

**THE ROLE OF STRATEGIC ORIENTATION AS A SOURCE OF  
COMPETITIVE ADVANTAGE AT GEOTHERMAL  
DEVELOPMENT COMPANY IN KENYA**

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## **DECLARATION**

This research project is my original work and has not been presented for the award of degree in any other university or institution for any other purpose.

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

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## **DEDICATION**

I dedicate this work to my family who has been my pillars during this journey for they kept on encouraging me to move on even when it seemed hard.

## **ABSTRACT**

In the globalization, integration and liberalization era, the business environment is becoming fiercer than before, businesses of all types and sizes are facing continually changing situations externally and internally. Furthermore, the question at the heart of every strategist in every business enterprise is how to cope with these ambiguities, leverage competitive edge and expected level of performance. Organizations need to acquire new skills to develop a strategic vision for the future course of their business. Companies have long known that, to be competitive, they must develop a good strategy and then appropriately realign structure, systems, leadership behavior, human resource policies, culture, values and management processes. The study sought to establish the role of strategic orientation as a source of competitive advantage at Geothermal Development Company in Kenya. The research design was a case study. The study used primary data which was collected using an interview guide. The data obtained from the interview guide was analyzed using content analysis. The findings of the study was that the company strategic orientation has helped the company analyze a strategy for future growth as it compares with an actual execution of procedures, put in place timelines that shall aid in achieving the vision/mission and sustainability of target goal of 5000 Mw. The study results established that it improves performance and allocation of resources, gives the company strategic orientation towards achieving its goals and that it influences decision on strategic direction. Competitive advantage of the company results from the efficiency and productivity and this was achieved through exploring new creative ideas that may lead to changes in the market place, proper allocation of skills and practices, training and use of latest technology. The company ensures that there is effective utilization of all resources at the disposal of the company. This involves proper planning which involves allocation of financial resources to the key strategic areas that will enable the company to undertake its mandate effectively. The company was found to have undertaken measures to reduce costs which include cost cutting on less required items and outsourcing, buying own rigs, hiring of experienced staff and use of modern technologies of sub-surface and surface exploration. The company takes risks which include financial risks, training of its staff and drilling of exploration wells in areas that have not been drilled before.

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## **CHAPTER ONE: INTRODUCTION**

### **1.1 Background of the study**

In the globalization, integration and liberalization era, the business environment is becoming fiercer than before, businesses of all types and sizes are facing continually changing situations externally and internally. Furthermore, the question at the heart of every strategist in every business enterprise is how to cope with these ambiguities, leverage competitive edge and expected level of performance (Vazquez, Santos, and Alvarez, 2001). In highly dynamic and uncertain environments, competitiveness must be regarded as a multi-dimensional construct comprising customer values, shareholder values and an organization's ability to act and react. Each of these dimensions must be looked at in relative rather than in absolute terms. According to Smarta (2004), the new wave of liberalization and competitive business environment has forced organizations to awaken from the slumber, overhaul their thinking and wear new caps to re-assess the external and internal environment. Organizations need to acquire new skills to develop a strategic vision for the future course of their business. Companies have long known that, to be competitive, they must develop a good strategy and then appropriately realign structure, systems, leadership behavior, human resource policies, culture, values and management processes.

An organization that decides and acts on plans to achieve objectives does not do so in a sterile environment. Its success largely depends on the knowledge and quality of the relationships it maintains with the external environment (systems) and its own internal

environment (systems). To maintain the quality of relationships implies that the organization's management truthfully assess the state of the relationships with the external and internal environments, constantly monitor the dynamics that affect the relationship, and adjust to maintain or improve those relationships over time in order to achieve the organizational goals. According to Porter (1996), a firm's ability to seek and achieve higher performance as well as competitive advantage rests on its ability to acquire and deploy resources that are coherent with the organization's competitive needs and such alignment process requires a shared understanding of organizational goals and objectives by managers at various levels and within various units of the organizational hierarchy.

The Geothermal Development Company has been mandated to undertake exploration for geothermal power which is clean and cheaper. The company has been undertaking exploration in different parts of the country and thus in order to achieve the intended objective of power of generating more than 5000 MW, the company has to adopt strategies which will enable it achieve its objective, however the company faces various challenges that need to be considered by the management as competitive advantage cannot be realized easily. Flexibility and adaptability have become key management concepts to develop a sustainable competitive advantage, and successful firms apply them in new organizational strategies that put into question many conventional tenets on organizations and their management. The search for a system's flexibility, responsiveness and reliability on the one hand, and low costs on the other, has led to the reconfiguration

of the design and production activities and thus advocated the changes in the overall supply chain management.

### **1.1.1 Concept of strategy**

A strategy is a pattern or plan that integrates an organizations major goal, policies and action sequences into a cohesive whole (Porter, 1980). According to Tan and Litschert (1994) strategy refers to the competitive methods used by firms to establish their positions in a particular market. It reflects the firm's short-term and long-term responses to challenges and opportunities posed by the business environment. Company strategy determines how a firm attracts its customers and deals with its competitors, suppliers and other institutions for survival and growth. Strategy must be judged on its performance and effectiveness to meet the overall vision mission and objectives. Strategy is a fundamental framework through which an organization can simultaneously address its vital continuity and facilitate its adaptation to a changing environment. It is the direction and scope of an organization over a long term; which gives advantage for the organization through its configuration of resources within a challenging environment, to meet the needs of markets to fulfill owners' expectation (Hax and Majluf, 2006).

A company's strategy is management's action plan for running the business and conducting operations. The crafting of a strategy represents a managerial commitment to pursue a particular set of actions (Thompson et al., 2005). Strategy helps to achieve success whether in business or otherwise, success in this context refers to the realization of objectives that are desired. Effective strategy is formulated around four factors. These

are, the goals and objectives are simple, consistent and relate to the long term, there is profound understanding of the competitive environment, there is an objective appraisal of the resources available and that there is effective implementation (Hitt *et al.*, 2008). The concept of strategy is therefore built around winning. Strategy helps to achieve success whether in business or otherwise, success in this context refers to the realization of objectives that are desired.

### **1.1.2 Strategic Orientation**

Strategic orientation is an indication of the direction in which a business wants to or should go in the future, and how well it is set up to do so (Wiesen, 2014). According to Gatignon and Xuereb (1997), strategic orientation reflects “the strategic directions implemented by a firm to guide its proper activities for continuous superior performance”. The components of strategic orientation are the sense that an organization has a plan for the future and that a business can evaluate how well it is fulfilling its plan. With both components, strategic orientation helps an organization analyze strategy for future growth as it compares with the actual execution of procedures. The strategic orientation and the level of inter functional coordination of a firm influence the ability of the firm to take advantage of a new product to make it successful. Therefore, even after controlling for the innovation characteristics, firm orientation can have a marginal impact on innovation performance. A firm's strategic orientation reflects the strategic directions implemented by a firm to create the proper behaviors for the continuous superior performance of the business (Narver and Slater 1990).

