

**THE ROLE OF INTER-ORGANIZATIONAL STRATEGIC
ALLIANCE AS A SOURCE OF COMPETITIVENESS AMONG THE
MAJOR SEED COMPANIES IN KENYA**

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DECLARATION

This research proposal is my original work and has not been submitted for a degree in this or any other University.

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This research proposal has been submitted for Examination with my approval as the University Lecturer.

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God bless you all.

DEDICATION

I dedicate this project to my family for unfailing encouragement and love. To my dear wife and best friend Joyce Kiplagat, and to my loving children Victor, Victoria and Daphne.

ABSTRACT

Inter-firm alliances have become necessary in current globalized economy. Firms use collaborations to supplement and complement their internal activities and to create a link with the external environment. The effective management of inter-organizational resources has therefore become an integral part of competitive advantage and critical to the success of the business firm. The objective of the study was to determine the role of inter-organizational strategic alliance as a source of competitiveness among the major seed companies in Kenya. The study used cross sectional descriptive survey design. The population of the study comprised of forty three major seed companies operating in Kenya. The study used primary data that were collected through self-administered questionnaires. The data was analyzed by the use of descriptive statistics. The regression analysis was used to assess the relationship between strategic alliance and competitiveness. The findings of the study was that the seed companies by entering into strategic alliances the seed companies were able to maximizes its profit, reduce uncertainties of company internal structures and external environments, manage and minimize cost/risks, protect and enlarge market share and achievement of competitive advantages. The study further established that inter-organizational strategic alliance adoption was effective as it has resulted in expanded market, enhanced company relationship with customers, risk minimization, improved company's ability to meet strategic objectives and acquisition of specific competencies. The competitive advantage achieved by the seed companies as a result of Inter-firm networks strategic alliances was improved level of technological advancement, business diversification, improved innovation process, superior service delivery to customers and improve quality of products and services.

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ABBREVIATIONS AND ACRONYMS

KEPHIS	-	Kenya Plant Health Inspectorate Service
TC	-	Transaction Cost
RD	-	Resource Dependence
OWCD	-	Origin of Economic Cooperation and Development

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The changes in the operating business environment and the consumer market demands enough measures apart from the personal goods and services, the inter-firm collaboration has become an essential element for companies in order to achieve competitive advantage over its competitors. However, the efficient management on the inter-organizational resources is therefore become an integral part of rival benefit and vital in the victory of the organization (Grant & Baden-Fuller, 2012). Generally, alliance between organizations indicates that most of the events are categorized into parties to develop partnership and the channel of equal right between the individual is the major key of alliance in the organization or government. This is due to the impact on the realities to the organization or partners to manage the performance of the event in the borders of the organization core of relationship. Maguire and Philips (2010) point that alliance is very important to each organization in providing them with equal needs and benefits which strengthens organization contracts with others. Therefore, organization distribution of equal benefits and rights has lead to the building of better relationship and strengthen the structure of governance. However, Beamish and Delios (2007) opine that the management of such collaborative arrangements is complicated due of the hard in coordinating the actual objectives and real situation of the organizations. Organization with good action and perfect remark towards the alliance development have positive gain, however to the low strategy development organization do not actual make it to them own but depend on

others, therefore strategic alliance is actually a union to development of strategic leadership

This study is based on the Theories on alliance formation namely, resources dependence and transaction cost theory. Effective organizational strategic alliance structure improves the valuation of firm information and generates the learning more easily to the staff. The theory of transaction costs is well recognized for various forms of planning for economic activities in the market. The two ends of a continuum regarding how to administrate business are markets and hierarchies. Generally the transaction costs are difference in the organization structures and company relationship with others. In addition, a transaction cost is categorized into four areas which include the search costs, enforcement costs contracting costs and monitoring costs (Mclor, 2005). The development of resource dependence theory by Pfeffer and Salancik, in 1978 actually concentrated on the type of organization structure in making a choice in a particular condition with the aim of stabilizing the transaction and efficient allowing the access of external resources. This implies that there is maintenance of outcomes from the environmental conditions. Organizations ready to get knowledge have a possibility of competitive advantages because information of skills is tacit and complex therefore it requires organization to put it in practices to make it hard for competitors to intimate it (Bhasin, 2010).

Kenya has several registered seed companies that serve both the local and regional market. The total number of seed as at December, 2014 was 112 (KEPHIS, 2014). However, most of these companies produce similar types of seeds to a particular area and consequently incidences of unhealthy competition have come into the limelight. The

firms should instead come up with the appropriate partnership that will increase their individual and corporate competitiveness.

The Seed companies, therefore, need to develop more collaboration system to find, create new development of product and establish new entry of market to meet the ever-changing customer demands. According to the perspectives of Collins and Montgomery (2005), the resource allocation ability of a firm decides the performance and profit-making ability of the enterprise. Therefore, if the Kenyan Seed companies with accumulated experience and knowledge bring together their unique, rare and irreplaceable capabilities, they will be able to attain their long-term objectives and sustainable competitive advantage.

1.1.1 Concept of Strategic Alliance

Inter-organizational strategic alliance posits that due to the achievement of resource expansion, for organizations to realize the higher level of competitiveness, they need to set up the linkage between its useful resource and other partners through the mechanism of the strategic alliance for the creation of high value. In addition, Strategic alliance is also indentified as a future cooperation between organizations with the aim of achieving competitive advantages and has strategic goals (Aaker, 2006). On their part, Kulati and Nickerson (2010) posit that inter-organizational strategic alliance is taken as an agreement under the condition that there exist an inter-organizational resource dependence and reciprocity, and the organizations agree to sign a long-term trust-based contract to achieve the common strategic goal.

Several reasons exist for business organizations to enter into strategic alliances. Lei and Slocum (2002) undertake that organizations alliances as part which consist of skills

centre and initially the aims to acquire more skills on products and generate more knowledge on business. This implies that organization is in a position to utilize the maximum the resources available (Harrigan, 2005). A company must look into new customer benefits from the view of the client; make use of the company's core competencies in its business domains; choose and manage business partnerships from its collaborative networks (Ibrahim & Muhtesem, 2006). Further, organizations can make use of the inter-organizational alliances to undertake general research and development project so as to receive new knowledge, or new technology, enjoy the reduction of operating costs, improvement of profit and upgrading of financial performance (Mentzer & Subramani, 2004).

1.1.2 Organizational Competitiveness

Organization's competitiveness is the capability of the organization to be in a position to compete, make more profit and expand globally. It is anchored to the expenses and the prices of the commodity, but more importantly on corporate organization, organization capacity to utilize technological material, quality and productivity of products (OECD, 2002). Firms' change capacity, advancement in technology, efficient control of organizational event like, quality of goods services, and human resource are now known as important sources of competitiveness for business units (Johnson & Scholes, 2002). Further, Nonaka and Teece (2001) argued that the capability of a firm to establish and introduce knowledge in a more advanced manner than their competitor is actually a strategy of obtaining competitive advantages in the business environment. The strategic management in an organization has concentrated more on the important of utilizing extra

knowledge through use of network and inter- firm relationship in order to achieve their main objectives. (Child & Faulkner, 1998)

Recent changes in technology and economics, as well as increased competitiveness in many industries, are leading to further growth in the number, variety, and scope of strategies. Philip (2010) acknowledged that competitive advantage is important to the organization product or service through customer accessing the best quality and customer value established in the market. Consequently, competitive advantage is well known in the development of efficient and effective market alliance (Peters, 1989). This initially implies that organization aiming in employee training will lead to motivation which results to more innovation and better retaining of talent with effective job performance.

