentage of the other company. A non-equity strategic alliance is created when two or more companies sign a contractual relationship to pool their resources and capabilities together, firms increasingly use this type of alliance in many different forms such as licensing agreement, distribution agreements and supply contracts (Folta & Miller, 2002; Hung & Chang, 2012).

A strategic alliance is official plus conjointly agreeable partnership prearrangement amid two or more corporations or companies (Stuart, 2010). The purpose of many alliances, supported by Todeva and Knoke (2005)and Gichuhi, (2011) Strategic alliances are regarded to be ways to: fuse their combined resources; complement each company's expertise; market seeking; acquiring means of distribution; gaining access to new technology; obtaining economies of scale; developing products; overcoming legal/regulatory barriers, legitimization, and bandwagon effect following industry trends. According to Favaro (2015) firms undergoes alliances for various reasons which includes the desire to increase market power, new product development, unique resources and capabilities and also to enjoy technological advancement. Strategic alliances have the potential to both stimulate business growth and disrupt the progress already made.

1.1.2 Organizational characteristics

Organizational characteristics are specific features inherent in a company which are categorized in different indicators that gives a firm a different and distinct form from other firms; the inner variables considered as capabilities influencing day to day operations and the overall enterprise competitive advantage and performance (Favaro, 2015; Mitchell & Singh, 2011; Badriyah, Sari, & Basri, 2015). From the practical point of view, organizational characteristics are applicable in improving enterprise competitive

advantage and helping administrators well understand on raising profitability. Conversant about features influencing strategy choice to be employed at any given time, administrators of organizations regulate the most vital guidelines for upgrading to increase their competitive edge and consequently performance (Krishnan et al., 1999).

O'Sullivan et al (2009), argue that a firm's characteristics include age of the firm (measured by number of years in operation), size of the firm (measured by the number of employees), ownership structure, management, customers and markets and sources of capital. Hoang, Igel, and Laosirihongthong (2010) suggest that firm characteristics like its age, size, industry type, technology adoption and degree of a firm's innovativeness do influence enterprise performance. The study conceptualizes organizational characteristics based on Kisengo and Kombo (2012) as size, age and ownership structure.

Gathongo and Ragui (2014) assert that a good physical location is essential for an organization's image. Organizations are therefore willing to spend heavily for a location that is right for their image. Kiganane, Bwisa and Kihoro (2012) suggest that characteristics such as age and ownership structure make it more likely for large organizations to invest more in technology, research and development (R&D) and innovation related activities. Similarly, Anderson and Loof (2009) contend that financial resource; physical and human capital, size, corporate ownership and organization sector are important for innovation and influence enterprise performance.

The resource-based view fundamentally clarifies the impact of organizational characteristics on performance and strategies consequences within an industry. The main dimensions of variances in strategy and performances among competing firms within an

industry are the presence of distinctive organizational characteristics capable of generating core resources that are hard to imitate (Peteraf, 1993; Wernerfelt, 1984). These essential resources are made internally through continued investments in hard-to-copy characteristics and organisational dedication to specific strategic actions. These exclusive organizational characteristics, combined with causal uncertainty, create segregating mechanisms that shield the competitive positions of companies against imitation (Okondo, 2017; Wernerfelt, 1984). This heterogeneity consecutively creates systematic variances in the performance of firms within the same industry.

Previous studies (Kale, Dyer & Singh, 2009; Jonsson, 2007) indicate that as organizations develop mature; acquaintance allows them execute well than earlier. Meaning, with time, more operative and proficient administrative competences and processes will be deciphered to advanced earnings on reserves, triggering advanced performance. The size of an organization is the amount and variety of operational aptitude and capability an organization owns or the quantity plus range of facilities an organization provides simultaneously to the clienteles (Jonsson, 2007). Ownership affects a firm's posture toward diversification.

1.1.3 Competitive Advantage

Porter (1985) defines competitive advantage as an advantage over competitors gained by offering consumers greater value either by means of lower prices or by providing products that give the consumer greater benefits and services that justify a higher price. Competitive advantage denotes a firm's ability to achieve market superiority and its pursuit is the root of enterprise performance (Dirisu et al., 2013). Dirisu et al., (2013) explains competitive advantage as the degree to which an organisation is capable of

gaining and retaining a dominant position over the competition through value creation for its customers Competitive advantage signifies a firm's capability of achieving market supremacy and its pursuit isthe root of enterprise performance. This concept is the core of strategic management as every organization searches for an advantage point that could deliver a competitive edge against its rivals.

Awwad et al. (2013) express competitive advantage as the scope a firm is creating and maintaining creating better customer worth and achieving greater performance through price/cost, quality, speed, dependability and flexibility. Production at low cost assures low product pricing relative to the competition whereas a high-quality product is one produced according to specification with no defects. Speed on the hand refers to reduced lead times while dependability is product delivery the way a customer was promised. Finally, flexibility is the ability of a firm to respond to changes in the volume of production, time taken to make, the product mix and invent and introduce novel services or products at short notice. In this study competitive advantage indicators are taken as cost, quality, speed, dependability and flexibility.

Campbell et al., (2012) state that possessions and proficiencies are facts and abilities rooted in humans. Therefore, mortal wealth is the central of a competitive advantage if valued, erratic and is reserved from opponents. Information technology, which was a main basis of competitive advantage, is freely accessible at exponentially declining costs. Aftermaths of pioneering technology may be reverse- engineered, then in months introduced to competitors at a lower cost. The notion is fundamental in strategic management as each association pursuit for an advantage brim delivering a competitive brink alongside its

opponents. These include better cost advantage, product differentiation, and resources which are difficult for competitor to imitate (Porter, 1985). Competitive advantage is also resulting from wealth challenging contestants imitating (Barney, 1991).

Campbell et al., (2012) state that resources and capabilities may take the form of knowledge and skills that are embedded in people. Therefore human capital can be at the core of a competitive advantage if valuable, rare and can be kept from rivals. Information technology, which was a primary source of competitive advantage, is now readily available at exponentially decreasing costs. Outcomes of cutting-edge technology can be reverse-engineered, and within months introduced to competitors at a lower cost. One wav of gaining competitive advantage over rivals has been identified as achieving a better cost advantage. Product differentiation to accommodate the needs and wants of customers in the business process can also be a source of competitive advantage (Porter. 1985).

Competitive advantage is also derived from resources that are difficult for competitors to imitate (Barney, 1991). Such resources are beyond competitors' financial or strategic means. They are specific to or tightly intertwined with the organization's history, culture, structure, and processes. Successful firms are argued to achieve a competitive position by the creation and exploitation of their distinctive competences (Barney, 1991; Wernefelt, 1984).

1.1.4 Enterprise Performance

Enterprise performance is defined in line with how the organization achieved the results planned as per the objectives, goals and intended output (Marn & Romuald, 2012).

Performance of the firm has been a key consideration for all organizations irrespective of formations; either public, those that are not in profit making, private or even multinationals. Performance has been measured differently in different contextual set ups. For instance, those that belong to financials are like returns that are orchestrated by assets (ROA), returns from the firm investments (ROI), returns that are derived from equity (ROE) and growth associated with profits. Such measures give uniformity since there is known units in all the firms across the board (Lebans & Esuke, 2006). Mehralian, Rajabzadeh, Reza Sadeh, & Rasekh (2012) used measures such as profits retained, human capital efficiency, shareholders equity, brand awareness and market share.

Performance is a multidimensional concept and is viewed in many different ways such as financial (objective; sales turnover, return on investments, profits) and non-financial (subjective; product or service quality, employee satisfaction, customer satisfaction) (Venkatraman & Ramanujam, 1986). Performance is also conceptualized to mean how resources within a firm's disposal are put into their use effectively and efficiently aiming attaining intentions of the firm depending on arising present or future opportunities (Yasser, Entebang & Abu Mansor, 2011; Marn & Romuald, 2012). Shabaninejad, Mirsalehian and Mehralian (2014) measured performance using net profits, customer satisfaction, employee satisfaction, return on investment and new product success rate. Kaplan and Norton (1996) developed Balanced Scorecard consisting of customer focus, internal process, learning and growth, financial focus.

Awino et al., (2012) contend that performance differs from organization to organization depending on how a particular organization puts emphasis on the performance aspects which may be determined by the size of the organization under consideration. According

to Ahire *et al.* (1996) other measures of performance are the intangible dimensions such as customer satisfaction, public image, employee satisfaction, new value streams, product innovations and investments into training. This study will operationalise enterprise performance to include financial perspective; customer satisfaction, internal processes, and learning and development. Financial indicators are gross sales, return on assets, and return on investment (ROA, &ROI).

1.1.5 Selected Enterprises in Kenya

An enterprises is an engagement between two or more entities of different economic status and geographic location. These organizations are always governed by different laws and therefore bind each other under the recognition of both laws to execute one project with an aim of sharing the returns accrued (Frederic & Pierre, 2006). This approach has become common approach in the recent past for firms eyeing to establish new markets in developing countries, (Young, 1994 and Mickiewicz, 1986). Most developing countries embrace this move and do their level best to attract foreign direct investments and modern technologies through international joint ventures. It facilitates the knowledge transfer from developed countries to developing countries and also acts as a urge source of employment opportunities to the residents of the host country. A growth in the flow of foreign currencies to the host country is also experienced with such arrangements (Udo, Sugata & Arijit, 2003). The list of selected enterprises in Kenya as provided in annex II with a justification why each specific firm was selected for this study in relation to the country's economic and social development with reasons ranging from electronic payments in the transport sector to Convenience Retailing and Supply of medicine

In many cases, enterprises form alliances between leading international manufacturers in

certain sectors and local capital; often in close alliance with, if not owned by, the local investors (KEPSA, 2015 and Neveling, 2015). The Capital Markets Authority in Kenya with other partners especially the Kenya Private Sector Alliance (KEPSA) have continuously promoted strategic alliances among Kenyan enterprises aimed at promoting business investment in the country which will in the long run improve on Kenya's business index ranking. Managed and promoted by KEPSA the scheme offers a range of attractive incentives to ensure low cost operations, fast set up, smooth operations and high profitability through a number of strategic partnership (Ajayi, 2013).

These companies specialize in Market oriented investments and particularly to develop projects that attract partnerships from foreign companies in the areas of food processing, fresh produce, packaging for shelf ready products, wooden products, leather and animal based products, jewellery and gemstones, pharmaceutical products and herbal medicines, medicinal supplies, cosmetic and personal care products, packaging products, textiles, commercial handicrafts, transport equipment, electronic and electrical goods, building materials and furnishings, data processing & audio-visual services and consultancy and professional services (KEPSA, 2013). This nature of partnership makes the enterprises in Kenya the most suitable context to test on the manifestation of strategic alliances and their influence on performance and competitive advantage.

1.2 Research Problem

The pursuit of strategic alliances is arguably the central theme of the academic field of strategic management (Lefort, McMurray & Tesvic, 2015). For any organization to succeed in a competitive market, entering strategic alliances with other organizations with superior and unique resources and capabilities is inevitable (Mitchell & Singh, 2011). For the organizations to attain performance targets, they must craft various strategies including forming strategic alliances in line with the key organizational characteristics to achieve and attain superior performance. Attaining and sustaining a competitive advantage has been and remain being a major pre-occupation of managers in organizations. Gulati (2013) acknowledges that managers no longer believe in unhealthy competition but have become more concerned that organizations need to access unique resources and distinctive competencies through forming strategic alliances to enable them attain a sustainable competitive advantage.

Participation in global value chains , global manufacturing networks joint ventures and various kinds of alliances have been the movers of technological progress, economic growth and success in international markets for many developing countries. Ideally, selected enterprises in Kenya have been established to increase export promotion, diversify the domestic industry base and increase employment opportunities through various foreign market entry strategies of foreign direct investment, joint ventures, franchising and exporting in order to increase their customer base and profits (Mwangi, 2016). The Kenya has witnessed high fluctuations in foreign currency with the exchange rate for the dollar ranging from Ksh 80-104 (Njunge, 2015). Contextually, many strategic alliances studies and enterprise performance exist in different context like large ufacturing firms in the developed economies (Flatten, Greve & Brettel, 2011; Jiang, Tao & Santoro,

2010). A study of Kenyan allied can add significant value in the existing literature .

Firms engage in difference forms of strategic alliances with some expectations to boost their performance. Ongeti (2014) found out that firm strategic alliances influences enterprise performance. Galbreath and Galvin (2008) found out that enterprise performance depends on both firm specific resources and structural alliances within the industry. This was contradicted by Ongore and K'Obonyo (2011) hypothesized study that strategic alliances don't influence organization performance unless the relationship is subjected to other factors such as strategic planning and competence of managers through conclusion pointing out that organizational resources particularly competence of managers leads to improved enterprise performance depending on the influence or autonomy the managers enjoy. There was need to clear these conflicting results on the relationship between strategic alliances and enterprise performance by testing the effect of strategic alliances on performance of selected enterprises in Kenya.

Organizations need effective strategic alliances to enable them realize superior performance (Kim, 2015). Camison, Navarro and Villar (2010) affirm that strategic alliances do not solely provide a source of superior enterprise performance but requires other factors such as organizational characteristics. Awino, Muturia and Oeba (2012) posit that the outcomes of any organization are achieved when strategies are well planned and executed. Their study did not take cognizant about the part played by strategic alliances plus also whether the unique characteristics possessed by the firm influences performance. Makau (2012) indicated that superior enterprise performance of firms is achieved when strategic alliances with similar objectives and line of business are created within a portion of unique organizational characteristics. There was need to therefore test the influence of

organizational characteristics on the relationship between strategic alliances and performance of selected enterprises in Kenya.

Sarkar et al. (2001) established a positive direct joint relationship between strategic alliance and competitive advantage on enterprise performance. The positive correlation enables cost cutting and value creation. Brandenburger and Stuart (2005) presented an unbiased sense to competitive advantage concept through value addition measure. Arasa and Gathinji (2014), in a study of mobile telecommunication companies in Kenya found that product differentiation and cost leadership as a result of strategic alliances contribute most to performance of the firms. None of the above studies tested the intervening effect of competitive advantage on the relationship between strategic alliance and enterprise performance. Contextual within the selected enterprises and conceptually through the inclusion of competitive advantage measures there was need to test the influence of competitive advantage on relationship between strategic alliances and performance of selected enterprises in Kenya.

Through equity alliances such as supplier-buyer contracts, and even in cases of minority ownership (which are more usual), Strategic alliance enterprises seek a certain measure of control of companies that are important to them for such purposes as sharing designs; engineering and parts; ease of market entry; and development of new products and systems. These are characterized with intra-firm cooperative arrangements described as alliance capitalism which includes different types of cooperative arrangement such as joint ventures, strategic alliances, co-production and marketing, joint R&D, contract design and manufacturing with equity and nonequity modalities (Njunge, 2015 and Mwangi, 2016). This has brought about many challenges in managing the strategic

alliances between the firms with different organizational orientations while competing in the same industry hence the need for an expanded conceptual framework which bring together in one study the conceptual variables of strategic alliances, organizational characteristics, competitive advantage and performance by empirically testing the joint effect of strategic alliances, competitive advantage and organizational characteristics on performance of selected enterprises in Kenya. Subsequently, this study sought to answer the research question: do organizational characteristics and competitive advantage have any significant effect of on the relationship between strategic alliances and performance of selected enterprises in Kenya?

1.3 Objectives of the Study

The general objective of this study was to determine the effect of organizational characteristics and competitive advantage on the relationship between strategic alliances and performance of selected enterprises in Kenya.

The specific objectives of the study were:

i. To determine the effect of strategic alliances on performance of selected enterprises in Kenya;
ii. To establish the influence of organizational characteristics on the relationship between strategic alliances and performance of selected enterprises in Kenya;
iii. To establish the influence of competitive advantage on relationship between strategic alliances and performance of selected enterprises in Kenya; and
iv. To determine joint effect of strategic alliances, competitive advantage and organizational characteristics on performance of selected enterprises in Kenya.

1.4 Value of the Study

The study intended to enhance the existing theories by confirming and contributing to the theoretical propositions, assumptions and critiques arising from theories such network theory, Resource Dependency Theory, Resource Based View theory and Market Based View offering theoretical framework of study. This study foresees enhancement of construction of the existing theories by confirming and countering theoretical propositions.

To Policy Makers in selected enterprises this study may help improve the key policies underlining the study key concepts and furthermore apply necessary policy interventions in areas of capacity building and the general benefits accrued by the organizations entering in to strategic alliances. Improved policies would be geared towards enhancing the competitive advantage and the overall performance in general.

The study will benefit management practitioners' invaluable insights in designing strategic alliance structures that are geared towards success of alliances. The research will provide a chance to investigators to explore the efficiency of the strategic alliances' models embraced by selected firms in Kenya. Through this, they will back the existing knowledge body. The study will permit topmost leadership and management of selected firms in Kenya.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The chapter introduces review of foundations of theories that underpin the work, appraisals of literature regarding the study objectives and hypothesis to be tested. The chapter concludes with the proposed conceptual model, alongside the extracted hypotheses that will guide empirical research.

2.2 Theoretical Review

The segment sketches and discusses theories underneath the research in line with the relationship in the study variables strategic alliances, organizational characteristics, competitive advantage and performance. The relevant theories reviewed for this study are network theory, Resource Dependency Theory, Resource Based View theory and Market Based View theory.

2.2.1 Network Theory

Network theory (Laumann et al. 1978) serves as a foundation for this study. This theory compound both theory of tie formation and theory of social capital. Musarra et al. (2016), stated that strategic alliances add up to the firms' competitive advantage via evaluating performance results. The nature of the fit between strategic alliance and organization performance states that strategic alliances stock up social, communal plus ethnic wealth inside firms via periphery with the marketplace on their private relations, nonetheless government strategies and interrelated communal barricades. The theory stands on the universal impression that financial activities get impact from the societal environment

embedding them plus activities may be impacted by actors' position in social networks. Thus, firms are intersected by other firms via an extensive collection of communal and financial relations of which every single institute social network. The networks involve prior strategic alliances, dealer relations, resource flows, trade connotation participations, and individual employees' relationships. Burt (1997) proposed that the performance of communal networks for alliances and firms forming alliances is to look at them as social capital and a basis of competitive advantage. The theory explains the salient mechanism which generates an outcome from initial conditions.

The theory postulates the tougher the bond among two people, the more probable that their communal domains overlap. Thus, if firm A forms an alliance with firm B and firm B is in alliance with firm C then firms A and C are expected to be acquaintances. The strong ties thus become the source of novel information. Network theory application in management science has been used to describe work performance (Sparrow et al. 2001), originality (Burt, 2004), invention (Obstfeld, 2005) plus dishonorable character (Brass et al. 1998). Network theory elucidates the magnitudes of network variables. It denotes to the methods and procedures interacting with network structures to produce assured results for personalities then crowds (Brass, 2002). Tongia and Wilson, (2007), argue that a formal analysis indicates that the rate of seclusion out of network upsurges quicker comparing the paybacks of enclosure in the similar network. Thus, firms cannot afford to be out of a network. According to Grewal (2008), internationalization comprises societal coordination among many networked actors with established values. The standards set the rules, to be recognized by all actors in the network. This theory shows bond between strategic alliance and enterprise performance.

2.2.2 Resource Dependence Theory

The theory originates from authority and interchange-founded theories of bring together plus open systems perspective (Pfeffer & Salancik, 1978, Shun & Lewin, 2007). Resource dependence argues that firms rely on properties of other firms; interfirm relations institute a tactical reaction for monitoring this dependence and uncertainty theory (Pfeffer & Salancik, 1978). Organizations face multifaceted environment originating on their diverse relations thru other objects having varied programs and welfares (Wry et al. 2013).

According to Heilde, (1994), RDT interpret interfirm authority equally tactical reaction to situations of indecision besides dependence. Resource dependency theory advocates that organizations ought to depend on their association with competitors, creditors, suppliers, customers and government in order to acquire resources (Barringer & Harrison, 2000). RDT aims at minimizing inter firm dependencies and conserving the firm's autonomy meanwhile distinguishing that interfirm relations are essential in acquiring resources (Gray & wood, 1991).

According to Heilde, (1994), RDT perceives interfirm governance as a strategic reaction to indecision and dependency state of affairs. Resource dependency theory elaborates the influence of competitive advantage on the association among tactical alliances and performance in that it focusses on the competition law and facilitates the relation amongst association formation and performance. However, after a firm gets the type of possessions from their companions, the association shall be dismissed, hence a contributor to a great degree of unsteadiness.

Granovetter (1985) argued that resource dependence theory is anchored on understanding of fiscal sociology where establishments are rooted in webs of financial reliance's then communal relations. Thus, administrative performance plus existence hang on portion on an enterprise valuation of its environs plus its capability of exerting controller over possessions from outside associates (Wry et al., 2013).

2.2.3 The Resource Based View Theory

The Resource-Based View theory as progressed by Wernerfelt (1984). It proposes that the resource contour of the firm drives performance whereas the foundation of greater performance is rooted in the ownership and utilizing distinct resources tough imitating. RBV recommends that firms accomplish sustainable competitive advantage by possessing various key resources and successfully deploying the resources in marketplaces of choice (Barney, 1991). O'Cass et al., (2004) says precise features of a company have the capability to produce problematic in imitating central resources determining the performance disparity amongst contestants. Resource based view looks at tactic and resolution making behavior as rooted in a broader societal construction established steadily with time. It offers barricade to imitations (Moroz et al. 2014). Resource based view highlight exactly how firms attain competitive advantage thru collaboration with outside organizations, explain strategic alliances in form of social networks and interenterprise relationships. Resource based view highlight the manner firms obtain competitive advantage thru collaboration with outside establishments; explain strategic alliances in form of social networks and inter enterprise relationships.

The resource-based view additionally instructs the ultimate bases and drivers of firms' competitive advantage plus inordinate performance being linked with the traits of their resources and competences that are erratic, valued, tough imitating plus not switchable. Grant (1991) brings on board durability, transparency, and transferability and replicability levels as the crucial RBV elements. Amit and Schoemaker (1993) contend correspondence, scarceness; reduced exchange, imitation; controlled substitution, appropriateness, durable plus overlap with tactical factory factors institute the main corporate possessions. Day, (1994) claimed intangible chattels like marketplace placement, info managing plus administrative education enable firms cultivate capabilities enhancing competitive advantage hence boosted market place performance. The resources may create a competitive advantage ultimately leading to better enterprise performance. Equally, O'Cass and Weerawardena (2010), affirms company s competitive advantage is controlled by tactical possessions. The theory shows the relationship between organization characteristics and enterprise performance.

2.2.4 The Market-Based View (MBV)

The Market-Based View (MBV) of strategy advanced by Peteraf and Bergen (2003) argues that industry factors and external market orientation are the primary determinants of firm competitive advantage. The theory argues that the sources of value for the firm are embedded in the competitive situation characterizing its end-product strategic position**.** The strategic position is a firm's unique set of activities that are different from their rivals. Alternatively, the strategic position of a firm is defined by how it performs similar activities to other firms, but in very different ways. In this perspective, a firm's

profitability or performance are determined solely by the structure and competitive dynamics of the industry within which it operates (Schendel 1994).

The Market-Based View (MBV) includes the positioning school of theories of strategy and theories developed in the industrial organisation economics phase of Hoskisson's account of the development of strategic thinking of which Porter's is one example (Porter 1980). During this phase, the focus was on the firm's external factors. Researchers observed that the firm's competitive advantage was significantly dependent on the industry environment. They viewed strategy in the context of the industry as a whole and the position of the firm in the market relative to its competitors.

The theory emphasizes on barriers to entry, product differentiation, number of competitors and the level of demand that effect firm's behaviour and explains why organisations need to develop strategy in response to the structure of the industry in which the organisation competes in order to gain competitive advantages. The major critique of market based view theory is that it presupposes too much that there is a point where capabilities are at their most balanced, and that this point should be the focus of a sensible corporate strategy. This presumption is absolute because competitive advantage is relative and contingent upon the capabilities of key competitors, and which cannot be assumed to be constant. This theory is key to this study as it emphasizes on the importance of the heterogeneous resources that firms use, as the primary source of competitive advantage.

2.3 Empirical Literature Review

The study presented the empirical arguments from previous studies that have been carried on the relationships between the study variables namely strategic alliances, organizational

characteristics and competitive advantage and how they influence enterprise performance. The review is organized in the order of how they appear in the objectives and subsequent hypothesis. First the study looks at how strategic alliances and enterprise performance relate, followed by organizational characteristics and competitive advantage role and finally the joint effect.

2.3.1 Strategic Alliances and Enterprise Performance

Sampson (2007) conducted a study on Research and Development alliances and enterprise performance. He examined influence of partner high-tech multiplicity plus coalition structural formula on firm inventive performance. Making use of a section of 463 R&D alliances in the telecommunications paraphernalia production, the research proved alliances brings additional to a corporation invention if technical range is modest, instead of little or extraordinary. Though the relation clenches nonetheless of alliance organization, it was proven that ranked organization, like an equity mutual scheme, develops corporate paybacks from alliances using great high-tech assortment. Such resources are beyond competitors' financial or strategic means, firmly entwined to establishment's antiquity, philosophy, configuration, and practices. Accordingly, alliance organization forms, probably impact partner capability plus enticements to sharing info affecting performance.

Geringer and Hebert (2017) focused on measuring performance of international joint ventures. Using spearman rank-order correlation, the findings established that correlations are usually optimistic and momentous among biased and unbiased measures of UV performance. UV persistence is the unbiased measure proven the toughest plus greatest important correlations with biased performance measures (both gratification-based

measures including 10 or 15 distinct capacities of performance being momentous at 0.05 or fewer), followed by UV period (equally gratification-based measures and eight of fifteen distinct dimensions of performance were significant at 0.05 or less).

Jiang, Tao and Santoro (2010) examined the alliance assortment range and enterprise performance in the automobile industry. Hypotheses are verified with alliance array then performance data for 138 multinational firms in the global automobile industry thru the twenty-year period from 1985 to 2005. It was established that alliance portfolios with bigger structural and purposeful range and lesser authority miscellany were correlated to greater enterprise performance however trade range had an U-shaped correlation with enterprise performance. The study suggested that firms accomplish their alliances with an assortment standpoint, looking for maximizing reserve plus knowledge assistances by collaboration with a diversity of establishments in numerous value chain actions whereas diminishing management rates via a dedicated set of governance structures.

Kauppila (2015) employed the frame of the resource-based theory (RBV), and investigated course through which corporations recognize probable worth of their alliance managing ability. In this practice, co- probing and co-manipulation are considered as two chief tactical activities necessary to influence alliance managing competence. Exploration of multisource, time-lagged data on 172 Finnish manufacturing firms display alliance managing competency having upturned U-shaped upshot on co- probing, while a progressively affirmative effect on co-utilization. Where co-probing pushes firm growing in the elongation, co-utilization has an enthusiastic upshot on corporations' diminutive economic performance. Ambidextrous quest of synchronized co-probing and co-

utilization, nevertheless, is adversely, compared to completely correlated to enterprise performance.

2.3.2 Strategic Alliances, Organizational characteristics and Enterprise Performance

Kauser and Shaw (2004) assessed sway of both interactive and administrative features on victory of global tactical alliances in Britain. Descriptive cross-sectional survey was used with 778 alliances being recognized. The outcomes disclosed that behavioural features show an extra substantial part in explanation of total alliance performance likened to structural features. Higher stages of obligation, belief, synchronization, interreliance and interface were instituted being decent analysts of global tactical alliance achievement. Engagement, in the interim, is instituted hampering decent performance. By distinction enterprise features like configuration plus controller mechanisms were noted not strongly swaying the achievement of global tactical alliances.

Saxton (2014) investigated the results of partner besides relations features on alliance aftermaths. The study integrated the two standpoints plus examining the discrete and collective effects on alliance outcomes. This work engaged a two-stage, longitudinal field survey design in addressing various reproaches of single-shot cross-sectional research. The work involved analyzing of 98 alliances thru a two-stage survey design. Outcomes reinforced an optimistic relation amid partner firms' paybacks from alliance participation and partner repute, collective decision making, and strategic resemblances amongst partners.

Niesten and Jolink (2015) carried out a literature review on sway of alliance management proficiencies on alliance characteristics and performance. Content analysis was used to

conduct literature review. Collection of material, expressive analysis, grouping assortment and material appraisal. The review demonstrated the effect of overall AMC in the corporation on alliance features may generally be attributable to communication and agreement scheme competencies of firms, while the effect of partner-explicit AMC on alliance characteristics is mostly owing to better partner explicit info entrenched in the partners. Alliance managing competencies stockpiled in the alliance have an affirmative influence on alliance characteristics, since partners stockpile universal and partner-explicit information on inter-firm alliance configurations, practices plus gears.

Badir and O'Connor, (2015) focused on a tactical alliance's main novel produce development (NPD) project, pigeonholed by no previous practice plus inadequate reliance amongst partners. They argued the “degree” plus “type” of interenterprise education necessary for proficiently developing an alliance's main NPD scheme determines strong suit of links amongst partners. Every “degree and type” of education has a diverse impression on regularity plus means productivity of the partners' statement, then subsequently every one lead to diverse level of societal tie strong suit amongst partners. The affiliation is qualified by partners' bazaar overlap. They further suggested necessary “degree and type” of interenterprise knowledge is reliant task features (grade of invention; “radical versus incremental,” plus type of progress mode; “modular versus integrated”). The affiliation, nevertheless, is diluted via partners' mechanical abilities (corresponding against alike).

Pansiri (2007) examined corporation role and administrative features in strategic alliance establishment in tourism zone of travel. An appraisal of Australian travel division trades

was done then outcomes show great interface level thru alliances amid several segments of Australian tourism industry. Uppermost administrators' features (know-how, proprietorship plus venturesome approach) were established being powerful in captivating strategic verdicts on forming alliances or not. The faces don't act a principal role in defining the quantity of alliances a corporation has plus the geographic position, like enterprise features do. Outcomes of this research suggest company characteristics are vital in defining alliance founding. Directors ought to systematically deliberate the features in determining forming alliances, plus the kinds of alliances helping their organizations become more viable, with inadequate resources.

2.3.3 Strategic Alliance, Competitive Advantage and Enterprise Performance

Lunnan and Haugland (2008) posited that strategic alliance performance is a many zone paradigm affecting both diminutive and elongated performance. Short term performance is achieved through accessibility to corresponding capitals besides tactical significance of the coalition. Elongated performance is governed by management of progressive procedure by the partners. According to Porter (1980), strong market position in attractive market leads to sustained competitive advantage. The industry analysis frameworks of five forces explain the profitability against direct and indirect competition as well as against the bargaining powers. Based on the values a corporation is capable creating to its purchasers which exceed the value creation fee, a firm gains competitive advantage (Porter, 1985). Firms grow competitive advantage by either adopting differentiation approach or cost leadership approach. O'Sullivan et al. (2009), corporate characteristics like time of life of business, determined by the accumulative sum of years the organization has existed; firm scope measured by the overall capacity of staffs; besides the firm's proprietorship

configuration used in measuring the effect of firm characteristics on enterprise performance. Performance measurement (balance scorecard) has a domineering part in translation of an organization's strategy to preferred activities plus upshots (Kaplan & Norton, 2001).