A firm's strategic orientation reflects the strategic directions implemented by a firm to create the proper behaviors for the continuous superior performance of the business (Narver and Slater, 1990). Organizations have different strategic orientations that vary strongly with regard to internal and external conditions. Four dominant strategic orientations, resource orientation, market orientation, entrepreneurial orientation and learning orientation, are apparent in today's strategy literature (Hakala, 2010). According to Lumpkin and Dess (1996), firms with strategic orientation are willing to act proactively relative to environmental opportunities, be aggressive toward competitors, take risks and utilize their limited resources better. Wiklund and Shepherd (2005), note that availability of resources allows firms to experiment with proactive, risky and aggressive strategies that might not be approved in a resource-constrained environment.

### **1.1.3 Competitive Advantage**

Competitive advantage is the ability of the firm to occupy a superior position in an industry and outperform its rivals on the primary performance goal- profitability. A company's superior competitive position allows it to achieve higher profitability than the industry's average (Porter, 1985). Firms strive to survive and succeed in competition by pursuing strategies that enable them to perform better than their competitors. When two or more firms compete within the same market, one firm possesses a competitive advantage over its rivals when it earns or has the potential to earn a persistently higher rate of profit (Hill *et. al*, 2001). Barney (2008) defines competitive advantage as being sustainable if competitors are unable to imitate the source of advantage or if no one conceives of a better offering. Barney (2008) distinguishes between two types of

competitive advantage: temporary and sustainable competitive advantage. Competitive advantage typically results in high profits, but these profits attract competition, and competition limits the duration of competitive advantage in most cases, therefore most competitive advantage is temporary (Barney, 2008). On the other hand, some competitive advantages are sustainable if competitors are unable to imitate the source of advantage or if no one conceives of a better offering (Barney, 2008). Therefore, competitive advantage must reside in a firm's value chain.

The strengths of an organization are grounded in its resources, capabilities and competencies that help accompany attain competitive advantage based on superior efficiency, innovation, and quality and customer responsiveness. Profiting from competitive advantage requires that the firm first establishes a competitive advantage, and then sustain its advantage for long enough to reap its rewards (Hill *et. al.*, 2001). According to Porter (1985), five primary value activities constitute the critical means of creating value: inbound logistics, operations, outbound logistics, marketing and sales, and service. Porter also discusses four support activities that may enhance the performance of the primary activities. These include technology development, human resource management, procurement, and firm infrastructure. Examining a firm's value chain sheds light on how the firm competes (cost, differentiation, or focus strategy), the basis for this competitive advantage, the relative strength of the competitive advantage, and whether the current advantage is sustainable.

#### **1.1.4 Energy Sector in Kenya**

This is a sector that still has a lot of Government Involvement. It is a critical sector in economic development of the country. The sector is regulated by Energy Regulatory commission through the energy (Act 2006). ERC is a single sector regulatory agency, with responsibility for economic and technical regulation of electric power, renewable energy, and downstream petroleum sub-sectors, including tariff setting and review, licensing, enforcement, dispute settlement and approval of power purchase and network service contracts. The goal of the Government is to ensure adequate, quality, cost-effective and affordable supply of energy to meet development needs, while protecting and conserving the environment (Ngigi and Macharia, 2002). This is a sector that would be favoured for coordination at regional level before further liberalization. A lot of legal and regulatory reforms are necessary before making commitments in the sector.

Three key legislations that have been addressing the commercial energy sub sector; electrical Power Act of 1997 currently under review, Petroleum Act Cap 116 – regulates importation, transportation and storage, Petroleum Exploration and Production Act – prior to the deregulation of the petroleum sub-sector this was the legislation that would enable the government to control pricing of petroleum products (GTZ, 2010). The most significant achievement by government of Kenya in the year 2009 was in the upstream petroleum when CNOOC embarked on drilling for hydrocarbons at Isiolo (George, 2003). In the downstream petroleum sub-sector the newly established Energy Regulatory Commission (ERC) did commence publishing a number of regulations, especially in the area of LPG and ethanol blends in gasoline (Ngigi and Macharia, 2002).

### **1.1.5 Geothermal Development Company**

The Geothermal Development Company (GDC) is 100% state-owned company registered under the Companies Act (CAP 486); it was incorporated in December 2, 2008 as a special purpose vehicle to accelerate development of geothermal energy in Kenya. GDC falls under the Ministry of Energy (MoE) and is mandated to manage the 7000 MWe geothermal resources. This resource is spread in 14 high potential sites along the Great Rift Valley. GDC will explore, drill and manage the geothermal resources, promote alternative uses and facilitate investor entry into the geothermal energy sector. Creation of GDC is set on the platform that Kenya is targeting to be a mid-income economy in the next 20 years as detailed in the Vision 2030 economic plan. In this plan, the country needs to progressively boost her electricity production from the current installed capacity of 1,350 MWe to 15,000 MWe in the next 20 years. The Government of Kenya (GoK) is keen on developing the geothermal sector to be a base load in electricity production. 4,000 – 5,000 MWe is expected from geothermal by 2030.

The GoK through the Ministry of Energy (MOE) recognises that energy services are a critical input into social, economic activity, an important contributor to employment and fiscal revenues. Provision of a reliable, sustainable, cost effective and affordable supply of energy is therefore indispensable to the attainment of the objectives of GoK Economic Recovery Strategy for Wealth and Employment. In pursuant to this GDC has the following mandate: to conduct surface studies, exploration, appraisal and production drilling, undertake steamfield development;



develop the human capacity in Geothermal Technology in Kenya; support and promote development of direct uses of geothermal resources; market geothermal as a benign environmentally friendly and least cost power source for Kenya and sell steam to power generators

## **1.2 Research Problem**

In the dynamic business environments of today, the traditional, hierarchical, topdown management approaches have come to be thought ineffective. Instead of governing the behaviours of the individual actors through formal planning processes or hierarchical procedures, firms rely more on culture, simple rules and strategic direction to guide their actions (Eisenhardt and Sull 2001). Day and Lichtenstein (2006) posited that many firms have spent a vast amount of resources in order to improve their competitiveness and sustainability by looking at their internal processes. However, firms may improve the value of their established competitive advantage through their strategic orientation (Morgan and Strong, 2003). For strategic orientations to be effective, companies must create an internal alignment between organizational features (goals, values, resources, capabilities, structure and systems) and create a fit between the internal organizational and its external environment. This fit depends on the strategic orientation a company has.