1.1.3 Agricultural industry in Kenya

Most of the countries in Africa have well-developed different agricultural commodities. Kenya has several companies dealing with agriculture sector these include, dairy farming, horticulture companies, tea farming, Sugarcane farming, coffee farming, animal husbandry, and cereals (maize, wheat, rice, beans) farming in Kenya. Therefore the value of chain is best suitable to the horticulture sector in the country, which has eventually resulted to the development of the international market. The Kenya's business sector succeeds due to the market segmentation, servicing in markets, and investing in marketing (Webber & Labaste, 2010). Therefore organization needs to implement the best practices for better establishment of growth, competitiveness, and prosperity.

Agriculture sector still is the key developer of Kenya's economy. The Kenya National Bureau of Statistics Economic Survey (2014), suggested that agriculture, has grown up in

Kenya by approximately 3.8 per cent, contributed 17.6 percent of the GDP, and therefore agriculture sector is regarded as the most common means of income and has improved the growth rates which is favorable in manufacturing and financial sectors. Agriculture is the number three-employment sector in the country. However, due to low production, food prices remained high and contributed to inflation and thus agriculture continued to be a second-class contributor to economic growth (KNBS 2012). Kenya has about 20 per cent of arable land but currently only 8 percent the for agricultural production (KNBS2012). The agriculture sector has the potential to not only grow the economy, but it also creates an exponentially large number of opportunities than any other sector. With more young people participating in the agricultural sector, the country can harvest more food and make life more affordable for millions of Kenyans. (Muthee, 2010).

Kenyan industrialize and seek to strengthen their positions in global markets, modern agricultural sector grows and become more sophisticated. The Institutions of the agricultural sectors in Kenya like the agri-processing, agri-chemicals, animal health services and products need to improve their outreach to the other stakeholders, and this can be done through the improvement of the inter- organizational strategic alliance.

1.1.4 Seed Companies in Kenya

Seed companies supply certified seed to farmers hence ensure national food security. The government of Kenya gets revenue through taxes from the sector. The trend internationally in the seed industry has been acquisition and mergers by Multinationals to adapt to the effects of globalization and changing key stakeholders expectations. The effect of this on seeds companies has been a reduction in market share, declining profitability and stiff competition. The regulator of the seed industry in Kenya is Kenya

Plant Health Services, whose primary mandate is to check the seed sector to ensure conformity to set standards.

Seed merchants in Kenya are the producers, processors, and marketer of high-quality seed materials. In Kenya, this is made of the informal and formal sector. Today, farmers are getting more enlightened, and with the emergence of more diseases that affect crops in the region and the need to go commercial in farming, there is the general trend of more growth in the formal sector and the diminishing level of the traditional seed industry.

The seed bulking of different cultivars/varieties require particular microclimate for optimal results which make production be carried out in various regions to the extent of importation where local weather patterns and economics of production dictates so. In Kenya and the entire East and Central Africa, the climate is rather tropical while some crops/products require extreme weathers to produce. Thus, seed merchants, especially those dealing with horticultural seeds, are net imported.

1.2 Research Problem

Inter-firm alliances have become necessary in recent globalized economy. Organization need to use cooperation to supplement as well as complement their inner event and develop a connection with the outside situation (Faems et al., 2008). The traditional competitive advantage position, emphasizes that a firm's competitiveness is realized when it allocates scarce resources of competences in the organization. However, strategy in the organization is more considered in the collaborative advantages. This is because business in the country is made up of connection through the inter-dependent way which results to strong relationship and proper cooperation with the major goal or objective of

the organization (Lavie, 2006). It points out that there is the need to recognize that competition and collaboration are distinct but interrelated dimensions. This new view argues that the traditional 'win-lose' approach was based on the assumption that inter-firm competition led to a loss of business opportunities but in the current business environment, this view is obsolete, and it has become accepted that cooperation between rival firms leads to a 'win-win' scenario (Palmer, 2001). The benefit of better technological development through working with competitors and the combination of R&D expenses and expertise is expected to increase the firm's competitiveness level.

In this era of shrinking markets, Seed industry of Kenya has entered into the alliance with various institutions due to competition in the industry. As a result, seed industry can gain the competitive edge over rivals by devoting resources to improving clients' needs to regain more and more customers. For an organization to retain competitiveness it should focus on the market development like new products and the consumer like and dislike. Organization competitive advantage is in the systematic integration and resources required in the development of the strategy to the outside environment. In spite of the sector environmental changes usually affect majority of the organization. Therefore, firms need to compete in order improve quality, increase global markets and more competitors. Seed industry, therefore, must adopt inter-organizational strategic alliance to overcome competition.

Several studies have been undertaken on the need of the inter-organizational partnership. Khanna (1998) have shown that the alliances aspect arises from the fact that each firm needs access to the other firm's operational and technical know-how, and that the firms can collectively use their knowledge to produce something that is beneficial to them all.

Von Hippel, (2003) found that mutual interest between allied actors plays a major role in their cooperative behavior. Based on their longitudinal data collected from high technology markets, Mahnke and Overby (2008) concluded that when common ground is developed and diverging interest is mitigated, the chances of collaborative success increase. More interestingly, they also find that allied partners often maximize their private benefits at the expense of the common ones, from which competition is derived. Premkumar (2000) carried a study on the supply chain management and inter-organizational systems and found that most of the organization need supply chain in order to gain ideals through the sharing information of supply and demand to reduce uncertainties and risk in the organization.

Other studies that have been undertaken on inter-organizational information system include Yegon (2012) study on the effect of information technology investments on organizational performance at Kenya Commercial Bank group Ltd. The study indicated that there were benefits of Information Technology at the bank included competitive advantages gained by the bank, restructuring, innovation of products, organization learning, expansion and increased business opportunities. Nzomo (2013) researched on the impact of accounting information systems on the organizational effectiveness of automobile companies in Kenya and established that Accounting Information Systems are an important mechanism for organizations' active management, decision-making, and controlling activities.

From the previous studies, it is evident that little is known about the role of inter-organization strategic alliances as a source of competitiveness and therefore the study

sought to answer the question; how has the major seed companies in Kenya used inter-organizational alliance as a source of competitiveness?

1.3 Research Objective

To determine role of inter-organizational strategic alliance as a source of competitiveness among the major seed companies in Kenya.