Isoraite (2015) did a study about the significance of strategic alliances in company's movement. The work was an empirical review of existing literature. The findings indicated that strategic alliances enable companies to develop synergy and competitive advantage leading to superior performance. Competition is extra operative once partners leverage off each other's talents, conveying cooperation into the process tough achieving if endeavoring entering a fresh bazaar or production unaided. Park et al. (2014) empirically investigated an essential query in the cooperation fiction: to what scope does cooperation sway a corporation's invention performance? Thru an emphasis on strength of rivalry plus strength of solidarity of Principal Corporation by its alliance partners, the theory proposed a modest leverage of rivalry by alliance partners is extra advantageous compared to a precise extraordinary or little leverage of rivalry. Results from pragmatic study with semiconductor industry data illustrate antagonism and collaboration concentrations having non-monotonic optimistic relation with corporation's competition-centered invention performance. Furthermore, stable rivalry viz., once rivalry is temperately great plus collaboration is great) has an affirmative upshot on innovation performance.

Hung et al. (2015) explored in what way competitive urgencies relate to enterprise performance for SMEs in Taiwan. The enormousness plus connotation of the interactions

were weighed by analytic approach trail. Surveys of SMEs in great know-how electronics industries were in use. A total of 73 samples were sampled. The findings indicated superiority plus elasticity urgencies mend enterprise performance. Cost urgency effect the management of strategic alliances. Strategic alliances openly augment enterprise performance. Through filled interceding upshot of tactical alliances, cost urgency permits positive impression on enterprise performance. This work empirically proves internally settled resources like superiority plus plasticity urgencies plus the harmonized interior plus exterior resources like cost urgency together instantaneously augment SMEs marketing situation leading to competitive advantage.

2.3.4 Strategic Alliance, Organizational characteristics, Competitive advantage and Enterprise Performance

Musarra et al. (2016), stated that strategic alliances add up to the firms' competitive advantage via evaluating performance results. The nature of the fit between strategic alliance and organization performance states that strategic alliances stock up social, communal plus ethnic wealth inside firms via periphery with the marketplace on their private relations, nonetheless government strategies and interrelated strategies.

Njoroge and Mbugua (2017) did a research on upshot of tactical alliances on financial performance of Postbank financial partners in Kenya. The examination was evocative design targeting Postbank's ten financial partners. Data was collected using document analysis of bank declaration of economic performance plus declarations of complete revenue all through phase 2000-2016. The study found out those strategic alliances leads competitive advantage and has an affirmative upshot on returns plus success plus no upshot on cost proficiency of Postbank financial partners. Demirbag and Mirza (2014) did

an experiential examination of extraneous-native partner dealings, firm characteristics plus performance in mutual endeavors in Turkey. Management directors were interrogated unswervingly in numerous republics: in the UK, Germany, France and Belgium for external parentages; and in Turkey for native parentages plus combined schemes. The enquiry verdicts obtainable in this paper approve the opinion that there is a robust association amongst the nature of relations (encounter, obligation, collaboration, hope) plus performance (demarcated mutually in terms of financial magnitudes and gratification. Macharia (2018) steered training on sway of strategic alliances on effectiveness of intercontinentally graded law firms in Kenya. Quantitative research design was used thru a questionnaire. The work got law companies in Kenya are inflowing to Ad Hoc Referral, Greatest Associates plus Swiss Verein customs of tactical alliances with overseas law companies. Amongst the three tactical alliance models, the Swiss Verein model partake utmost sway to bring about an affirmative upsurge in competitiveness plus entrance to fresh marketplaces plus prospects is key resource motivating competitiveness.

2.4 Summary and Research Gap

Strategic alliance is a business making philosophy expressing business model. It is a volunteer contract corporation amongst initiatives including exchanging produces besides developing know-hows or facilities (Gulati, 1998). Strategic alliance relations are one of the principal business strategies resulting from increased competition in the international market. Conversely, strategic alliances take diverse customs hence not limited to moneymaking scopes solely. Alliance of direct competitors robust partners, alliance amid tough and feeble partners, alliance among the weak seeking gaining power, among contemporaries, or a merger resulting in formation of an innovative body inclusive are

examples it can be. The core aim for alliance is adding importance thru altered attentions on commerce, capability, info/facts attainment or overcoming blockades (Hamel, 2011). Favaro (2015) firms undergoes alliances for various reasons which includes the desire to increase market power, new product development, unique resources and capabilities and also to enjoy technological advancement. Strategic alliances have the potential to both stimulate the growth of the business and disrupt the progress already made.

Despite the popularity of strategic alliances in the firms, a considerable proportion of strategic alliances are unstable or performed unsatisfactorily. Table 2.1 gives summary foregoing studies, underlining the findings plus knowledge gaps in form of methodological, conceptual besides contextual ones.

Table 2.1: Summary of Literature and Research Gaps

Author/year	Focus of the study	Methodology	Research findings	Knowledge Gaps	Focus on current study
Kauser and Shaw (2004)	Sway of both Behavioral plus organizational characteristics on success Of international strategic alliances in Britain.	Descriptive cross-sectional survey	Behavioral characteristics bring a superfluous substantial role in the explanation of entire alliance performance comparing to organizational characteristics	The study Was based on international alliances in Britain	All strategic Alliances both local and international were Considered in the study
Pansiri (2007)	The part of company plus executive characteristics in tactical alliance establishment in the tourism sector of travel.	Descriptive cross-sectional survey	Company characteristics are essential in determination of alliance establishment.	The study didn't tie strategic alliances and performance	The study linked strategic alliances, organizational characteristics and performance
Sampson (2007)	R&D alliances and enterprise performance: The sway of technological diversity and alliance organization on invention.	Descriptive Cross-sectional survey	Alliance enterprise form expected influencing partner capability and enticements to sharing info, affecting performance	The study only focused on R&D alliances leaving out further forms of strategic alliances	The study examined strategic alliances like mutual schemes, equity schemes plus non-equity alliances.
Jiang, Tao and Santoro (2010)	Alliance assortment range and enterprise performance in the automobile industry.	Multiple regression analysis	Alliance portfolios with better enterprise and functional diversity and inferior governance diversity are linked to greater enterprise performance	The study concentrated on automobile industry	Selected enterprises in Kenya were be the focus of the study.
Isoraite (2014)	The importance of strategic alliances in company's activity	Empirical review of existing literature	Strategic alliances facilitate companies cultivate synergy and competitive advantage leading toward superior	The study was empirical literature review	Current study applied descriptive cross-sectional survey of selected enterprises in

Author/year	Focus of the study	Methodology	Research findings	Knowledge Gaps	Focus on current study
			performance		Kenva;
Park et al. (2014)	Sway of rivalry and solidarity greatness and steadiness on firm innovation performance	Descriptive cross-sectional survey	Rivalry and alliance greatness have non-monotonic optimistic affiliation with firm's competition-based invention performance	The study Focused on innovation performance	This study will look at the financial and non-financial performance
Saxton (2014)	The sway of partner and association features on alliance upshots.	Two-stage, longitudinal field survey design	There is an affirmative Association among partner firms' paybacks from alliance participation and partner repute, joint decision making, plus strategic resemblances amongst partners.	The study Looked at general outcomes of alliances	The study focused on firm financial and non-financial performance
Badir & O'Connor, (2015).	The establishment of link strong suit in a tactical alliance's major fresh produce development project: The sway of project and partners' characteristics.	Empirical literature review	The "degree" and "type" of intercorporation education are necessary to proficiently cultivate an alliance's principal NPD scheme determining the strong point of the links amongst the partners.	The study only focused on fresh produce development project performance.	The study looked at the financial and non-financial performance
Hung et al. (2015)	In what way competitive primacies relate to enterprise performance for SMEs in Taiwan	Descriptive cross-sectional survey	Superiority and elasticity primacies progress enterprise performance	The study Looked at SMEs only	This study focused on all of export processing zone enterprises in Kenva;
Kauppila (2015)	Alliance management proficiency and enterprise performance: Using resource-based	Multisource, time-lagged data. Multiple regression analysis	However co-probing pushes firm growing in elongation, co-utilization has an	The study looked at alliance management and not strategic alliances	The study focused on joint venture, equity strategic alliances and non-equity alliances.

Author/year	Focus of the study	Methodology	Research findings	Knowledge Gaps	Focus on current study
	theory to gaze exclusive the process black box.		optimistic result on firms' short-period financial performance.		
Niesten and Jolink (2015)	The sway of alliance management competencies on alliance characteristics and performance	Content analysis to conduct literature review.	The impact of general alliance management capabilities in the firm on alliance characteristics can chieflv be attributable to the communication of firms	The study looked at alliance management and not strategic alliances	The study focused on joint venture, equity strategic alliances and non-equitv alliances.
Jiang et al. (2016)	Partner credibility, facts movement in tactical alliances, and firm competitiveness:	Descriptive cross-sectional survey	Firm competitiveness Upsurges with knowledge attainment in competitive alliances, but upsurges at a declining proportion in non-competitive alliances	The study didn't gaze at the performance aspect of strategic alliances	This study focused on strategic alliance, competitive advantage and enterprise performance.
Geringer & Hebert (2017)	Measuring performance of International joint ventures	Spearman rank-order correlation	Significant association amongst biased and unbiased measures of UV performance	The study only focused on international joint ventures	The current study looked at joint venture, equity strategic alliances and non-equity alliances
Njoroge and Mbugua (2017)	Upshot oftactical alliances on financial performance of Postbank financial partners in Kenya	Descriptive cross-sectional survey	Strategic alliances have a positive effect on returns and productivity and no upshot on cost proficiency of Postbank financial partners	The study did not look at the joint effect as is the case with the current study	The study looked at the joint effect of strategic alliances, organizational characteristics and strategy execution

2.5 Conceptual Framework

A conceptual framework expounds inter linkage amongst conceptions plus the variables in study. The conceptual framework is developed once empirical literature and empirical review in supporting the hypothesis in contemplation thru provision of a link among the study variables. The independent variable is strategic alliances, competitive advantage is the mediating variable, organizational characteristics plays moderating role and enterprise performance is the dependent variable.

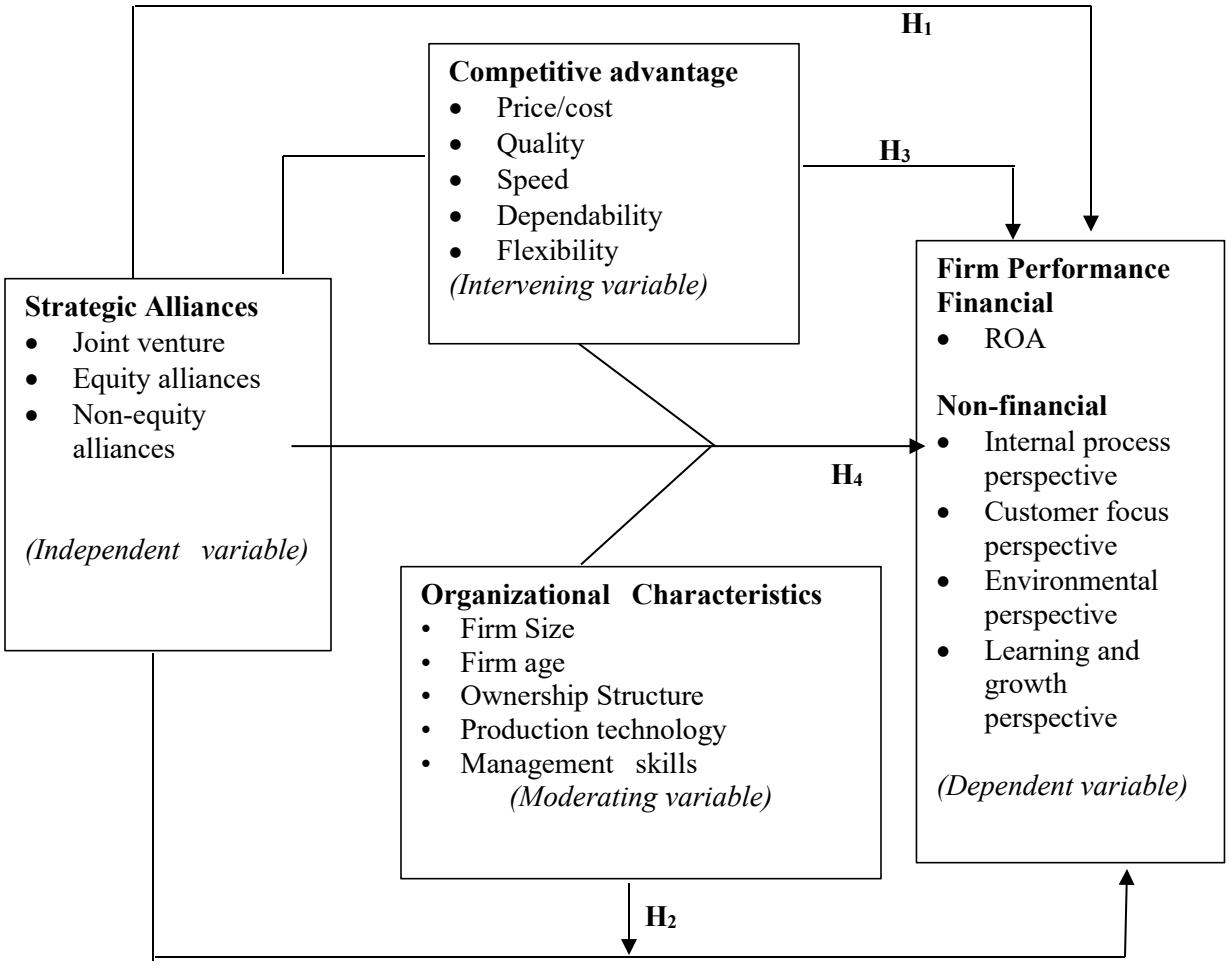


Figure 2.1: Conceptual Framework

2.6 Research Hypotheses

Emergent on the association in the conceptual model the following hypotheses were derived based on the conceptual framework depicted in figure 2.1.

H_1 Strategic alliances do not significantly influence performance of selected enterprises in Kenya.

H_2 Organizational characteristics do not moderate the relationship between strategic alliances and performance of selected enterprises in Kenya.

H_3 Competitive advantage does not mediate the relationship between strategic alliances and performance of selected enterprises in Kenya.

H_4 There is no significant joint effect of strategic alliances, organizational characteristics and competitive advantage on performance of selected enterprises in Kenya.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the methodology used in the study. It deliberates the research philosophy, research design, population of the study, data collection, reliability and validity tests, and operationalization of the study variables plus data analysis techniques.

3.2 Research Philosophy

The approach used in conducting research depends entirely on the philosophy of science the researcher ascribes to. According to Heylighen (1993), epistemology which is the study of knowledge is concerned with distinguishing between the true and false knowledge as well as between adequate and inadequate knowledge. Hunt (1991) posited that philosophers are divided in between the two streams of school of thought, that is, positivism and phenomenology. Phenomenology research encompasses congregating great quantities of info centered on the trust in worth of appreciating the proficiencies and circumstances of comparatively lesser quantity of themes (Veal, 2005). The strong point of phenomenology research is enabling researchers acquire in-gravity understanding of condition deliberated. Phenomenological analysis is holistic rather than reducationistic. Phenomenology is useful for theory construction.

Positivism is an empirical, quantitative methodology in where hypothesis testing is useful discovering relations plus facts general to the populace (Israel, 2012). The positivism method contends systematic proposals are true if verified by empirical tests. The positivism approach hypothesizes researcher being self-determinant in whatever observed. Positivism

tries gaining projective and expounding facts concerning outside realm through structuring theories consisting of extremely overall statements conveying the unvarying relationships (Uddin & Hamiduzzaman, 2009). Positivism approach is pretty appropriate for social science studies. This work adopted positivism approach because it is grounded on theories and test of hypothesis. Furthermore, positivism approach is the most appropriate in line with the sequential statement of study objectives, formulation of research hypothesis, operationalization of study variables, measurement and analysis of study variables to achieve logical conclusion.

3.3 Research Design

The research study used a descriptive cross-sectional research design. According to Zikmund (2003), in cross-sectional works facts are accumulated one time from a respondent, instead of recurrently. The cross-sectional survey is preferable since it permits accumulation of facts from a group of participants with diverse characteristics and a valuation of relationships amongst variables for proving or disapproving suppositions concerning the phenomena in inquiry. In addition, descriptive cross-sectional studies are beneficial if the researcher aims establishing the course plus strong point of relationships between variables. Thus, the descriptive cross-sectional research design was preferred as the study's objective is describing relationships amongst dissimilar variables explicitly: strategic alliances, organizational characteristics, competitive advantage and performance, by collecting a large amount of data from the population of interest.

3.4 Population of the Study

According to the Partnership Act, Chapter 29 of the Kenya Law an allied firm is an organization, or business which is working together with two or more other organizations or businesses toward the same purpose as a result of a mutual agreement (http://kenyalaw.org/kl/fileadmin/pdfdownloads/Acts/PartnershipActCap29.PDF).

This study involved entirely 40 selected enterprises in Kenya obtained from the East Africa Trade Hub website which contains the Directory of "enterprises in Kenya" as in annex II with a justification in relation to the country's economic and social development with reasons ranging from electronic payments in the transport sector to Convenience Retailing and Supply of medicine. The unit of analysis was therefore the selected enterprises in Kenya. Israel (1992), posits that although cost considerations make census technique impossible for large populations, a census is attractive for small populations, for instance 200 or less. Census eradicates sampling error plus providing facts about all personalities in the populace. This study used the entire population since the number of firms is manageable.

3.5 Data Collection

This study used both primary and secondary data. Primary data was collected using a structured questionnaires through drop and pick later method. The questionnaire consisted of closed ended questions measured on a five-point Likert style of measure range from not at all (1) to a very large extent (5). The questionnaire had five sections. Section A captured data on the background of the firms and the respondents, section B on strategic alliances, section C covered organizational characteristics, section D captured data on

competitive advantage and section E was on non-financial performance. The target respondent was the CEO because they are well conversant with the information on the study variables. Secondary data, on firm's financial performance was collected using six financial cycles (2014-2019). The data comprised of net income and total assets. This was used to compute Return on Asset (ROA).

3.6 Reliability Test

Reliability is a degree whereby a research tool harvests reliability upshots in recurrent attempts (McCusker & Gunaydin, 2015). The reliability of a ration designates range whereby it is lacking a prejudice henceforth ensuring steady dimension crosswise time plus crosswise several matters in the apparatus (Zhang & Wildemuth, 2009). The data collection questionnaire was tested for reliability through calculation of the Cronbach alpha. The Cronbach alpha is used in determining the interior steadiness or average correlation of items in assessment then this shall measure its reliability. The Alpha takes standards from zero (no inner steadiness) to one (comprehensive inner steadiness). Gliem and Gliem, (2003) specify that Cronbach value of 0.7 is deliberated reliable. The cut off point for the Cronbach alpha coefficient for the research shall be 0.7.

3.7 Validity Test

Validity is the degree on which the info is the correct illustration of the marvel of research. It connotes the perception an apparatus must produce upshots specifically for measuring the projected objective (Zikmund, Babin, Carr and Griff, 2010). The appreciative of validity also trails in what way a sample of objects may symbolize the concepts of attentiveness. Face validity was enriched thru pre-testing the questionnaire to respondents

from five select firms. Content validity scrutinizes the degree whereby entirerity of facets of a notion are denoted. Improving content validity, experts' views were inclusive in the area on investigation. Exploratory factor analysis by principal factors with Varimax rotation was used for testing for construct validity.

3.8 Operationalization of Study Variables

The variables are operationalized to permit quantitative measurement. Table 3.1 shows variables operationalized in line with the objectives of study.

Table 3.1: Operationalization of Study Variables

Variable	Operational Indicators	Operational Definition	Supporting Literature	Rating measure	Questions
Strategic alliances *(Independent Variable)*	Joint venture	Parent firms forming a new child companv	Hamel (2011), Wei (2007), Hung and Chang (2012)	5-point Likert type scale	Section B
	Equity alliances	Purchasing % age of the other firm			
	Non-equity alliances	Contractual relationship			
Enterprise Characteristics *(Moderating Variable)*	Firm Size	number of employees	Badriyah, Sari and Basri (2015) Hoang, Igel Gathogo and Ragui (2014), Kiganane, Bwisa	5-point Likert type scale	Section C
	Firm age	number of years in operation			
	Ownership Structure	Either local, foreign or both			
	Production technologv	Level of production technologv			
	Management skills	Level of management expertise			
Competitive advantage *(Intervening Variable)*	Price/cost	Reduced unit production cost	Chatzoudes Chatzoglou, 2011; Vencataya et al., 2016; Odock, 2016	Interval scale	Section D
	Quality	Reduction in the products scrapped			
	Speed	Order lead time reduction			
	Dependability	Reduced number of times the customer promises not met			
	Flexibility	Capacity of introducing a wide assortment of product mix within a short time			
Enterprise performance *(Dependent variable)*	Financial	ROA	Kaplan &Norton Yasser, Entebang & Abu Mansor, (2011) Mam & Romuald, (2012)	5 -point Likert scale And ratio	Section E
	Non-financial	Customer satisfaction Internal process perspective Learning and growth perspective			

Operationalization aids in converting abstract philosophies of contracts to recognizable characteristics so as to be measured (Sekaran, 2005). The dependent variable is enterprise performance and the independent variable is strategic alliances. The moderating variable is organizational characteristics while the intervening variable is competitive advantage.

3.9 Diagnostic Tests

This study performed test for linearity, normality, multicollinearity and homogeneity. Linearity test will be based on the scatter plot between the dependent variable and each other variable. Line of best fit was interpreted to confirm the assumption of linearity. Normality tests allow for inferences about the population. Testing for normality, histograms and Q-Q plots; skewness and kurtosis; Shapiro-Wilk test shall be useful. Lack of multicollinearity ensures stability of results. Tolerance, variance inflation factor and condition index will be used to test presence of multicollinearity. Acceptable range of; VIF<10, CI+30 and tolerance>0.1 will be adopted. Homogeneity ensures that standard errors are not over or under-estimated. Mutually graphical and Levene's test was useful in testing homogeneity.

3.10 Data Analysis

The returned questionnaires shall first be amended to check comprehensiveness and upsurge accurateness plus correctness. Screening of questionnaires shall be done in identifying illegibility, incompleteness, inconsistency or ambiguity in responses. Coding will then be done for those questionnaires that pass the editing process. After coding, facts shall be analyzed using mutually descriptive plus inferential statistics via the Statistical Package for Social Sciences (SPSS) software. The summary of conceptual hypotheses is displayed in Table 3.2.

Table 3.2: Summary of Objectives, Hypotheses and Analytical Model

Objective	Hypothesis	Analytical model	Interpretation
i. To determine the effect of strategic alliances on performance of selected enterprises in Kenya;	**Ho_1** Strategic alliances do not significantly influence performance of selected enterprises in Kenya.	Simple linear Regression Analysis was undertaken $OP=a+\beta SA+\varepsilon$ Where; OP= Enterprise performance SA=Strategic alliances a=Intercept of the equation; β=Regression Coefficient ε=Residual in each equation	R^2 indicates the fitness of the model β_1 the change in performance from a unit surge in the strategic alliance concepts. P-value for overall significance (F-test) of the model and individual significance (t-test) of the variable
ii. To establish the influence of organizational characteristics on the relationship between strategic alliances and performance of selected enterprises in Kenya;	**Ho_2** Organizational characteristics do not moderate the relationship between strategic alliances and performance of selected enterprises	Hierarchical Multiple Regression Analysis $OP=a_1+\beta SA+\varepsilon_1$ ……..*(1)* $OP=a_2+\beta_1 SA+\beta_2 OC+\varepsilon_2$ *(2)* $OP=a_2+\beta_1 SA+\beta_2 OCH+SA*OCH+\varepsilon_2$…*(3)* Where; EP= Enterprise performance SA=Strategic alliance OCH=Organizational characteristics a_1 & a_2 are equation intercepts β, β_1 &β_3 =Coefficients ε_1 & ε_2= equation residuals	R^2 indicates the fitness of the model P-value for overall significance (F-test) of the model and individual significance (t-test) of the variable Moderation takes effect if interaction term is significant (p-alue<0.05)
ii. To establish the influence of competitive advantage on relationship between strategic alliances and performance of selected enterprises in Kenya	**Ho_3** Competitive advantage do not mediate the relationship between strategic alliances and performance of selected enterprises in Kenya.	Stepwise Regression Analysis $OP= a_1+\beta SA+\varepsilon_1$……..*(1)* *Then,* $CA=a_2+\beta_2 SA+\varepsilon_2$……..*(2)* $OP= a_3+\beta_3 CA+\varepsilon_3$.....*(3)* $EP= a_4+\beta_4 SA+\beta_4 CA+\varepsilon_4$..*(3)* Where; OP= Enterprise performance SA=Strategic alliance CA=Competitive advantage a_1, a_2, a_3 and a_4 are intercepts of each equation ε_1, ε_2, a_3 and ε_4 are corresponding residuals in each equation β=Coefficient Testing of indirect effect was done as per works of Sobel (1982) and Hayes, A (2013).	R^2 indicates the fitness of the model P-value for overall significance (F-test) of the model and individual significance Then, a test for indirect effect to establish mediation using Sobel z test for comparison of results. If indirect effect coefficient is significant then competitive advantage is a mediator.

Objective	Hypothesis	Analytical model	Interpretation
iv. To determine joint effect of strategic alliances, competitive advantage and organizational characteristics on performance of selected enterprises in Kenya.	**Ho_4** There is no significant joint effect of strategic alliances, organizational characteristics and competitive advantage on performance of selected enterprises in Kenya.	Multiple Regression Analysis on the following model was done $OP=a+\beta_1 SA+\beta_2 OCH+\beta_3 CA+\varepsilon$ Where; EP= Enterprise performance OCH=Organizational characteristics CA=Competitive advantage a = equation intercepts β, β_1 &β_3 =Coefficients ε_1 = Residual of the equation	R^2 indicates the fitness of the model P-value for overall significance (F-test) and individual significance (t-test) of regression model

Descriptive statistics include measures of central tendency, dispersion skewness, percentages besides frequency distribution were used. Inferential statistics was used to test the hypothesis. Linear regression model was used to test hypotheses. Specifically, H_1 was tested using simple regression analysis, H_2 was tested using step wise multiple regression analysis, H_3 was tested using Baron and Kenny (1986) four step of testing intervening effect and H_4 was tested using multiple regression analysis. The results were interpreted on the basis of R^2, F-test, t-test, p-values, and elasticities of the coefficients of the regressions.

CHAPTER FOUR: RESULTS AND FINDINGS

4.1 Introduction

This chapter presents the results and findings of the study. Zikmund *et al.* (2013) alludes that data analysis is where the researcher converts collected data into meaningful information for the purposes of achieving the set objectives. The results are presented in terms of descriptive and inferential analysis, with descriptive analysis used to summarize data sets and describe distributions on key variables of the research. This is presented in terms of frequency tables, mean scores, standard deviations and coefficients of variation. In addition, cross tabulation was carried out to examine strategic alliances, competitive advantage, organizational characteristics and performance of selected enterprises in Kenya.

Inferential analysis which shows the magnitude of the relationships that exists among the variables under investigation is in terms of logistic regression analysis. Four main predictor variables namely strategic alliances, competitive advantage, organizational characteristics as a moderating variable and enterprise performance as the dependent variable are provided. The choice of the model was informed by the nature of the outcome variable that is binary in nature. The results of inferential statistics are presented in form of tables where the decision to reject or accept the hypotheses was reached based on statistical thresholds.

4.2 Response Rate

Response rate is defined as a summary measure that designates the ratio of the number of participants in a given research to the number of eligible units asked to participate in a given sample (CASRO, 2018). It measures the results of an effort given to properly carry out a research for the purposes of executing the study objectives.

The study was carried out among 40 employees drawn from the selected enterprises in Kenya through drop and pick later method. Out of a sample of a total of 40 respondents targeted 35 filled and returned the questionnaires making a response rate of 87.5%. Such a high response rate for this study can be attributed to the use of introductory letters from the University and NACOSTI explaining the purpose and nature of the study, the researcher making prior arrangements through getting permission from the relevant institutions as well as the use of trained research assistants who were equipped with skills on how to build rapport with respondents.

Table 4.1: Response Rate

Total Questionnaires Distributed	**40**
Total Questionnaires filled and returned	**35**
Total questionnaires removed after sorting (Poorly filled and blank	**5**
Questionnaires well filled	**35**
Total response Rate for the study	**87.5%**

Source: Primary Data (2021)

4.3 Pilot Study

Prior to using a questionnaire to collect data it should be pretested. The aim of the pretesting is to refine the questionnaire to avoid ambiguity and any other issues in responding to the questions and recording data. A pilot study is a preliminary test

conducted before the final study to ensure that research instruments are working properly, and can be used as a small-scale version of a trial run in preparation for a major study (Akhtar, 2016). The pilot study addresses several issues. First, it gives the researcher the opportunity to evaluate the usefulness of the data by testing the reliability and validity of the questionnaire.

The pilot study addresses several issues. First, it gives the researcher the opportunity to evaluate the usefulness of the data by testing the reliability and validity of the questionnaires. Second, it ensures that data collectors are sufficiently skilled in the procedures. It also checks the wording of data collection tools for completeness, accuracy and relevance. Furthermore, it checks that instructions are comprehensible and ensures that statistical and analytical processes are appropriate (Saunders & Thornhill, 2016).

4.3.1 Reliability of the Instrument

Taherdoost (2018) state that reliability is concerned with repeatability, consistency and stability of a questionnaire, testing for reliability is important as it refers to the consistency across the parts of a measuring instrument. A scale is said to have high internal consistency reliability if the items of a scale "hang together" and measure the same construct (Huck, 2011). The most commonly used internal consistency measure is the Cronbach Alpha coefficient (Taherdoost, 2018). For pilot study, it is suggested that reliability should be equal to or above 0.70. Hinton (2014) suggested four cut-off points for reliability, which includes excellent reliability (0.90 and above), high reliability (0.70-0.90), moderate reliability (0.50-0.70) and low reliability (0.50 and below). Although reliability is important for study, it is not sufficient unless combined with validity. In other words, for a test to be reliable, it also needs to be valid (Wilson, 2014).

Cronbach's Alpha was used to test for reliability. Cronbach's alpha has the highest utility for questions on an interval scale – providing a unique, quantitative estimate of the internal consistency of a scale (Cooper & Schindler, 2014). The Cronbach's alpha measures the internal consistency of the Likert scale questions. The results are shown in Table 4.2.

Table 4.2: Summary of Reliability Statistics

Variable	**Number of Items**	**Cronbach's Alpha**	**Decision**
Strategic alliance	36	0.964	Accepted
Organizational characteristics	16	0.808	Accepted
Competitive advantage	8	0.803	Accepted
Enterprise performance	30	0.908	Accepted
Overall Reliability Coefficient		**0.871**	**Accepted**

Source: Primary Data (2021)

From the summarized results of the variables in Tables 4.1, Strategic alliance had a Cronbach's Alpha coefficient of 0.964, Organizational characteristics had a Cronbach's Alpha coefficient of 0.808, Competitive advantage had a Cronbach's Alpha coefficient of 0.803 and Enterprise performance had a Cronbach's Alpha coefficient of 0.908. The overall reliability was 0.871, which exceeded the recommended cut-off point of Cronbach's Alpha coefficient of reliability of ≥ 0.7 as recommended in this study. The instrument is thus considered to be adequately reliable to proceed for main data collection.