The energy sector in Kenya plays an important role in the country's economy. The industry contributes significantly to the national economy and to knowledge globally. However, realization of the full benefits of the sector will hinge on the extent to which various stakeholders will tackle the problems hampering growth of the industry. The

Geothermal Development Company has been tasked to explore other energy sources in the country in order to counter the challenges emanating from reliance on power generated from oil, low power generation supply and dependence on rainfall for power generation. This has resulted in high cost of power in the country and low consumer connection. To be able to meet these challenges, GDC has to be agile enough to respond to the pressure of meeting vision 2030 and ensuring that the country has enough power. This necessitates the adoption of strategic orientation. This move will result in the firm including a variety of factors with potential impact on an organization processes, activities and resources.

Studies that have been undertaken on strategic orientation include Ougo (2011) research on information communication technology as a strategic orientation for service delivery in the office of the Vice-President and Ministry of Home Affairs. The findings of the study was that the adoption of information communication technology by the ministry resulted in better service delivery, an informed society, result oriented, efficient and citizen centered and better economic performance at all levels. Mwando (2012) undertook a study on related diversification as a strategic orientation among mid-tier audit firms in Kenya and the study found out that all the firms had adopted related diversification strategy. Other than the audit business, all the firms had diversified into taxation services. The firms had diversified into offering company secretarial services, consulting services and accounting services. The results also showed that most of the respondents agreed that related diversification lead to firm growth. Mutanga (2012) researched on the challenges of mergers and acquisitions as a strategic orientation at CFC

Stanbic Bank Limited Kenya and established that the acquiring firms are affected by changes during the integration process, by retaining the important resources or the transfer of resources from or to the acquired firms. Yet, in the integration phase, the problems may occur due to human factors, cultural incompatibility and an inappropriate management style. This study therefore will seek to answer the question; what is the effect of strategic orientation on competitive advantage of Geothermal Development Company?

### **1.3 Research Objective**

The research objective of this study was:

To determine the influence of strategic orientation on competitive advantage of Geothermal Development Company.

### **1.4 Value of the study**

The study will be of value to:

The management of Geothermal Development Company by providing them with information and knowledge on the importance of strategic orientation as they will be able to plan for the future and be able to ensure that the country is energy sufficient through exploration of new and clean energy sources thus gaining competitive advantage.

The study will also create a monograph which could be replicated in other sectors which are facing high competition. Most importantly, this research is further aimed at offering some practical suggestions on the role of strategic orientation in order to gain competitive

advantage. The policy makers will obtain knowledge of the energy sector dynamics and the appropriate orientation strategies; they will therefore obtain guidance from this study in designing appropriate policies that will regulate the sector.

Future scholars may use the results of this study as a source of reference. The findings of this study can be compared with strategic orientation in other sectors to draw conclusions on various ways an institution can respond to the environment. It will also benefit consultants who endeavor to provide assistance to successful running of organizations in developing and sustaining a competitive edge in their environment.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This chapter will review the theoretical foundation of the study, strategic orientation dimensions, strategic orientations and the role of strategic orientation on competitive advantage.

### **2.2 Theoretical Foundation of the study**

The resource-based view of the firm provides the theoretical foundation for this study (Barney, 1991). The resource-based view of the firm argues that superior performance rests on resources and capabilities that are valuable and rare, that strategies based on these resources are costly to imitate, and finally that procedures and policies are organized to exploit the resources and capabilities. In this perspective, firms' strategic orientations represent strategic capabilities that guide (strategic) actions for superior performance (Day, 2011). The RBV argues that resources that are simultaneously valuable, rare, difficult to imitate and imperfectly substitutable are the source of competitive advantage and dynamic capabilities govern the changes in these firm specific, unique resource bundles (capabilities) (Ambrosini and Bowman 2009).

The resource based view focuses on resource heterogeneity and immobility as potential sources of competitive advantage (Barney 1991). Strategic orientation reflects the firm's philosophy of how to conduct business through a deeply rooted set of values and beliefs that guides the firm's attempt to achieve superior performance. These values and beliefs

define the resources to be used, transcend individual capabilities, and unify the resources and capabilities into a cohesive whole (Day 2011). Such capabilities are intangible and interaction based. They are difficult to trade, imitate, or duplicate, and thus they are the most likely sources of competitive advantage. Ray, Barney and Muhanna (2004) advocate that firms must translate efficiently and effectively their resources and capabilities into business process, otherwise they cannot expect to realize the competitive advantage potential of their resources. They stress that the potential to generate competitive advantage from resources can be realized only if used in business process, defined by the actions that firms engage in to accomplish some business purpose or objective. They state that is through business process that firm's resources and capabilities get exposed to the market, and consequently have their value recognized.

Wilkens et al., (2004) posits that a firm that exploits its internal resources and capabilities could achieve a good performance, as the resources are stable and reliable in the process of strategic management, making the firm able to face market dynamics and competition. This implies that, to be successful firms could identify their idiosyncratic characteristics in order to differentiate themselves from other competitors and carve out a distinctive niche in the market (Barney et al., 2011). Thus, they should select their peculiar resources and find the best way to use and organize them in order to deploy specific capabilities and to set up a successful strategy allowing them to operate profitably in the market. However, their ability to take advantage of the changing trends depends to a large extent on the internal and external factors that may enable (or inhibit) these enterprises to realize

their potential represented by their dynamic capabilities. This means that, it is important to recognize that the value of dynamic capabilities is context dependent (Barreto, 2010).

Contingency theory suggests that firm competitiveness depends on the alignment of the organization with the environment as well as the congruence of the organizational elements with one another (McKee et al., 2009). Strategic orientation as a core value of the contingency theory indicates that the greater the consistency between the competitive strategy and contingent factors, the more positive the impact on organizational above average performance. Dynamic capabilities describe the different strategic movements that occur between business capabilities with different dynamics. Competitive strategy is used to deal with the internal and external environment, and represents the mediating force between an organization and its environment, with its main goal being to achieve competitive advantages. Nevertheless, a resource or capability cannot be a source of sustainable competitive advantage if it has strategically equivalent substitutes that are not in themselves rare or costly to imitate (Barney 2001). In terms of substitutability, organizational capabilities are a problematic source of sustainable competitive advantage. Even though it has been accepted that they may, per se, contribute to competitive advantage, they are vulnerable to erosion as the firm adapts to changes: they may be replaced by a different capability or be surpassed by a better one (Collis, 1994).

## **2.3 Strategic Orientation Dimensions**

Strategic orientation is central to organizational effectiveness in that it represents the competitive strategy implemented by a firm to create continuing performance improvements (Gatignon and Xuereb, 1997).