1.4 Value of the Study

The findings of the study would affect policy makers, management practice, and academic decisions. From the study, the policy makers in the government, especially the ministry of agriculture and other regulatory bodies in the country. The KEPHIS will derive benefit from the study in which suggestions on how to regulate the sector through the development of appropriate alliances framework will be discussed, and suggestions for the improvement will be developed. The study will advise on how inter-organizational alliances will enhance the level of competitiveness of firms and from the same suggest how the government can improve the process to the advantage of the players in the sector. The role of the Ministry of Agriculture in the enhancement of the seed company alliances will also be discussed.

The findings of the study will benefit the management of the Kenyan Seed Companies and other organizations in the sector who will understand the influence of inter-organization alliances and its importance in improving a firm's competitiveness and make the necessary adjustments to maintain the competitive advantage. Different cost-effective methods of achieving inter-organizational information system will be discussed

and therefore benefit the management in making the optimal decision on the firm connectivity process.

Scholars will find it necessary as the study will increase the body of knowledge in this area. Those carrying out research similar to this study will be able to get information concerning the importance of inter-organizational information system to organizations. The academicians would also use the findings of the study in other studies as a comparison.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The chapter reviewed literature related to the study. This includes the theoretical framework. The study also includes the information on the role of strategic alliances as a source of competitiveness.

2.2 Theories Underlying the Study

The key of strategic alliances in current global business situation is a major issue that needs to be discussed in a broad way. There are various reason for the organisation to opt for the adoption of strategic alliance. The major ones are to compete in the business areas which enable them to make profit. The concept of strategic alliances can be looked at from two theories, namely; Transaction Cost (TC) and the Resource Dependence (RD) theories.

2.2.1 Transaction Cost Theory

Mclvor, (2005) stated that transaction costs are the key to the growth of economy of the country. In business section, continuum is actually regarded through the development of better administrative structure. The transaction cost is different in various organization structures and the strength of relationship actually matters a lot during the business transaction with clients. The theory is classified into four major sections which are the: contracting costs, search costs, enforcement costs and monitoring costs. On the other hand, Faems (2008) argue that transaction theory makes firm vital to the partner exchange behavior which usually enable in improvement of performance. In addition, organization with faith initially lowers the risks and uncertainties which is related to the

economic transaction. This indicates that the theory acknowledges that faith can be implemented as an alternative organization system. This means that the requirement of drafting the hard contract will reduce together with the expenses used in handling the transaction. However, trust enable proper passing of information through sharing among the trading partners which eventually assist in the development of the necessary requirement in their business.

Transaction costs also act as the influence of value in product methods in the market. Aubert (2004) noted that the basic rule of an organization is discovered when the marginal costs in the market is higher than the costs of establishing a good organization or firm. Therefore, the transaction must actually plan well enough to enable more growth of the firm at a lower cost. These are bounded rationality, uncertainty, opportunism, and complexity, information effectiveness and asset specificity. The transaction cost theory insist that when a company is well functioning on the operational sector and posses strategic ideals which enables them to achieve the main goal. Additionally, organization with the main aim of value creation events usually has potential effectiveness of these events and improves their performances. The key aim of strategic alliance in organization is to decrease costs utilization, investment in facilities, equipment, and workforce.

Dutta and Weiss, (2007) noted that difficult alliances are usually structured through the hierarchical forms like equity-based which motives in developing more interest and assist in the reduction of lifestyle of the chances in behaviors. Therefore, Alliance indicates that most of the events in organization are sub divided between the parties to the generally partnership business. The split of labour is mostly required in the structuring and integration of the organization. Therefore, the division of rights between the partners is

important to strategic alliance management. This is due to the impact on the capabilities to every partner in managing the performance of companies within the border of the relationship. Partners deciding to venture into agreement between each partner require providing a detailed partnership document consisting of rights and benefits which will enable in bonding up the contract. This enables proper division of equal rights and the organization is needed to relate these right in order to establish a good structure of government. The contractual organizations explain the way the organization establish their partners in determining their action to a relationship through contractual methods.

2.2.2 Resource Dependence Theory

This theory indicates that organization/companies are not in a position to produce all their resources by proper functioning in the required areas. Therefore, the organization needs to establish a strong relationship with the component of the external environment in order to remain sustainability in the market and achieve the main objectives. The inner system of the organization should cater for the need of employee through the effort of internal and external resources. Additionally, organization resources organization the power, which generates innovations and builds relationships through chances the stakeholders interest on organization performance usually increases the performance and improves the market share (Pfeffer & Salancik, 1978). This indicated that the theory is concerned with the kind of company structure used in a given particular circumstance. It also noted that the features of the job might initially limit the chances of regaining competition in the market.

The theory was established to give options regarding the establishment of economics theories in the mergers as well as board. This indicates that the acknowledgement of the

inter-organizational relations that have played in the role of recent market circumstances Pfeffer, (2003). Most of the organization motivates employee to ensure it is in a survival and enhances their autonomy, as well as managing the stability in the organization's trade relations. Resource dependence theory is concerned more than the external organizations that provide, distribute, finance, and compete with a firm. The theory discovers that company resources are insufficient; therefore they drive to the need and retain resources from their outside situation. In addition, the organization resources are managed by the external competitors who actually add demand on the organization. They also perceive certain benefits in their relationship with the organization and proper utilize of power through control of resources. Daily, Dalton & Canella, (2003) discovered that accessibility to resources enhances organizational functioning, performance, and survival. Therefore, the survival of seed companies depends on good and efficient management. If the fulfillment of a given company is impressing, investors and customers will be willing to associate with such a company.

2.3 Strategic Alliances Concept

The strategic alliance is an inter-organizational relationship either by agreement; it enables the adoption of resources as well as organization management and the main objective (Parkhe, 2011). In addition, strategic alliances establish a covenant between partners which aim to attain the goal of mutual benefit. Inter firm collaborations act as a covenant among the organization which survive independent situation and also involved in the competition. Further, strategic alliances are used in trading business; however they also enhance the effectiveness of the involvement organization competitive strategies through giving resource trading in the market.

Strategic alliances are involved in development of strategy type which is usually used by firms to be formidable in the worldly market and for improving market shares. In addition, it is also recommended as the best alternative way to sustain in the competition and achieve their objective easily. Developing economies of nation requires more attention on the strategic alliance in order to improve their competitiveness in the business environment. In the business world, companies are in a position to compete so as to improve their standard of living of employees and makes maximum profit (Garelli, 2003). Therefore, for the business to improve they need to form strategic alliance instead of involving into other method like acquisition and merger. However, the internal development constitutes a strategic choice which makes the organization to achieve a goal through establishment of strategic measures in order to have competitive advantages (Varadarajan and Jayachandran, 2009).

Strategic alliances are adopted by much organization due to various reasons, which include, enhancing their productivity capacities, reeducation of uncertainty through their inner formation and external circumstances. It also enables the company to gain benefits which usually enhances the development in expansion and strengthening the future chances of sustainability and opportunities for better market target on values of products (Webster, 2010). The strategic alliances are becoming essential characteristics for sustaining advantage in today's competitive marketplace. Strategic alliances are of different types which include joint ventures, partnerships, supply chains relations, joint marketing and promotions, joint selling and distribution, joint production sharing and design collaboration.