4.3.2 KMO and Bartlett's Test for Validity Test

Validity refers to the extent to which an instrument measures what is supposed to measure; data need not only to be reliable but also true and accurate. The instrument's validity can be regarded as the extent to which the instrument reflects the abstract

construct being examined. Several types of validity contribute to the overall validity of a study. The two main dimensions are content and construct validity. Content validity in the judgment stage, professional subjective judgment is required to determine the extent to which the scale was designed to measure a trait of interest. As such, the researcher sought assistance from her supervisor to help improve the content validity of the instruments. Other types of validity test specifically convergent validity, discriminate validity and construct validity were measured by applying Bartlett's test of sphericity and Kaiser Meyer-Olin (KMO) measure of sampling adequacy in order to assess factorability of items where Bartlett's test was used to determine the overall significance of the correlations among the study variables in the statistical model. Hence, the chosen technique will suffice if Bartlett test of sphericity's p-value is lower than the significance level (Bobbit, 2019; Hair Jr. et al., 2014). Further KMO was utilized in determining the sampling adequacy of the data that was used for factor analysis. Its value ranges between 1 and 0, and generally the factor analysis is considered useful with the data if the value is at least 0.6 (Hair Jr. et al., 2014). The study results are presented in Table 4.3

Table 4.3: KMO and Bartlett's Test for strategic alliance

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.904
Bartlett's Test of Sphericity	Approx. Chi-Square	7720.860
	df	820
	Sig.	.000

Source: Primary Data (2021)

The results indicate that the sampling adequacy for strategic alliance constructs showed adequacy in the respective samples with all values showing at least 0.6 (KMO=.904, Chi-square (χ)= 7720.860, df=820 and sig. level=0.000) implying that the constructs under strategic alliance were adequate to measure the objectives in a true and accurate

perspective.

Table 4.4: KMO and Bartlett's Test for organizational characteristics

KMO and Bartlett's Test[a]		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.680
Bartlett's Test of Sphericity	Approx. Chi-Square	325.734
	df	120
	Sig.	.000
a. Based on correlations		

Source: Primary Data (2021)

The KMO and Bartlett's Test results for organizational characteristics indicate that the sampling adequacy value is .680 which is greater than 0.6 at sig. level=0.000 which shows that the statements measuring the constructs under organizational characteristics are adequate, accurate and true representation of the objective to be measured by the study.

Table 4.5: KMO and Bartlett's Test for competitive advantage

KMO and Bartlett's Test[a]		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.671
Bartlett's Test of Sphericity	Approx. Chi-Square	94.600
	df	28
	Sig.	.000
a. Based on correlations		

Source: Primary Data (2021)

The results of KMO and Bartlett's Test for competitive advantage indicates that the constructs are adequate to measure the manifestation of competitive advantage (KMO=.671, Chi-square (χ) = 94.600, df=28 and sig. level=0.000). This depicts that accurate and true results will be obtained from the instrument after main survey.

Table 4.6: KMO and Bartlett's Test for enterprise performance

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.771
Bartlett's Test of Sphericity	Approx. Chi-Square	2269.748
	df	190
	Sig.	.000

Source: Primary Data (2021)

The KMO and Bartlett's Test results shows enterprise performance constructs are adequate to measure the manifestation of enterprise performance (KMO=.771, Chi-square (χ)= 2269.748, df=190 and sig. level=0.000). This depicts that accurate and true results will be obtained from the instrument after main survey.

4.4 Prerequisite Analysis

There are different assumptions for statistical tests that the study variables should meet. Regression analysis is premised on four fundamental assumptions since its objective is to predict the strength and direction of relationship between the study variables. These are linearity, Normally, Homoscedasticity/homogeneity of variance and independence assumptions.

4.4.1 Test of Normality

Use of inferential parametric statistical procedures requires that the data to be tested is normally distributed. Ghasemi and Zahediasl (2012) noted that the assumption of normality needs to be checked before carrying out any parametric test, because validity depends on it. Normality test was intended to ascertain whether data was distributed normally. When normality is absent, using statistical tests that assume normality may not be appropriate. The Shapiro-Wilk test was employed to test for normality. This test establishes the extent of normality of the data by detecting existence of skewness or

kurtosis or both. Shapiro-Wilk statistic ranges from zero to one with figures higher than 0.05 indicating that the data is normal (Razali and Wah, 2011).

Table 4.7: Test of Normality

Tests of Normality						
	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
SA	.092	34	.200*	.949	34	.114
OC	.112	34	.200*	.924	34	.071
CA	.132	34	.142	.912	34	.080
FP	.075	34	.200*	.983	34	.858
*. This is a lower bound of the true significance.						
a. Lilliefors Significance Correction						

Source: Primary Data (2021)

Normality tested using the Shapiro-Wilk showed that all the variables were above 0.05 ($p > 0.05$) hence confirming data normality. As shown in Table 4.2, p-values for the Shapiro-Wilk tests were 0.114 for strategic alliance, 0.071 for organizational characteristics, 0.080 for competitive advantage and 0.858 for enterprise performance. Since all the p-values were greater that the cutoff point of 0.05, this confirms the hypothesis that data was collected from a population, which is normally distributed.

Further normality is confirmed by normal distribution curves for each of the variables as shown in figures 4.1, 4.2, 4.3, 4.4 and 4.5. All showed that the sampling distribution of the mean is normal.

Figure 4.1: Normal Plot for Strategic Alliance

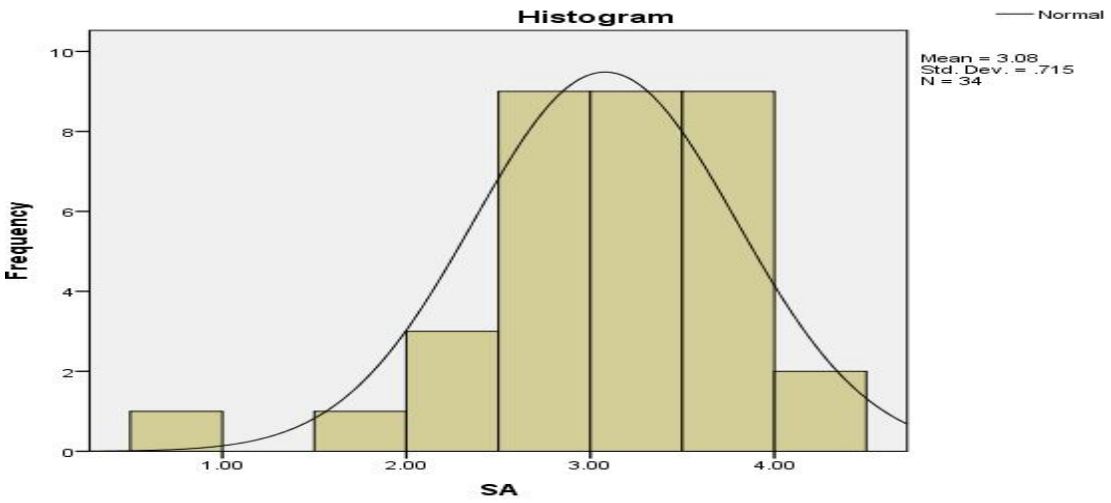


Figure 4.2: Normal Q-Q Plot for Strategic Alliance

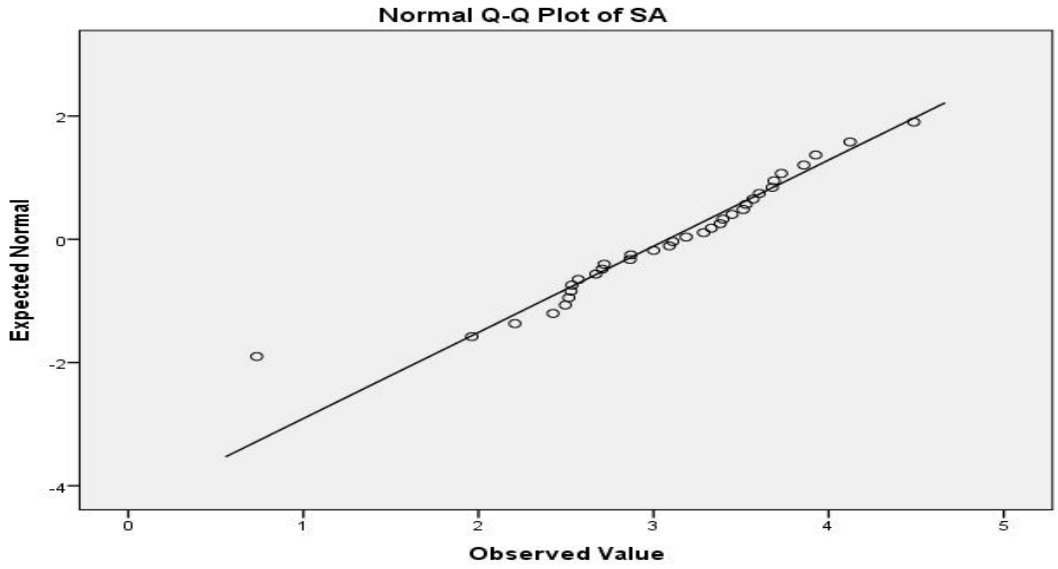


Figure 4.3: Normal Plot for Organizational characteristics

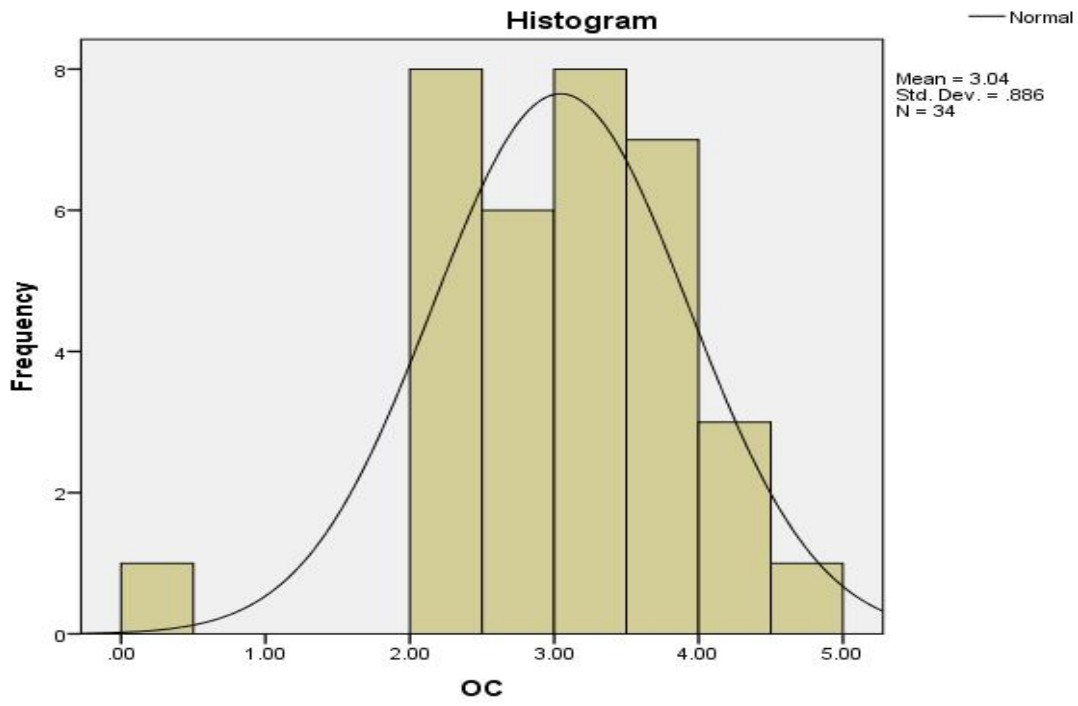


Figure 4.4: Normal Q-Q Plot for Organizational characteristics

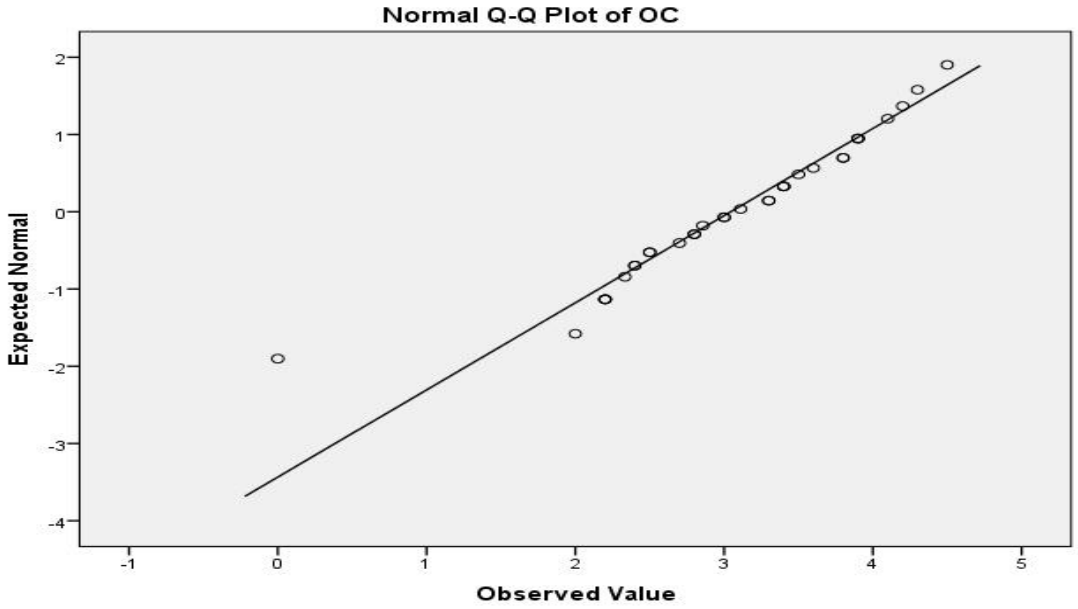


Figure 4.15: Normal Plot for Competitive Advantage

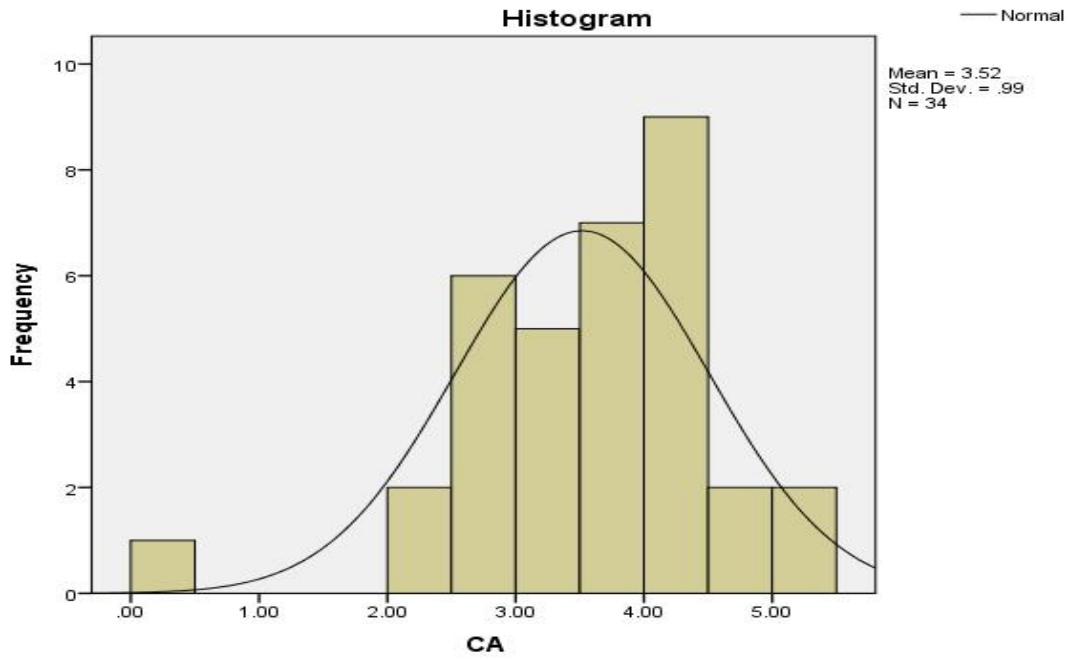


Figure 4.6: Normal Q-Q Plot for Competitive Advantage

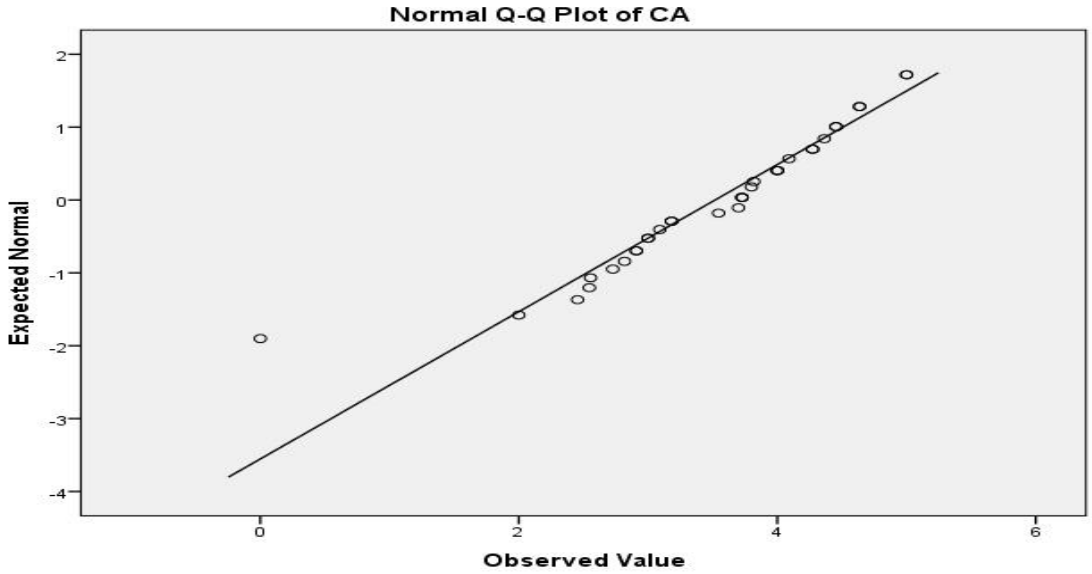


Figure 4.7: Normal Plot for Enterprise performance

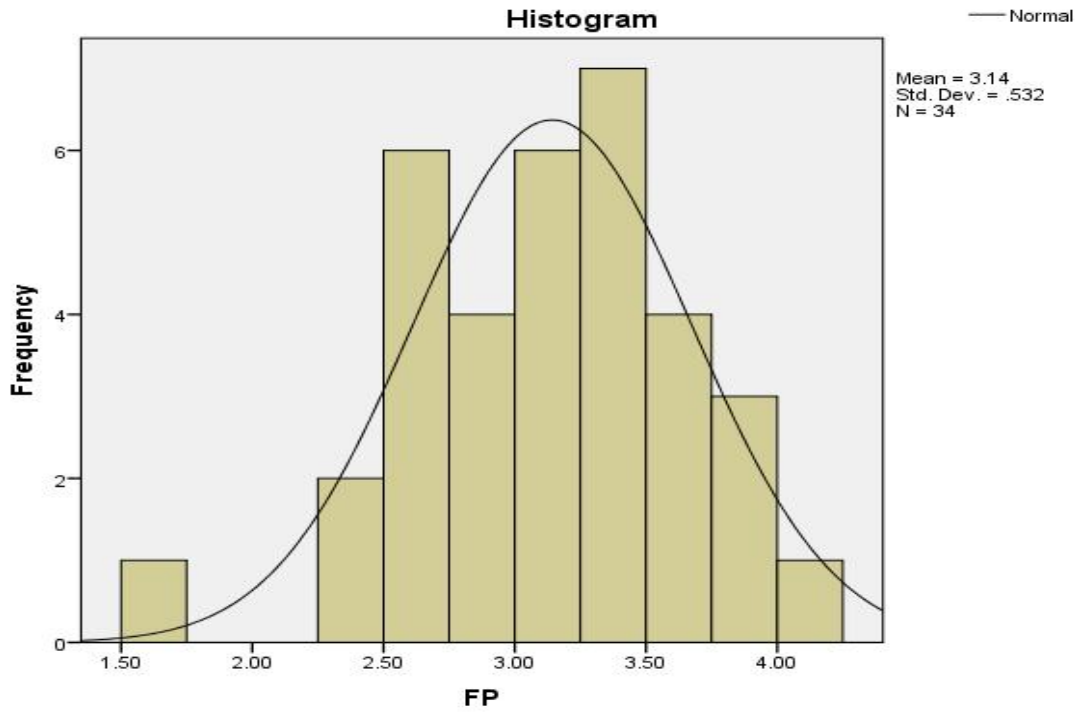
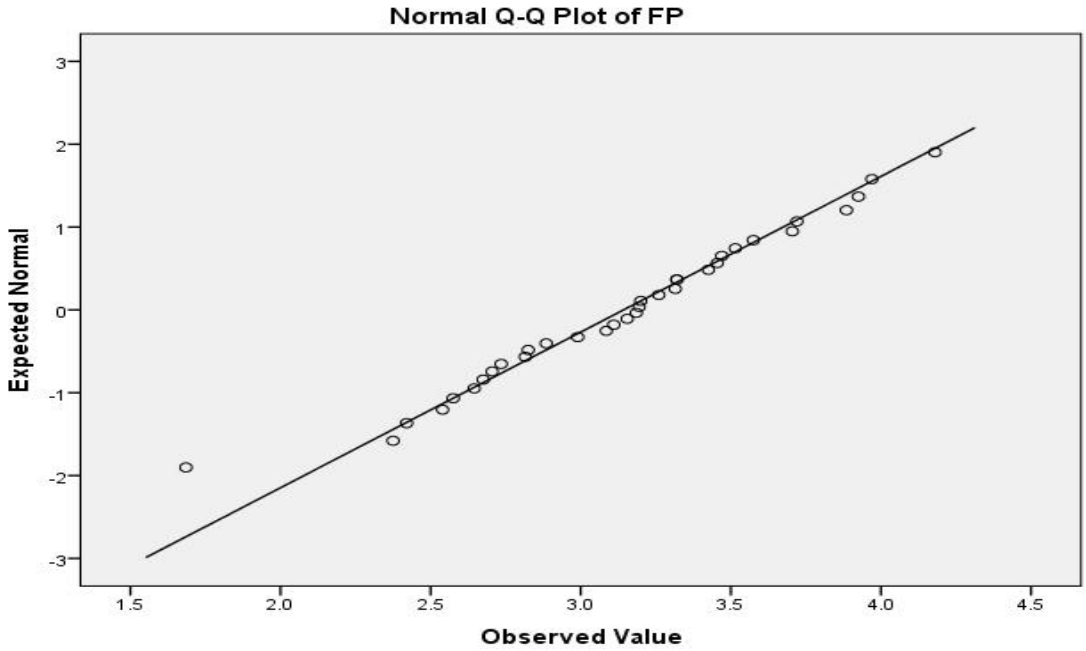


Figure 4.8: Normal Q-Q Plot for Enterprise performance



4.4.2 Test of Linearity

To diagnose the status of this assumption, the linear relationship between the predictors with the dependent variable was assessed by plotting the residuals of the predictor against the dependent variables. Linearity is confined if the line of best fit seems to be similarly linearly related with that of the predicators. From the results in Figures 7, 8,9,10 residual plot looks great thus; variance of the residuals is constant across the full range of fitted values confirming linear relationships among the variables.

Figure 4.9: Linear Relationship between Strategic Alliance and Enterprise performance

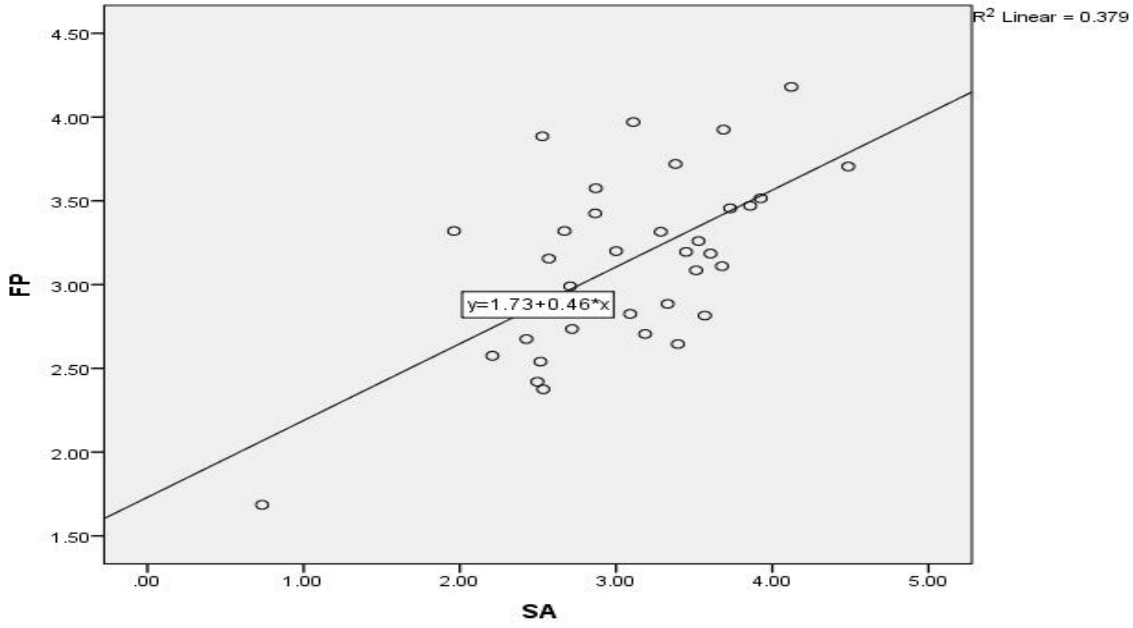


Figure 4.10: Linear Relationship between Organizational characteristics and Enterprise performance

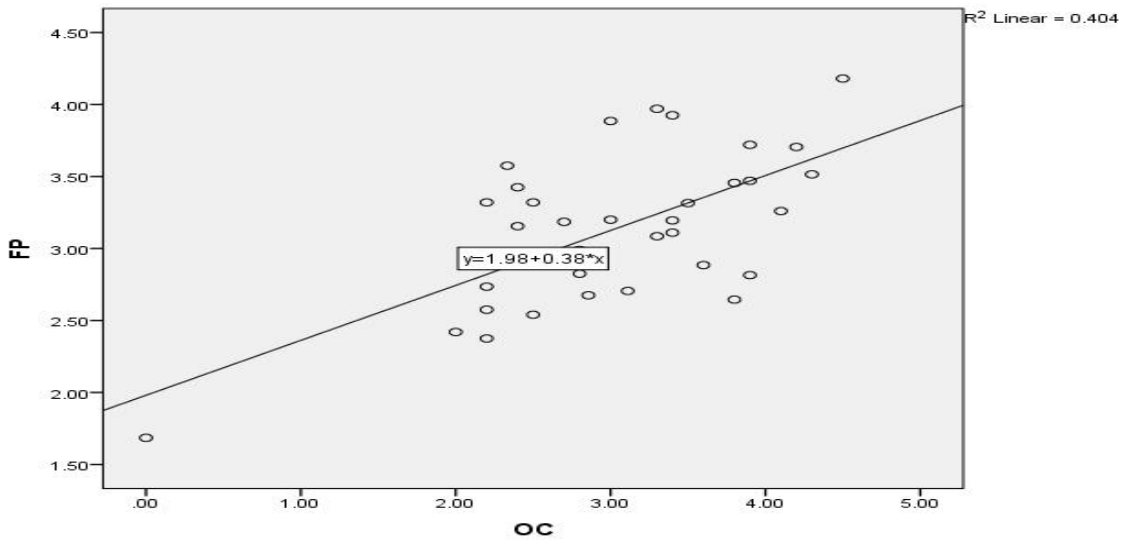
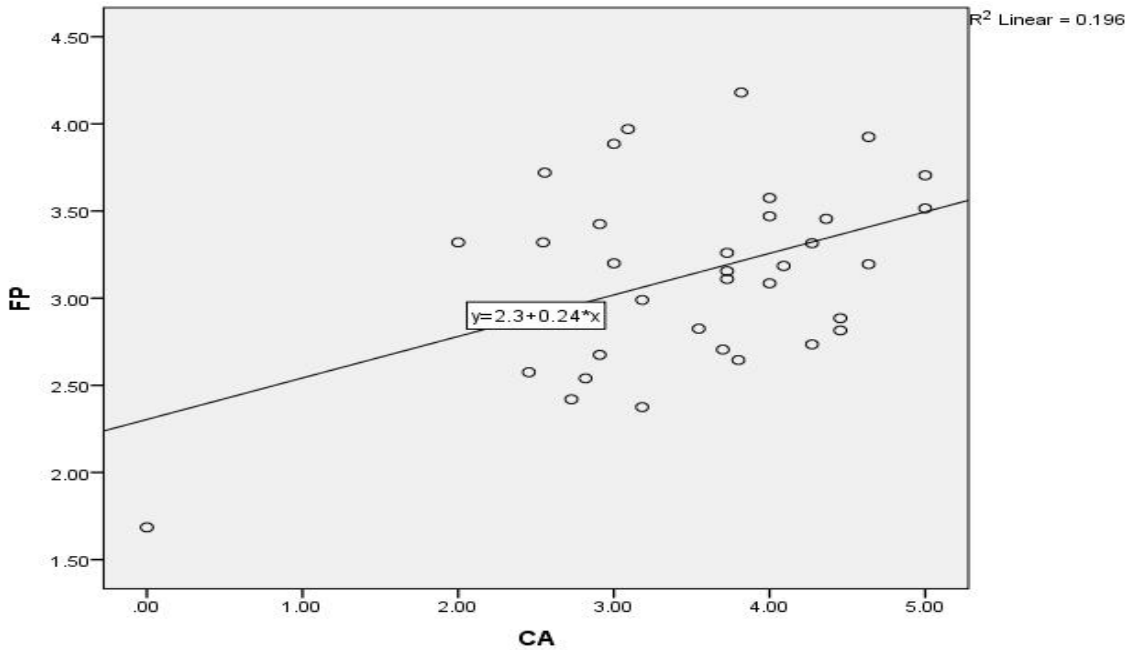


Figure 4.11: Linear Relationship between Competitive Advantage and Enterprise performance



The results from the scatter plots show that there is linearity on all explanatory variables (strategic alliance, organizational characteristics and competitive advantage) on dependent variable (enterprise performance) thus fit for further analysis

4.4.3 Test for Heteroscedasticity

Homoscedasticity tests whether the error term depicted between the independent variables and the dependent variable is similar in all independent variables. Homoscedasticity was measured by Levene's of the non-constant variance test. This test examines whether or not the variance between independent and dependent variables is equal. If the Levene's Test for Equality of Variances is statistically significant $\alpha = 0.05$ this indicates that the group variances are unequal. It is a check as to whether the spread of the scores in the variables are approximately the same.

Table 4.8: Test of Homogeneity of Variances

Test of Homogeneity of Variances				
	Levene Statistic	df1	df2	Sig.
Strategic alliance	1.659	14	214	.066
organizational characteristics	2.061	14	214	.075
Competitive advantage	1.881	14	214	.060

Source: Primary Data (2021)

As presented in Table 1.3 above, the significant values for the Lavene's test were 0.066 for strategic alliance, 0.075 for organizational characteristics and 0.060 for competitive advantage. From the results, P-values of Levene's test for homogeneity of variances were all greater than 0.05. The test therefore was not significant at $\alpha = 0.05$ confirming homogeneity.

4.4.4 Test of Multicollinearity

Multicollinearity is a phenomenon whereby high correlation exists between the independent variables. It occurs in a multiple regression model when high correlation exists between these predictor variables leading to unreliable estimates of regression coefficients. This leads to strange results when attempts are made to determine the extent to which individual independent variables contribute to the understanding of dependent variable (Creswell, 2014).

The consequences of Multicollinearity are increased standard error of estimates of the Betas, meaning decreased reliability and often confusing and misleading results. Multicollinearity test was conducted to assess whether high correlation existed between one or more variables in the study with one or more of the other independent variables. Variance Inflation Factor (VIF) measured correlation level between the predictor variables and estimated the inflated variances due to linear dependence with other explanatory variables.