### **2.3.1 Aggressiveness of the firm**

Aggressiveness trait in a firm is reflected in its propensity to face up to and challenge its rivals directly and intensely and to outperform them in the marketplace. These include the use of strategies such as low price, differentiation, targeting a competitor's weaknesses or in outperforming competitors on marketing, product service and quality, sales promotion, advertising or manufacturing capacity (MacMillan and Day, 2007). Furthermore, organizations, in their pursuit for aggressive growth, exhibit a clear and pronounced strategic focus of beating the competition.

Aggressiveness captures the facet of a firm's strategic orientation that, in comparison with its competitors, rapidly deploys resources to improve market position (Clark and Montgomery, 2006). Such a trait is characteristic of the marketing company that seeks first-mover advantage and exhibits a combative posture in exploiting market opportunities. Although aggressiveness may demand high investment to constantly improve on relative market share and competitive position, the key ingredient of success and sustainability along this route must be the ability to identify customer needs through an appropriate window of opportunity and rapidly mobilize resources to respond



accordingly. Hence, the offensive manoeuvres associated with aggressiveness are likely to be characteristic of market oriented firms.

### **2.3.2 Analysis of the firm**

It refers to the overall problem solving posture of an organization, the extent of tendency to search deeper for the roots of problems and, from an understanding of the organization's internal and external environment, to generate the best possible solution alternatives and allocate the resources for the chosen objectives (Grant and King, 2002). It also refers to the comprehensiveness trait as an important construct in the strategic management process.

This orientation is a firm's problem-solving approach arrived at from an understanding of both external and internal environment. It reflects a firm's tendency to locate the deeper root of problems to generate the best possible alternatives and is considered to be an important characteristic of the organizational decision-making (Miller and Friesen, 2002). Furthermore, this particular dimension of strategic orientation indicates that the extent of internal consistency is achieved in overall resource allocation for achieving target objectives for the firm. The whole aspect of this orientation bears close conformity to the idea of rational comprehensive processes, wherein the observed phenomenon is that of analytical activities and systems relating positively with firm performance (Eisenhardt, 2009).

### **2.3.3 Defensiveness of the firm**

Cadogan et al., (2009) noted that defensiveness refers to the defensive behaviour of an organization, characterized by an emphasis on efficiency, productivity and cost reduction in operations. Defensive organizations focus on a product and market domain that is narrow and relatively stable, tending to defend their products, markets and core technology rather than develop new products or markets. In this domain they maintain their prominence, concentrating all their efforts on cost-efficient production, to the exclusion of business opportunities and other developments external to their environment, in effect deliberately reducing its adaptive capability (Oktemgil and Greenley, 2007).

Defensiveness encourages an internal focus for organizational strategists which, consequently, deflect attention away from the external environment of the firm. Therefore, when changes occur in the marketplace, the defensiveness trait means that firms have limited adaptive capabilities and may be unlikely to notice market change. Furthermore, for the defender type of firm, (Clark and Montgomery, 2006) stated that they gain relatively little benefit from a high magnitude of market orientation.

### **2.3.4 Futurity of the firm**

This dimension relates to the future; to temporal considerations or time orientation in decision making. It is reflected in key strategic decisions, where a balance is kept between effectiveness or longer-term considerations versus efficiency or shorter-term considerations. Futurity is also reflected in deliberate engagement by firms in long-term

relationships with suppliers or other strategic business partners to cultivate sustainable competitive advantage that impacts favourably on business performance (Ganesan, 2004).

It is undeniable that the whole concept of strategy is firmly grounded in the notion of reaching an envisioned future state through desired firm growth (Laurie et al., 2006). This reflects the extent of importance of futurity as the key dimension of strategic orientation construct. In the context of dynamic environment involving rapid change, this trait can enable a firm to acquire competitive edge in the market. This aspect closely recalls Boyd (1991) observation on long-term planning that enables firms to perform better than those in the field who do not manifest this behavior. Futurity exhibits itself particularly in areas pertaining to forecasting sales, customer preferences and environmental trends.

### **2.3.5 Proactiveness of the firm**

Proactiveness is defined as a forward-looking perspective characteristic of a marketplace leader that uses its foresight to anticipate future demand and shape the environment (Lumpkin and Dess, 2001). It reflects how an organization reacts to market opportunities, acting with initiative and opportunistically to influence market trends, expectations and demand. A proactive firm is differentiated from a reactive firm by being the first to act (Miller and Friesen, 1983).

Founded on an action orientation, pro-activeness also harnesses the strong research and development capabilities that are a feature of this dimension (Gatignon and Xuereb,

2007). Fundamental in achieving such innovation capabilities, organizations exhibiting this proactiveness trait must encourage strong inter-functional cohesiveness and direct their efforts toward a market focus. In this vein, evidence suggests that while particularly proactive firms may not be initially market oriented, a process of evolution is often experienced which requires organizations to establish processes and structures that enable them to better understand their customers (Burchill and Fine, 2007).

## **2.4 Strategic Orientation**

Strategic orientation reflects the strategic directions implemented by a firm to guide its proper activities for continuous superior performance. Viable strategic orientations include market, technology and selling orientations (Noble et al., 2002), of which market orientation has received the most research attention.

### **2.4.1 Market Orientation**

Market orientation places the highest priority on the profitable creation and maintenance of superior customer value. It emphasizes the need for the entire organization to acquire, disseminate, and respond to market intelligence from the firm's target buyers and current and potential competitors (Jaworski and Kohli, 2003). By prioritizing customers, a market-oriented firm excels in its ability to seek and use market information to create and deliver superior customer value. Unlike a customer-led firm, which simply listens to its customers, a market oriented firm commits to understanding both the expressed and the latent needs of its customers. Its ability to uncover consumers' latent needs can be enhanced further by the lead-user technique; that is, putting the most advanced

technology available into the hands of the “most sophisticated and demanding users” often “leads to the discovery of new solutions to unexpressed needs” (Slater and Narver 1998).

The primary focus of a market orientation is to create “superior customer value, which is based on knowledge derived from customer and competitor analysis” (Slater and Narver, 2005). However, such a focus may risk overlooking the potential contributions of other sources, such as firms in different industries; threats from new, nontraditional competitors; or opportunities in future markets, thus lowering the possibility of generating innovations for emerging markets. In addition, intelligence generated from existing customers or even lead users may not provide critical guidelines for introducing products that are desired by new markets with different preferences. Although investment in technology is substantial and risky, signs from the market are clear and certain. With a strong commitment to serving its customers, a market-oriented firm is willing to direct the resources necessary to fulfill customers’ latent needs through developing tech-based innovations (Slater and Narver, 2005).

#### **2.4.2 Technology orientation**

Technology orientation suggests that consumers prefer products and services of technological superiority. According to this philosophy, firms devote their resources to research and development, actively acquire new technologies, and use sophisticated production technologies ((Srinivasan et al., 2002). Accordingly, a technology oriented firm is one with the ability and will to acquire a substantial technological background and

use it in the development of new products. Because of their strong commitment to research and development and application of latest technologies, technology-oriented firms can build new technical solutions and offer new and advanced products to meet customer needs. Consequently, technology-oriented firms have a competitive advantage in terms of technology leadership and offering differentiated products, which can lead to superior performance (Gatignon and Xuereb, 2007).