2.4 Antecedents of Inter-firm Value Creation

In today's organization, antecedents are most used in the establishment of employee motive which actually affects the formation of inter-organization alliances. In other hand, it is used in the development of relationship which generates more benefits to the organization through the activities. In the theoretically review dealing with inter-organizational collaboration and the antecedents of inter-firm relationships in the organization. The inter-firm value is essential in development of mechanism which oversees the explanation of inter-organizational analysis (Hawkins, 2008). In addition, the antecedents comprise of company, inter-organizational, and outside circumstance matters.

2.4.1 Mutual Trust and Interdependency

Organization require trust among the partners in order to build strong relationship (Tomkins, 2001). Confidence is need in the establishment of partners behavioral and rebuilding the relationship. It also assist in the increasing the interaction among the intended parties easily (Su et al., 2008). In addition, mutual trust is also used as a belief/faith between the partners which are truly bolded in the development of business in form of joint form. In business environment, partnership is actually formatted with the aim of creating values which assist in the development of trust in the organization. For organization, to establish trustworthy among the employees in term of intangible or tangible things it requires to meet element like motivation, character and the role of competence. The estimation of possibilities is not limited in the alternative conduct by other partners and the disadvantageous which the organization is faced in the inter-firm relationship with others.

According to Hutt, (2000) recommended that individual relation is crucial to the growth of the business relationships and collaboration. In addition, informal contracts are also essential tool in the development of faster adoption of formal need in the organization in term of communication and operation. Individual trust can be expressed in term of calculative cognitive or normative. The calculative trust is usually discovered on the initiative of the ideal that try to limit the main objective or a goal in a bad way as compared to the gains established as a result of promises. In addition the cognitive trust is actually determined through the common method of thought and ideals to belief that one can identify the prediction of the organization behavior and other partners. The normative belief in organization is found through the development of shared values and practices of good moral values. Organization which practice trust would make it possible to the management of value creation.

2.4.2 Communication

Organization need to acknowledge communication with the main aim of achieving the main goal and assist in the restoration of solution or disagreement which improves performance (Su et al., 2008). In addition, the strategy of communication in the organization actually lead to the impact on the negotiation process that involves in the manufacturers and suppliers. However, the use of communication in suppliers had lead to the impact on the negotiation between the manufacturers and the suppliers for the bargaining session. For the organization to assist in reduction of failures in the business investment sector as liked by vendors and the limitation of supplier frustration, therefore the distributor makes sure there is an increase flow of information and communication to the market. Hence, communication acts as an important to the joint guidelines and

performance control, which eventually increases the absorptive capability in the functioning of the organization.

The functional assumptions are required in the applying of hard technology to achieve the main objectives of the organizational (Tuet al., 2006). The process of information sharing initially requires effective communication which leads to the increases of the probability in the establishment of new methods to enhance the actual performance of the organization. In the organization section operation areas is the best area to utilize communication of information, it also emphasis other areas which need share of information is like the managing the information of customer needs and organization financial details. Consequently, the effective communication is actually important to the attribution of the supply chain in to development of cost management which builds the relationship.

2.4.3 Cooperation

Organization practicing cooperation with different partners or organization is able gain more of the benefit and enable better improvement of skills. In addition the cooperation enables the organization develop good relationship with the employee which eventually contributes to the activities taking place in the business environment and assist in the development of attitudes and future behavior (Su et al., 2008). The organization dealing with the transactional exchange in developing the relationship is in a positive way in the establishment of willingness and attitude towards the employees and improves performance. The continuous process of relationship in organization improves the step in the cooperation and act as a performance indicator of success, therefore, inter- Multi-

dimensional development have been established to discuss the important of these relationships (Mavondo &Rodrigo, 2001).

In the current globally economy organization or firms actually require to establish a strong relationship which will assist in the development of the partnership relationship by use of cooperation and trust within their suppliers and customers. This actually will result to which establishment of the information transitions and the performance of partner's event in the organization. Consequently the risk in supply and demand in the business environment is actually more dependency to the competitive resources in the market. Therefore organization needs to form a long-term cooperative in inter-firm relationships (Su, 2008). Additionally, the cooperation in organization is built in a system which contains the process of cooperation and the system is build up by the cooperation among the product and services delivered from the technological advancement in the organization.

2.4.4 Environmental Pressure

In organizational, the environmental situation develops from the three main areas, which are global competition, risk or uncertainty and the quality of competition (Mentzer., 2000). In additional, the behavioral uncertainty develops through the action of activities in the inter-organizational relationship, this is due to the chances of behavior and bounded equality precludes of the writing of a fully organization agreement (Zaheer and Venkatraman, 1995). However, personal organization or firms cannot plan for the problem of uncertainty and technological advances (Mentzeret, 2000) by encouraging the right policies to implement cooperation coordination and analyzing of the resource

dependency. The organization is engaged in a partnership article and collaborative aim in reducing the technological advances and risk (Kim et al., 2010).

Globally situation and business sectors are in the movement advances in the offering of product and service to the customer. Some of them are known and there are chances to prepare for those. In addition, risk is identified and it is required in the development of relationship which is eventually recommended by the organization. There is an increase in the assets return and the cost unit actually reduces. In addition, the cost estimated is in a position to development inter-firm relationships with the aim of advancing the organization competence. Organization practicing sharing resources, and information, organization is able to get impact on reduction of circumstances in the market has enable the development of good relation within the other organization (Erakovich and Wyman, 2009).

2.5 Organizational Competitiveness

Competitiveness relates to how effectively an organization meets the wants and needs of its customers in the marketplace about other organizations that offer similar products or services.

Porter's (2004) argued that competitiveness looks on prosperity developed from economic event which eventually lead to the creation of value through providing goods and services on higher cost than their original cost in production. Also, defines competitiveness on the areas of the productivity which gives the companies location and acknowledges the tools of maintaining economic in certain area. On another hand, Djankov and Hoekman, (2011) defines competitiveness as a key or urge to compete

which involves the capabilities of a firm or a sector or a nation to compete successfully. The competitiveness is maintained through constant improvement and upgrading the performance in productivity. In addition, competitiveness allows the managing and upgrading of the enterprise's competitive position in the market that enables the business to remain competition over a long period over its competitors. The competitiveness in organization has become an essential for business and government concern in the era of globalization. Competitive advantage is a multi-dimensional concern in the sense that being competitive need to superiority in several parts.

Organizational competitiveness refers to the ability of an organization to withstand various challenges in the operating environment. It is the different strategies that have been put in place to prepare an organization for eventualities as well as to make it better placed than its competitors to face an ever-changing world of economic turbulence (Cobb, 2003). This indicates that most of the organizations utilize globalization as a equipment for competitive advantage. In addition, organisation sustains and growth in competitive environments needs to achieve global competitiveness. However, globalization has expanded up the globally world as a marketplace for products, people or financial resources to capitalize on this opportunity. Therefore, organizations have to be mounded to become globally competitive. Competitiveness is evidently a decisive factor for survival in the business world. For organization to achieve it need setting priorities, which can be established as a set of chances of varying vital that a firm requires to have to compete in the globally market over a determined time frame (Santos 2009).