A common rule of thumb is that VIFs of 10 or higher (conservatively over 5) points to severe multi-collinearity that affects the study (Newbert, 2008). A tolerance threshold value of below 0.2 indicates that collinearity is present (Menard, 2000). Table 1.4 presents the result of tests for Multicollinearity.

Table 4.9: Multicollinearity Results

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Strategic alliance	.249	4.022
	organizational characteristics	.284	3.519
	Competitive advantage	.276	3.625

Source: Primary Data (2021)

As shown in Table 4.4 above, the results revealed no problem with Multicollinearity. The variables of the study indicated VIF values of between 3.625 and 4.022, which is less than 10 as recommended by the rule of thumb. This indicated that the data set displayed no Multicollinearity.

4.4.5 Autocorrelation Test

Furthermore, the researcher tested the autocorrelation assumption that implies zero covariance of error terms over time. That means errors associated with one observation are uncorrelated with the errors of any other observation. Durbin Watson test was used to detect serial correlation where the hypothesis states that serial correlation in a certain order of residuals is not significant.

Table 4.10: Autocorrelation test (Durbin-Watson test)

Variables	Durbin-Watson	Remarks
Strategic alliance	1.860	Autocorrelation absent
Organizational characteristics	1.933	Autocorrelation absent
Competitive advantage	1.788	Autocorrelation absent

Source: Primary Data (2021)

As indicated through the Durbin-Watson test whose statistic ranges from zero to four. In the current study, the test results ranged between 1.788 and 1.933, which are near to 2 thus supporting independence of error terms thus implying no or absence of autocorrelation problem. This therefore shows that error terms are uncorrelated to each another.

4.5 Descriptive Analysis for Strategic Alliance

In this case, the study sought the respondents to indicate the extent to which they perceived the manifestation of strategic analysis constructs. These were in terms of joint ventures, equity alliances and non-equity alliances among the surveyed selected

enterprises in Kenya. Descriptive analysis was carried out in terms of frequency tables, mean scores, standard deviation and coefficient of variation as scored on a 5-point Likert Scale where: 1 is denoted by Strongly Disagree; 2 is denoted by Agree, 3 is denoted by Neural; 4 is denoted by Agree and 5 is denoted by Strongly Agree. The researcher determined the coefficient of variation using the following ratings: 0 to 25% very good; 26% to 50% good; 51% to 75% fair; and 76% to 100% poor. For every component of the technological characteristics the researcher provided a summary of descriptive statistics generated from the respondents' opinions about different statements in regard to each component.

4.5.1 Joint Ventures

The respondents were required to indicate the extent to which they perceived Joint ventures as a sub-construct of strategic alliance manifested among the surveyed selected enterprises in Kenya. To measure this, a set of fifteen items was used and results are presented in Table 4.39.

The results in the table show that the average mean score for Joint ventures dimensions as 3.188573 with standard deviation of 1.013955 and coefficient of variation of 32%. The moderate mean score imply that Joint ventures have moderate influence on selected firms in Kenya. The statement with the highest mean score was that our enterprise has reduced costs substantially due to joining other organizations operations with a mean score of 3.7429, standard deviation of 0.98048 and coefficient of variation of 26%.

Table 4.11: Joint Ventures

	N	Mean	Std. Deviation	CV	Skewness		Kurtosis	
	Statistic	Statistic	Statistic		Statistic	Std. Error	Statistic	Std. Error
Forming a strategic alliance through joint services in our organization has allowed ready access to knowledge and expertise.	35	3.2000	.79705	0.24907	-.384	.398	-1.306	.778
Our enterprise has reduced the installation costs through joint services and cooperation in strategic alliances.	35	3.4571	1.14642	0.331613	-.137	.398	-.957	.778
Our enterprise dominates the export market range	35	3.0000	.93934	0.313113	.000	.398	-.850	.778
Our enterprise has extended the range of products and services	35	2.7714	1.05957	0.382323	.016	.398	-.152	.778
Our enterprise has joined forces with other organization to enhance market coverage	35	3.1143	1.23125	0.395354	-.129	.398	-.849	.778
Our enterprise has managed to operate in a range of markets by joining with other organization	35	2.9429	.87255	0.296493	-.167	.398	-1.063	.778
Our enterprise has reduced costs substantially due to joining other organizations operations	35	3.7429	.98048	0.261957	-.437	.398	-.690	.778
Our enterprise has retained its products and services even after alliances	35	3.4571	1.06668	0.308548	-.421	.398	.022	.778
Our enterprise has taken over other markets to broaden products and services	35	3.1143	1.02244	0.328305	.460	.398	-.908	.778
Our enterprise offers similar products/services with our sister firm	35	3.4571	.88593	0.256264	.272	.398	-.554	.778
Our enterprise products and services have improved over time	35	3.4000	.97619	0.287115	.298	.398	-.819	.778
Our enterprise shares office activities with other organization	35	3.1429	.97446	0.310051	-.099	.398	.246	.778
Our strategic alliances through joint services and cooperation have been based on changes in consumer taste, demand and lifestyle	35	3.0286	1.09774	0.362458	.224	.398	-.584	.778
Strategic alliances through joint services and cooperation have enhanced our production functions and operations	35	3.5429	1.12047	0.316258	-.180	.398	-1.322	.778
The information, knowledge and expertise that our firm has gained through joint services has enhanced our performance	35	2.4571	1.03875	0.422754	.121	.398	-1.098	.778
Valid N (listwise)	35							
Average		3.188573	1.013955	0.321446				

Source: Primary Data (2021)

The findings support previous studies for instance a study by Beamish & Lupton (2009) on how Strategic alliances and joint ventures have become an integral part of firms' corporate and global strategies. Cooperating with other companies facilitates access to new resources and markets, accelerates the development of technological capabilities, reduces risks, and enhances market power. Indeed, successful cooperation can be considered a source of competitive advantage in today's global economy, which is evidenced both by the amount of revenues generated through alliances and their rising number

New competitive dynamics such as increasing globalization, rapid change and dispersion of technology, emergence of hybrid industries and consolidation of industries, and liberalization of economies in today's ever-changing market place require continuous innovations and improvements from business firms in every facet of their value-chain activities while seeking opportunities worldwide. In response to these competitive dynamics, business firms need to engage in unorthodox strategies and approaches to gain and sustain their competitive advantages against rival firms. Consequently, strategic alliances between firms have become a popular mode in addition to their traditional unitary strategies.

4.5.2 Equity Alliances

Equity alliances being a critical factor of strategic alliance was determined where the respondents were required to indicate the extent to which they perceived selected enterprises in Kenya. The generated results are presented in Table 4.40.

Table 4.12: Equity Alliances

	N	Mean	Std. Deviation	CV	Skewness		Kurtosis	
	Statistic	Statistic	Statistic		Statistic	Std. Error	Statistic	Std. Error
Customers are happy with the products and services we offer in market	35	2.8857	.86675	0.30036	.230	.398	-.163	.778
The enterprise has extended our products and services	35	2.9429	.87255	0.296493	.115	.398	-.254	.778
The enterprise shares customers with some organizations on the market	35	3.1429	1.08852	0.346343	.136	.398	-.964	.778
The enterprise shares same products and services with other organizations	35	3.2571	1.01003	0.310101	-.011	.398	-.470	.778
Equity alliances helps our business save time when doing cross border transactions	35	3.1429	1.08852	0.346343	-.009	.398	-1.178	.778
Equity alliances makes it easier to do business with our partners	35	3.1714	1.01419	0.319793	-.005	.398	-.700	.778
Equity alliances relationship enhances management controls Equity alliances strengthens financial links amongst our partnership	35	3.1429	1.00419	0.319511	.253	.398	-.313	.778
Our enterprise develops their products different from other organization	35	3.2286	.97274	0.301288	.323	.398	-.810	.778
Our enterprise has delivered its vision as a result of alliances	35	3.5429	1.09391	0.308761	-.116	.398	-1.260	.778
Our enterprise has gained a lot from product and services of other organizations over time	35	3.5714	1.00837	0.282346	-.115	.398	-1.003	.778
Our enterprise has managed to keep its line of business from other organization on the market	35	3.4857	1.01087	0.290005	-.231	.398	-.235	.778
Our enterprise offers products offered by other organization on the market	35	3.1714	.98476	0.310513	.028	.398	-.464	.778
Our equity relationship with our partners keeps our relationship closer	35	3.2000	.90098	0.281556	.604	.398	-.142	.778
Political and regulatory regimes affect our equity relationship with our cross-border partners	35	3.4571	.91853	0.265694	-.108	.398	-.749	.778
Strategic alliances through equity motivates performance	35	3.6857	1.02244	0.277407	-.012	.398	-1.194	.778
There is enhanced service offered to the customers due to alliances	35	3.3429	1.08310	0.324	-.011	.398	-.734	.778
Valid N (listwise)	35							
Average		3.273219	0.996278	0.305032				

Source: Primary Data (2021)

The results show that the average mean score for Equity alliances dimensions as 3.273219, standard deviation of 0.996278 and coefficient of variation of 31%. This is a moderate mean score implying that strategic alliance moderately manifests among selected enterprises in Kenya. All the statements had a mean of above 3.0 except, Customers are happy with the products and services we offer in market had a mean score of 2.8857, standard deviation of 0.86675 and coefficient of variation of 0.30 and The enterprise has extended our products and services had a mean score of 2.9429, standard deviation of 0.87255 and coefficient of variation of 0.30. The results are an indication that that strategic alliance manifests moderately.

4.5.3 Non-Equity Alliance

The study further sought to understand how Non-equity alliance as a dimension of strategic alliance are perceived by the respondents to manifest among the selected enterprises in Kenya. To measure this, a set of five items was used. as in Table 4.42.

Table 4.13: Non-Equity Alliance

	N	Mean	Std. Devi.	CV	Skewness		Kurtosis	
	Statistic	Statistic	Statistic		Statistic	Std. Error	Statistic	Std. Error
Non-equity alliances enhance decision making without delays of unnecessarily consulting our partners	35	3.6571	.83817	0.22919	-.213	.398	-.358	.778
Product licensing makes our products access broader markets in the export market	35	3.0286	.89066	0.294083	.207	.398	.192	.778
Non-equity alliances partnership enhances our business performance	35	3.2857	.92582	0.281773	.087	.398	-.849	.778
Market information and technology sharing enhances our performance	35	3.2286	.94202	0.291774	.630	.398	-.298	.778
Financial regulatory regimes in the host country of our partners affect our franchising relationship	35	3.4571	1.06668	0.308548	.041	.398	-1.196	.778
Valid N (listwise)	35							
Average		3.33142	0.93267	0.281074				

Source: Primary Data (2021)

The results of the descriptive statistics show that Non-equity alliance had a mean score of 3.33142, standard deviation of 0.93267 and coefficient of variation of 28%. This is a high mean depicting strong agreement among the statements evaluated concerning Non-equity alliance and how they influence selected enterprises in Kenya. All the statements had a mean score above 3.0 with the statement giving highest mean score being that Non-equity alliances enhance decision making without delays of unnecessarily consulting our partners (mean=3.6571, SD=.83817 and CV =23%). Non-equity alliance is, therefore, key to selected enterprises in Kenya.

Non-equity options, such as grants are used by venture capitalists as an indicator of technological competence and thus increase confidence in the firm and her ability to make a transition from concept to market. It reflects the endorsement by public organizations and it can be used by the firm to increase its legitimacy and attract highquality partners. 4.6 Descriptive Analysis for Organizational characteristics

The study sought to establish the use of Organizational characteristics and their influence on enterprise performance. The respondents were requested to respond to items testing their level of agreement with statements on a scale of 1 to 5 where 1 represented strongly disagree and 5 represented strongly agree. The data were then analysed using descriptive statistics of mean, standard deviation and coefficient of variation. The standard deviation indicated the consensus of the respondents. Variables with a mean of 4.0 or higher represented “strongly agree”. A mean score close to 3.0 represented “neutral” and a mean of 2.0 and below represented disagree and strongly disagree.

4.6.1 Production Technology

The study examined how Production technology as a dimension of organizational characteristics is perceived by the respondents to manifest among the selected firms in Kenya. The generated results are presented in Table 4.14.

Table 4.14: Production Technology

	N	Mean	Std. Deviation	CV	Skewness		Kurtosis	
	Statistic	Statistic	Statistic		Statistic	Std. Error	Statistic	Std. Error
Our enterprise manufactures its products using state of the art technology	35	2.8286	1.74028	0.615244	.776	.398	-.500	.778
Our enterprise has a unique production technology	35	2.8571	.64820	0.226873	-.547	.398	1.190	.778
Our enterprise's production technology is outdated	35	1.3429	.59125	0.440279	1.564	.398	1.575	.778
There is need to upgrade Our enterprise's production technology	35	3.4286	1.06511	0.310654	-.345	.398	-.007	.778
Our enterprise has adequate technology to manufacture all its products	35	3.1143	1.02244	0.328305	.460	.398	-.908	.778
The production technology used by our enterprise is cost effective	35	3.4571	.88593	0.256264	.272	.398	-.554	.778
The production technology used by our enterprise firm is efficient	35	3.4000	.97619	0.287115	.298	.398	-.819	.778
Valid N (listwise)	35							
Average		2.918371	0.989914	0.352105				

Source: Primary Data (2021)

The results on Production technology as a dimension of organizational characteristics have a mean score of 2.918371, standard deviation of 0.989914 and coefficient of variation of 35%. The statement with the highest mean score was that the production technology used by our enterprise is cost effective (Mean = 3.4571, SD = .88593 and CV = 26%), while the statement with the lowest mean score was that our enterprise's production technology is outdated (Mean = 1.3429, SD = .59125 and CV = 44%).

4.6.2 Management Skills

The study also determined how Management skills as a dimension of organizational characteristics are perceived by the respondents to manifest among the selected enterprises in Kenya. The generated results are presented in Table 4.15.

Table 4.15: Management Skills

	N	Mean	Std. Deviation	CV	Skewness		Kurtosis	
	Statistic	Statistic	Statistic		Statistic	Std. Error	Statistic	Std. Error
The enterprise has a well trained and experienced top leadership team	35	3.1429	.97446	0.310051	-.099	.398	.246	.778
The enterprise has staff with relevant and adequate skills in all its operations.	35	3.0286	1.09774	0.362458	.224	.398	-.584	.778
The enterprise has enough staff numbers to support its operations	35	3.5429	1.12047	0.316258	-.180	.398	-1.322	.778
The enterprise has a clear vision, mission and core values that are shared and lived by all staff	35	2.4571	1.03875	0.422754	.121	.398	-1.098	.778
The enterprise management encourages all staff to live by the firms vision, mission and core values	35	2.8857	.86675	0.30036	.230	.398	-.163	.778
The enterprise ownership and management of the firm is different	35	2.9429	.87255	0.296493	.115	.398	-.254	.778
The size of the enterprise has strong influence on the performance of the sales force	35	3.1429	1.08852	0.346343	.136	.398	-.964	.778
The enterprise has specialized human resources in all key areas	35	3.2571	1.01003	0.310101	-.011	.398	-.470	.778
The enterprise has a good reputation among its stakeholders	35	3.2857	1.17752	0.358377	-.253	.398	-.550	.778
Valid N (listwise)	35							
Average		3.0762	1.027421	0.335911				

Source: Primary Data (2021)

The study results show that Management skills as a dimension of organizational characteristics had an overall mean score of 3.0762, standard deviation of 1.027421 and coefficient of variation of 34%. The results, therefore, imply that Management skills moderately influence selected enterprises in Kenya.

4.7 Descriptive Analysis for Competitive Advantage

The study sought to establish the manifestation of competitive advantage and their influence on enterprise performance. The respondents were requested to respond to items testing their level of agreement with statements on a scale of 1 to 5 where 1 represented strongly disagree and 5 represented strongly agree. The data were then analyzed using descriptive statistics of mean, standard deviation and coefficient of variation. The standard deviation indicated the consensus of the respondents. Variables with a mean of 4.0 or higher represented "strongly agree". A mean score close to 3.0 represented "neutral" and a mean of 2.0 and below represented disagree and strongly disagree.

4.7.1 Productivity

Productivity being a construct of competitive advantage was important for the study and therefore the study determined how respondents perceived how the statements are manifested among the selected enterprises in Kenya. The results are presented in Table 4.16.

Table 4.16: Productivity

	N	Mean	Std. Deviation	CV	Skewness		Kurtosis	
	Statistic	Statistic	Statistic		Statistic	Std. Error	Statistic	Std. Error
The firm is continuously improving existing products and services	35	3.5714	.60807	0.170261	-1.121	.398	.338	.778
The firm continuously introducing new products and services The firm has new developed products	35	3.9714	.74698	0.18809	-.402	.398	.130	.778
The firm has linked its service to other organizations	35	4.0286	.66358	0.164717	-.030	.398	-.577	.778
The firm has adopted automation services	35	3.8286	.78537	0.205132	-.840	.398	.897	.778
Valid N (listwise)	35							
Average		3.85	0.701	0.18205				

Source: Primary Data (2021)

The results show that the statements under Productivity gave an overall mean score of 3.85, standard deviation of 0.701 and coefficient of variation of 18%. All the statements had a mean score above 3.0 with the statement giving highest mean score being that The firm has linked its service to other organizations Mean = 4.0286, SD = 0.66358 and CV = 16%). Productivity is, therefore, key to selected enterprises in Kenya.

4.7.2 Market Share

Market share being a construct of competitive advantage was important for the study and therefore the study determined how respondents perceived how the statements are manifested among the selected enterprises in Kenya. The results are presented in Table 4.17.

Table 4.17: Market share

	N	Mean	Std. Deviation	CV	Skewness		Kurtosis	
	Statistic	Statistic	Statistic		Statistic	Std. Error	Statistic	Std. Error
The firm has integrated new marketing channels	35	3.9429	.68354	0.17336	-.515	.398	.973	.778
The firm has adopted new advertising strategies	35	3.9143	.74247	0.189681	-.774	.398	1.184	.778
The firm has adopted new promotion strategies	35	4.0571	.80231	0.197755	-.831	.398	.842	.778
The firm uses social media marketing	35	4.2286	.54695	0.129345	.116	.398	-.084	.778
Valid N (listwise)	35							
Average		4.035725	0.693818	0.172535				

Source: Primary Data (2021)

The results as summarized in the table show that Market share had highest mean score of 4.035725, standard deviation of 0.693818 and coefficient of variation of 17%. The mean score shows moderate agreement implying that Market share manifests moderately among the selected enterprises in Kenya. The findings further show that all statements showed a mean of 3.0 and above implying they are agreed upon above average.

4.7.3 Cost Measures

4.7.3.1 Enhanced Inventory Turnover in the Enterprise

The study determined the manifestation of enhanced inventory turnover in the enterprise as a construct of cost measures on how respondents perceived its importance to selected enterprises in Kenya. To measure this, the item was used in a span of five years and results presented in Table 4.18.

Table 4.18: Enhanced Inventory Turnover in the Enterprise

	N	Mean	Std. Deviation	CV	Skewness		Kurtosis	
	Statistic	Statistic	Statistic		Statistic	Std. Error	Statistic	Std. Error
Enhanced inventory turnover in the Enterprise 2016	35	4.4286	.69814	0.157643	-.831	.398	-.464	.778
Enhanced inventory turnover in the Enterprise 2017	35	3.8000	.67737	0.178255	-.939	.398	1.669	.778
Enhanced inventory turnover in the Enterprise 2018	35	4.2571	.61083	0.143485	-.189	.398	-.452	.778
Enhanced inventory turnover in the Enterprise 2019	35	4.1714	.74698	0.179072	-.743	.398	.710	.778
Enhanced inventory turnover in the Enterprise 2020	35	3.6857	.52979	0.143742	-1.451	.398	1.308	.778
Valid N (listwise)	35							
Average		4.06856	0.652622	0.160439				

Source: Primary Data (2021)

The results in Table 4.18 as far as enhanced inventory turnover is concerned recorded mean score of 4.06856, standard deviation of 0.652622 and coefficient of variation of 16%. This is a moderate mean score implying that enhanced inventory turnover can manifest moderately in the selected enterprises in Kenya as far as competitive advantage is concerned.

4.7.3.2 Improved Capacity Utilization in the Enterprise

The respondents were required to indicate the extent to which they perceived improved capacity utilization in the Enterprise as a sub-construct of cost measures manifested among the surveyed selected enterprises in Kenya. To measure this, the item was used in

a span of five years and results are presented in Table 4.19.

Table 4.19: Improved Capacity Utilization in the Enterprise

	N	Mean	Std. Deviation	CV	Skewness		Kurtosis	
	Statistic	Statistic	Statistic		Statistic	Std. Error	Statistic	Std. Error
Improved capacity utilization in the Enterprise 2016	35	3.7429	.74134	0.198066	.001	.398	-.328	.778
Improved capacity utilization in the Enterprise 2017	35	3.8000	.83314	0.219247	-.570	.398	.127	.778
Improved capacity utilization in the Enterprise 2018	35	4.2857	.92582	0.216025	-1.800	.398	4.064	.778
Improved capacity utilization in the Enterprise 2019	35	4.2000	.96406	0.229538	-1.471	.398	2.532	.778
Improved capacity utilization in the Enterprise 2020	35	4.2571	.78000	0.183223	-1.285	.398	2.286	.778
Valid N (listwise)	35							
Average		4.05714	0.848872	0.20922				

Source: Primary Data (2021)

The results in the table show that the average mean score for improved capacity utilization in the Enterprise dimensions as 4.05714 with standard deviation of 0.848872 and coefficient of variation of 21%. The moderate mean score implies that improved capacity utilization in the Enterprise has moderate influence of selected enterprises in Kenya.

4.7.3.3 Reduced Unit Production Cost in the Enterprise

The study further sought to understand how reduced unit production cost in the Enterprise as a dimension of cost measures is perceived by the respondents to manifest among the selected enterprises in Kenya. The generated results are presented in Table 4.20.

Table 4.20: Reduced Unit Production Cost in the Enterprise

	N	Mean	Std. Deviation	CV	Skewness		Kurtosis	
	Statistic	Statistic	Statistic		Statistic	Std. Error	Statistic	Std. Error
Reduced unit production cost in the Enterprise 2016	35	3.7143	.75035	0.202017	-.353	.398	.140	.778
Reduced unit production cost in the Enterprise 2017	35	3.6571	.87255	0.238591	-.374	.398	-.358	.778
Reduced unit production cost in the Enterprise 2018	35	3.5143	.91944	0.261628	-.285	.398	-.703	.778
Reduced unit production cost in the Enterprise 2019	35	4.1429	.91210	0.22016	-.790	.398	-.216	.778
Reduced unit production cost in the Enterprise 2020	35	2.5429	.74134	0.291533	.074	.398	-.168	.778
Valid N (listwise)	35							
Average		3.5143	0.839156	0.242786				

Source: Primary Data (2021)

The results of the descriptive statistics show that reduced unit production cost in the Enterprise had a mean score of 3.5143, standard deviation of 0.839156 and coefficient of variation of 24%. This is a moderate mean depicting strong agreement among the statement evaluated concerning reduced unit production cost in the Enterprise and how they influence selected enterprises in Kenya. 2019 recorded the highest mean score of 4.1429, standard deviation of 0.91210 and coefficient of variation of 22%.

4.7.4 Quality Measures

4.7.4.1 Reduction in the Number of Customer Complaints During Warranty Period

The study examined how Reduction in the number of customer complaints during warranty period as a dimension of quality measures is perceived by the respondents to manifest among the selected enterprises in Kenya. The generated results are presented in Table 4.21.

Table 4.21: Reduction in the Number of Customer Complaints During Warranty Period

	N	Mean	Std. Deviation	CV	Skewness		Kurtosis	
	Statistic	Statistic	Statistic		Statistic	Std. Error	Statistic	Std. Error
Reduction in the number of customer complaints during warranty period 2016	35	2.7143	.57248	0.210913	-.937	.398	1.248	.778
Reduction in the number of customer complaints during warranty period 2017	35	2.7429	.65722	0.239608	.321	.398	-.645	.778
Reduction in the number of customer complaints during warranty period 2018	35	2.6857	.75815	0.282291	-.250	.398	-.024	.778
Reduction in the number of customer complaints during warranty period 2019	35	2.9143	.74247	0.254768	-.774	.398	1.184	.778
Reduction in the number of customer complaints during warranty period 2020	35	2.8857	.83213	0.288363	-.426	.398	-.170	.778
Valid N (listwise)	35							
Average		2.78858	0.71249	0.255189				

Source: Primary Data (2021)

The results on Reduction in the number of customer complaints during warranty period as a dimension of quality measures has a mean score of 2.78858, standard deviation of 0.812374 and coefficient of variation of 25%.

4.7.4.2 Reduction in the Products Scrapped in the Enterprise

The study also determined how Reduction in the products scrapped in the Enterprise as a dimension of quality measures are perceived by the respondents to manifest among the selected enterprises in Kenya. The generated results are presented in Table 4.22.

The study results show that Reduction in the products scrapped in the Enterprise as a dimension of quality measures had an overall mean score of 3.25714, standard deviation of 0.812374 and coefficient of variation of 25%, The results, therefore, imply that Reduction in the products scrapped in the Enterprise is a key to selected enterprises as far as quality measures is taken in to consideration.

Table 4.22: Reduction in the Products Scrapped in the Enterprise

	N	Mean	Std. Deviation	CV	Skewness		Kurtosis	
	Statistic	Statistic	Statistic		Statistic	Std. Error	Statistic	Std. Error
Reduction in the products scrapped in the Enterprise 2016	35	2.7714	.64561	0.232954	-.448	.398	.742	.778
Reduction in the products scrapped in the Enterprise 2017	35	3.4286	.94824	0.276568	-.112	.398	-.880	.778
Reduction in the products scrapped in the Enterprise 2018	35	3.6857	1.02244	0.277407	-.537	.398	.006	.778
Reduction in the products scrapped in the Enterprise 2019	35	2.8286	.70651	0.249774	-.274	.398	.217	.778
Reduction in the products scrapped in the Enterprise 2020	35	3.5714	.73907	0.206941	-.028	.398	-.141	.778
Valid N (listwise)	35							
Average		3.25714	0.812374	0.248729				

Source: Primary Data (2021)

4.7.5 Speed Measures

4.7.5.1 Decrease in Time to Solve Customer Complaints in the Enterprise

Decrease in time to solve customer complaints in the Enterprise being a construct of speed measures was important for the study and therefore the study determined how respondents perceived how the statements are manifested among the selected enterprises in Kenya. The results are presented in Table 4.23.

Table 4.23: Decrease in Time to Solve Customer Complaints in the Enterprise

	N	Mean	Std. Deviation	CV	Skewness		Kurtosis	
	Statistic	Statistic	Statistic		Statistic	Std. Error	Statistic	Std. Error
Decrease in time to solve customer complaints in the Enterprise 2016	35	3.4571	.85209	0.246475	-.161	.398	-.530	.778
Decrease in time to solve customer complaints in the Enterprise 2017	35	2.2857	.51856	0.226871	.301	.398	-.494	.778
Decrease in time to solve customer complaints in the Enterprise 2018	35	2.3429	.59125	0.252358	.659	.398	.492	.778
Decrease in time to solve customer complaints in the Enterprise 2019	35	2.4286	.60807	0.250379	1.121	.398	.338	.778
Decrease in time to solve customer complaints in the Enterprise 2020	35	1.9714	.66358	0.336603	.030	.398	-.577	.778
Valid N (listwise)	35							
Average		2.49714	0.64671	0.262537				

Source: Primary Data (2021)

The results as summarized in the table show that Decrease in time to solve customer complaints in the Enterprise had an average mean score of 2.49714, standard deviation of 0.64671 and coefficient of variation of 26%. The findings further show that all the years showed a mean below of 3.0 except in 2016 implying that they are not agreeing upon above average.

4.7.5.2 Improvement in Equipment Changeover Time in the Enterprise

The study determined the manifestation of Improvement in equipment changeover time in the Enterprise as a construct of speed measures on how respondents perceived its importance to selected enterprises in Kenya. The results are presented in Table 4.24.

Table 4.24: Improvement in Equipment Changeover Time in the Enterprise

	N	Mean	Std. Deviation	CV	Skewness		Kurtosis	
	Statistic	Statistic	Statistic		Statistic	Std. Error	Statistic	Std. Error
Improvement in equipment changeover time in the Enterprise 2016	35	2.0286	.66358	0.327112	-.030	.398	-.577	.778
Improvement in equipment changeover time in the Enterprise 2017	35	2.1143	.71831	0.339739	.331	.398	.252	.778
Improvement in equipment changeover time in the Enterprise 2018	35	2.2000	.58410	0.2655	-.038	.398	-.163	.778
Improvement in equipment changeover time in the Enterprise 2019	35	2.1714	.74698	0.344008	.155	.398	-.217	.778
Improvement in equipment changeover time in the Enterprise 2020	35	2.1429	.73336	0.342228	.242	.398	-.009	.778
Valid N (listwise)	35							
Average		2.13144	0.689266	0.323717				

Source: Primary Data (2021)

The results in Table 4.24 as far as Improvement in equipment changeover time in the Enterprise is concerned recorded mean score of 2.13144, standard deviation of 0.689266 and coefficient of variation of 32%. This is a moderate mean score implying that Improvement in equipment changeover time in the Enterprise can manifest moderately in

the selected enterprises in Kenya.

4.7.5.3 Increase in Speed of New Product Launch in the Enterprise

The study examined how Increase in speed of new product launch in the Enterprise as a dimension of speed measures is perceived by the respondents to manifest among the selected enterprises in Kenya. The generated results are presented in Table 4.25.

Table 4.25: Increase in Speed of New Product Launch in the Enterprise

	N	Mean	Std. Deviation	CV	Skewness		Kurtosis	
	Statistic	Statistic	Statistic		Statistic	Std. Error	Statistic	Std. Error
Increase in speed of new product launch in the Enterprise 2016	35	2.8000	.58410	0.208607	.038	.398	-.163	.778
Increase in speed of new product launch in the Enterprise 2017	35	2.7143	.57248	0.210913	-.937	.398	1.248	.778
Increase in speed of new product launch in the Enterprise 2018	35	3.2857	.82503	0.251097	-.258	.398	-.879	.778
Increase in speed of new product launch in the Enterprise 2019	35	3.7714	.87735	0.232632	-.630	.398	-.013	.778
Increase in speed of new product launch in the Enterprise 2020	35	3.7714	.84316	0.223567	-.781	.398	.369	.778
Valid N (listwise)	35							
Average		3.26856	0.740424	0.225363				

Source: Primary Data (2021)

The results on Increase in speed of new product launch in the Enterprise as a dimension of speed measures has a mean score of 3.26856 standard deviation of 0.740424 and coefficient of variation of 23%.

4.7.5.4 Order Lead Time Reduction in the Enterprise

The study examined how Order lead time reduction in the Enterprise as a dimension of speed measures is perceived by the respondents to manifest among the selected enterprises in Kenya. The generated results are presented in Table 4.26.

Table 4.26: Order lead time reduction in the Enterprise

	N	Mean	Std. Deviation	CV	Skewness		Kurtosis	
	Statistic	Statistic	Statistic		Statistic	Std. Error	Statistic	Std. Error
Order lead time reduction in the Enterprise 2016	35	3.6286	.94202	0.25961	-.731	.398	-.420	.778
Order lead time reduction in the Enterprise 2017	35	2.8286	.98476	0.348144	-.224	.398	-.170	.778
Order lead time reduction in the Enterprise 2018	35	2.6571	.96841	0.364461	-.268	.398	-.797	.778
Order lead time reduction in the Enterprise 2019	35	2.5714	.77784	0.302497	-.252	.398	-.155	.778
Order lead time reduction in the Enterprise 2020	35	2.7143	.95706	0.352599	.196	.398	-.239	.778
Valid N (listwise)	35							
Average		2.88	0.926018	0.325462				

Source: Primary Data (2021)

The results on Order lead time reduction in the Enterprise as a dimension of speed measures has a mean score of 2.88, standard deviation of 0.926018 and coefficient of variation of 33%. The findings further show that all the years showed a mean of below 3.0 implying they are not agreed upon above average.