The value of a technology orientation, however, likely depends on technological turbulence, which refers to the rate of technological changes within an industry. When the level of technological changes is relatively low, firms can benefit from relying on and making full use of their current technologies. However, because of their commitment to technological superiority, technology-oriented firms devote their resources to research development activities, which incurs substantial costs and expenses that may not be worthwhile when the pace of technological change is low. When the market environment is marked by rapid technological advances, the value and impact of prior technology deteriorates very quickly, firms must allocate more resources to technology development, experiment with new technologies, and manage uncertainty through innovations; otherwise, they will be driven out of the market due to increasingly obsolete technology (Srinivasan et al., 2002). Hence, a higher level of technology orientation is needed to cope with high levels of technological turbulence.

### **2.4.3 Entrepreneurial orientation**

Entrepreneurial orientation is a strategic orientation that captures the specifically entrepreneurial aspects of firms' strategies (Bhuian *et al.*, 2005). The entrepreneurial tendencies toward risk taking, innovativeness and pro-activeness are considered as central to entrepreneurial orientation. The main proposition of entrepreneurial orientation is that organizations acting entrepreneurially are better able to adjust their operations in dynamic competitive environments. Entrepreneurially-oriented organizations change and shape the environment and are willing to commit resources to exploit uncertain opportunities. They explore new and creative ideas that may lead to changes in the marketplace and do so proactively ahead of the competition in anticipation of future demand. This kind of better adjustment and shaping of the environment should have positive effects on firm performance (Keh *et al.* 2007). Essentially, the entrepreneurial orientation represents the entrepreneurial strategic posture, the how an entrepreneurial organization competes.

The entrepreneurial orientation represents an entrepreneurial strategy making process and shares an interest with technology orientation in terms of interest in value creation for dynamic environments in particular. Covin *et al.*, (2006) posit that organizations scoring high on entrepreneurial orientation roughly approximate to firms representing prospectors, while at the other end of the continuum, conservative firms (with a low level of entrepreneurial orientation) correspond to reactor firms. The roots of

entrepreneurial orientation can be traced to the strategic choice perspective on strategy, thus essentially, environment alone does not determine the success of the company, but strategic decision making also has an impact on it. However, entrepreneurial orientation literature does acknowledge that environmental characteristics, as well as resources and other organizational factors are contingent to the entrepreneurial orientation-performance relationship.

## **2.5 Strategic orientation and competitive advantage**

The competitive-force perspective argues that competitive advantage lies in a firm's correct positioning in a market. The sustainability of the competitive advantage that stems from such a position critically depends on the relative influence of the market forces that the firm encounters (Porter 1980). According to Lumpkin and Dess (1996), firms with strategic orientation are willing to act proactively relative to environmental opportunities, be aggressive toward competitors, take risks and utilize their limited resources better. Wiklund and Shepherd (2005), note that availability of resources allows firms to experiment with proactive, risky and aggressive strategies that might not be approved in a resource-constrained environment. Doing things better, more efficient, more effective, cheaper etc. than rival firms is therefore a major component in gaining competitive advantage. A unique configuration of the capabilities will strengthen its source of competitive advantage and will often raise the barrier for rival companies to imitate the activity system (Wit & Meyer, 2010).



Changing market conditions require firms to increase their market intelligence efforts in order to be able to implement new strategies that match customer demands and offer them superior value in terms of additional benefits and/or lower prices. In particular, to achieve customer satisfaction and loyalty in the long run, a firm must provide a unique blend of product, service, price, distribution, and communication elements that appeals to the needs and tastes of its particular target segment (Slater and Narver, 2008). This strategic marketing planning process assists customer and competitor oriented firms in developing appropriate marketing capabilities which are necessary for the actual deployment of chosen strategic behaviors into the marketplace (Morgan *et al.*, 2009). Stated differently, the process of actually implementing a customer oriented and competitor oriented strategic behavior in the marketplace both requires and facilitates the development of appropriate marketing capabilities.

For organizations to achieve superior competitive advantage, organizations must provide customers with products and services with superior value in comparison with its competitors. If a company does not have or cannot obtain the necessary resources to take advantage of opportunities, gaining competitive advantage is unrealizable. Companies must therefore keep the strengths and weaknesses of their business system in mind; however, it should not limit the potential of the opportunities (Wit and Meyer, 2010). Slater *et al.*, (2012) noted that firms pursue cost reduction in order to achieve competitive advantage as it will contribute to process improvement through cost reductions and increased performance. A cost-orientated firm places a high level of importance on in-depth knowledge regarding the costs of providing products and services to the market.

Lowering average and marginal costs are typical benefits to this type of strategic orientation. Firms that are actively engaged in the reduction of costs associated with the development of product and service offerings can benefit when competing for new business, as they are able to offer attractive pricing or additional features for potential customers. Employees within cost-oriented firms seek opportunities to eliminate waste associated with all areas of the firm.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter presents the research methodology that was used to carry out the study. The chapter describes the proposed research design, data collection instruments and how data will be analyzed, interpreted and presented.

### **3.2 Research Design**

The research design was a case study. A case study is an in-depth investigation of an individual, institution or phenomenon. Case studies allow a researcher to collect in-depth information, more depth than in cross-sectional studies with the intention of understanding situations or phenomenon. It also helps to reveal the multiplicity of factors, which have interacted to produce the unique character of the entity that is subject of study. The reason for this choice was based on the knowledge that case studies are the most appropriate for examining the processes by which events unfold, as well as exploring causal relationships and also they provide a holistic understanding of the phenomena.

### **3.3 Data Collection**

The study used primary data which was collected using an interview guide. An interview guide is a set of questions that the interviewer asks when interviewing. The respondents to be interviewed were the heads or assistants of strategic, finance, supply chain and resource development departments as well as project implementation team

representatives. These were considered to be key informants for this research since they are involved in the formulation and implementation of policies and strategies that are geared towards the achievement of company's objectives.

This method should be considered more often by researchers since it provides more qualitative information, more depth, more representation, more efficiency, more statistics, and more value (Stokes and Bergin, 2006). The interviews were semi-structured so that some questions can be omitted or added if some new and useful information come up through the whole procedure, which were face to face interviews.

### **3.4 Data Analysis**

The data obtained from the interview guide was analyzed using content analysis. Content analysis is the systematic qualitative description of the composition of the objects or materials of the study (Hsieh and Shannon, 2005). It involves observation and detailed description of objects, items or things that comprise the object of study.