2.6 The Role of Strategic Alliances as a Source of Competitiveness

Strategic alliances are the result of collaboration between organizations designed to foster competitive business, cooperative relationships and improve a firm's competitiveness. Strategic alliances allow partners to focus on best ways to provide value to customers, improve competitiveness of firm which is involved in such category of the alliance. Moreover, firms are developing into proper alliance to achieve competitive advantages (Gari, 2009).

Yabs, (2007) noted that strategic alliance contributes to successful product or service in the introduction in a new market. The strategic alliance can also serve as the market efficiently mostly to the organization suggest to get into international market due to the extensive of cultural differences that may abound. Moreover, strategic alliance assist in the establishment of cooperative relationship which builds trust and social-economic proximity, which usually enhance learning and knowledge skill and develop highly interaction which allows them to utilize the sharing of information and cooperation effectively (Singh & Perlmutter, 2000).

Strategic alliances assist companies in increasing the use of facilities, thus reducing manufacturing costs. It implies that organization with manufacturing capacity forms a strategic alliance with another company which is accessed to larger markets. Rogers (2003) noted that strategic alliances are used to build together the technical skill of more organization in developing products in a technical due to the capability of the companies. The strategic alliances are so central to Corning's strategy that the firm describes itself as a network of organizations. Strategic alliances make companies expand its market position, gain access to new technology and achieve competitive advantage and

substantial growth. In addition sharing of information is another common rationale for undertaking a cooperative arrangement (Winer, 2004).

According to Box and Miller (2011), argued that many companies are capable in some areas and other part lack other skills. Therefore the organization is in a position to allow them access the information through the ability of the knowledgeable and skill advancement. The knowledge and skills that organization is able to gather it is actually used in the development of the joint project and ideal generation for the purpose of organization agenda. The skill and knowledge is gained from the learning of ideals to through the productivity regulation and allocation of resources.

The inter firm collaboration is important for the firms to achieve their objectives and therefore for organizations to achieve the future benefit which is actually aimed in the organization target the development and operational of appropriate to strategic policies that take into account both the mutations registered in the business environment and the development of the steps in firms. In addition, has developed competitiveness from various activity regarding lower costs or from offering a product differently from that of the competitors. On other hand, the source of the competitive advantage is likely to be more effectiveness in supply, which is involved in the competition of the original purchase values and the conduct of activities in cost, comparison. (Thompson, 2006). Companies also enter into strategic alliances to improve attitude toward customer service. It involves management as well as employees through the process of chain of organization in term of structure. This helps the dealer in customer service tools and training. Therefore, strategic alliance has provided better and customer service in maintaining the costs (Das & Kumar, 2010).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The chapter dealt with the methodology that was used in the study. It covered the research design, population of the study, data collection technique and data analysis.

3.2 Research Design

The research design denotes the methodology that the study was to take to accomplish the intended objectives. The research design was regarded as a blueprint, a master plan that specifies the mechanism, techniques and procedures for collecting and analyzing the needed information or simply a framework or plan of action for the research (Charmaz 2003).

The study adopted a cross-sectional descriptive survey design. Cross-sectional descriptive design aim to discuss or define a subject, by creating a profile of Seed companies through the gathering of data and analyzing in frequencies method on research variables or their interaction (Cooper and Schindler, 2003). A survey was deemed appropriate as it enabled the researcher to make comparisons based on differences in demographics by comparing Seed Companies based on the ownership structure and the type of seeds that they are producing and selling. This requires a broad range of data which was possible through a survey.

3.3 Population of the study

Ngechu (2004) stated that a population is a set of people, services, elements, and events, the group of things and also a households that are being used in the establishment of the research. This definition ensured that the population of interest was homogeneous. A research study's target population was clearly defined, and the unit of analysis was identified, which was not easy sometimes. The target population consisted of all the units being studied. The unit of analysis was the entity or who was being analyzed. The population of the study comprised of forty-three seed companies operating in Kenya. Since the number of the seed companies was small and survived.

3.4 Data Collection

A questionnaire was the major research instrument and comprised of both open and close-ended questions. The questionnaires were administered through the "drop and pick" latter strategy and targeted the business development managers and strategy managers, and marketing managers of the Seed Companies. Mugenda and Mugenda (2003) notes that use of questionnaire ensured that confidentiality is upheld, saves time and is easy to administer. The respondents gave their response on a five-point Likert scale.

3.5 Data Analysis

The data collected was analyzed using descriptive statistics (measures of central tendency and measures of variations). Once the data was collected, the questionnaires were edited for accuracy, consistency and completeness. However, before final analysis was performed, data was cleaned to eliminate discrepancies and after that, classified by similarity and then tabulated. The responses were then coded into numerical form to facilitate statistical analysis.

The data was analyzed using statistical package for social sciences based on the questionnaires. This included the standard deviations, mean scores, percentages and frequency distribution were used to summarize the responses and to show the magnitude of similarities and differences. Results were then presented in tables and charts. Regression analysis was used to determine the relationship between inter firm strategic alliance and the seed companies competitiveness.

The regression equation assumed the following form

$$Y = \beta_0 + \beta_1 X_1$$

Where:

Y = Strategic Alliance

B0 = Constant

β_1, β_2 = Regression Coefficients

X1 = Competitiveness

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

The research aim was to determine the role of inter-organizational strategic alliance as a source of competitiveness among the major seed companies in Kenya. This part represents the analysis, findings and discussion. The findings are shown in percentages and frequency distributions, mean and standard deviations.

4.2 Response Rate

The total number of questionnaires issued out was 42 and out of the issued out questionnaires, only 33 were returned. This represents a response rate of 77% and this response rate was deemed to be adequate in the realization of the research objectives (Mugenda and Mugenda, 2003).

4.3 Demographic characteristics

The demographic data considered in the study was respondents' highest level of education attained, length of service with seed companies, duration of operation, number of employees and number of branches in Kenya.

4.3.1 Level of education

The respondents were requested to indicate the academic qualifications level attained by the respondents. The results are presented in Figure 4.1.

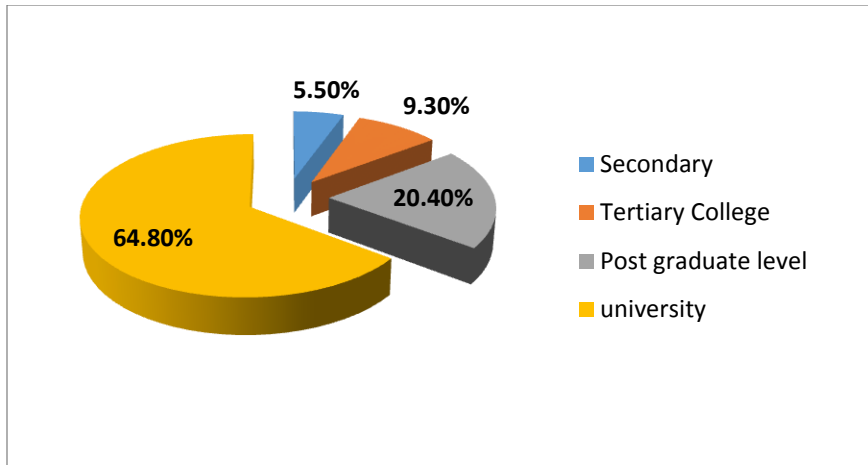


Figure 4.1: Level of education

The findings show that 64.80% of the respondents said that university level was their highest level of education attained, 20.40% had attained post graduate level and 9.30% had attained tertiary college. In addition 5.50% had attained secondary. This implies that majority of the respondent in the seed companies had attained university level and this means that they are capable to complete the questionnaires adequately.