4.7.5.5 Reduction in Design Time

The study further sought to understand how Reduction in design time as a dimension of speed measure are perceived by the respondents to manifest among the selected enterprises in Kenya. The generated results are presented in Table 4.27.

Table 4.27: Reduction in Design Time

	N	Mean	Std. Deviation	CV	Skewness		Kurtosis	
	Statistic	Statistic	Statistic		Statistic	Std. Error	Statistic	Std. Error
Reduction in design time 2016	35	2.4286	.81478	0.335494	.071	.398	-.350	.778
Reduction in design time 2017	35	2.7714	.73106	0.263787	-.090	.398	-.190	.778
Reduction in design time 2018	35	2.6286	.77024	0.293023	-.050	.398	-.238	.778
Reduction in design time 2019	35	3.2000	.79705	0.249078	-.384	.398	-1.306	.778
Reduction in design time 2020	35	3.4571	1.14642	0.331613	-.137	.398	-.957	.778
Valid N (listwise)	35							
Average		2.89714	0.85191	0.294599				

Source: Primary Data (2021)

The results of the descriptive statistics show that Reduction in design time had a mean score of 2.89714, standard deviation of 0.85191 and coefficient of variation of 29%. The findings further show that Reduction in design time showed a mean below of 3.0 implying that they are not agreeing upon above average.

4.7.6 Dependability Measures

4.7.6.1 Decrease in Machine Down-Town of the Enterprise

The respondents were required to indicate the extent to which they perceived Decrease in machine down-town of the Enterprise as a sub-construct of dependability measures manifested among the surveyed selected enterprises in Kenya. The results are presented in Table 4.28.

Table 4.28: Decrease in Machine Down-Town of the Enterprise

	N	Mean	Std. Deviation	CV	Skewness		Kurtosis	
	Statistic	Statistic	Statistic		Statistic	Std. Error	Statistic	Std. Error
Decrease in machine down-town of the Enterprise 2016	35	3.0000	.93934	0.313113	.000	.398	-.850	.778
Decrease in machine down-town of the Enterprise 2017	35	2.7714	1.05957	0.382323	.016	.398	-.152	.778
Decrease in machine down-town of the Enterprise 2018	35	3.1143	1.23125	0.395354	-.129	.398	-.849	.778
Decrease in machine down-town of the Enterprise 2019	35	2.9429	.87255	0.296493	-.167	.398	-1.063	.778
Decrease in machine down-town of the Enterprise 2020	35	3.7429	.98048	0.261957	-.437	.398	-.690	.778
Valid N (listwise)	35							
Average		3.1143	1.01664	0.32985				

Source: Primary Data (2021)

The results in the table show that the average mean score for Decrease in machine down-town of the Enterprise as 3.1143 with standard deviation of 1.01664 and coefficient of variation of 33%.

4.7.6.2 Reduced Number of Times the Customer Promises Not Met

The study examined how reduced number of times the customer promises not met as a dimension of dependability measures is perceived by the respondents to manifest among the selected enterprises in Kenya. The generated results are presented in Table 4.29.

Table 4.29: Reduced Number of Times the Customer Promises Not Met

	N	Mean	Std. Deviation	CV	Skewness		Kurtosis	
	Statistic	Statistic	Statistic		Statistic	Std. Error	Statistic	Std. Error
Reduced number of times the customer promises not met 2016	35	3.4571	1.06668	0.308548	-.421	.398	.022	.778
Reduced number of times the customer promises not met 2017	35	3.1143	1.02244	0.328305	.460	.398	-.908	.778
Reduced number of times the customer promises not met 2018	35	3.4571	.88593	0.256264	.272	.398	-.554	.778
Reduced number of times the customer promises not met 2019	35	3.4000	.97619	0.287115	.298	.398	-.819	.778
Reduced number of times the customer promises not met 2020	35	3.1429	.97446	0.310051	-.099	.398	.246	.778
Valid N (listwise)	35							
Average		3.31428	0.98514	0.298057				

Source: Primary Data (2021)

The results on reduced number of times the customer promises not met as a dimension of dependability measures has a mean score of 3.31428, standard deviation of 0.98514 and coefficient of variation of 30%.

4.7.7 Flexibility Measures

4.7.7.1 Ability of the Enterprise to Vary Delivery Time to Satisfy Customers

The study further sought to understand how Ability of the of the Enterprise to vary delivery time to satisfy customers as a dimension of flexibility measures are perceived by the respondents to manifest among the selected enterprises in Kenya. The generated results are presented in Table 4.30.

Table 4.30: Ability of the Enterprise to Vary Delivery Time to Satisfy Customers

	N	Mean	Std. Deviation	CV	Skewness		Kurtosis	
	Statistic	Statistic	Statistic		Statistic	Std. Error	Statistic	Std. Error
Ability of the of the Enterprise to vary delivery time to satisfy customers 2016	35	3.0286	1.09774	0.362458	.224	.398	-.584	.778
Ability of the of the Enterprise to vary delivery time to satisfy customers 2017	35	3.5429	1.12047	0.316258	-.180	.398	-1.322	.778
Ability of the of the Enterprise to vary delivery time to satisfy customers 2018	35	2.4571	1.03875	0.422754	.121	.398	-1.098	.778
Ability of the of the Enterprise to vary delivery time to satisfy customers 2019	35	2.8857	.86675	0.30036	.230	.398	-.163	.778
Ability of the of the Enterprise to vary delivery time to satisfy customers 2020	35	2.9429	.87255	0.296493	.115	.398	-.254	.778
Valid N (listwise)	35							
Average		2.97144	0.999252	0.339665				

Source: Primary Data (2021)

The results of the descriptive statistics show that Ability of the of the Enterprise to vary delivery time to satisfy customers had a mean score of 2.97144, standard deviation of 0.999252 and coefficient of variation of 34%. This is a low mean depicting weak agreement among the statements evaluated concerning Ability of the of the Enterprise to vary delivery time to satisfy customers.

Accordingly, both strategic flexibility and alliance are useful to strategic decision making. Numerous studies have indicated that strategic flexibility enables firms to achieve a competitive advantage (Zhou et al. 2018). Accordingly, strategic flexibility helps in achieving the full potential of its key resources when used in combination and an ability to achieve competitive advantages.

4.7.7.2 Ability of the Enterprise to Change Production to Fit the Change in Demand Volume

The study examined how Ability of the Enterprise to change Production to fit the change in demand volume as a dimension of flexibility measures is perceived by the respondents

to manifest among the selected enterprises in Kenya. The generated results are presented in Table 4.31.

Table 4.31: Ability of the Enterprise to Change Production to Fit the Change in Demand Volume

	N	Mean	Std. Deviation	CV	Skewness		Kurtosis	
	Statistic	Statistic	Statistic		Statistic	Std. Error	Statistic	Std. Error
Ability of the Enterprise to change Production to fit the change in demand volume 2016	35	3.1429	1.08852	0.346343	.136	.398	-.964	.778
Ability of the Enterprise to change Production to fit the change in demand volume 2017	35	3.2571	1.01003	0.310101	-.011	.398	-.470	.778
Ability of the Enterprise to change Production to fit the change in demand volume 2018	35	3.1429	1.08852	0.346343	-.009	.398	-1.178	.778
Ability of the Enterprise to change Production to fit the change in demand volume 2019	35	3.1714	1.01419	0.319793	-.005	.398	-.700	.778
Ability of the Enterprise to change Production to fit the change in demand volume 2020	35	3.1429	1.00419	0.319511	.253	.398	-.313	.778
Valid N (listwise)	35							
Average		3.17144	1.04109	0.328418				

Source: Primary Data (2021)

The results on Ability of the Enterprise to change Production to fit the change in demand volume as a dimension of flexibility measures has a mean score of 3.17144, standard deviation of 1.04109 and coefficient of variation of 33%.

4.7.7.3 Capability of the Enterprise Introducing New Products in Case Demand Shifts

The study also determined how Capability of the Enterprise introducing new products in case demand shifts as a dimension of flexibility measures are perceived by the respondents to manifest among the selected enterprises in Kenya. The generated results are presented in Table 4.32.

Table 4.32: Capability of the Enterprise Introducing New Products in Case Demand Shifts

	N	Mean	Std. Deviation	CV	Skewness		Kurtosis	
	Statistic	Statistic	Statistic		Statistic	Std. Error	Statistic	Std. Error
Capability of the Enterprise introducing new products in case demand shifts 2016	35	3.2286	.97274	0.301288	.323	.398	-.810	.778
Capability of the Enterprise introducing new products in case demand shifts 2017	35	3.5429	1.09391	0.308761	-.116	.398	-1.260	.778
Capability of the Enterprise introducing new products in case demand shifts 2018	35	3.5714	1.00837	0.282346	-.115	.398	-1.003	.778
Capability of the Enterprise introducing new products in case demand shifts 2019	35	3.4857	1.01087	0.290005	-.231	.398	-.235	.778
Capability of the Enterprise introducing new products in case demand shifts 2020	35	3.1714	.98476	0.310513	.028	.398	-.464	.778
Valid N (listwise)	35							
Average		3.4	1.01413	0.298583				

Source: Primary Data (2021)

The study results show that Capability of the Enterprise introducing new products in case demand shifts as a dimension of flexibility measures had an overall mean score of 3.4, standard deviation of 1.01413 and coefficient of variation of 30%. The results, therefore, imply that Capability of the Enterprise introducing new products in case demand shifts is a key to selected enterprises.

4.7.7.3 Capacity of the Enterprise Introducing a Wide Assortment of Product Mix within a Short Time

Capacity of the Enterprise f introducing a wide assortment of product mix within a short time being a construct of flexibility measures was important for the study and therefore the study determined how respondents perceived how the statement is manifested among the selected enterprises in Kenya. The results are presented in Table 4.33.

Table 4.33: Capacity of the Enterprise of Introducing a Wide Assortment of Product Mix within a Short Time

	N	Mean	Std. Deviation	CV	Skewness		Kurtosis	
	Statistic	Statistic	Statistic		Statistic	Std. Error	Statistic	Std. Error
Capacity of the Enterprise of introducing a wide assortment of product mix within a short time 2016	35	3.2000	.90098	0.281556	.604	.398	-.142	.778
Capacity of the Enterprise of introducing a wide assortment of product mix within a short time 2017	35	3.4571	.91853	0.265694	-.108	.398	-.749	.778
Capacity of the Enterprise of introducing a wide assortment of product mix within a short time 2018	35	3.6857	1.02244	0.277407	-.012	.398	-1.194	.778
Capacity of the Enterprise of introducing a wide assortment of product mix within a short time 2019	35	3.3429	1.08310	0.324	-.011	.398	-.734	.778
Capacity of the Enterprise of introducing a wide assortment of product mix within a short time 2020	35	3.6571	.83817	0.22919	-.213	.398	-.358	.778
Valid N (listwise)	35							
Average		3.46856	0.952644	0.275569				

Source: Primary Data (2021)

The results show that the statements under Capacity of the Enterprise f introducing a wide assortment of product mix within a short time gave an overall mean score of 3.46856, standard deviation of 0.952644 and coefficient of variation of 28%. Capacity of the Enterprise f introducing a wide assortment of product mix within a short time is, therefore, key to selected enterprises in Kenya .

4.8 Descriptive Analysis for Enterprise performance

The study sought to establish the descriptive analysis for enterprise performance. The respondents were requested to respond to items testing their level of agreement with statements on a scale of 1 to 5 where 1 represented strongly disagree and 5 represented strongly agree. The data were then analysed using descriptive statistics of mean, standard deviation and coefficient of variation. The standard deviation indicated the consensus of

the respondents. Variables with a mean of 4.0 or higher represented “strongly agree”. A mean score close to 3.0 represented “neutral” and a mean of 2.0 and below represented disagree and strongly disagree.

4.8.1 Internal Process Perspectives

Internal process perspectives being a construct of enterprise performance was important for the study and therefore the study determined how respondents perceived how the statements are manifested among the selected enterprises in Kenya. The results are presented in Table 4.34.

Table 4.34: Internal Process Perspectives

	N	Mean	Std. Deviation	CV	Skewness		Kurtosis	
	Statistic	Statistic	Statistic		Statistic	Std. Error	Statistic	Std. Error
The ability of our staff is well utilized to enhance performance	35	3.9714	.74698	0.18809	-.402	.398	.130	.778
The organization facilities are well utilized	35	4.0286	.66358	0.164717	-.030	.398	-.577	.778
Our organization discourages employee absenteeism	35	3.8286	.78537	0.205132	-.840	.398	.897	.778
The administrative systems in our bank are of high quality to support the internal processes	35	3.9429	.68354	0.17336	-.515	.398	.973	.778
Our organization processes are benchmarked for improvement	35	3.9143	.74247	0.189681	-.774	.398	1.184	.778
There is proper communication in our organization in tandem with the internal processes	35	4.0571	.80231	0.197755	-.831	.398	.842	.778
Valid N (listwise)	35							
Average		3.95715	0.737375	0.186456				

Source: Primary Data (2021)

The results as summarized in the table show that internal process perspectives had highest mean score of 3.95715, standard deviation of 0.737375 and coefficient of variation of 19%. The mean score shows moderate agreement implying that internal process perspectives manifests moderately among selected enterprises in Kenya. The findings further show that all statements showed a mean of 3.0 and above implying they are agreed upon above average.

Understanding how internal processes work is very essential for the organization to achieve its goals and to know how to add the expected value to the products or services that the customers purchase. A well performing firm can bring high and long-term profits, which will generate employment opportunities and improve the income of individuals. Furthermore, financial profitability of a firm will enhance the returns of its employees, have better production units, and bring products of higher quality for its customers. This process cannot be possible without an outcome measurement.

4.8.2 Customers Focus Perspectives

The study determined the manifestation of Customers focus perspectives as a construct of enterprise performance on how respondents perceived its importance to selected enterprises in Kenya. To measure this, a set of eight items was used and results presented in Table 4.35.

Table 4.35: Customers Focus Perspectives

	N	Mean	Std. Deviation	CV	Skewness		Kurtosis	
	Statistic	Statistic	Statistic		Statistic	Std. Error	Statistic	Std. Error
Our organization solves customers complaints in time	35	4.2286	.54695	0.129345	.116	.398	-.084	.778
Our organization encourages employees to handle customers right	35	4.4286	.69814	0.157643	-.831	.398	-.464	.778
Our organization informs customers of any changes that might affect them in good time	35	3.8000	.67737	0.178255	-.939	.398	1.669	.778
Our organization considers customers feedback to improve its services	35	4.2571	.61083	0.143485	-.189	.398	-.452	.778
Our organization has customers' interests at heart	35	4.1714	.74698	0.179072	-.743	.398	.710	.778
Our customers are motivated to continue with our organization because of the variety of products that we offer them	35	3.6857	.52979	0.143742	-1.451	.398	1.308	.778
The time for serving our customers is satisfactory	35	3.7429	.74134	0.198066	.001	.398	-.328	.778
Our customers have always sought more products and services from our organization	35	3.8000	.83314	0.219247	-.570	.398	.127	.778
Valid N (listwise)	35							
Average		4.014288	0.673068	0.168607				

Source: Primary Data (2021)

The results in Table 4.35 as far as Customers focus perspectives is concerned recorded mean score of 4.014288, standard deviation of 0.673068 and coefficient of variation of 17%. This is a moderate mean score implying that Customers focus perspectives can manifest moderately in the selected enterprises in Kenya as.

Study by Rajapathirana & Hui, (2018) indicates that to a great extent, customer expectations are taken into account in the decision making process. Strategic alliances help companies to meet the evolving customer needs, achieve high enterprise performance and remain competitive in the increasingly regulated markets. Forming strategic alliances has proved to be one of the most useful strategies that have enabled firms to retain and increase their market share in highly dynamic and competitive global markets as well as remain profitable over the years.

4.8.3 Environmental Perspective

The respondents were required to indicate the extent to which they perceived Environmental perspective as a sub-construct of enterprise performance manifested among the surveyed selected enterprises in Kenya. To measure this, a set of nine items was used and results are presented in Table 4.36.

The results in the table show that the average means score for Environmental perspective as 3.57715 with standard deviation of 0.809536 and coefficient of variation of 23%. The moderate mean score imply that Environmental perspective has moderate influence of selected enterprises in Kenya.

Table 4.36: Environmental Perspective

	N	Mean	Std. Deviation	CV	Skewness		Kurtosis	
	Statistic	Statistic	Statistic		Statistic	Std. Error	Statistic	Std. Error
Our organization has created a good work environment conducive to support all operations	35	4.2857	.92582	0.216025	-1.800	.398	4.064	.778
Our organization are satisfied with employment terms and conditions	35	4.2000	.96406	0.229538	-1.471	.398	2.532	.778
Our employees' complaints are handled in real time	35	4.2571	.78000	0.183223	-1.285	.398	2.286	.778
Our employees are satisfied with the organization remunerations	35	3.7143	.75035	0.202017	-.353	.398	.140	.778
Our employees are satisfied with our enterprise working environment	35	3.6571	.87255	0.238591	-.374	.398	-.358	.778
Employees views are considered in decision making	35	3.5143	.91944	0.261628	-.285	.398	-.703	.778
Our employees are highly motivated	35	4.1429	.91210	0.22016	-.790	.398	-.216	.778
There is a good relationship among employees and management	35	2.5429	.74134	0.291533	.074	.398	-.168	.778
There is constant communication between employees and the management	35	2.7143	.57248	0.210913	-.937	.398	1.248	.778
Employees are given the required work leave and offs when needed	35	2.7429	.65722	0.239608	.321	.398	-.645	.778
Average		3.57715	0.809536	0.229324				

Source: Primary Data (2021)

Another study by Hofmann and JaegerErben, (2020) shows that since the economic returns associated with proactive environmental strategies may not be directly visible or may occur only in the long term, firms are discouraged from acquiring knowledge and shifting managerial attitudes toward implementing proactive environmental strategies. However, the higher-order learning that is developed by engaging in competency-oriented alliances can help corporate managers acquire knowledge of these long term benefits, inform attitudes, and subsequently build an internal commitment toward adopting more proactive environmental strategies. One way in which firms participating in competency oriented alliances acquire this knowledge and shift managerial perceptions of environmental problems is by involving heterogeneous partners. Heterogeneous partners, which may include nonprofit social organizations and environmental NGOs, can

provide stronger complementary assets for innovation or entry of new markets than homogeneous partners. Such diversity is also important for creating the innovation and new market entry that are a focus of competency-oriented alliances.

4.8.4 Learning and Growth Perspectives

The study further sought to understand how Learning and growth perspectives as a dimension of enterprise performance are perceived by the respondents to manifest among the selected enterprises in Kenya. To measure this, a set of six items was used. The generated results are presented in Table 4.37.

Table 4.37: Learning and Growth Perspectives

	N	Mean	Std. Deviation	CV	Skewness		Kurtosis	
	Statistic	Statistic	Statistic		Statistic	Std. Error	Statistic	Std. Error
Management has always ensured there is enough qualified and professional staff in the organization	35	2.6857	.75815	0.282291	-.250	.398	-.024	.778
Our organization has had good structures to support upward employee growth through merit	35	2.9143	.74247	0.254768	-.774	.398	1.184	.778
Our organization has had continuous learning on how to do things better.	35	2.8857	.83213	0.288363	-.426	.398	-.170	.778
Our organization has highly charged motivated and loyal employees	35	2.7714	.64561	0.232954	-.448	.398	.742	.778
Our organization has been very keen on employee health and safety	35	3.4286	.94824	0.276568	-.112	.398	-.880	.778
Our organization employee productivity and staff development has improved.	35	3.6857	1.02244	0.277407	-.537	.398	.006	.778
Valid N (listwise)	35							
Average		3.0619	0.82484	0.268725				

Source: Primary Data (2021)

The results of the descriptive statistics show that Learning and growth perspectives had a mean score of 3.0619, standard deviation of 0.82484 and coefficient of variation of 27%. This is a moderate mean depicting strong agreement among the statements evaluated concerning Learning and growth perspectives and how they influence selected

enterprises in Kenya. The statement with the highest mean score was that our organization employee productivity and staff development has improved (mean= 3.6857, SD = 1.02244 and CV = 27%) while the statement with the lowest mean score was that Management has always ensured there is enough qualified and professional staff in the organization (mean= 2.6857, SD = 0.75815 and CV = 28%).

Serrat, (2017) stated that if, however, learning in alliances can do much to promote success, then it should be predominantly mutual. In this respect, one last barrier must be overcome: asymmetries between firms do exist, which of course explains why they partner in the first place. But if resolving variegated differences will serve alliances well, it follows that knowledge-related asymmetries should be tackled too. Knowledge-related asymmetries fall naturally in three categories: information, knowledge, and learning. Each will have a different effect on the individual performance of partners, the realization of objectives, and the stability of the alliance. The least that partners can do is to be conscious of that.

CHAPTER FIVE

HYPOTHESES TESTING AND DISCUSSION OF FINDINGS

5.1 Introduction

In this section, results and findings of the regression analysis are documented and presented. Hypotheses were formed on the basis of theoretical review, empirical literature review as well as research objectives; they were tested using simple regression analysis for direct relationship in hypotheses one, path regression analysis for testing of mediating effect, Stepwise Analysis for testing moderation and Multiple regression analysis was used to test the joint effect.

Coefficient of determination (R^2) was used in this study as a tool capable of giving the variation in the outcome variable explained by the predictor variable (s). This measure was therefore useful in showing how each variable provided useful information in reference to the dependent variable. However, in testing joint effect, adjusted R^2 was utilized. As noted by Anderson& Darling (1954), the adjusted R^2 measure is useful where predictor variables are many and this is based on the fact that degrees of freedom tend to be lost as more variables are added. The F-test was used as a test of significance for the overall regression whereas t-tests were utilized to establish independent contribution of each variable in the prediction of the outcome variable. Significance judgment was based on p-values. Rumsey (2011) documents the range of p-values as being between 0 and 1 where p-value ≤ 0.05 indicated strong evidence against the null hypothesis paving way for the rejection of the null hypothesis. However, a p-value > 0.05 indicated weak evidence against the null hypothesis and as such fail to reject the null hypothesis.

In testing for mediation, Baron and Kenny path analysis was applied. The fundamental issue in establishing mediation was whether competitive advantage depends on strategic alliances and therefore a mediator and as such, the mediation process involved tracing the route of the path analysis. Controlling effect was used in order to estimate how much the mediation effect varied over repeated samples. In establishing indirect effect of competitive advantage as a mediator, standard errors were used which presumes that the multiple of coefficients of path 2 (Step 2) and path 3 (step 3) were normally distributed. As a remedy in the unlikely scenario, controlling effect was adopted where confidence were computed using coefficients and standard errors derived by way of simulated distribution. In the following sections of the chapter, findings of the analysis are presented along with the study objectives and corresponding hypotheses.

5.2 Relationship between Strategic Alliances and Enterprise Performance

The objective was to determine the effect of strategic alliances on enterprise performance. A simple regression analysis was utilized where strategic alliances was regressed against enterprise performance. This process aimed at testing the first objective of the study which was to determine the relationship between strategic alliances as the predictor variable and enterprise performance as the outcome variable for selected enterprises.

However, the study first determined the extent to which strategic alliances influences non- financial and financial performance independently through formulation of the sub hypotheses.

H_{01a}: *There is no significant influence of strategic alliances on financial performance*

H_{01b}: *There is no significant influence of strategic alliances on non-financial performance*

Table 5.1 (a), 5.1 (b) and 5.1 (b), summarizes the results on the influence of strategic alliances on financial performance.

The study therefore investigated the overall relationship between strategic alliances as measured by joint venture, equity alliances and non-equity alliances and enterprise performance as the dependent variable. The composite index for strategic alliances was computed as the averages for each sub-variable measure. Based on the ideas proposed by Ley (1972), that a composite variable should ideally be meaningful to the context and objective of the study guided by the discipline and predetermined algorithm. In this regard, combination of financial weighted indices and non-financial weighted indices using the averaging method was done to create a composite which permitted the creation of a variable that allowed investigation of overall performance effect.

5.2.1 Influence of Strategic Alliances on Enterprise Performance

The hypothesis formulated was that*;*

H_{01}: There is no significant influence of strategic alliances on enterprise performance

This was tested through the simple linear regression analysis which was in the form;

$$OP = a + \beta SA + \varepsilon$$

where;

$OP = \text{Organizational Performance}$

$SA = \text{Strategic Alliances}$

$a = \text{constant in the equation}$

$\beta = \text{Regression coeffcient}$

$\varepsilon = \text{Error term or residual of the equation}$

The results of the regression model are presented in Tables 5.1 (a), 5.1 (b) and 5.1 (c).

Table 5.1 (a): Model Goodness of Fit on the Relationship between Strategic Alliances and Enterprise Performance

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.857[a]	.734	.726	.40180	.734	90.927	1	33	.000
a. Predictors: (Constant), Strategic alliances									

Source: Author, 2021

Linear regression analysis results as shown in model summary in Table 5.1 (a) provided a R^2 value of .734 and Std. Error of the Estimate of 0.4018. This implies that strategic alliances explain 73.4% change of enterprise performance. The significance of the overall model summary is presented in Table 5.1 (b).

Table 5.1 (b): Model Overall Significance on the Relationship between Strategic Alliances and Enterprise Performance

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14.679	1	14.679	90.927	.000[b]
	Residual	5.328	33	.161		
	Total	20.007	34			
a. Dependent Variable: Enterprise performance						
b. Predictors: (Constant), Strategic alliances						

Source: Author, 2021

Table 5.1 (b) presents the regression results of the analysis of variance which were useful in testing the overall statistical significance of the R^2 value in the model summary. The ANOVA results indicate significance $F=90.927$, $P < 0.05$] which suggests that the population R^2 is significantly greater than zero. If the predictor variables in the regression were more than one, statistical significance would then mean that at least of the regression coefficients is not equal to zero. Thus the model was overally significant.

Table 5.1 (c): Regression Coefficients on Relationship between Strategic Alliances and Enterprise Performance

Coefficients[a]								
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**	**Collinearity Statistics**	
		B	**Std. Error**	**Beta**			**Tolerance**	**VIF**
1	(Constant)	.192	.367		.524	.604		
	Strategic alliances	1.074	.113	.857	9.536	.000	1.000	1.000
a. Dependent Variable: Enterprise performance								

Source: Author, 2021

Table 5.1 (c) documents the results of coefficients of the independent variable used in the model and which was used to assess the degree of relationship with the dependent variable. The results indicate that the model constant was .192 with a t-value of .524 and p-value of .000. The constant value of .192 represents the value of enterprise performance when the independent variable is zero. Strategic alliances has a positive significant influence enterprise performance with a beta coefficient of 1.074, t-value of 9.536 and p-value < 0.05.

The results of the regression analysis in Table 5.1 (a), 5.1 (b) and 5.1 (c), show a strong relationship between strategic alliances and enterprise performance (R= .857). Coefficient of determination (R^2 =.734) indicates that strategic alliances explain 73.4 % of the variation in enterprise performance. Further the overall model is significant (F=90.927, p<0.05) implying that there exists a statistically significant relationship between the predictor and the outcome variable which cannot be attributed to a random process of chance. The significant relationship is further manifested by the t-value in the

coefficient table β= 1.074, t= 9.536, p<0.05. There is positive significant relationship between SA and OP and this would imply that enterprise performance accelerates based on the degree of alliances formed. This therefore depicts that strategic alliances, is key in determining performance of selected enterprises and as such, the hypothesis that there is no significant influence of strategic alliances on performance of selected enterprises in Kenya is rejected.

Based on the outcomes of the results of the regression analysis as presented in Table 5.1 (c), the model is expressed as follows:

$$OP = .192 + 1.074SA$$

Where;

OP is organizational performance

SA is strategic alliances

This implies that a unit change in strategic alliances results in 1.074 changes in enterprise performance. However when strategic alliances is rated zero, enterprise performance is .192. This shows that in absence of strategic alliances, the performance of selected enterprises is far below the break-even point depicting the importance of engaging in to strategic alliances for performance to be realized.

5.2.2 The Relationship between Strategic alliances and Financial Performance

The study also determined the influence of strategic alliances on financial performance through a sub hypothesis (H_{1a})

H_{01a}: *There is no significant influence of strategic alliances on financial performance.*

Results are presented in Table 5.2 (a), 5.2 (b) and 5.2 (c)

Table 5.2(a): Model Goodness of Fit on the Relationship between Strategic alliances and Financial Performance

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.356[a]	.127	.100	11.25508	.127	4.797	1	33	.036
a. Predictors: (Constant), Strategic alliances									

Source: Author, 2021

The model summary of the linear relationship between strategic alliances and financial performance provided a coefficient of determination (R^2) of 0.127 implying that financial performance is explained by 12.7% of strategic alliances and that inclusion of other factors in the model would generally improve the predictive power of the model by explaining 87.3 % variation in financial performance not explained by strategic alliances.

Table 5.2(b): Model Overall Significance on the Relationship between Strategic alliances and Financial Performance

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	607.641	1	607.641	4.797	.036[b]
	Residual	4180.332	33	126.677		
	Total	4787.973	34			
a. Dependent Variable: Financial performance						
b. Predictors: (Constant), Strategic alliances						

Source: Author, 2021

The analysis of variance (ANOVA) of the regression model results in Table 5.2 (b) provided regression sum of squares of 607.641 and model residual of 4180.332 with a mean square of 126.677 for the residual. The ANOVA regression results produced an F-statistic of 4.797 with a p-value =.036. A p-value of < .005 signifies that the probability

of the model giving false prediction is zero.

Table 5.2(c): Regression Coefficients on the Relationship between Strategic alliances and Financial Performance

Coefficients[a]								
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**	**Collinearity Statistics**	
		B	**Std. Error**	**Beta**			**Tolerance**	**VIF**
1	(Constant)	35.045	10.277		3.410	.002		
	Strategic alliances	6.910	3.155	-.356	2.190	.036	1.000	1.000
a. Dependent Variable: Financial performance								

Source: Author, 2021

In Table 5.2 (c), the results of coefficient of the independent variable used in the model in this section and which are used to assess the degree of the relationship with dependent variable. The model provided a constant value of 35.045 with a t-value of 3.410 and a p-value of .000 which is <.05. Strategic alliances was found to have a significant positive coefficient of 6.910 with a t-value of 2.190 and a p-value <.005.

Based on results in Tables 5.1 (a), 5.1 (b) and 5.1 (c), the study found a moderate relationship between strategic alliances and financial performance (R= .356). Coefficient of determination (R^2 =.127) which indicates that strategic alliances explain 12.7% of variation in financial performance. Further the overall model was significant; F =4.797, $p<0.05$. The significant relationship was further manifested by the t-value in the coefficient Table (β=6.910, t=2.190, $p<0.05$). This therefore depicts that strategic alliances is key in determining financial performance for selected enterprises and thus the hypothesis that there is no significant influence of strategic alliances on financial performance is rejected.