Content analysis, as a class of methods at the intersection of the qualitative and quantitative traditions, is used for rigorous exploration of many important but difficult-to-study issues of interest to management researchers (Carley, 2003). Content analysis has a number of advantages. This includes its non-obtrusive character, use of naturally evoked verbal behavior as the source of value-data; suitability for carrying out longitudinal research given the availability of different kinds of text over long periods of time; and its systematic and quantitative approach to dealing with qualitative, text data (Kabanoff and Daly, 2000). Content analysis is considered a 'trace' methodology that tracks values

through the verbal behaviors they produce. It allowed the taking of qualitative material (written text) and its conversion into a form that can be analyzed statistically, helping to evaluate ideas more rigorously.

## **CHAPTER FOUR : DATA ANALYSIS, RESULTS AND DISCUSSION**

### **4.1 Introduction**

The research objective was to establish the effect of strategic orientation on Geothermal Development Company competitive advantage. This chapter presents the analysis and findings with regard to the objective and discussion of the same.

### **4.2 Informants Profile**

The respondents comprised the middle and top management of Geothermal Development Company (GDC). In total, the researcher interviewed eleven respondents out of the thirteen that had been intended to be interviewed. Two of the informants were not available during the interview. The duration in which the informants have worked in the GDC varied from three to five years. The GDC was incorporated six years ago and therefore majority of the informants have worked in the organization since inception and therefore understand the operations of the organization towards the achievement of competitive advantage through strategic orientation.

The duration that the informants have been holding the current position varied although majority has worked in their respective positions for more than three years. Majority (ten) of the informants held managerial position in the institution and therefore considered to be more versed with the subject matter of the study. On the level of education, five of the informants indicated that they were undergraduate was their highest level of education five of the informants were post graduate holders.

### **4.3 Strategic Orientation**

Organizations have different strategic orientations that vary strongly with regard to internal and external conditions and on this section of the interview guide, the study tried to establish the extent to which strategy orientation was being undertaken in GDC. The interviewees noted that strategic orientation has enabled GDC to analyze a strategy for future growth as it compares with an actual execution of procedures. It reflects the strategic directions implemented by a firm to create the proper behaviours for the continuous superior performance of the business. GDC has also used strategic orientation in conjunction with SWOT analysis to plan the future of the organization. The set Balanced Score Card (BSC) articulates the direction of the company which has set sight in enhancement of self driven workforce and sustainability of target goal of 5000 Mw. The mission and vision of GDC guides the organization in the implementation of its objectives and therefore strategic orientation has been used to guide in the realization of the set objectives through strategic alignment.

Training of employees enables them to improve their knowledge capabilities. The interviewees said that training programs in GDC has enabled improve their competence in their areas of specialization. It has given staff skills/knowledge in areas of exploration and management especially in environmental monitoring and mitigation measures and this enables employees to undertake their duties taking into consideration the implication it has on environment thus reducing the impact of the organization activities on environment. The interviewees further said that since the organization deals with exploration in several areas in the country that have diverse culture, training enables

employees to interact with the locals thus creating cordial relationship between the organization and the locals. Training has also resulted in better customer care, better work safety practice and productivity improvements. The exploration of more sources of clean sources of energy necessitates the use of different equipments and therefore the interviews noted that training has impacted knowledge on employees on the use of latest technology and the changing trends in exploration.

The management of GDC guides in the implementation of organization strategic plans and therefore interviewees said that managers' discussion helps in strategic strengths behaviour assists customer and competitor oriented firms in developing appropriate marketing capabilities which are necessary for the actual development of chosen strategic behavior into the market place. The management was also indicated as being the policy makers who comes with policies that are aimed at achieving the government promise of reducing the cost of energy to spur economic growth through geothermal sources. The exploration of energy requires substantial resources in terms of equipments, financial and human resources and the managers of GDC were indicated by the interviewees as being at the forefront in lobbying the government to allocate more resources while at the same time sourcing for more resources from other development agencies in order to realize its strategic objectives.



## **4.4 Effect of Strategic Orientation on Geothermal Development**

### **Company Competitive Advantage**

This section of the interview guide highlights the use of strategic orientation by the company in order to achieve competitive advantage. The implementation of the company strategies requires coordination among the different departments of the company. The interviewees said that coordination aids in proper planning and connection of activities to strategic plans and limited resource allocation. The strategies applied by the company in order to achieve competitive advantage play a key role in the achievement of the set objectives. The interviewees said that there is effective coordination of strategies which are being applied by the company. This coordination helps the exploration apply competitive strategies/advantages e.g. cost leadership, differentiation, innovation and operational effectiveness strategies among sections/departments.

Effective communication throughout the different departments and units enables the company to achieve competitive advantage. Strategies can only be sustained by clarity of purpose and clarity can only be achieved through changes of behaviour. The coherence of decisions and actions of all employees at all levels of the organization is fundamental the interviewees noted that there is effective communication in the company which has resulted in proper understanding among persons. The interviewees further said that coordination in the company has helped to reduce conflicts among functional areas, resulted in time management and man hour saving. It was further revealed that effective coordination has put the company on a global scale as it is among the top companies that do train and carry out consultation work.

Competitive advantage was achieved with effective utilization of all resources at the disposal of the company. This involves proper planning which involves allocation of financial resources to the key strategic areas that will enable the company to undertake its mandate effectively. The interviewees noted in order to achieve competitive advantage, the company was exploring new creative ideas that may lead to changes in the market place and do so proactively ahead of the competition in anticipation of future demand. The company has put in place mechanism that ensures that they adhere to the timelines which they have set for completion of projects. This entails sourcing for funds and advertising for provision of various materials in time to avoid delays and this spares the company backlash of projects that affect forward-wheeling. Training of staff was also noted as having been used by the company to increase efficiency as they have knowledge on how to carry out their tasks accordingly and this increases their productivity.

The interviewees were asked about the measures that have been undertaken by the company to lower the cost of exploration in order to achieve competitive advantage and they noted that GDC has taken measures that include buying of its own rigs/machinery and professional technical staff to cut costs resulted with hiring/leasing. The costs incurred in exploration were maintained at minimum levels by experimenting with proactive risky and aggressive strategies that might not be approved in resource constrained environment by providing them with information and knowledge. The interviewees further noted that GDC has taken measures that will cut its operating costs by outsourcing some non-core services in order to enable the company to concentrate on its core functions. Outsourcing is growing at a rapid rate throughout because organizations view it as a way to achieve strategic goals, improve customer satisfaction

and provide other efficiency and effectiveness improvements. In order to ensure that the projects are undertaken within the stipulated time, the company uses balance score card use as a monitoring tool.