4.3.2 Length of Continuous Service

The respondents were asked to indicate the duration of continuous service that they have worked at the institutions.

Table 4.1: Length of continuous service

Years	Frequency	Percent	Cumulative Percent
Less than 5	8	24.2	24.2
5 – 10	15	45.5	69.7
Over 10	10	30.3	100.0
Total	33	100	

The findings above indicates that majority of the respondents 45.5% had been working in the seed companies for a period between 5 to 10 years; 30.3% of the respondents said that they have worked in the companies for over 10 years while 24.2% of the respondents indicated that they have worked in their respective companies for less than 5 years. This show that majority of the respondent have worked at their respective companies for more than five years and have enough understanding of the company’s strategic alliance.

4.3.3 Number of Years in Operation

The respondents were asked to indicate the number of years the seed companies have been in operation.

Table 4.2: Number of Years in Operation

Years	Frequency	Percentage	Cumulative Percentage
Under 5	2	6.1	6.1
6 – 10	5	15.2	21.3
11 – 15	9	27.2	48.5
16 – 20	7	21.2	69.7
Over 25	10	30.3	100.0
Total	33	100.0	

The results on the duration of seed company operation indicate that 30.3% of the seed companies have been in operation for a more than 25 years; 27.2% of the respondents said that the companies have been in operation between 11 and 15 years; 21.2% of the respondents said that the companies have been in operation between 16 and 20 years while 15.2% of the respondents said that the companies have been in operation between 6 and 10 years. The respondents further noted that 6.1% of the companies have been in operation for less than 5 years. The results indicates that the duration of seed companies

operation varies although majority of them have been in operation for more than 10 years and therefore they understand the market dynamics and the need to enter into strategic alliances in order to achieve competitive advantage.

4.3.4 Number of Employees

The number of employees in the seed company indicates the size of the in terms of the branches and overall operations.

Table 4.3: Number of Employees

Number of Employees	Frequency	Percent	Cumulative Percent
Less than 100	4	12.1	12.1
100 – 499	27	81.8	93.9
Above 500	2	6.1	100.0
Total	33	100.0	

The results on the number of employees in the seed companies was that 81.8% of the companies have between 100-499 employees; 12.1% of the seed company have less than 100 employees while 6.1% of the companies have more than 500 employees. The results indicate that the seed companies have employed many employees to meet its operations, as well as understand and adopting services delivery practices that will influence the client in order to improve its competitiveness in the market.

4.3.5 Number of Seed Companies Branches

The number of branches the seed companies have in the country is important for the study as it highlights the size and markets share of the companies. The results were presented in Table 4.4.

Table 4.4: Number of Seed Companies Branches

Number of Branches	Frequency	Percent	Cumulative Percent
Less than 5	5	15.1	15.1
5 – 10	9	27.3	42.4
Over 10	19	57.6	100.0
Total	33	100.0	

The findings on the number of seed companies indicates that 57.6% of the seed companies have more than 10 branches in the country, 27.3% of the respondents said that the companies have between 5 and 10 branches. In addition, 15.1% of the respondents said that the seed companies have less than 5 branches in Kenya. The results indicate that the number of branches the companies have in Kenya varies and this indicates that some of the companies have many branches in order to meet the demand of their customers while others enter into alliances with some of the agro-vets and other outlets to stock the seed company's products thus enabling them achieve competitive advantage.

4.4 Strategic Alliances

This section of the questionnaire sought to find out the reason for seed companies to enter into strategic alliances. The range was 'strongly disagree' (1) to 'strongly agree' (5). The range was 'strongly disagree (1)' to 'strongly agree (5)'. The scores of respondents' low level of practice usage represent a variable which had a mean score of below 3.0 while the scores of above 3.0 represent respondents' agreement with the usage of marketing practice. A standard deviation of >0.9 implies a significant difference on the impact of the variable among respondents.

Table 4.5: Strategic Alliances

Reasons for entering into strategic alliances	Mean	Std. Deviation
To maximize profits for the company	4.019	.901
To reduce uncertainties of company internal structures and external environments	3.815	.992
To manage and minimize costs/risks	3.759	.930
To enhance company productive capacities	3.722	1.139
To acquire competitive advantages	3.611	1.053
There are elaborate job descriptions for each position.	3.444	1.094
To protect and enlarge market share	3.217	1.143

Table 4.5 shows the reasons for the seed companies to enter strategic alliances. The results indicate that strategic alliances maximizes profit of the company (M=4.019); reduces uncertainties of company internal structures and external environments (M=3.815); manages and minimizes cost/risks (M=3.759); enable the companies to acquire competitive advantages (M=3.611); elaborates job descriptions for each position (M=3.444) and that it assist in protection and enlargement of market share (M=3.217). The results indicate that strategic alliances helps the seed companies to be competitive in the market thus resulting in increased profits, reduced costs, reduced uncertainties and protection and enlargement of market share

4.4.1 Effectiveness of Strategic Alliances

Strategic alliances are designed to respond to competition and reduce uncertainty thus creating competitive advantages. However, these advantages tend to be more temporary than those developed through complementary (both vertical and horizontal) strategic alliances. The results are presented in Table 4.6.

Table 4.6: Effectiveness of Strategic Alliances

Effectiveness of Strategic Alliances	Mean	Std. Deviation
Strategic alliance helps the company to keep and expand its market position in the competitive industry	4.537	.558
Strategic alliance enhances the company relationship with its customer base	3.722	.979
It helps the company to adapt to uncertain environments thereby minimizing various risks	3.685	.908
Strategic alliance improves the company ability to meet strategic objectives	3.667	.890
Strategic alliances help the company acquire specific competencies in the seed industry	2.982	.901

The results indicate that strategic alliance is effective as it helps the companies to keep and expand its market position in the competitive industry (M=4.537); enhance the company relationship with its customer base (M=3.722); help the companies to adapt to uncertain environments thereby minimizing various risks (M=3.685). The respondents further noted that the strategic alliance improves the company's ability to meet strategic objectives (M=3.667) and acquire specific competencies in the seed industry (M=2.982). From the finding it can be concluded that strategic alliance assist the seed company to keep and expand its market position in the competitive industry and also enhance the company relationship with its customer base.

4.5 Competitive Advantage

The respondents were requested to indicate whether the strategic alliances helped the company to effectively deal with competition in the seed industry. This was important for the study in order to determine whether strategic alliance has an effect on the competitive

advantage. The finding indicates that strategic alliance has contributed to the growth of opportunities to the company, easy access to target market and improved techniques of production. The respondent also found that strategic alliances has enabled the company to study the markets demand on choices and preferences thus providing seed company a chance to differentiate regions that suits their products. Further the respondent indicated that strategic alliance reduces costs and maximizes production. It also improves cooperation on customers and the employees of the company.