5.2.3 The Effect of Strategic alliances on Non-Financial Performance

The study also determined the influence of strategic alliances on non-financial performance through a sub hypothesis (H_{1b})

H_{01b}: *There is no significant influence of strategic alliances on non-financial performance.*

Results are presented in Table 5.3 (a), 5.3(b) and 5.3 (c)

Table 5.3 (a): Model Goodness of Fit on the Effect of Strategic alliances on Non-financial Performance

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.494[a]	.244	.221	.50779	.244	10.671	1	33	.003
a. Predictors: (Constant), Strategic alliances									

Source: Author, 2021

The model summary in Table 5.3 (a), reports R Square value of .244 an indication that 24.4% of the total variation in non-financial performance is explained by strategic alliances. The standard error of estimate is .50779. The adjusted R^2 value is .221. However, because the predictor variable is only one, R^2 value was used to assess the level of explained variation. The value of 24.4% means that inclusion of other predictors in the regression equation would improve power of the model.

Table 5.3 (b): Model Overall Significance on the Effect of Strategic alliances on Non-financial Performance

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.752	1	2.752	10.671	.003[b]
	Residual	8.509	33	.258		
	Total	11.261	34			
a. Dependent Variable: Non- financial performance						
b. Predictors: (Constant), Strategic alliances						

Source: Author, 2021

Table 5.3 (b) presents the results of analysis of variance (ANOVA). The F-statistic shows that the overall regression model is significant F=10.671, $p < 0.05$]. This significance result clearly indicates that there is a probability of 0.00% that the model would give a false prediction is zero.

Table 5.3 (c): Regression Coefficients on the Effect of Strategic alliances on Non-financial Performance

Coefficients[a]								
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**	**Collinearity Statistics**	
		B	**Std. Error**	**Beta**			**Tolerance**	**VIF**
1	(Constant)	1.708	.464		3.684	.001		
	Strategic alliances	.465	.142	.494	3.267	.003	1.000	1.000
a. Dependent Variable: Non financial performance								

Source: Author, 2021

Table 5.3 (c) documents the results of coefficients of the strategic alliances which is the predictor variable used in the study. The model provided a constant value of 1.708 with a t-value of 3.684 and a p-value of .01. The regression model reported a significant positive coefficient with a t-value of 3.267 and p-value < 0.05.

The results in 5.3 (a), 5.3(b) and 5.3 (c), found a moderate relationship between strategic alliances and non-financial performance (R= .494). Coefficient of determination (R^2 =.244) indicates that strategic alliances explain 24.4% variation in non-financial performance. However the overall model was significant, F =10.671, $p<0.05$. The significant relationship is further manifested by the t-value in the coefficient table (β=.465, t=3.267, $p<0.05$). This therefore depicts that strategic alliances is key in determining non-financial performance of selected enterprises in Kenya and thus the

hypothesis that there is no significant influence of strategic alliances on non-financial performance is not supported.

5.3 The Relationship between Strategic Alliances, Organizational characteristics and Enterprise Performance

The second objective of the study was to establish the moderating effect of organizational characteristics on the relationship between strategic alliances and enterprise performance. Hierarchical multiple regression analysis was used to assess the moderation effect. The interaction term was obtained by multiplying the predictor variable with each of the indicators of the moderating variable. The standardized interaction term was then arrived as follows; Interaction term = Strategic alliances * Organizational characteristics

The regression coefficient for interaction term provides an estimate of moderation effect which could either come in the form of enhancement, buffering or antagonistic dampening of the relationship between strategic alliances and enterprise performance.
This was achieved through testing the following hypothesis;

H_{02}: There is no significant moderating effect of organizational characteristics on the relationship between strategic alliances and enterprise performance

The process of establishing moderation involved stepwise method. In step one; strategic alliances were regressed on enterprise performance. In step two, strategic alliances were regressed on organizational characteristics. In step three the interaction term between strategic alliances and organizational characteristics was introduced. The moderation effect is confirmed when the effect of interaction term is statistically significant. The

overall moderation equation was presented as $OP=a+\beta_1 SA+\beta_2 OCH+\beta_3 SA*OCH+\varepsilon$

Table 5.4 (a): Model Goodness of Fit on Moderation of Organizational characteristics on the Relationship between Strategic Alliances and Enterprise Performance

Model Summary[d]										
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**	**Change Statistics**					**Durbin-Watson**
					R Square Change	**F Change**	**df1**	**df2**	**Sig. F Change**	
1	.857[a]	.734	.726	.40180	.734	90.927	1	33	.000	
2	.859[b]	.738	.727	.40437	.005	.582	1	32	.451	
3	.867[c]	.752	.728	.40040	.013	1.636	1	31	.210	2.135
a. Predictors: (Constant), Strategic alliances										
b. Predictors: (Constant), Strategic alliances, Organizational characteristics										
c. Predictors: (Constant), Strategic alliances_ organizational characteristics interaction										
d. Dependent Variable: Enterprise performance										

Source: Author, 2021

The regression results in Table 5.4 (a) shows three models which have been generated using a stepwise approach. It can be observed that as one moves from the stepwise regression model number one to three, the standard error of the estimate keeps decreasing from .40180 to .40040. The adjusted R^2 also keeps on improving from 0.726 to 0.728 implying that strategic alliances and organizational characteristics explain 72.8% of the changes in the enterprise performance outcome. Although the strategic alliances alone can explain 72.6% of the variance in the enterprise performance, when combined with organizational characteristics they explain 72.8% of the variations in the enterprise performance.

The stepwise multiple regression model number 3 is therefore the most significant model since it has the inclusion of most strategic alliances and organizational characteristics dimensions (strategic alliances * organizational characteristics). Although all models are

significant, stepwise model number, three is a good predictor of the moderating effect of organizational characteristics on the relationship between strategic alliances and enterprise performance.

Table 5.4 (b): Model Overall Significance on Moderation of Organizational characteristics on the Relationship between Strategic Alliances and Enterprise Performance

ANOVA[a]						
Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	14.679	1	14.679	31.264	.000[b]
	Residual	5.328	33	.161		
	Total	20.007	34			
2	Regression	14.774	2	7.387	45.179	.000[c]
	Residual	5.232	32	.164		
	Total	20.007	34			
3	Regression	15.037	3	5.012	90.927	.000[d]
	Residual	4.970	31	.160		
	Total	20.007	34			
a. Dependent Variable: Enterprise performance						
b. Predictors: (Constant), Strategic alliances						
c. Predictors: (Constant), Strategic alliances, Organizational characteristics						
d. Predictors: (Constant), Strategic alliances_organizational characteristics interaction						

Source: Author, 2021

Table 5.4 (b) documents the results of analysis of variance (ANOVA). The analysis of variance of the regressions shows that model 1, 2 and 3 are significant. There is an increase in the F values from 31.264 to 90.927. The F-statistic value in model 1 is 31.264 and p – value of 0.00. In model two, the results produced an F-significance value of 45.179, $p < 0.05$. In model 3, the F-statistic is also significant based on the p-value [$F=90.927$, $p < 0.05$. The overall model therefore has statistical explanatory value.

Table 5.4 (c): Regression Coefficients on Moderation of Organizational characteristics on the Relationship between Strategic Alliances and Enterprise Performance

Coefficients[a]						
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
		B	**Std. Error**	**Beta**		
1	(Constant)	.192	.367		.524	.604
	Strategic alliances	1.074	.113	.857	9.536	.000
2	(Constant)	.290	.733		.396	.694
	Strategic alliances	1.102	.119	.879	9.257	.000
	Organizational characteristics	.152	.199	.072	.763	.451
3	(Constant)	.187	.730		.255	.800
	Strategic alliances	1.575	.389	1.256	4.054	.000
	Organizational characteristics	.089	.203	.042	.436	.666
	Strategic alliances, organizational characteristics interaction	.520	.406	.405	1.279	.210
a. Dependent Variable: Enterprise performance						

Source: Author, 2021

Table 5.4 (c) presents regression coefficients of the strategic alliances, organizational characteristics and interaction term as the predictor variables used in each model. In model 1 where strategic alliances was regressed against enterprise performance, the constant value reported is .192. strategic alliances has a positive influence on enterprise performance with unstandardized coefficients value of 1.074, t-value of 9.536, p-value < 0.05. In model 2, the coefficient for organizational characteristics resulting from the analysis is .152 with significant t-value of .763. In model 3 where the interaction term was introduced, the reported coefficient is .520 with a t-value of 1.279 and *p*-value of 0.000 which is less than .05.

In summary, the value of the interaction term (SA * OCH) had a significant influence (β= .520, t=1.279, P<0.05) thus confirming a moderation effect of OCH and this leads to rejection of the null the hypothesis that OCH has a no significant moderating influence on the relationship between strategic alliances and performance of selected enterprises in Kenya.

$$OP=a+\beta_1 SA+\beta_2 OCH+\beta_3 SA*OCH+\varepsilon$$

Based on the results, the regression model is substituted as follows:

Y= .187 + 1.074 SA+ .152 OCH+ .520*SA*OCH*

Where;

Y= Enterprise Performance

SA=Strategic Alliances

OCH=Organizational characteristics

*SA*OCH=Strategic alliances_organizational characteristics interaction*

The results show that organizational characteristics are significant in moderating strategic alliances and enterprise performance relationship. It is evidenced that a unit change in strategic alliances results to 1.074 changes in enterprise performance and when an interaction term is subjected in to the equation performance further changes by .520 implying a significant moderation of organizational characteristics since the significance value also showed significance at 0.05 thresholds.

5.4 Relationship among Strategic Alliances, Competitive Advantage and Enterprise Performance

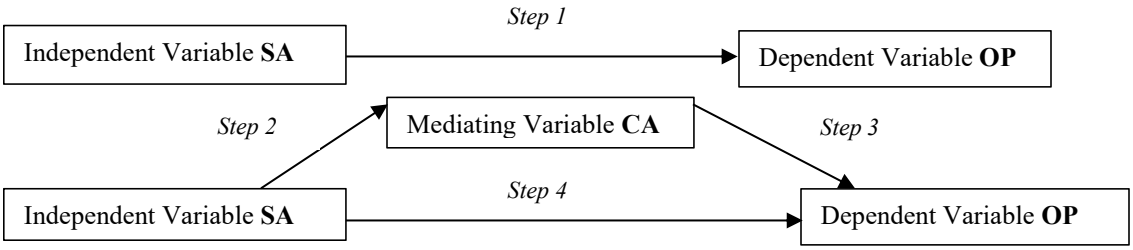
The third objective of the study was to examine whether competitive advantage mediates the relationship between strategic alliances and enterprise performance. Regression analysis was carried out to establish mediation. The analysis in this section sought to establish the magnitude of the impact of strategic alliances on enterprise performance when competitive advantage herein labelled as a mediating variable was introduced. This was done for composite variable and each indicator through documented steps and rightly so by checking whether the effect of SA on OP changes when CA was introduced.

The corresponding hypothesis that was tested is;

H_{03}: There is no significant mediating influence of competitive advantage on the relationship between strategic alliances and enterprise performance

The structural model and process of mediation of this study was evaluated using the path coefficients based on the paths depicted in the Figure 5.1 (a) below as per (MacKinoon, 2007; Sobel, 1990 and Schultheis, 2016)

Figure 5.1 (a): Mediation Process of Competitive Advantage on the Relationship between Strategic Alliances and Enterprise Performance



In Step one, the significance and nature of the relationship between the dependent

variable (Enterprise Performance) and independent variable (Strategic Alliances) was assessed. The results of regression analysis are presented in table 5.5 (a,b&c).

Table 5.5 (a): Model Goodness of Fit on the Effect of Strategic Alliances on Enterprise Performance

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.857[a]	.734	.726	.40180	.734	90.927	1	33	.000
a. Predictors: (Constant), Strategic alliances									

Source: Author, 2021

Linear regression analysis results as shown in model summary in table 5.2 (a) provided a R^2 value of .734 and Std. Error of the Estimate of 0.4018. The significance of the observed R^2 value in the model summary is presented in table 5.5 (b) through the analysis of variance.

Table 5.5 (b): Model Overall Significance on the Effect of Strategic Alliances and Enterprise Performance

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14.679	1	14.679	90.927	.000[b]
	Residual	5.328	33	.161		
	Total	20.007	34			
a. Dependent Variable: Enterprise performance						
b. Predictors: (Constant), Strategic alliances						

Source: Author, 2021

Table 5.5 (b) presents the regression results of the analysis of variance which were useful in testing the statistical significance of the R^2 value in the model summary. The ANOVA results indicate significance [F (90.927), $P < 0.05$] which suggests that the population R^2 is significantly greater than zero. If the predictor variables in the regression were more

than one, statistical significance would then mean that at least of the regression coefficients is not equal to zero.

Table 5.5 (c): Regression Coefficients on the Effect of Strategic Alliances and Enterprise Performance

Coefficients[a]								
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**	**Collinearity Statistics**	
		B	**Std. Error**	**Beta**			**Tolerance**	**VIF**
1	(Constant)	.192	.367		.524	.604		
	Strategic alliances	1.074	.113	.857	9.536	.000	1.000	1.000
a. Dependent Variable: Enterprise performance								

Source: Author, 2021

Table 5.5 (c) documents the results of coefficients of the independent variable used in the model and which was used to assess the degree of relationship with the dependent variable. The results indicate that the model constant is .192 with a t-value of .524 and p-value of .000. The constant value of .192 represents the value of enterprise performance when the independent variable is zero. Strategic alliances has a positive significant influence on enterprise performance with based on a beta coefficient of 1.074, t-value of 9.536 and p-value < 0.05.

The results presented in tables 5.5 (a), 5.5 (b) and 5.5 (c) generally show that strategic alliances significantly influence enterprise performance.

In Step two, the relationship between strategic alliances and a mediating variable, competitive advantage was tested. The results are presented in table 5.5 (d), 5.5 (e) and 5.5 (f).

Table 5.5 (d): Model Goodness of Fit on the Effect of strategic alliances on Competitive Advantage

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.835[a]	.697	.688	.35385	.697	76.077	1	33	.000
a. Predictors: (Constant), Strategic alliances									

Source: Author, 2021

Table 5.5 (d) displays the model summary results of the regression analysis composite value of strategic alliances and competitive advantage. The results reveal R^2 value of .688 which means 68.8 % of the total variation in the competitive advantage is explained by strategic alliances. 31.2% of the total variation is attributable to variables not considered in the model and whose inclusion would enhance the predictive power of the model.

Table 5.5 (e): Model Overall Significance on the Effect of strategic alliances on Competitive Advantage

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.526	1	9.526	76.077	.000[b]
	Residual	4.132	33	.125		
	Total	13.658	34			
a. Dependent Variable: Competitive advantage						
b. Predictors: (Constant), Strategic alliances						

Source: Author, 2021

The model of overall significance in table 5.5 (e) results produced an F-significance value of 76.077 and a p-value of .000 which is less than .05 [F (76.077), $p < .05$]. This is an indication of the significance of the predictive power of the model.

Table 5.5 (f): Regression Coefficients on the Effect of strategic alliances on Competitive Advantage

Coefficients[a]								
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**	**Collinearity Statistics**	
		B	**Std. Error**	**Beta**			**Tolerance**	**VIF**
1	(Constant)	.378	.323		1.169	.251		
	Strategic alliances	.865	.099	.835	8.722	.000	1.000	1.000
a. Dependent Variable: Competitive advantage								

Source: Author, 2021

Table 5.5 (f) shows results of coefficients of the variables. The model provided a constant of .378 with a t-value of 1.169 and a p-value of 0.000. The coefficient for the independent variable revealed a value of .865 with a t-value of 8.722 and a p-value of 0.00.

The results documented in tables 5.5 (d), 5.5 (e), and 5.5 (f) show that strategic alliances significantly influence competitive advantage with coefficient of determination R^2 of .688 and p-value<0.05. The overall model is also significant with F-value =76.077 and a p-value<0.05. The finding further reveals that strategic alliances has an impact on competitive advantage with the results showing that there is a significant (t-value = 8.722) and a positive (beta = .865) relationship between these two constructs. The significance of the results in step one and two permits the analysis of path results in step three.

Step three of the path analysis of coefficients tested the effect of the combined mediating variable (CA) on the dependent variable OP. The results are presented in tables 5.5 (g), 5.5 (h) and 5.5 (i).

Table 5.5(g): Model Goodness of Fit on the Relationship between Competitive Advantage and Enterprise Performance

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.645[a]	.416	.399	.59480	.416	23.551	1	33	.000
a. Predictors: (Constant), Competitive advantage									

Source: Author, 2021

Table 5.5 (g) presents the model summary of the regression analysis. The regression produced R-Squared of 0.416 showing that 41.6 % of the total variation in enterprise performance is accounted for by competitive advantage.

Table 5.5 (h): Model Overall Significance on the Relationship between Competitive Advantage and Enterprise Performance

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.332	1	8.332	23.551	.000[b]
	Residual	11.675	33	.354		
	Total	20.007	34			
a. Dependent Variable: Enterprise performance						
b. Predictors: (Constant), Competitive advantage						

Source: Author, 2021

The ANOVA of regression results in table 5.5 (h) provided an F-significance value of 23.551 and a p-value of 0.000 [F = 23.551, P < 0.05]. The regression model is a good fit with zero probability of its predictive value being false.

The regression model also show results of coefficients of the independent variable applied in the regression analysis. The model yields a constant value of .788 with t-value of 1.525 and p-value of 0.000. Furthermore, the composite variable for competitive advantage is determinant of enterprise performance because it has positively and

statistically significant influence based on the Unstandardized Coefficient value .781. The t-test value is 4.853 and p-value of 0.000 which is less than 0.05.

Table 5.5 (i): Regression Coefficients on the Relationship between Competitive Advantage and Enterprise Performance

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.788	.516		1.525	.137		
	Competitive advantage	.781	.161	.645	4.853	.000	1.000	1.000
a. Dependent Variable: Enterprise performance								

Source: Author, 2021

The final step (Step four) involved the evaluation of the influence of the mediating variable (competitive advantage) on the relationship between strategic alliances and enterprise performance as per Sobel – Score tests as shown in table 5.5 (j).

Table 5.5(j): Calculation for the Sobel Test of Significance on the Mediation effect of Competitive Advantage

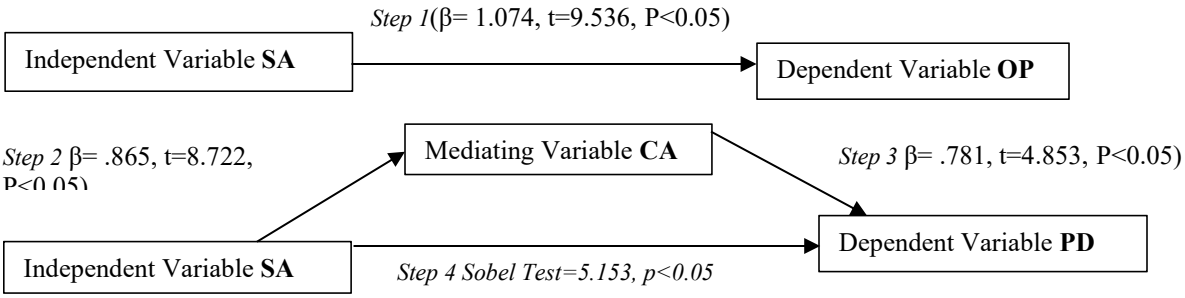
	Input:		Test statistic:	Std. Error:	*p*-value:
a	.247	Sobel test:	5.153	0.022	0.000
b	.470	Aroian test:	5.132	0.022	.0002
s_a	.039	Goodman test:	5.175	0.022	.0002
s_b	.053				

Source: Author, 2021

Sobel test table showed that the relation between the independent variable, strategic alliances and the dependent variable, enterprise performance, was affected by the introduction of the mediating variable, competitive advantage. The relationship between strategic alliances and enterprise performance was mediated to the extent that the relationship p-value falls below the alpha value of 0.05 and therefore mediation effect is

significant at confidence < 1.96 @ 95%). Competitive advantage was therefore found to be mediator. The revised mediation effect model was as shown in Figure 5.1(b).

Figure 5.1 (b): Mediation Results of Competitive Advantage on the Relationship between Strategic Alliances and Enterprise Performance



5.4 Strategic Alliances, Organizational characteristics, Competitive Advantage and Enterprise Performance

The fourth study objective was to assess the joint effect of strategic alliances, organization characteristics and competitive advantage on enterprise performance. The hypothesis tested was:

H_{04}: *There is no significant joint effect of strategic alliances, organizational characteristics and competitive advantage on enterprise performance.*

The hypothesis was tested using multiple regression analysis. In the regression model, enterprise performance was the dependent variable, while strategic alliances, organizational characteristics, and competitive advantage were predictor variables. The analysis was in two levels; Variable measurement model and indicator measurement model and Results are presented in Table 5.6 (a), (b) and (c).

Table 5.6 (a): Model Goodness of Fit on the Joint Effect of Strategic Alliances, Organizational characteristics, Competitive Advantage and Enterprise Performance (Variable measurement Model)

Model Summary				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	.867[a]	.751	.727	.40051
a. Predictors: (Constant), Organizational characteristics, Strategic alliances, Competitive advantage				

Source: Author, 2021

As presented in table 5.6 (a) above, 72.7% (Adjusted R^2 = 0.727) of variations in the enterprise performance are explained jointly by strategic alliances, organizational characteristics and competitive advantage.

Table 5.6 (b): Model Overall Significance on the Joint Effect of Strategic Alliances, Organizational characteristics, Competitive Advantage and Enterprise Performance (Variable measurement Model)

ANOVA[a]						
Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	15.034	3	5.011	31.242	.000[b]
	Residual	4.973	31	.160		
	Total	20.007	34			
a. Dependent Variable: Enterprise performance						
b. Predictors: (Constant), Organizational characteristics, Strategic alliances, Competitive advantage						

Source: Author, 2021

Table 5.6 (b) presents that the model is statistically significant in explaining the joint effect of strategic alliances, organizational characteristics and competitive advantage on enterprise performance specifically in selected enterprises in Kenya, F = 31.242, P<0.05).

Table 5.6 (c): Regression Coefficients on the Joint Effect of Strategic Alliances, Organizational characteristics, Competitive Advantage and Enterprise Performance (Variable measurement Model)

Coefficients[a]						
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
		B	**Std. Error**	**Beta**		
1	(Constant)	.188	.730		.258	.798
	Strategic alliances	1.314	.204	1.048	6.434	.000
	Competitive advantage	.259	.203	.214	1.273	.0213
	Organizational characteristics	.089	.203	.042	.438	.0365
a. Dependent Variable: Enterprise performance						

Source: Author, 2021

As presented in Table 5.6 (c), using standardized coefficients: Strategic alliances have a positive effect on joint effect of organizational characteristics and competitive advantage on enterprise performance (β= 1.048, t= 6.434, P<0.05); competitive advantage has a positive effect on joint effect of strategic alliances and organizational characteristics on enterprise performance (β= 0.214, t= 1.273, P<0.05); organizational characteristics has a positive effect on joint effect of strategic alliances and competitive advantage on enterprise performance (β= 0.042, t= .438, P<0.05).

The relationship derived on the joint effect of strategic alliances, organizational characteristics and competitive advantage on enterprise performance is statistically significant. The regression equation derived was thus as follows:

Enterprise performance (Y) **= 1.048 Strategic alliances + .214 Competitive advantage + 0.042 organizational characteristics**

The results of the beta coefficient showed that a unit increase in strategic alliances will cause 1.048 positive effect on enterprise performance (β= 1.048, t= 6.434, P<0.05); a unit

increase in competitive advantage will cause 0.214 positive effect on enterprise performance (β= 0.214, t= 1.273, P<0.05). A unit increase in organizational characteristics will cause a 0.042 effect on enterprise performance (β= 0.042, t= .438, P<0.05).

The findings therefore rejects null hypothesis H_{04} that there is no significant joint effect of strategic alliances, organizational characteristics and competitive advantage on performance of selected allied firms in Kenya.

Further indicator measurement model was used in testing the joint effect of strategic alliances, organizational characteristics and competitive advantage on enterprise performance This is because the independent, intervening and the moderator variables are not single-indicator variables where the variable is set to be equal to its single indicator.

Table 5.6 (d): Model Goodness of Fit on the Joint Effect of Strategic Alliances, Organizational characteristics, Competitive Advantage and Enterprise Performance (Indicator measurement Model)

Model Summary				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	.844[a]	.712	.575	.50033
a. Predictors: (Constant), Management skills, Ownership structure, Equity alliances, Flexibility, Price/cost, Firm age, Joint ventures, Dependability, Non-Equity alliances, Speed, Quantity				

Source: Author, 2021

As coefficients for indicator measurement model: presented in table 5.8 (d) above, 71.2% (Adjusted R^2 = 0.712) of variations in the enterprise performance are explained jointly by Management skills, Ownership structure, Equity alliances, Flexibility, Price/cost, Firm age, Joint ventures, Dependability, Non-Equity alliances, Speed and Quantity.

Table 5.6 (e): Model Overall Significance on the Joint Effect of Strategic Alliances, Organizational characteristics, Competitive Advantage and Enterprise Performance (Indicator Measurement Model)

ANOVA[a]						
Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	14.249	11	1.295	5.175	.000[b]
	Residual	5.758	23	.250		
	Total	20.007	34			
a. Dependent Variable: Enterprise performance						
b. Predictors: (Constant), Management skills, Ownership structure, Equity alliances, Flexibility, Price/cost, Firm age, Joint ventures, Dependability, Non-Equity alliances, Speed, Quantity						

Source: Author, 2021

Table 5.6 (e) presents the indicator measurement model which implies, that the model is statistically significant in explaining the joint effect of strategic alliances, organizational characteristics and competitive advantage on enterprise performance, F=5.175, P<0.000.

The results of the beta coefficient (table 5.8f) from indicator measurement model showed that: Joint ventures, Equity alliances, Non-Equity alliances, Price/cost, Quantity, Ownership structure and Management skills have positive and significant effect on joint effect of strategic alliances, organizational characteristics and competitive advantage on enterprise performance (P<0.05).

Quantity have a strong positive effect on joint effect of strategic alliances, organizational characteristics and competitive advantage on enterprise performance (β=1.350, t=1.124, P<0.05). This was followed by firm age (β=1.327, t=1.152, P<0.05) and Non-Equity alliances (β=.667, t=.575, P<0.05). Furthermore speed was also positive and significant (β=.242, t=.719, P<0.05). The findings also shows Ownership structure, Management skills, Joint ventures and Equity alliances having significant effect on the joint effect of

strategic alliances, organizational characteristics and competitive advantage on enterprise performance with (β=.232, t=.941, P<0.05) (β=.152, t=.435, P<0.05) (β=.239, t=.981, P<0.05) and (β=.241, t=.701, P<0.05) respectively.

Table 5.6 (f): Regression Coefficients on the Joint Effect of Strategic Alliances, Organizational characteristics, Competitive Advantage and Enterprise Performance (Indicator Measurement Model)

Coefficients[a]						
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
		B	**Std. Error**	**Beta**		
1	(Constant)	1.565	1.093		1.432	.0166
	Joint ventures	.233	.237	.239	.981	.0337
	Equity alliances	.240	.308	.241	.701	.0499
	Non-Equity alliances	.754	.293	.667	.575	.017
	Price/cost	.170	.290	.107	.586	.0464
	Quantity	2.054	1.827	1.350	1.124	.0273
	Speed	.435	.605	.242	.719	.0479
	Dependability	.186	.399	.124	.466	.0345
	Flexibility	.027	.362	.013	.075	.0241
	Firm age	2.019	1.752	1.327	1.152	.0261
	Ownership structure	.349	.371	.232	.941	.0356
	Management skills	.231	.531	.152	.435	.018
a. Dependent Variable: Enterprise performance						

Source: Author, 2021

At variable level strategic alliances had coefficient of 1.048 which was the most significant compared to competitive advantage (β=.214) and 0.042 organizational characteristics (β=.042). This is in line with indicator level where strategic alliances indicators are the most positive and significant Non-Equity alliances (β=.667, t=.575, P<0.05); Joint ventures (β=.239, t=.981, P<0.05) and equity alliances (β=.241, t=.701, P<0.05) followed by competitive advantage indicators Quantity (β=1.350, t=1.124, P<0.05); speed (β=.242, t=.719, P<0.05) and management skills (β=.152, t=.435, P<0.05)

and finally organizational characteristics indicators firm age (β=1.327, t=1.152, P<0.05) Ownership structure and (β=.232, t=.941, P<0.05). Jointly therefore, strategic alliances, organizational characteristics and competitive advantage are good predictors of enterprise performance.

The regression equation derived was thus as follows:

Enterprise Performance (Y) **= 0.239 X_1 + 0.241 X_2 + 0.667 X_3 + 0.107 X_4 + 1.350 X_5 + 0.242 X_6 + .124X_7 + 0.013 X_8 + 1.327 X_9 + 0.232 X_{10} + 0.152 X_{11}**

Where:

X_1 = Joint ventures

X_2 = Equity alliances

X_3 = Non-Equity alliances

X_4 = Price/cost

X_5 = Quantity

X_6 = Speed

X_7 = Dependability

X_8 = Flexibility

X_9= Firm age

X10 = Ownership structure

X11= Management skills

The joint effect of strategic alliances, organizational characteristics and competitive advantage on performance of selected enterprises was statistically significant. This implies, overall, strategic alliances, organizational characteristics and competitive advantage are good predictors of enterprise performance. The findings therefore rejects null hypothesis that there is no significant joint effect of strategic alliances, organizational characteristics and competitive advantage on performance of selected enterprises in Kenya.

5.5 Discussion of the Study Findings

In this section, the results which were drawn from the tests of the study variables are chronologically discussed based on the objectives of the study and the hypotheses.

5.5.1 Strategic Alliances and Enterprise Performance

The objective of the study was to establish the effect of strategic alliance on enterprise performance in selected enterprises in Kenya. And the corresponding hypothesis was that there is no significant relationship between strategic alliance and enterprise performance in selected enterprises in Kenya and it was found that strategic alliance have a statistically significant influence on enterprise performance.

The findings support the RBV which focuses on how enterprises can use unique resources at their disposal to deliver superior performance by entering in to alliances to gain larger market. Therefore, resource dependence theory (RDT), a sub-theory of RBV, states that inter-enterprise relationships could also help an organization to reduce environment uncertainty and gain mutual benefits Yu, Xu & Dong, (2019), which is used for explaining why firms engage in long-term relationships with other firms. A firm with unique and superior resources can design bigger and more effective strategic alliance compared to its competitors. The findings are in line with Guo, (2018) who argues that strategic alliances can lead to a number of positive outcomes for firms. Therefore, managers should develop an open mindset to connect the external environment with internal enterprise capability development. Managers should pay more attention to the formation of vertical symmetric alliances, which can create more abnormal returns.

The findings also support a study by Beamish & Lupton (2009) on how Strategic alliances and joint ventures have become an integral part of firms' corporate and global strategies. Cooperating with other companies facilitates access to new resources and markets, accelerates the development of technological capabilities, reduces risks, and enhances market power. Indeed, successful cooperation can be considered a source of competitive advantage in today's global economy, which is evidenced both by the amount of revenues generated through alliances and their rising number.

Chamberlain and Anseeuw, (2019) stated that Equity has been considered an indicator of hierarchy because it is considered to be an effective mechanism for managing the rent appropriation concerns associated with partnering. In alliances, hierarchical controls formalize interactions between partners and clarify boundaries on decisions and activities; then, the hierarchical controls simplify decision making. Moreover, this kind of control facilitates coordination through informal means and creates a sense of shared purpose that can motivate and guide individual participants and minimize conflict among them.

Equity options such as fundraising are sought after by firms because this type of alliance has great potential to boost growth. However, this type of alliance requires the firm to give up some equity against the investment poured into the firm: 'Equity financing in entrepreneurship primarily includes venture capital, corporate venture capital, angel investment, and crowdfunding' (Drover et al., 2017). Although this type of funding drives firms growth, it also entails significant risk because it can be limiting for the firm as it can cause conflicts over goals which interfere with the overall performance.