The work of GDC requires analysis of all the information in order to ensure success of the operations being undertaken and therefore research and development is necessary. The interviewees said that research and development provided the company with information and knowledge on the importance of strategic orientations. The geothermal power exploration requires collection of data in terms of temporal/spatial analysis. The research papers generated from the analysis were said to be shared with other countries undertaking the same course of geothermal exploration around the world and this ensured that the company accuracy on the existence of power and the extent of drilling was confirmed thus increasing the productiveness of the company.

The interviewees further said that the company has scaled its research by training its employees on geothermal exploration and equipping the laboratory to ensure that there is thorough analysis of all the information pertaining to the research. The company was also said to have participated in various international conferences on geothermal power and this has enabled the company to share its experience on the field with other renowned institutions on geothermal thus being advised on issues related to exploration. The company was said also to have incorporated consultants in areas that they were not well versed with and this enables the company to learn from their activities thus giving them an edge in future similar experiences. The company was found not to be working in isolation but rather inviting views of the locals and other organizations to present their

views regarding the activities they want to undertake and this gives the public an opportunity to give information which will enable the company to meet its objectives and those of other stakeholders.

The customer needs influence the operations of GDC for they have to ensure that they achieve the desired needs of its customers. The government operates under vision 2030 flagship where they have plans to have connected over seventy five percent of the country with electricity and to achieve such an ambitious objective, the government has entrusted to generate 5000 Mw by 2030 and this drives the company to undertake exploration that will ensure that it achieves the set targets. The company undertakes its exploration in different areas and as a way of giving back to the society for supporting their activities they are engaged in corporate social responsibility which will endear itself with the people in its area of operation. This will mitigate disputes and litigations hence no additional cost. At the same time the company has sponsored several students in the areas in which they are undertaking exploration to different level of education. The company also employs people and this helps to bring the company and community together.

On whether the company takes risks in order to achieve competitive advantage, the interviewees were unanimous that the company takes risk which include financial risk through budgeting for critical projects which is based on the assumption that the best results comes through. Although it is risky to invest huge resources, the company usually has done thorough analysis of the exploration that they want to undertake and therefore the chances of not achieving the intended results were minimal. The company drills

steam in areas which had never been done before. The positive outcome from the exploration will lead to the company producing more steam power. Another risk undertaken by the company was noted by the interviewees as training of employees and benchmarking to equip them with the necessary knowledge to enable the company achieves its intended objective. The risk exposed to the company is on the staff that works for a few years and leaves for another organization and this creates a challenge to the company as they were forced to employ new employees and train them again.

The daily experience encountered by the company has become a learning experience as new challenges and ways of drilling have impacted knowledge and exposure on its operations. At the same time the company explores new and creative ideas that may lead to changes in the market place and do so proactively ahead of the competition in anticipation of future demand. The company has always relied on the government to allocate resources to enable it undertake the drilling, that has however changed in the recent past as the company has been sourcing its fund though in collaboration with the government so that they can be able to drill more wells in order to meet the demand of power thus reduction in the cost of power which attracts more investors.

The interviewees said that technology used by the company influences their competitive advantage through devotion of their resources to research development activities which incurs substantial cost and expenses that may not be worthwhile when the pace of technological change is low. This has been achieved with the adoption of drilling technology with high accuracy which reduces drilling time from three months to two months hence improving efficiency and enhancing competitive advantage. The research

on the drilling site has also resulted on high accuracy on the wells with steam as a result of use of modern technology on data analysis (modern software) which has enabled the company meet its expectations and achievement of its goals.

#### **4.5 Discussion**

Companies have long known that, to be competitive, they must develop a good strategy and then appropriately realign structure, systems, leadership behavior, human resource policies, culture, values and management processes. An organization that decides and acts on plans to achieve objectives does not do so in a sterile environment. Its success largely depends on the knowledge and quality of the relationships it maintains with the external environment (systems) and its own internal environment (systems). The study found out that strategic orientation has helped the company analyze a strategy for future growth as it compares with an actual execution of procedures, put in place timelines that shall aid in achieving the vision/mission and sustainability of target goal of 5000 Mw. This is consistent with Narver and Slater (1990) findings that a firm's strategic orientation reflects the strategic directions implemented by a firm to create the proper behaviors for the continuous superior performance of the business

Flexibility and adaptability have become key management concepts to develop a sustainable competitive advantage, and successful firms apply them in new organizational strategies that put into question many conventional tenets on organizations and their management. Smarta (2004) found out that for strategic orientations to be effective, companies must create an internal alignment between organizational features

(goals, values, resources, capabilities, structure and systems) and create a fit between the internal organizational and its external environment. This fit depends on the strategic orientation a company has. These findings are in tandem with the study results which established that it improves performance and allocation of resources, gives the company strategic orientation towards achieving its goals and that it influences decision on strategic direction.

Changing market conditions require firms to increase their market intelligence efforts in order to be able to implement new strategies that match customer demands and offer them superior value in terms of additional benefits and/or lower prices. Competitive advantage of the company results from the efficiency and productivity and this was achieved through exploring new creative ideas that may lead to changes in the market place, proper allocation of skills and practices, training and use of latest technology. This was found to be consistent with Lumpkin and Dess (1996) findings that firms with strategic orientation are willing to act proactively relative to environmental opportunities, be aggressive toward competitors, take risks and utilize their limited resources better.

The cost incurred in drilling of steam wells enables the company to achieve competitive advantage. The company was found to have undertaken measures to reduce costs which include cost cutting on less required items and outsourcing, buying own rigs, hiring of experienced staff and use of modern technologies of sub-surface and surface exploration. Slater et al., (2012) noted that firms pursue cost reduction in order to achieve competitive advantage as it will contribute to process improvement through cost reductions and increased performance. A cost-orientated firm places a high level of importance on in-

depth knowledge regarding the costs of providing products and services to the market. In the course of undertaking its duties, the company takes risks which include financial risks, training of its staff and drilling of exploration wells in areas that have not been drilled before. This was in tandem with Wiklund and Shepherd (2005) findings that availability of resources allows firms to experiment with proactive, risky and aggressive strategies that might not be approved in a resource-constrained environment. Doing things better, more efficient, more effective, cheaper etc. than rival firms is therefore a major component in gaining competitive advantage.



## **CHAPTER FIVE : SUMMARY, CONCLUSION AND RECOMMENDATIONS**

### **5.1 Introduction**

This chapter gives the summary, conclusion and recommendations of the study. The suggestion for further research was also highlighted.