4.5.1 Contributions of Strategic Alliances towards Competitiveness

The respondents were requested to indicate the contributions of strategic alliances towards competitiveness of Seed companies in Kenya. The results were presented in Table 4.7.

Table 4.7: Contributions of strategic alliances towards competitiveness

Contributions of strategic alliances	Mean	Std. Deviation
There has been an improved management of organizational effectiveness	3.925	.996
The level of technological advancement has been improved over the last five years as a result of the collaboration	3.758	.841
There has been a firms growth through business diversification	3.733	.780
The Seed Company has been able to improve its innovation process as a result of the alliances with the other partners in the industry	3.689	.848
Superior service delivery to customers	3.675	.935
The quality of products and services being offered by the company has improved due to the collaboration	3.629	1.108
The human capital development and training has been enhanced due to the alliances developed	3.593	1.197

The result shows that strategic alliance contributes to improved management of organizational effectiveness (M=3.925); improved level of technological advancement over the last five years as a result of the collaboration (M=3.758); firms growth through business diversification (M=3.733). In addition the Seed Company has been able to improve its innovation process as a result of the alliances with the other partners in the industry (M=3.6889); results in superior service delivery to customers (M=3.675); improved quality of products and services being offered by the company (M=3.629) as well as the human capital development and training has been enhanced due to the alliances developed (M=3.592). This indicates that strategic alliance in Seed Company contributed to the improved management of organizational effectiveness, level of technological advancement and innovation process as a result of the alliances with the other partners in the industry.

4.6 Discussion

The globalization of the world economy and the surge in competitive pressures has led to seed companies adopting strategic alliances as a means to be competitive in the market. The study established that by entering into strategic alliances the seed companies were able to maximize its profit, reduce uncertainties of company internal structures and external environments, manage and minimize cost/risks, protect and enlarge market share and achievement of competitive advantages. The results were found to be consistent with Harrigan (2005) findings that inter-organizational strategic alliance enables firms to learn and acquire from each other products, skills, and knowledge and also for business alliances with intent on maximizing the utilization of complementary assets, risk/cost sharing via shaping of competition to institutional concerns with attaining legitimacy

from the external environment. Further, organizations can make use of the inter-organizational alliances to undertake common research and development project so as to receive new knowledge, or new technology, enjoy reduction of operating costs, improvement of profit and upgrading of financial performance (Mentzer, and Subramani, 2004).

Strategic alliance is important for organizations to attain its competitiveness and therefore the usage of inter-organizational strategic alliance by the seed companies ought to be effective for the firms to realize the intended objectives. The study established that inter-organizational strategic alliance adoption was effective as it has resulted in expanded market, enhanced company relationship with customers, risk minimization, improved company's ability to meet strategic objectives and acquisition of specific competencies. The results were found to be consistent with Varadarajan and Jayachandran (2009) findings that firms have various motives and reasons to enter into strategic alliance like globalization of markets and technologies; sharing costs; economies of scale and scope; maximizing value creation; entering new markets; market position; knowledge and skills enhancement; learning capabilities; developing and diffusing new technologies rapidly; sharing risk and defending against competitors.

Inter-firm networks strategic collaborations have become an imperative in the contemporary global business environment and the seed companies in Kenya are not an exception as they have pursued the strategy and this has seen the companies improve its management, improve level of technological advancement, business diversification, improved innovation process, superior service delivery to customers and improve quality

of products and services. The results were found to be consistent with Singh and Perlmutter (2010) findings that strategic alliance assist in establishment of cooperative relationship which make companies to expand its market position, gain access to new technology and achieve competitive advantage and substantial growth.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of the key findings of the study as well as the conclusions, limitations of the study, and recommendations for further research.

5.2 Summary of Findings

The results indicates that the duration of seed companies operation varies although majority of them have been in operation for more than ten years and therefore they understand the market dynamics and the need to enter into strategic alliances in order to achieve competitive advantage. The results indicate that the number of branches the companies have in Kenya varies and this indicates that some of the companies have many branches in order to meet the demand of their customers while others enter into alliances with some of the agro-vets and other outlets to stock the seed company's products thus enabling them achieve competitive advantage. The findings have demonstrated that most of the respondents supported to have the role of inter-organization strategic alliance as a source of competitiveness among the major seed companies in Kenya as it enables the companies to maximizes its profit, reduce uncertainties of company internal structures and external environments, manage and minimize cost/risks, protect and enlarge market share and achievement of competitive advantages.

Inter-firm networks strategic alliances have become imperative in the contemporary global business environment. Seed companies opt for strategic alliances when they do not have a potential to ensure them an enduring competitive position on a certain market. Making use of a strategic alliance is a crucial decision for the management of seed

companies enable them to keep and expand its market position in the competitive industry and enhance the company relationship with its customer base. Also, strategic alliances help the companies the companies to adapt to uncertain environments thereby minimizing various risks. The study found that strategic alliances has enabled the company to study the markets demand on choices and preferences thus providing seed company a chance to differentiate regions that suits their products.

The strategic alliance is an essential prerequisite to the competitiveness of the seed companies. Achieving long-term competitive advantage involves the design and operationalization of appropriate business strategies that take into account both the mutations registered in the business environment and the development stage of the companies. Strategic alliances contribute to improved management of organizational effectiveness and the level of technological advancement over the last five years as a result of the collaboration. In addition the Seed Company has been able to improve its innovation process as a result of the alliances with the other partners in the industry.

5.3 Conclusions

Strategic alliances as a form of collaboration between different entities play very important role in the economically developed world. There is no doubt that such kind of cooperation can be essential to create economic value or produce new technological growth. However, creation of alliance does pave the way for success. The roles of inter-organizational strategic alliance as a source of competitiveness among the major seed companies in Kenya are a key for the functioning of the organization. From the findings, it was established that strategic alliance maximizes profit of the company and reduce uncertainties of company internal structures and external environments. The management

of Seed Company should be able to adopt the role of inter-organizational strategic alliance as a source of competitiveness.

Strategic alliances are no longer a strategic option but a necessity in many markets and industries. Dynamic markets for products and technologies, coupled with the increasing costs of doing business, have resulted in a significant increase in the use of alliances. It can therefore be concluded that the strategic alliance helps the companies to keep and expand its market position in the competitive industry; enhance the company relationship with its customer base and helps the companies to adapt to uncertain environments thereby minimizing various risks. The study also established that strategic alliance has contributed to the growth of opportunities to the company, easy access to target market and improved techniques of production. Due to the strategic importance of alliances in many of these firms, inter-firm networks strategic alliances carry the potential to be a source of competitive advantage.

5.4 Recommendations

The study established that the role of strategic alliance has achieved competitive advantage over its competitors and it is recommended that others who have the resources to consider venturing to other markets in order to improve their performance. It is further, recommended therefore that for success in role of strategic alliance in the organization, the management need to adopt it and put into practice to retain competitiveness.