Subsequently, this influences their financial performance (Wang et al., 2017), for instance, firms obtaining governmental grants are more likely to attract venture capital investments (Islam et al., 2018). Non-equity alliances, such as grants from the public sector are attractive to startups seeking resource complementarity and to improve market access.

Yu, Xu, and Dong, (2019) examined 345 technical and marketing alliances and concluded that the overall average abnormal return is around 0.64%, while the high-technology firms can gain more benefit, amounting to 1.12%, and the overall average abnormal return benefit by technical horizontal alliances and marketing non-horizontal alliances can be even higher, up to 3.5% and 1.45%, respectively.

Globalization fast-tracks the development of new technology, such that, each day, there is a new discovery Changes occur rapidly, and many entrepreneurs are left wondering whether to update or replace their old strategies. Innovation brings opportunities and provides foundations for new business undertakings. Innovative ideas can include the use of IT to create new markets and gain a competitive advantage through greater interactivity, cheaper transactions, and direct communication with partners and clients (Zhu, Zou, & Zhang, 2018)

Andriof & Waddock, (2017) argue that due to today's highly complex and diverse environment of organizations, economic efficiency and hierarchy are not being accepted as contemporary management principles. Instead, co-operative relationships in the perspective of politically driven structures, flexible networks, strategic alliances and entrepreneurial adaptability are being followed. When this issue has attained a new

importance in the present situation by understanding value-adding strategies for building alliances, managers are able to contribute more to both their firms' success and their industries as well.

Chaudhary (2018) also argues that new competitive dynamics such as increasing globalization, rapid change and dispersion of technology, emergence of hybrid industries and consolidation of industries, and liberalization of economies in today's ever-changing market place require continuous innovations and improvements from business firms in every facet of their value-chain activities while seeking opportunities worldwide. In response to these competitive dynamics, business firms need to engage in unorthodox strategies and approaches to gain and sustain their competitive advantages against rival firms. Consequently, strategic alliances between firms have become a popular mode in addition to their traditional unitary strategies.

Chamberlain and Anseeuw, (2019) stated that Equity has been considered an indicator of hierarchy because it is considered to be an effective mechanism for managing the rent appropriation concerns associated with partnering. In alliances, hierarchical controls formalize interactions between partners and clarify boundaries on decisions and activities; then, the hierarchical controls simplify decision making. Moreover, this kind of control facilitate coordination through informal means and create a sense of shared purpose that can motivate and guide individual participants and minimize conflict among them.

Drover et al., (2017) further argues that equity options such as fundraising are sought after by firms because this type of alliance has great potential to boost growth. However,

this type of alliance requires the firm to give up some equity against the investment poured into the firm: 'Equity financing in entrepreneurship primarily includes venture capital, corporate venture capital, angel investment, and crowdfunding'. Although this type of funding drives firms growth, it also entails significant risk because it can be limiting for the firm as it can cause conflicts over goals which interfere with the overall performance.

Further Wang et al., (2017) argues that non-equity options, such as grants are used by venture capitalists as an indicator of technological competence and thus increase confidence in the firm and her ability to make a transition from concept to market. It reflects the endorsement by public organizations and it can be used by the firm to increase its legitimacy and attract high quality partners. Subsequently, this influences their financial performance for instance, firms obtaining governmental grants are more likely to attract venture capital investments. The findings also support Cacciolatti, Rosli, Ruiz-Alba and Chang (2020) that non-equity alliances, such as grants from the public sector are attractive to startups seeking resource complementarity and to improve market access.

5.5.2 Strategic Alliances, Organizational characteristics and Performance

The second objective was to determine the effect of organizational characteristics on the relationship between strategic alliances and performance of selected allied firms in Kenya. The results showed that organizational characteristics have a statistically significant moderating influence on the relationship between strategic alliances and enterprise performance. The findings support previous studies. For instance Yu, Xu, and Dong (2019) examined 345 technical and marketing alliances and concluded that the overall

average abnormal return is around 0.64%, while the high-technology firms can gain more benefit, amounting to 1.12%, and the overall average abnormal return benefit by technical horizontal alliances and marketing non-horizontal alliances can be even higher, up to 3.5% and 1.45%, respectively. Globalization fast-tracks the development of new technology, such that, each day, there is a new discovery Changes occur rapidly, and many entrepreneurs are left wondering whether to update or replace their old strategies. Innovation brings opportunities and provides foundations for new business undertakings. Innovative ideas can include the use of IT to create new markets and gain a competitive advantage through greater interactivity, cheaper transactions, and direct communication with partners and clients (Zhu, Zou, & Zhang, 2018).

Andriof and Waddock (2017) argue that due to today's highly complex and diverse environment of organizations, economic efficiency and hierarchy are not being accepted as contemporary management principles. Instead, co-operative relationships in the perspective of politically driven structures, flexible networks, strategic alliances and entrepreneurial adaptability are being followed. When this issue has attained a new importance in the present situation by understanding value-adding strategies for building alliances, managers are able to contribute more to both their firms' success and their industries as well.

Rajan and Dhir (2021) finds that prior alliance experience, inter-partner learning, knowledge transfer, absorptive capacity and knowledge internalization have a positive on the alliance productivity and performance. Furthermore, the findings indicate that prior alliance experience remains essential for alliance productivity and performance, while knowledge transfer and absorptive capacity can contribute to inter-partner

learning and knowledge internalization in strategic alliances.

According to Ferreira and Franco (2017), with the intention of overcoming their lack of resources and to be able to compete on equal terms with large firms, SMEs sometimes need to form cooperative relationships with other companies. The importance of strategic alliances among SMEs has increased significantly, and shows a tendency to continue to develop due essentially to factors such as growing international competition, accelerated technological progress and increasingly sophisticated markets, customers and suppliers. In addition, a contribution of this study is to show that strategic alliances have an influence on intellectual capital and enterprise performance, allowing confirmation that the relationships SMEs form with other firms are increasingly important for their sustainability and development.

The study further established that the performance of the organization has improved due to increase in Market share growth. According to Yang & Gabrielsson, (2017) by use of joint marketing ventures companies are better placed to effectively deal with uncertainties in the market environment. This would help such firms to reposition in highly competitive global markets and significantly reduce the transaction costs.

5.5.3 Strategic Alliances, Competitive Advantage and Enterprise Performance

The study further established that competitive advantage has significant mediating influence on the relationship between strategic alliance and enterprise performance. The results from the study are agreeable with those of Tjemkes, Vos and Burgers (2017) who investigated Partnership between separate organizations to share resources collaboratively towards mutually beneficial goal concluded that they are an important

management instrument, but one that is difficult for firms to manage. Among many desirables outcomes, alliance can reduce costs, provide access to new technology, and improve research and development endeavors, though collaborative arrangements come with risks, perils and adversities.

These findings also concur with Tjemkes, Vos, and Burgers (2017) who conducted an empirical study and established that regarding the overall quality of strategic alliances in achieving the objectives of strategic alliances, reliance on trust is not sufficient since trust is a complex issue and management should focus on a broader concept—the quality of the alliance and the critical success factors of enhancing the overall quality of the alliance. By defining relational quality as “the extent to which the partners feel comfortable and are willing to rely on trust in dealing with one another”, they clarify that relational quality encompasses a broader concept than trust, such as degree of compatibility of corporate culture and decision-making style, and a convergence of worldviews.

According to the study by Hashai, Kafouros and Buckley (2018), fast-paced strategic moves helps firms avoid competency traps, implement new initiatives, and pursue new opportunities by facilitating the implementation of "change" routines that support subsequent strategic moves. Fast-paced strategic moves can further help firms adapt to changing environments. Also the speed of strategic alliance moves negatively affects firm profitability and other performance measures such as market returns. Firm profitability depends on the regularity at which firms make strategic moves, with regular expansion having positive effects on profitability. Accordingly, both strategic flexibility and alliance are useful to strategic decision making. Numerous studies have indicated that strategic

flexibility enables firms to achieve a competitive advantage (Zhou et al. 2018). Accordingly, strategic flexibility helps in achieving the full potential of its key resources when used in combination and an ability to achieve competitive advantages.

5.5.4 Strategic Alliances, Organizational characteristics, Competitive Advantage and Enterprise Performance

The last objective was to determine the joint effect of strategic alliances, organizational characteristics and competitive advantage on enterprise performance. The results showed that there is a joint statistically significant influence of strategic alliances, organizational characteristics and competitive advantage on enterprise performance. This supports extant researchers. For instance, a study by Rajapathirana and Hui (2018) indicates that to a great extent, customer expectations are taken into account in the decision making process. Strategic alliances help companies to meet the evolving customer needs, achieve high enterprise performance and remain competitive in the increasingly regulated markets. Forming strategic alliances has proved to be one of the most useful strategies that have enabled firms to retain and increase their market share in highly dynamic and competitive global markets as well as remain profitable over the years**.**

Another study by Hofmann & Jaeger Erben, (2020) shows that since the economic returns associated with proactive environmental strategies may not be directly visible or may occur only in the long term, firms are discouraged from acquiring knowledge and shifting managerial attitudes toward implementing proactive environmental strategies. However, the higher-order learning that is developed by engaging in competency-oriented alliances can help corporate managers acquire knowledge of these long term

benefits, inform attitudes, and subsequently build an internal commitment toward adopting more proactive environmental strategies. One way in which firms participating in competency oriented alliances acquire this knowledge and shift managerial perceptions of environmental problems is by involving heterogeneous partners. Heterogeneous partners, which may include nonprofit social organizations and environmental NGOs, can provide stronger complementary assets for innovation or entry of new markets than homogeneous partners. Such diversity is also important for creating the innovation and new market entry that are a focus of competency-oriented alliances.

Serrat, (2017) stated that if, however, learning in alliances can do much to promote success, then it should be predominantly mutual. In this respect, one last barrier must be overcome: asymmetries between firms do exist, which of course explains why they partner in the first place. But if resolving variegated differences will serve alliances well, it follows that knowledge-related asymmetries should be tackled too. Knowledge-related asymmetries fall naturally in three categories: information, knowledge, and learning. Each will have a different effect on the individual performance of partners, the realization of objectives, and the stability of the alliance. The least that partners can do is to be conscious of that.

5.6 Chapter Summary

The chapter presented the results of descriptive and inferential statistics. Descriptive statistics (mean, mode, median and dispersion range) were presented using simple frequency, percentages, means and standard deviation. Inferential statistics were used to test the relevant hypotheses and were conducted using simple simultaneous, stepwise and

multiple regression analyses to test the statistical significance of the hypotheses at 95% confidence level. The chapter has also detailed how the direct relationships were tested through simple linear regression and correlation analysis. It also detailed how the indirect relationships (moderation) were tested through hierarchical multiple regression and also how the joint influence was tested through stepwise multiple regression technique.

In review of the results, a hypothesis was said to be statistically significant (was not rejected if the p-value was less than 0.05 significance level, otherwise a hypothesis was considered to be statistically insignificant (not significant) and hence rejected. Finally, the chapter also presented the discussion of the results and conclusions based on the hypotheses tested.

From the results, there is a statistically significant and positive relationship between strategic alliances and performance of selected allied firms in Kenya. Organizational characteristics and competitive advantage was found to significantly moderate the relationship between strategic alliances and enterprise performance. Regarding the joint effects of, the results reveal that this effect is significantly greater than the individual effect of each variable. Therefore, all four study hypotheses were accepted.

A summary of the above analyses with respect to the study objectives and hypotheses is presented in table 4.43.

Table 5.43: Summary of Research Objectives, Hypotheses, Analytical Models and Conclusions

Objective	Hypothesis	Conclusion
Objective One: To determine the extent to which strategic alliance influence performance of selected allied firms in Kenya.	Ho_1: There is no significant relationship between strategic alliances and influence performance of selected allied firms in Kenya.	Strategic alliances is a strong statistical predictor of enterprise performance. *Ho_1 was not supported; alternate hypothesis is accepted*
Objective Two: To establish the moderating effect of organizational characteristics on the relationship between strategic alliances and performance of selected allied firms in Kenya.	Ho_2: Organizational characteristics doesn't have a significant moderating influence on the relationship between strategic alliances and influence performance of selected allied firms in Kenya.	There is a strong statistical moderating influence of organizational characteristics on the relationship between strategic alliances and enterprise performance. *Ho_2 was not supported; alternate hypothesis is accepted*
Objective Three: To determine the intervening effect of competitive advantage on the relationship between strategic alliance and performance of selected allied firms in Kenya.	Ho_3: Competitive advantage doesn't have a significant intervening influence between strategic alliances and influence performance of selected allied firms in Kenya.	There is a weak but significant statistical intervening influence of competitive advantage on the relationship between strategic alliances and enterprise performance. *Ho_3 was not supported; alternate hypothesis is accepted*
Objective Four: To determine the joint effect of strategic alliances, organizational characteristics and competitive advantage on influence performance of selected allied firms in Kenya	H_4: There is no significant joint effect of strategic alliances, organizational characteristics and competitive advantage on influence performance of selected allied firms in Kenya.	There is a significant joint effect of strategic alliances, organizational characteristics and competitive advantage on enterprise performance *Ho_4 was supported; alternate hypothesis is accepted*

Source: Primary Data (2021)

CHAPTER SIX

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

6.1 Introduction

This chapter presents summary of the findings, conclusion as well as the recommendations of the study findings. The field data obtained to address each of the objectives was presented in chapter through descriptive statistics and effect of the independent variables on the dependent variable. These are presented relative to the findings of the previous chapter evaluating the influence of strategic alliance, organizational characteristics and competitive advantage on enterprise performance in the selected enterprises in Kenya.

6.2 Summary of Findings

The general objective of this study was to determine the relationship among strategic alliance, organizational characteristics, competitive advantage and enterprise performance in the selected enterprises in Kenya. The design that guided this study was a descriptive cross sectional design, the objective of the study was to establish relationships among the study variables. The unit of analysis therefore was senior managers in the selected enterprises in Kenya.

The first objective of the study was to determine the relationship between strategic alliance and enterprise performance in the selected enterprises in Kenya. The explanatory variables were joint ventures, equity alliances and non-equity alliances. Using a simple linear regression analysis model, the study established a positive statistically significant relationship between strategic alliance and enterprise performance.

The second objective sought to determine how organizational characteristics influence the relationship between strategic alliance and enterprise performance. This was through the hypothesis that organizational characteristics do not significantly moderate the relationship between strategic alliance and enterprise performance in selected enterprises in Kenya. The hypothesis was tested by using Baron and Kenny (1986) three step models of moderation. The results show positive and significant relationship when an interaction term is considered implying that organizational characteristics add significantly to the relationship as a moderator. The moderation therefore is depicted in the model. The hypotheses that organizational characteristics do not significantly moderate the relationship between strategic alliance and enterprise performance in selected enterprises in Kenya are thus rejected.

The third objective was to determine the effect of competitive advantage on enterprise performance through hypothesis that there is no significant relationship between competitive advantage and enterprise performance in selected enterprises in Kenya. A simple regression analysis was utilized where competitive advantage was regressed against enterprise performance. The study found a strong positive relationship between competitive advantage and enterprise performance. This therefore depicts that competitive advantage is key in determining enterprise performance of selected enterprises in Kenya and thus the hypothesis that there is no significant relationship between competitive advantage and enterprise performance in selected enterprises in Kenya is rejected.

The fourth objective of the study was to analyze the joint effect of strategic alliance, organizational characteristics and competitive advantage on enterprise performance in strategic enterprises in Kenya by jointly investigating the indicators of each variable. Using a stepwise regression analysis, the study established significant independent effects of strategic alliance, organizational characteristics and competitive advantage on enterprise performance and further it was established that the joint effect had a higher significance as compared to individual effects.

6.3 Conclusions

The study determined the effect of strategic alliance on enterprise performance. The study found a strong relationship between strategic alliance and enterprise performance. Coefficient of determination indicated that strategic alliance explained 62.7 % of variation in enterprise performance. Further the overall model was significant as depicted by F value. The significant relationship was further manifested by the significant t-value in the coefficient table. This therefore depicts that strategic alliance is key in determining enterprise performance in selected enterprises in Kenya and thus the hypothesis that there is no significant influence of strategic alliance on enterprise performance is rejected.

The second objective was to determine the effect of organizational characteristics on enterprise performance through the hypothesis that there is no significant relationship between organizational characteristics and enterprise performance in selected enterprises in Kenya. A simple regression analysis was utilized where organizational characteristics was regressed against enterprise performance. The study found a strong positive relationship between organizational characteristics and enterprise performance with

organizational characteristics explaining 27.7% of variation in enterprise performance depicting that organizational characteristics is key in determining enterprise performance of selected enterprises in Kenya and thus the hypothesis that there is no significant relationship between organizational characteristics and enterprise performance was rejected.

The third hypothesis was to assess how much change in enterprise performance would be jointly explained by the changes in strategic alliance, organizational characteristics and competitive advantage through hypothesis that organizational characteristics and competitive advantage jointly do not significantly moderate the relationship between strategic alliance and enterprise performance in selected enterprises in Kenya. The results reveal that the joint effect of strategic alliance, organizational characteristics and competitive advantage on enterprise performance was statistically significant. The results show that jointly the variables explain 67.8% of the variations in enterprise performance (R^2 = .678). Therefore, the hypothesis was supported by the results of the study. The results show that the joint effect of strategic alliance, organizational characteristics and the strategic alliance on enterprise performance in selected enterprises in Kenya is statistically significant and thus the hypothesis is rejected.

6.4 Contributions of the Study Findings

The findings from this study contribute to the body of knowledge in the area of the influence of strategic alliance, organizational characteristics and competitive advantage on enterprise performance. This section highlights the study findings contribution to knowledge, regulators and benefits to selected enterprises in Kenya on managerial

policies and practices.

6.5 Implications of the Study

The current study examined the relationship between strategic alliance, organizational characteristics, competitive advantage and enterprise performance. The moderating role of organizational characteristics and competitive advantage was also examined. The findings of the study present theoretical, managerial and policy implications.

6.5.1 Theoretical Implications

The study also sheds more light on the existing and current theoretical debates on strategic alliance and enterprise performance. The findings of the study showed that strategic alliance is an integral element that contributes to enterprise performance. These findings reinforce the RBV Theory that contends that resources in an organization are important factors in influencing how firms can be able to form strategic alliances that are efficient for performance to be realized.

In addition, the study observed that organizational characteristics significantly moderate the relationship between strategic alliance and enterprise performance. Therefore, organizational characteristics contribute to enterprise performance. This observation reinforces the claims by the Resource-Based View that enterprise performance is determined by the resources and capabilities that the organization possesses, which also conforms to findings by Peteraf, (1993).

The findings of the study also showed that competitive advantage mediates the interaction between strategic alliance and enterprise performance. This observation

conforms to Network theory which suggests that strategic alliances add up to the firm's competitive advantage via evaluating performance results. The theory stands on the universal impression that financial activities get impact from the societal environment embedding them plus activities may be impacted by actor's position in social networks (Musara et al, 2016). According to the study by Heilde, (1994) Resource dependency theory is based on the principle that an organization, such as a business firm, must engage in transactions with other actors and organizations in its environment in order to acquire resources and the resulting unequal exchanges generate differences in power, authority, and access to further resources. The study also conforms to Resource based view theory which argues that firms posses resources, a subset of which enable them to achieve competitive advantage, and a subset of those that lead to superior long-term performance. Resources that are valuable and rare can lead to the creation of competitive advantage (Barney, 1991).

6.5.2 Policy Implications

The study makes important contribution to policy makers. Changing market dynamics and economic cycles present great challenges to policy makers in the selected enterprises. This study has a significant impact on policymakers because the insights gained will aid them in improving their policymaking abilities, as well as using invention in strategy employment in zones of aptitude creation, alliance building by selected allied companies, and the overall benefits accrued by companies in alliances. Further amended policies will help Kenya's selected allied companies perform better.

6.5.3 Implications to Practitioners

The results of the study are also expected to have positive implications to the practitioners. Research has shown that strategic alliances impact significantly on the enterprise performance of selected enterprises. Managers must take cognizance of the fact that their main duty revolves around isolating the exact needs of customers and deciding on the best functional mechanisms including competitive advantage to adopt to deliver products and services that satisfy both current and potential customers. Thus, suitable and effectively implemented strategic alliances are necessary to effectively guide the placement of existing resources in pursuit of desired company goals.

The study has also revealed that the interaction of strategic alliance and enterprise performance is further moderated by organizational characteristics and mediated by competitive advantage. It is therefore critical for practitioners to understand that for a selected allied enterprise to be successful, it ought to appreciate how organizational characteristics can be put to use and must formulate effective competitive advantage to not only cope with changes in the environment but also outclass their competitors.

6.5.4 Implications to New Knowledge

The study aimed at establishing the effect of strategic alliances on enterprise performance. This adds knowledge to the area of strategic management. Enterprise performance is the primary concern in practice and research of strategic management. Strategic alliances thus is considered as an essential source of improved enterprise performance through putting in place the required resources required environment for crucial operations within different functional units. This means an organization which sets out unique features, characteristics, patterns and processes perform better than others.

6.6 Limitations of the Study

This study like any other agenda in the enterprise of humanity research had some limitations and every effort and Precaution was undertaken to deal with them and ensure that they did not significantly affect the findings of the study.

First, this study zeroed down on the organizational characteristics in terms of age, size, location and facilities and left out other indicators that might play a major role like; market capitalization and liquidity which could also come into play as indicators that might influence the relationship between strategic alliance and enterprise performance either as moderating, mediating or confounding variables. Besides the listed set of organizational characteristics, it is important also to note that there are possibly other factors which may dictate the direction and speed of enterprise performance that were not considered in this study. These factors include but are not limited to research and development budget, market accessibility, rule of law and quality of competitive strategies.

Secondly, the study argues that the influence of managers' characteristics and perceptions in strategic alliance practice is not only limited to reasons why firms form strategic alliances and attitudes towards alliances. They influence an array of practices which determines not only the survival of the strategic alliance, but also the survival of the firm in question. Managers no longer believes in unhealthy competition but have become more concerned that organizations need to access unique resources and distinctive competences through forming strategies alliances to enable them attain a sustainable competitive advantage.

Thirdly, the study presumed existence of a linear relationship between strategic alliance, organizational characteristics and competitive advantage on enterprise performance. There is a possibility of the study variables having a different form of relationship like a curvilinear relationship that the current study did not explore. It is worth noting that besides the analytical techniques adopted in this research, there are possibly other methodologies that can be deployed in descriptive studies not applied in this study. It is acknowledged that this does not in any case water down the findings of the study.

The adoption of such other statistical procedures and operationalization of variables could have led to enhanced utility in the understanding of the underlying mechanisms behind strategic alliance. The other methodological limitation lies in the heart of data and data collection which is an extremely expensive process especially in the absence of data bases. In this study, questionnaires were developed and respondent to physically by the respondents despite covering huge geographical territories. Although this study had faced such listed limitations and as earlier stated, every effort was made to ensure that these limitations did not significantly affect the findings of the study.

6.7 Recommendations

The main aim for alliance is adding importance through altered attentions on commerce, capability, info attainment or overcoming blockades. Firms undergoes alliances for various reasons which includes the desire to increase market power, new product development, unique resources and capabilities and also to enjoy technological advancement. Strategic alliances have the potential to both stimulate the growth of the business and disrupt the progress already made.

Finally, running a successful business is not merely about having a high quality product or picking a suitable strategic alliance. It is also about leveraging the right kind of strategies like strategic alliance to reach out to the target audience and convert them into leads or customers. Thus, policymakers and practitioners operating in the selected enterprises should take advantage of the findings of this research and benefit from the implementation of the right kind of strategies like strategic alliance together with putting in place the right organizational characteristics and competitive advantage to maximize on their performance.

6.8 Suggestions for Future Research

The purpose of this study was to explore linkages between enterprise performance and strategic alliance practice. By identifying diverse areas where most strategic alliance research has concentrated in the past, opportunities for further research that links enterprise performance with these diverse areas (environmental analysis, choice of alliance and alliance partners, alliance structure and evaluation) is identifiable for further exploration. Borrowing from the work of Carpenter et al. (2004), possibilities for further research that links characteristics to strategic alliance research can also examined.

While previous research has recognized the importance of strategic alliances, these studies have had a strong tradition of assessing the economic aspects of inter-firm relationships (e.g., Mitchell & Singh, 1996). However, strategic alliances also involve cross-sector partnerships, and alliances of all sorts have been formed not only to address economic concerns, but also complex environmental issues. Additionally, previous scholarship has tended to treat strategic alliances as a dichotomous variable with participation relative to non-participation, thus failing to appreciate important nuances

about their formation. For instance, some alliances may develop because of external institutional pressures, whereas others may form because of new market opportunities. These variations may lead to significant differences in an alliance's ability to accomplish meaningful environmental improvements.

The moderating effect of organizational characteristics on the interaction between strategic alliance and enterprise performance has provided mixed results in the past. There is thus a need for future researchers to study this area as they seek to add to the existing body of knowledge with substantive theoretical and empirical insights concerning the earmarked study variable.

Finally, the research questionnaires were mainly administered to the target respondents through drop-and-pick-up later method. This increased chances of misinterpretation of the items captured in the questionnaire and survey response syndrome. There is need for future studies to have research survey tools presented to respondents on face-to-face interviews as they are presumed to allow for more in-depth data collection from the respondents and comprehensive understanding of the survey content.

REFERENCES

Adero, G., & Liu, J. (2011). *Maintaining Competitiveness through Strategic Alliances: Case Study of Equity Bank Kenya.*

Ajayi, R. (2013). Impact of Firm-Level Factors and Market Entry Mode on Performance: A Study of Service MNCs in an Emerging Economy. *Management Science Letters,* 2, 631-646.

Amit, R., & Schoemaker, P. J. (1993). Strategic assets and enterprise rent. *Strategic Management Journal,* 14(1), 33-46.

Awino, Z. B., Muturia, J. M., & Oeba, L. K. (2012). Strategic planning, planning outcomes and enterprise performance—an empirical study of Commercial Banks in Kenya. *DBA Africa Management Review,* 2(3), 134-149.

Awwad, A., A. Khattab, A., & Anchor, J., (2013). "Competitive Priorities and Competitive Advantage in Jordanian Manufacturing," *Journal of service Science and Management,* 6(1), 69-79

Badir, Y. F., & O'Connor, G. C. (2015). The formation of tie strength in a strategic alliance's first new product development project: The influence of project and partners' characteristics. *Journal of Product Innovation Management, 32*(1), 154-169.

Badrij ah, N., Sari, R. N., & Basri, Y. M. (2015). The effect of corporate governance and firm characteristics on enterprise performance and risk management as an intervening variable. *Procedia Economics and Finance, 31,* 868-875.

Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management, 1* 7(1), 99-120

Barney, J. B. (1991). Firm resources and sustained competitive advantage? Academy of Management Review. *Academy of Management Review,* 11(3), 656-665.

Barringer, B R., & Harrison, J. S. 2000. Walking a tightrope: Creating value through interenterprise relationships. *Journal of Management,* 26: 367-403

Brandenburger, A. and H. Stuart (2005), Value-based Business Strategy. *Journal of Economics & Management Strategy* 5: 5-24.

Brass, D. J. (2002). *Social networks in organizations: Antecedents and consequences.* Unpublished manuscript, University of Kentucky, Lexington.

Burt, R. S. (2004). Structural holes and good ideas. *Amer. J. Sociol. 110*(2) 349-399.

Burt, Ronald S. (1997). A note on social capital and network content. Social Networks 19: 355-73.

Campbell, B., Coff, R. & Kryscynski, D., (2012). Re-thinking Sustained Competitive Advantage from Human Capital. *Academy of Management Review, 37*(3), 376-395

Congress on Cybernetics, Association Internat. de Cybernetiqiie, Namur, 524-528.

Culpan, R. (2009). A fresh look at strategic alliances: Research issues and fixture directions *International Journal of strategic Business Alliances,* 1(1), 4-23.

Das, T. K. & Teng, B.-S. (2000). A resource-based theory of strategic alliances. *Journal of Management, 26*(1), 31-61.

Day, G.S., (1994). Capabilities of market driven organizations. *Journal of Marketing,* 58(4).

Demirbag, M., & Mirza, H (2014). Factors affecting international joint venture success: An empirical analysis of foreign—local partner relationships and performance in joint ventures in Turkey. *International Business Review, 9*(1), 1-35.

Dirisu, 0., lyiola, J. & Ibidunni, 0. (2013). Product differentiation: a tool of competitive advantage and optimal enterprise performance (a study of unlevel Nigeria plc). *European Scientific Journal, 9*(34), 258-281

Favaro, K. (2015). Defining Strategy, Implementation, and Execution. *Havard Business Review.* Retrieved from https://hbr.org/2015/03.

Flatten, T. C., Greve, G. I., & Brettel, M. (2011). Absorptive capacity and enterprise performance in SMEs: The mediating influence of strategic alliances. *European Management Review, 8*(3), 137-152.

Galbreath, J., & Galvin, P. (2008). Firm factors, industry structure and performance variation: New empirical evidence to a classic debate. *Journal of business research, 61*(2), 109-117.

George, G SA Zahra KK Wheatley and R Khan (2016). The effects of alliance portfolio characteristics and absorptive capacity on performance: A study of biotechnology firms. *The Journal of High Technology Management Research, 12*(2), 205-226.

Geringer, J. M., & Hebert, L. (2017). Measuring performance of international joint ventures. *Journal of international business studies, 22*(2), 249-263.

Gichuhi, C. (2011). *Merger restructuring and Financial Performance of Telecommunication companies in Kenya.* University of Nairobi e-repository, volume 22170.

Gliem, J., & Gliem, R. (2003). Calculating, Interpreting, and Reporting Cronbach's Alpha Reliability Coefficient for Likert-Type Scales. 2003 Midwest Research to Practice Conference in Adult, *Continuing, and Community Education,* 82-88.

Granovetter, M. (1985). Economic action and social structure: the problem of embeddedness. *American Journal of sociology, 91*(3), 481-510

Grant, R.M. (1991). The Resource-Based Theory of Competitive Advantage. *Cal fornia Management Review,* 33, 114-135.

Gray, Barbara, and Donna J. Wood. 1991. Collaborative alliances: Moving from practice to theory. *The Journal ofA pplied Behavioral Science,* 27: 3-22.

Grewal, D. S. (2008). Network power: The social dynamics of globalization. New Haven, CT: *Yale University Press.*

Gulati, R. (1998). Alliances and Networks. *Strategic Management Journal,* 19, 293-317.

Gulati, R. (2013). Social Structure and Alliance Formation Patterns: A Longitudinal Analysis. *Administrative Science Quarterly, 40*(4), 619-652.

Hamel, Gary. (2011). "Competition for Competence and Inter-Partner Learning within International Strategic Alliances." *Strategic Management Journal 12(Summer).'* 83-103.

Heylighen F. (1993) Selection Criteria for the Evolution of Knowledge. *Proc. 13th Int.*

Hidayat, A., Hendrix, T., & Putri, V. S. K. (2016). The Influence of Strategic Alliance on Cibinong Science & Technology Park (C-STP) Performance. *The Asian Journal of Technology Management, 9*(2), 120.

Hoang, D. T., Igel, B., & Laosirihongthong, T. (2010). Total quality management (TQM) strategy and organizational characteristics: Evidence from a recent WTO member. *Total Quality Management & Business Excellence, 21*(9), 931-951.

Hung, S. -C., Hung, S. -W., Lin, M. -J. J. (2015). "Are alliances a panacea for SMEs? The achievement of competitive priorities and enterprise performance", *Total Quality Management and Business Excellence, 26*(1), 190-202.