### **5.2 Summary**

The study found out that the company was using strategic orientation in their day to day activities. They noted that they use the strategy to analyze future growth as it compares with an actual execution of procedures, reflects the strategic directions implemented by a firm to create the proper behaviours for the continuous superior performance of the business. GDC has also used strategic orientation in conjunction with SWOT analysis to plan the future of the organization. The study established that the company improves the knowledge of its employees through training and this has enabled the staff to have skills/knowledge in areas of exploration and management, enables employees to interact with the locals thus creating cordial relationship between the organization and the locals. Training has also resulted in better customer care, better work safety practice and productivity improvements

The study found out that the company achieves competitive advantage through strategic orientation. Effective coordination between the different departments and units was being adhered to by the management as it leads to proper planning and coordination of

activities, helps in creating proper understanding among persons, gives the company clear strategic direction, reduces conflicts among functional areas, time management and effective utilization of resources. Efficient utilization of resources by the company results in competitive advantage. Efficiency was established to have been achieved through use of latest technology, training staff in various areas of expertise and benchmarking visits and achieving the set goals on its timeliness to avoid backlash of projects that affect forward-wheeling

The study found out that the company achieved competitive advantage through reduction of costs. Cost reduction was achieved through undertaking of cost cutting measures and outsourcing, maximizing its human resource, buying its own rigs/machinery, through timeliness and proper planning and allocation of costs in all the functions. In the course of its exploration the GDC takes risks which were found to be financial risks, training of its staff and drilling of exploration wells in areas that have not been drilled before. This risk taking was noted as having contributed to achievement of competitive advantage by the company.

### **5.3 Conclusion**

For an organization to achieve consistently superior performance it must create a sustainable competitive advantage, that is, it must create sustainable superior value for its customers. Strategic orientation effectively and efficiently creates the necessary behaviors for the creation of superior value for buyers and, thus, continuous superior performance for the business. To be competitive, firms must develop clear strategies built around core competencies and appropriately realign structure, systems, leadership

behavior, human resource policies, culture, values and management processes. In other words, executives must employ management processes that they feel will position the organization optimally in its competitive environment by maximizing the anticipation of environmental changes and of unexpected internal and competitive demands

The study found out that strategic orientation enabled the company to achieve competitive advantage. The company trains its employees in order to equip them with the necessary knowledge and skills which enabled the company to reduce costs of outsourcing core activities. The top management ensures that there is effective coordination among the departments so that they can all work towards achievement of the intended goals. The exploration of steam energy is a difficult task that needs careful analysis of all information in order to ensure that the drilling does not yield the expected results. Communication at work place is crucial for team work and clarity of procedures and roles. Without proper communication channels in an enterprise, uncertainty dominates the work environment and productivity goes down. Though the company has taken risks in the drilling, it has been able to succeed through the use of latest technology and efficient utilization of resources which has enabled the company to achieve competitive advantage.

#### **5.4 Limitations**

The limitations of this research are originated from the definitions of analysis framework dimensions. Especially the definition of customer focused and market oriented are somewhat overlapping in some areas. The customer-centric strategies are in the field of

strategy re-search quite new and there is discussion ongoing on the fundamental definitions and directions. Also the empirical material has limitations due to its nature, as it gives overview on the examined period but many detailed or fine scale notations cannot be examined in further details.

## **5.5 Recommendation**

The findings of the study contributed to the body of knowledge by lending empirical support and further extending the resource-based view (RBV) of competitive advantage by examining the relative magnitude of importance placed upon organizational internal attributes towards attaining competitive advantage and enhancing firm performance. From the research, the competitive advantage achieved by the company was as a result of deployment of resources in drilling of wells which enables the company achieves its objectives.

The findings of the study show a special relationship between given strategic orientations and firm performance should lead practitioners to consider and adopt those specific strategic orientations in their regular planning routine. It is necessary that this strategic intent be clearly articulated through the adoption of an appropriate strategic architecture. For researchers, special attention has to be paid to the use of better measures of both strategic orientation and organizational performance.

The company managers will be able to focus on the level of different strategic orientations of the company in order to improve its competitiveness. In addition, policy makers and planners can use findings to foster the strategic. The study suggests that

successful organizations do simultaneously balance technology and customer focus, and moreover, do so by entrepreneurial, proactive, innovative behaviour that may be assisted by an orientation towards learning, open minded attitudes and a shared vision of the optimal direction of the firm. The results should urge companies to develop a more holistic view and awareness on the strategic directions of the firm. Directing the company based on a single philosophy, be it technology, customers, learning or entrepreneurial actions, is simply not going to be adequate in competition against firms that have mastered the multiple orientations approach.

A clear, multidimensional strategic orientation could serve as a powerful means of forming and communicating strategic pathways, and so help to empower people to make the smaller, everyday decisions. However, strategic orientation remains abstract and theoretical and does not in itself provide answers for everyday decision-making situations. Therefore, as a managerial tool, strategic orientation configurations as presented here, are likely to be best used in strategy development and assessment at the top management team or at board level. Perceiving the strategic orientation as a configuration could encourage a more holistic view among the top management team and that in turn could assist the development of strategies. While the top management team should ideally represent the different functions and viewpoints at work within the company, the members of the management team tend to feel the need to defend their respective viewpoints, rather than attempting to build a shared view. The strategic orientation could serve as a device assisting directors to approach problems from a holistic point of view that is not naturally familiar to them.

## **5.6 Suggestions for Further Research**

The areas for further research include the more in-depth analysis of the customer focused, customer- centric approach on strategy, as well as the customer influence in strategy priorities definitions, customer life-time value approach on the strategy and the overall transformation journey from product-centric strategy towards customer-centric strategy. To this is also very much linked the solution dimensions of strategy creation.

Second, since our data were collected from a single industry, the ability to generalize these findings to other industrial sectors is limited. Additional research should include other viable strategic orientations, such as selling or learning orientations, to test their unique contributions to business performance.

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## **APPENDIX I: INTERVIEW GUIDE**

The interview guide was to achieve the following objectives;

1. To determine the effect of strategic orientation on Geothermal Development Company competitive advantage.

### **Section A: Demographic Data**

1. Name of the respondent( optional)
2. For how long have you worked in the Company?
3. For how long have you been holding the current position in the Company?
4. What is the highest level of education you have achieved?

### **Section B: Strategic Orientation**

5. How has strategic orientation influence the company activities?
6. How have organization training programs improved the staff knowledge of exploration and management?
7. What influence does the managers discussion of competitive strengths and strategies influence the organization?

### **Section C: Effect of strategic orientation on Geothermal Development Company competitive advantage.**

8. How does effective coordination among different functional areas of the company affect their competitive advantage?

9. How does the company increase organizational efficiency/productivity in order to achieve competitive advantage?
10. How does the company lowers the cost of exploration in order to achieve competitive advantage?
11. Does the company undertake research and development in order to achieve competitive advantage? How?
12. How does customer needs influence the company competitive advantage?
13. Does the company take risks in order to achieve competitive advantage?
14. How has the company ability to learn influence their competitive advantage?
15. Does the company modify its exploration technology? If yes, how does it influence its competitive advantage?