The study found that strategic alliance helps the company to keep and expand its market position in the competitive industry; it also enhances the company relationship with its customer base and helps the company to adapt to uncertain environments thereby

minimizing various risks. The study recommends that the companies should continue entering into alliances with other firms in order to improve their competitiveness.

The study recommends that the government and industrial players to create opportunities that will facilitate the growth of strategic alliances. This includes creation of large scale and long term development opportunities that will optimally be exploited through use of strategic alliances due to the variety, the quantity and quality of resources required. This is where the resources needed cannot reasonably be expected to be premised in one organization. These opportunities should foster cooperation without hindering competition especially in the nonprofit sector where common good of the majority of citizens is concerned. This can cover sectors such as education, agricultural and industrial development. Here strategic alliances can be made a prerequisite for entering into large scale ventures.

5.5 Limitations of the Study

The study used key informants from the seed company which put constraints on the generalizability of the results to other firms and other country contexts. The sample selection may also limit the generalization of results to the overall population. The narrow and specific focus of this study means the results are limited to seed company only which may not translate to other industry and national contexts.

This study was also limited by other factors in that some respondents may have been biased or dishonest in their answers considering that they were all commenting on their employer. More respondents would have been essential to increase the representation of respondents in this study and allowed for better check of consistency of the information

given. However, despite the above limitations, the findings presented in this paper have important policy implications.

5.6 Suggestion for further research

The study was undertaken in the seed company. A further research should be undertaken to further explore the role of inter-organizational strategic alliance as a source of competitiveness in other sectors in order to compare the findings and draw conclusions on the role of inter-organizational strategic alliance as a source of competitiveness.

The study further used primary data that was collected through the use of a questionnaire. It is recommended that a longitudinal study should be undertaken to establish the relationship between strategic alliances and the financial performance of the Seed companies over, say, ten years. This will augment the present study and link the financial aspect to the strategic alliance between firms.

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APPENDICES

Appendix I: Cover Letter

Sammy K. Chepsiror

P.O. Box 19394, 00202

Nairobi.

August, 2016

Dear Respondent,

RE: RESEARCH QUESTIONNAIRE

This questionnaire (attached) is designed to gather information on the role of inter-organizational strategic alliance as a source of competitiveness among the major Seed Companies in Kenya. This study is being carried out for a management project paper as a requirement in partial fulfillment of the Master of Business Administration, University of Nairobi

Please note that this is strictly an academic exercise towards the attainment of the above purpose. You are hereby assured that the information will be treated with the strictest confidence. Your co-operation will be highly appreciated.

Thank you for your anticipated kind response.

Yours Sincerely,

Sammy K. Chepsiror

Appendix ii: Questionnaire

Please give answers in the spaces provided that matches your response to the questions where applicable.

Section A: Demographic Characteristics of Respondents

1. What is your highest level of education qualification?

- | | | | |
|------------------------|-----|---------------|-----|
| a) Post graduate level | () | b) University | () |
| c) Tertiary College | () | d) Secondary | () |

2. Length of continuous service with the seed companies?

- a) Less than five years ()
- b) 5-10 years ()
- c) Over 10 years ()

3. How long has your seed company been in operation?

- a) Under 5 years () b) 6 – 10 years ()
- c) 11 – 15 years() d) 16 – 20 years ()
- e) Over 25 years ()

4. How many employees are there in your company?

- a) Less than 100 ()
- b) 100 – 499 ()
- c) Above 500()

5. How many branches does your company have inside Kenya?

- a) Less than 5()
- b) 5 – 10()
- c) Over 10 ()

Section B: Strategic Alliances

6. What is the main objective for the company to enter into the strategic alliances with other players in the Seed industry? (Please mark your answer with an (X) using the scale 1-5, where 1=Strongly Disagree,2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree)

Reasons for entering into strategic alliances	1	2	3	4	5
To manage and minimize costs/risks					
To provide superior customer value					
To maximize profits for the company					
To acquire competitive advantages					
To protect and enlarge market share					
To reduce uncertainties of company internal structures and external environments					

To enhance company productive capacities					
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7. To what extent has your company benefited from the role of inter-organizational strategic alliance?

Effectiveness of Strategic Alliances	1	2	3	4	5
Strategic alliance improves the company ability to meet strategic objectives.					
Strategic alliances help the company acquire specific competencies in the seed industry					
Strategic alliance helps the company to keep and expand its market position in the competitive industry					
Strategic alliance enhances the company relationship with its customer base					
It helps the company to adapt to uncertain environments thereby minimizing various risks					

Section C: Competitive Advantage

8. In your opinion, has the strategic alliances helped the company to effectively deal with competition in the seed industry? Explain

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9. How would you rate the contributions of strategic alliances towards competitiveness of Seed companies in Kenya?

	1	2	3	4	5
Superior service delivery to customers					
The Seed Company has been able to improve its innovation process as a result of the alliances with the other partners in the industry					
The level of technological advancement has been improved over the last five years as a result of the collaboration					
The quality of products and services being offered by the company has improved due to the collaboration					
The human capital development and training has been enhanced					

due to the alliances developed					
There has been an improved management of organizational effectiveness					
There has been a firms growth through business diversification					

10. What other aspect of competitiveness (not covered above) has your organization realized due to alliances strategy

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Appendix III: List of Registered Seed Companies in Kenya

NO.	Name of the Company
1.	Kenya Seed Co.Ltd
2.	East African Seed Co.Ltd
3.	Western Seed & Grain Co.Ltd
4.	Kenya Malting Ltd
5.	Pannar Seed Co. Ltd
6.	Agrifresh Kenya Limited
7.	East African Growers Ltd
8.	Hygrotech E.A Ltd
9.	Veterinary & Agronomic E.A Ltd
10.	KARI Seed Unit

11.	Farmchem Ltd
12.	Monsanto Kenya Ltd
13.	Vegpro (K) Ltd
14.	Finlays Horticulture (K) Ltd
15.	Everest Enterprises
16.	Simlaw Seeds
17.	Amiran (K) Ltd
18.	Kenya Highland Seed Co.
19.	Sunripe (1976) Ltd
20.	Oil Crop Development Ltd
21.	Greenland Agroproducers Ltd
22.	Agri-Seed Co
23.	Safari Seeds Limited
24.	Dryland Seeds Ltd
25.	Crop Africa Ltd
26.	Leldet Ltd
27.	Pollen Ltd
28.	Suera Flowers Ltd
29.	Alliance One Tobacco (K) Ltd
30.	Syngenta East Africa Ltd
31.	Amapop Seeds Limited
32.	KEFRI Seed Centre
33.	Murphy Chemicals Ltd

34.	Tree Biotechnology Project
35.	Dominion Farm Ltd
36.	Benvar Estate Ltd
37.	Mount Elgon Orchards Ltd
38.	Savana Seeds Ltd
39.	Elgon Kenya Limited
40.	Mwea Cotton Ginnery Ltd
41.	British American Tobacco Kenya Ltd
42.	Bayer East Africa Ltd
43.	EgertonUniversity Seed Unit