Hunt, S.D. (1991). Positivism and Paradigm Dominance in Consumer Research. *Journal*

Isoraite, M. (2015). Customers Loyalty Increase as Effective Tool of Sale Promotion. *Global Journal of Management and Business Research*

Israel, G. D. (2012). Sampling: Determining sample size. Retrieved 05 13, 2013, from University of Florida IFAS Extension: http://edis.ifas.ufl.edu/pd006

Jabar, J., Othman, N. A., & Idris, M. A. (2011). Enhancing enterprise performance through strategic technology alliances: A study on Malaysian manufacturers. *International Journal of Innovation, Management and Technology, 2*(6), 506.

Jiang, R. J., Tao, Q. T., & Santoro, M. D. (2010). Alliance portfolio diversity and enterprise performance. *Strategic Management Journal, 31*(10), 1136-1144.

Jonsson, A., & Svingby, G., (2007). "The use of scoring rubrics: Reliability, validity and educational consequences." *Educational Research Review,* 2. 130-144.

Kale, P., Dyer, J., & Singh, H. (2009). Partner capability, stock market response and long-term partner success: The role of the partner function. *Strategic Management Journal, 23*(8), 233 — 278.

Kaplan, R. S. and D.P. Norton (1992) The Balanced Scorecard: Measures that Drive Performance, *Harvard Business Review,* 71-79

Kaplan, R. S., & Norton, D.P. (1996). *The Balanced Scorecard: Translating Strategy into Action, Boston,* HBS Press.

Kaplan, R.S., & Norton, D. P. (2001). *The Strategy-focused Organization: How Balanced Scorecard Companies Thrive in the New Business Environment,* Harvard Business Review Press, Boston, MA.

Kauppila, O. P. (2015). Alliance management capability and enterprise performance: Using resource-based theory to look inside the process black box. *Long Range Planning, 48(3),* 151-167.

Kauser, S., & Shaw, V. (2004). The influence of behavioural and organizational characteristics on the success of international strategic alliances. *International Marketing Review, 21*(1), 17-52.

Kim, M. (2015). The effect of strategic alliances on firm productivity in South Korea. *Applied Economics,* 47(47), 5034-5044.

Krishnan M S, Ramaswamy V, Meyer Mary C and Damien Paul (1999). Customer Satisfaction for Financial Services: The Role of Products, Services and Information Technology. *Management Science,* 45(9).

Laumann, Edward 0., Joseph Galaskiewicz, and Peter V. Marsden. (1978). Community structure as interenterprise linkages. *Annual Review of Sociology,* 4: 455-84.

Lefort, F., McMurray, D., & Tesvic, J. (2015). *Secrets to implementation success.* New York: Mckinsey & Company

Li, D., Eden, L., Hitt, M. A., & Ireland, R. D. (2008). Friends, acquaintances, or strangers? Partner selection in R&D alliances. *Academy of Management Journal, 51*(2), 315-334.

Lin, Haiying, and Nicole Darnall. (2015). Strategic alliance formation and structural configuration. *Journal of Business Ethics,* 127: 549-64.

Lunnan, R. & Haugland, S. A. (2008). Predicting and measuring alliance performance: A multidimensional analysis. *Strategic Management Journal, 29*(5), 545-556.

Macharia, G. (2018). *The Influence of strategic alliances on competitiveness of internationally ranked law firms in Kenya* (Doctoral dissertation, Strathmore University).

Makau, D. N. (2012). Strategic alliances and enterprise competitiveness among commercial banks in Kenya: A case study of Kenya Commercial Bank. *Unpublished MBA Project, University of Nairobi.*

Marn, J. T. K., & Romuald, D. F. (2012). The Impact of Corporate Governance Mechanisms and Corporate Performance: A Study of Listed Companies in Malaysia. *Journal for the Advancement of Science and Arts, 3*, 31-45.

McCusker, K., & Gunaydin, S. (2015). Research using qualitative, quantitative or mixed methods and choice based on the research. *Perfusion, 30*(7), 537-542

Mehralian, G., Rajabzadeh, A., Reza Sadeh, M., & Reza Sadeh, H. (2012). Intellectual Capital and Corporate Performance in Iranian Pharmaceutical Industry. *Journal ofIntellectual Capital, 13*(1), 138-158

Mitchell, W. & Singh, K. (2011). Survival of businesses using collaborative relationships to commercialize complex goods. *Strategic Management Journal, 17*(3), 169—195.

Moroz, Peter W., Bob Kayseas, and Robert B. Anderson. (2014). Using strategic alliances to facilitate community-based new venture creation. *International Journal of Entrepreneurship and Small Business* 22: 36-49

Muange, R., & Maru, L. C. (2015). Strategic alliances on performance of retail firms in

Nairobi County, Kenya. *The TQM Journal, 17*(6), 732-740.

Musarra, G., Robson, M. J., & Katsikeas, C. S. (2016). The influence of desire for control on monitoring decisions and performance outcomes in strategic alliances. *Industrial Marketing Management, 55,* 10-21

Muthoka, M., & Oduor, P. (2014). Effects of strategic alliances on enterprise performance: supermarkets and their alliances in Kenya. *European Journal of Business and Management, 6*(34), 75-89.

Mwangi, F. (2016). The Survival of International New Ventures. *Journal of International Business Studies* 38: 333-352.

Neveling, P. 2015. Free Trade Zones, Export Processing Zones, Special Economic Zones and Global Imperial Formations 200 Bce to 2015 Ce. In: Ness, I. & Cope, Z. (eds.) *The Palgrave Encyclopedia of Imperialism and Anti-Imperialism.* Basingstoke: Palgrave Macmillan; 1007-16.

Niesten, E., & Jolink, A. (2015). The impact of alliance management capabilities on alliance attributes and performance: a literature review. *International Journal of Management Reviews, 7*(1), 69-100.

Njoroge and Mbugua (2017). Effect of Strategic Alliances on Financial Performance Of Postbank Financial Partners In Kenya. *International Journal of Thesis Projects and Dissertations, 5*(4), 27-42

O"Sullivan, D., Abela, A.V. & Hutchinson, M. (2009). Marketing performance measurement and enterprise performance. *European Journal of Marketing, 43*(5/6): 843-862.

Obstfeld, D, (2005) Social networks, the Tertius iungens orientation, and involvement in innovation. *Administrative Science Quarterly,* 50: 100-130

O'Cass, A & Julian, C.C (2004), 'Examining finn and environmental influences on export marketing mix strategy and export performance of Australian exporters', European Journal of Marketing: Special Issue: *Marketing Management in Australasia, 37*(3-4): 366-384.

Ongeti, W. J. (2014). *Enterprise resources, corporate governance and performance of Kenyan state corporations.* Unpublished master's thesis. Nairobi: University of Nairobi

Ongore, V. 0., & K'Obonyo, P. 0. (2011). Effects of selected corporate governance characteristics on enterprise performance: Empirical evidence from Kenya. *International Journal of Economics and Financial Issues, 1*(3), 99-122

O'Sullivan, D, Abela, A. V., & Hutchinson, M. (2009). Marketing performance measurement and enterprise performance: Evidence from the European high-technology sector. *European Journal of Marketing, 43*(5/6), 843-862.

Pansiri, J. (2007). How company and managerial characteristics influence strategic alliance adoption in the travel sector. *International Journal of Tourism Research, 9*(4), 243-255.

Park, B. J. R., Srivastava, M. K., & Gnyawali, D. R. (2014). Walking the tight rope of coopetition: Impact of competition and cooperation intensities and balance on firm innovation performance. *Industrial Marketing Management, 43*(2), 210-221.

Park, N. K., Mezias, J. M., & Song, J. (2004). A resource-based view of strategic alliances and firm value in the electronic marketplace. *Journal of Management, 30*(1), 7-27

Pfeffer, Jeffrey, and Gerald R. Salancik. (1978). The External Control of Organizations: A Resource Dependence Approach. Stanford: *Stanford University Press*

Porter, M. E. (1980). Competitive strategy. *New York.' Free Press.*

Porter, M. E. (1985). Competitive advantage. *New York.' Free Press.*

Romero, Anna T. (1995) "*Export Processing Zones: Addressing the Social and Labour Issues (Draft)"* (Geneva: International

Sampson, R. C. (2007). R&D alliances and enterprise performance: The impact of technological diversity and alliance organization on innovation. *Academy of Management Journal, 50*(2), 364-386.

Saxton, T. (2014). The effects of partner and relationship characteristics on alliance outcomes. *Academy of Management Journal, 10*(2), 443-461.

Sekaran, U., & Bougie, R. (2009). Research Methods for Business A Skill Building Approach (5th Ed.). *United Kingdom.' John Wilev & Sons Ltd.*

Shu, E. and Lewin, A.Y. (2017), "A resource dependence perspective on low-power actors shaping their regulatory environment: the case of Honda", Organization Studies, *38*(8), 1039-1058

Sparrow, R. T., & Liden, R. C. (2001). Process and structure in leader-member exchange. *Academy of Management Review,* 22, 522- 552.

Stuart, T. E. (2010). Interenterprise alliances and the performance of firms: a study of growth and innovation rates in a high-technology industry. *Strategic Management Journal, 21*(8), 791-811.

Tongia, R., & Wilson, E. J. (2007). Turning Metcalfe on his head: The multiple costs of network exclusion. Paper presented at the 35th Annual Telecommunication Policy Research Conference (TPRC), Vienna, Virginia.

Uddin, N., & Hamiduzzaman, M., (2011). The Philosophy of Science in Social Research. *The Journal of International Social Research,* 2(6).

Vaidya, Sameer. 2011. Understanding strategic alliances: An integrated framework. *Journal of Management Policy and Practice* 12: 90—100.

Veal, A. J., (2005). Business Research Methods Pearson Education Canada; 2nd Ed

Venkatraman, N., & Ramanujam, V. (1986). Measurement of business performance in strategy research: a comparison of approaches. *Academy of Management Review, 1*(4), 801-814.doi: 10.2307/258398

Wei, Y. (2007). *Factors infiuencing the success of virtual cooperation within Dutch-Chinese strategic alliances.* University of Twente

Wernerfelt, B. (1984). A resource-based view of the firm. *Strategic Management Journal, 5*(2), 171-180.

Wry, T., Cobb, J.A. and Aldrich, H.E. (2013), "More than a metaphor: assessing the historical legacy of resource dependence and its contemporary promise as a theory of environmental complexity", *Academy of Management Annals,* 7(1), 441-488

Yasser, Q. R., Entebang, H., & Abu Mansor, S. A. (2011). Corporate Governance and Enterprise performance in Pakistan: The case of Karachi Stock Exchange (KSE)-30, *Journal of Economics and International Finance, 3*(8), 482-491.

Zhang, Y., & Wildemuth, B. M. (2009). Unstructured interviews. In B. Wildemuth (Ed.), Applications of Social Research Methods to Questions in Information and Library Science (pp.222-231). Westport, CT: Libraries Unlimited

Zikmund, W. G., Babin, B. J., Carr, J. C., & Griff, M. (2010). *Business research methods* (8th ed.). South- Western: Cangage Learning.

APPENDICES

Appendix I: Research Questionnaire

The data shall be used for academic purposes only, and will be treated with strict confidence. Your participation in facilitating the study is highly appreciated. All information in this questionnaire will remain absolutely confidential.

SECTION A: ENTERPRISE PROFILE

1. Name of your company (optional): _____
2. How long has your firm been in existence:
   1 to 10 years ( ) 11 to 20 years ( ) 21 to 30 years ( )
   31 to 40 years ( ) 41 to 50 years ( ) Over 50 years ( )
3. Please indicate the total number of permanent employees in your firm
   Up to 20 employees ( ) 21 to 50 employees ( ) 51 to 80 employees ( )
   81 to 110 employees ( ) 111 to 200 employees ( ) 201 to 300 employees ( )
   301 to 400 employees ( ) 401 to 500 employees ( ) More than 500 employees ( )
4. Please indicate the ownership structure of the organization
5. Locally owned ( ) Foreign owned ( ) Both locally and foreign owned ( )
6. Please indicate the type of customers served
   Household ( ) Commercial ( ) Both household and commercial ( )

SECTION B: STRATEGIC ALLIANCES

1. Is your organization currently in any strategic alliance? Yes [ ] No [ ]

2. The following statements describe the manifestation of selected allied firms in Kenya;. Please indicate the extent to which they apply to your firm. Rate the statements using the scale where 1 -"To a very little extent", 2 - "To a little extent", 3 - "To a moderate extent", 4 — "To a large extent" and 5 — "To a very large extent"

Statements	**1**	**2**	**3**	**4**	**5**
Joint services and cooperation					
Forming a strategic alliance through joint services in our organization has allowed ready access to knowledge and expertise.	**1**	**2**	**3**	**4**	**5**
Our enterprise has reduced the installation costs through joint services and cooperation in strategic alliances.	**1**	**2**	**3**	**4**	**5**
Our enterprise dominates the export market range	**1**	**2**	**3**	**4**	**5**
Our enterprise has extended the range of products and services	**1**	**2**	**3**	**4**	**5**
Our enterprise has joined forces with other organization to enhance market coverage	**1**	**2**	**3**	**4**	**5**
Our enterprise has managed to operate in a range of markets by joining with other organization	**1**	**2**	**3**	**4**	**5**
Our enterprise has reduced costs substantially due to joining other organizations operations	**1**	**2**	**3**	**4**	**5**
Our enterprise has retained its products and services even after alliances	**1**	**2**	**3**	**4**	**5**
Our enterprise has taken over other markets to broaden products and services	**1**	**2**	**3**	**4**	**5**
Our enterprise offers similar products/services with our sister firm	**1**	**2**	**3**	**4**	**5**
Our enterprise products and services have improved over time	**1**	**2**	**3**	**4**	**5**
Our enterprise shares office activities with other organization	**1**	**2**	**3**	**4**	**5**
Our strategic alliances through joint services and cooperation have been based on changes in consumer taste, demand and lifestyle	**1**	**2**	**3**	**4**	**5**
Strategic alliances through joint services and cooperation have enhanced our production functions and operations	**1**	**2**	**3**	**4**	**5**
The information, knowledge and expertise that our firm has gained through joint services has enhanced our performance	**1**	**2**	**3**	**4**	**5**
Equity Alliances					
Customers are happy with the products and services we offer in market	**1**	**2**	**3**	**4**	**5**
The enterprise has extended our products and services	**1**	**2**	**3**	**4**	**5**
The enterprise shares customers with some organizations on the market	**1**	**2**	**3**	**4**	**5**
The enterprise shares same products and services with other organizations	**1**	**2**	**3**	**4**	**5**
Equity alliances helps our business save time when doing cross border transactions	**1**	**2**	**3**	**4**	**5**

Equity alliances makes it easier to do business with our	**1**	**2**	**3**	**4**	**5**
Equity alliances relationship enhances management controls	**1**	**2**	**3**	**4**	**5**
Equity alliances strengthens financial links amongst our partnership	**1**	**2**	**3**	**4**	**5**
Our enterprise develops their products different from other organization	**1**	**2**	**3**	**4**	**5**
Our enterprise has delivered its vision as a result of alliances	**1**	**2**	**3**	**4**	**5**
Our enterprise has gained a lot from product and services of other organizations over time	**1**	**2**	**3**	**4**	**5**
Our enterprise has managed to keep its line of business from other organization on the market	**1**	**2**	**3**	**4**	**5**
Our enterprise offers products offered by other organization on the market	**1**	**2**	**3**	**4**	**5**
Our equity relationship with our partners keeps our relationship closer	**1**	**2**	**3**	**4**	**5**
Political and regulatory regimes affect our equity relationship with our cross border partners	**1**	**2**	**3**	**4**	**5**
Strategic alliances through equity motivates performance	**1**	**2**	**3**	**4**	**5**
There is enhanced service offered to the customers due to alliances	**1**	**2**	**3**	**4**	**5**
Non-Equity Alliances	**1**	**2**	**3**	**4**	**5**
Non-equity alliances enhances decision making without delays of unnecessarily consulting our partners	**1**	**2**	**3**	**4**	**5**
Product licensing makes our products access broader markets in the export market.	**1**	**2**	**3**	**4**	**5**
Non-equity alliances partnership enhances our business performance.	**1**	**2**	**3**	**4**	**5**
Market information and technology sharing enhances our performance	**1**	**2**	**3**	**4**	**5**
Financial regulatory regimes in the host country of our partners affect our franchising relationship	**1**	**2**	**3**	**4**	**5**

SECTION C: ORGANIZATIONAL CHARACTERISTICS

3. The following statements describe the manifestation of the organization characteristics of Production Technology and Management Skills among selected enterprises in Kenya; Please indicate the extent to which they apply to your firm. Rate the statements using the scale where 1 -"To a very little extent", 2 - "To a little extent", 3 -"To a moderate extent", 4 - "To a large extent" and 5 - "To a very large extent"

Statements	**1**	**2**	**3**	**4**	**5**
Organization Characteristics Statements					
Production Technology					
Our enterprise manufactures its products using state of the art technology	1	2	3	4	5
Our enterprise has a unique production technology	1	2	3	4	5
Our enterprise's production technology is outdated	1	2	3	4	5
There is need to upgrade Our enterprise's production technology	1	2	3	4	5
Our enterprise has adequate technology to manufacture all its products	1	2	3	4	5
The production technology used bv our enterprise is cost effective	1	2	3	4	5

The production technology used bv our enterprise firm is efficient	1	2	3	4	5
Management Skills					
The enterprise has a well trained and experienced top leadership team	1	2	3	4	5
The enterprise has staff with relevant and adequate skills in all its operations.	1	2	3	4	5
The enterprise has enough staff numbers to support its operations	1	2	3	4	5
The enterprise has a clear vision, mission and core values that are shared and lived bv all staff	1	2	3	4	5
The enterprise management encourages all staff to live by the firms vision, mission and core values	1	2	3	4	5
The enterprise ownership and management of the firm is different	1	2	3	4	5
The size of the enterprise has strong influence on the performance of the sales force	1	2	3	4	5
The enterprise has specialized human resources in all kev areas	1	2	3	4	5
The enterprise has a good reputation among its stakeholders	1	2	3	4	5

SECTION D: COMPETITIVE ADVANTAGE

4. The following statements describe the nature of competitive advantage within selected enterprises in Kenya. Rate the items using the scale where 1 is 'very little extent' and 5 "very large extent"

Productivity					
The firm is continuously improving existing products and services	**1**	**2**	**3**	**4**	**5**
The firm continuously introducing new products and services The firm has new developed products	**1**	**2**	**3**	**4**	**5**
The firm has linked its service to other organizations	**1**	**2**	**3**	**4**	**5**
The firm has adopted automation services	**1**	**2**	**3**	**4**	**5**
Market share					
The firm has integrated new marketing channels					
The firm has adopted new advertising strategies					
The firm has adopted new promotion strategies					
The firm uses social media marketing					

5. Kindly indicate the percentage change in the following competitive advantage indicators that your firm has experienced for the past 5 years in an interval scale where 1 = 0-10%; 2 = 11- 20%; 3 = 21-30%; 4 = 31-40%; 5 = 41-50%; 6 = Above 51%.

Competitive advantage indicators	**2016**	**2017**	**2018**	**2019**	**2020**
Cost Measures					
Enhanced inventory turnover in the Enterprise	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)
Improved capacity utilization in the Enterprise	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)
Reduced unit production cost in the Enterprise	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)
Quality measures					
Reduction in the number of customer	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)

complaints during warranty period					
Reduction in the products scrapped in the Enterprise	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)
Speed measures					
Decrease in time to solve customer complaints in the Enterprise	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)
Improvement in equipment changeover time in the Enterprise	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)
Increase in speed of new product launch in the Enterprise	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)
Order lead time reduction in the Enterprise	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)
Reduction in design time	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)
Dependability measures					
Decrease in machine down-town of the Enterprise	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)
Reduced number of times the customer promises not met	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)	(1) (2) (3) (4) (5) (6)
Flexibility measures					
Ability of the of the Enterprise to vary delivery time to satisfy customers	1) (2) (3) (4) (5) (6)	1) (2) (3) (4) (5) (6)	1) (2) (3) (4) (5) (6)	1) (2) (3) (4) (5) (6)	1) (2) (3) (4) (5) (6)
Ability of the Enterprise to change Production to fit the change in demand volume	1) (2) (3) (4) (5) (6)	1) (2) (3) (4) (5) (6)	1) (2) (3) (4) (5) (6)	1) (2) (3) (4) (5) (6)	1) (2) (3) (4) (5) (6)
Capability of the Enterprise introducing new products in case demand shifts	1) (2) (3) (4) (5) (6)	1) (2) (3) (4) (5) (6)	1) (2) (3) (4) (5) (6)	1) (2) (3) (4) (5) (6)	1) (2) (3) (4) (5) (6)
Capacity of the Enterprise f introducing a wide assortment of product mix within a short time	1) (2) (3) (4) (5) (6)	1) (2) (3) (4) (5) (6)	1) (2) (3) (4) (5) (6)	1) (2) (3) (4) (5) (6)	1) (2) (3) (4) (5) (6)

SECTION E: ENTERPRISE PERFORMANCE

6. Please fill in the following table relating to performance of your company in the last five years?

Performance indicator	Unit of measure	2015	2016	2017	2018	2019
Gross sales	Kshs					
ROA (Return on Assets)	Ratio scale					
ROI (Return on Investment)	Ratio scale					
Customer satisfaction	Ratio scale					

7. Please indicate the extent to which the following statements describe your enterprise performance over the past five years. Use the key to TICK as appropriate
Key: 1 -"To a very little extent", 2 - "To a little extent", 3 -"To a moderate extent", 4 — "To a large extent" and 5 — "To a very large extent"

Statement	1	2	3	4	5
Internal Processes perspective					
The ability of our staff is well utilized to enhance performance					
The organization facilities are well utilized					
Our organization discourages employee absenteeism					
The administrative systems in our bank are of high quality to support the internal processes					
Our organization processes are benchmarked for improvement					
There is proper communication in our organization in tandem with the internal processes					
Customers focus perspective					
Our organization solves customers complaints in time					
Our organization encourages employees to handle customers right					
Our organization informs customers of any changes that might affect them in good time					
Our organization considers customers feedback to improve its services					
Our organization has customers' interests at heart					
Our customers are motivated to continue with our organization because of the variety of products that we offer them					
The time for serving our customers is satisfactory					
Our customers have always sought more products and services from our organization					
Environmental perspective					
Our organization has created a good work environment conducive to support all operations.					
Our organization are satisfied with employment terms and conditions					
Our employees' complaints are handled in real time					
Our employees are satisfied with the organization remunerations					
Our employees are satisfied with our enterprise working environment					
Employees views are considered in decision making					
Our employees are highly motivated					
There is a good relationship among employees and management					
There is constant communication between employees and the					

management					
Employees are given the required work leave and offs when needed					
Learning and Growth perspective					
Management has always ensured there is enough qualified and professional staff in the organization.					
Our organization has had good structures to support upward employee growth through merit.					
Our organization has had continuous learning on how to do things better.					
Our organization has highly charged motivated and loyal employees.					
Our organization has been very keen on employee health and safety.					
Our organization employee productivity and staff development has improved.					

THANK YOU VERY MUCH FOR YOUR PARTICIPATION

Appendix II: List of Selected Enterprises in Kenya

The following is the list of selected enterprises in Kenya as provided below with a justification why each specific firm was selected for this study in relation to the country's economic and social development with reasons ranging from electronic payments in the transport sector to Convenience Retailing and Supply of medicine

1. Barclay's bank and KPLC-Payment of bills
2. KCB and Brookside Dairy-Loans to farmers
3. KCB and HELB-Loans repayment Account
4. Equity and ministry of Agriculture-Loan to farmers
5. Gulf African Bank and Qatar Airways-Ticketing
6. Gulf African Bank and Airtel Kenya-Easier ticketing
7. Safaricom and KCB-Deposit and withdrawals through Mpesa
8. Safaricom and Postbank-Deposit and withdrawal platform
9. Postbank and Kenswitch-ATM service
10. Familybank and Pesapoint-ATM service
11. Safaricom and KPLC-Bills payment
12. Cooperative bank and Safaricom-Deposits and withdrawals
13. Safaricom and Fibre Space Limited-Roll out a system for electronic payments in the transport sector
14. AIG and Metropolitan Life Insurance-Provide insurance in Kenya
15. Nakumatt Holdings Limited and Mumias Sugar-Supply sugar
16. Tropical Heat Limited and Unilever Limited-Manufacture tropical heat
17. Commercial Bank of Africa and Safaricom-Mshwari platform
18. Safaricom and Government of Kenya-provision of closed circuit security cameras
19. KPLC and Safaricom-Bills payment
20. Kenya Airways and Safaricom- Ticketing
21. Qatar Airways and Safaricom-Ticketing
22. Kenya Airways and KLM-Sell more flights to and from Europe
23. Nairobi County and Safaricom-Mpesa link to e-jijipay platform
24. Safaricom and Equity bank-M-KESHO
25. Pesa Point and KCB-ATM services
26. KFC and Glovo- Food delivery

27. Carrefour and Glovo- Delivery
28. Pizza Inn and Glovo- Food delivery
29. Little cab and Safaricom-Taxi app
30. Postal Coorporation of Kenya and Nairobi County-Host the county call center and provide courier services.
31. VIVO energy Kenya and Tuskys Supermarket-Convenience Retailing
32. Jubilee insurance and Safaricom-Provide annual home insurance package to Safaricom Home Fibre customers
33. Dawa limited and KEMSA-Supply of medicine
34. Jambo jet and Kenya Airways-Low cost local air travel
35. Safaricom and Postal corporation of Kenya-digital mail boxes
36. Easy Coach and Kenya Postal Corporation-courier and international EMS agency
37. Naivas Supermarket and Easy Coach-Enhance ticket outlets
38. Naivas Supermarket and Aspira-Provide a credit purchasing program that enables its customers to acquire household goods and pay for them later.
39. Bata limited and Fargo Courier-Increase e-commerce marketing initiative
40. Kenya Airways and Safarilink-Connect passengers from the Kenya Airways network straight into their safari destinations within Kenya and Tanzania

Appendix III: Research License from NACOSTI

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Ref No: **268342**

Date of Issue: **21/June/2021**

RESEARCH LICENSE

This is to Certify that Metito J. Katoo of The University of Nairobi, has been licensed to conduct research in Kenya on topic: STRATEGIC ALLIANCES, ORGANIZATIONAL CHARACTERISTICS, COMPETITIVE ADVANTAGE AND PERFORMANCE OF STRATEGICALLY ALLIED ENTERPRISES IN KENYA for the period ending: 21/June/2022

License No: **NACOSTI/P/98/2487**

13086373

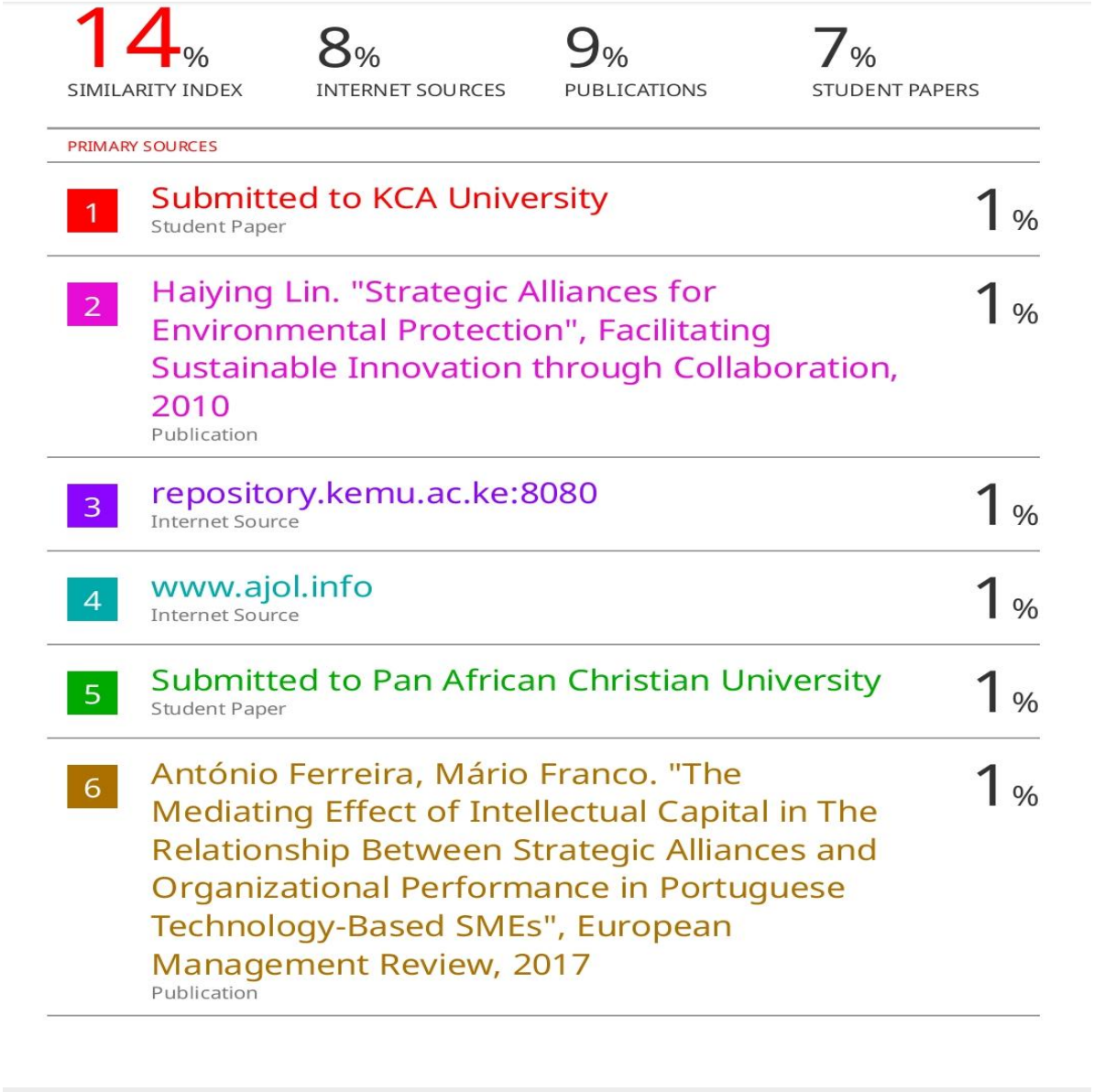
Applicant Identification Number

Director General
NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Verification QR Code

NOTE: This is a computer generated License. To verify the authenticity of this document, Scan the QR Code using QR scanner application.

Appendix IV: Turnitin Originality Report



14%	8%	9%	7%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

PRIMARY SOURCES

1	Submitted to KCA University Student Paper	1%
2	Haiying Lin. "Strategic Alliances for Environmental Protection", Facilitating Sustainable Innovation through Collaboration, 2010 Publication	1%
3	repository.kemu.ac.ke:8080 Internet Source	1%
4	www.ajol.info Internet Source	1%
5	Submitted to Pan African Christian University Student Paper	1%
6	António Ferreira, Mário Franco. "The Mediating Effect of Intellectual Capital in The Relationship Between Strategic Alliances and Organizational Performance in Portuguese Technology-Based SMEs", European Management Review, 2017 Publication	1%
7	Olivier Serrat. "Knowledge Solutions", Springer Science and Business Media LLC, 2017 Publication	1%
8	Baojun Yu, Hangjun Xu, Feng Dong. "Vertical vs. Horizontal: How Strategic Alliance Type Influence Firm Performance?", Sustainability, 2019 Publication	1%