

**STRATEGIC ORIENTATION AND COMPETITIVE ADVANTAGE OF  
PENSION SCHEMES IN KENYA**

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## DECLARATION

I make the solemn declaration that this project is my work and has not been submitted for any other academic award

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This research project has been presented with my approval as the university supervisor.

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## **DEDICATION**

I dedicate this research project to my parents who educated me to be the person I am today. To my lovely wife Faith Lila whose immense support and encouragement saw me through my study. To my son and daughter, Abraham and Abigail for their presence and endurance during my studies. I will forever be heavily indebted to my family. To Esther Tende, you were a source of maternal care and great inspiration during my formative years. May God almighty bless you all abundantly.

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## ABSTRACT

Most organizations are currently operating in a market that is uncertain and despite this challenge, they have to strive and achieve success in their operations through building their strategic position and distinct competitiveness. The goal of the study was to see if there was a link between strategic orientation and competitive advantage in Kenyan pension systems. The particular goal was to determine the individual and combined effects of market, technology, relationship, and entrepreneurial orientation on the competitiveness of select pension businesses in order to achieve the overall goal. The research was based on resource-based theory and Porter's framework, with a cross-sectional research methodology and a population of 31 pension firms that are members of the Retirement Benefits Authority (RBA). The primary data was gathered using a questionnaire as the primary instrument for data collection. Data analysis was achieved by computing inferential-regression analysis and descriptive statistics-mean, standard deviations, percentages and frequency distribution. From individual independent variable point of view, the study established that market orientation is critical dimension of strategic orientation and particularly in the alignment of strategic market strategies to meet customer specification. Secondly, the study found that strategic orientation is positively related with competitive advantage of pension schemes in Kenya as far as entrepreneurial orientation dimension is concerned. In order to enhance entrepreneurial strategies, the pension schemes produce new and unique products and services that are fashioned towards providing solution to customer needs and wants. The study findings with regard to technology orientation shows that there is a positive relationship between strategic orientation (through technology orientation) and competitive advantage of pension schemes in Kenya. In determination of the relationship between strategic orientation as a whole concept with sustainable competitive advantage, the study established as a result of strategic orientation, products of specific pension schemes are difficult to be copied by other schemes due to uniqueness and complexity of the products. Strategic orientation has also enabled the pension schemes to respond well to changes in the market and track changes in customer needs and wants. Collection of strategic information has also improved that enabling the firms to orient service production strategically. The inferential statistics computed shows that there is a strong and positive correlation ( $R= 0.892$ ) between strategic orientation and competitiveness of pension schemes in Kenya. Effective implementation of strategic orientation strategies was found to cumulatively contribute to 79.5% ( $R^2=0.795$ ) influence on the competitiveness of the pension firms.

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## **CHAPTER ONE: INTRODUCTION**

### **1.1 Background of the Study**

Most establishments are currently operating in a market that is uncertain and despite this challenge, they have to strive and achieve success in their operations through building their strategic position and distinct competitiveness. The opportunity to create a sustainable competitive edge in their sector is becoming increasingly difficult due to the volatility of the industry, and this means that business enterprises can create strategic skills to achieve high levels of success through dominance over rivals and respond to the extremely volatile competitive landscape in which they are operating (Ho, 2014). To cope with the ever-changing operational conditions, business organizations need to adapt to external environment through the creation of innovative plans at the level of the operations of the enterprise. Strategic orientation, which focuses on how organizations can communicate with external factors such as consumers, technologies and rivals when performing their business, is one of the internal techniques used by corporations (Hakala, 2017). Strategic alignment attempts to outwardly coordinate the operations of an organization in order to establish a match between the strategies followed and the external climate. According to Basu and Gupta (2018) some of the environmental areas that an organization should align its operations include the market, relationship with customers, technology and focus on entrepreneurship.

The study was anchored on the Resource Based Theory (RBV) (Wernerfelt 1984; Barney, 1991) and Porters Competitive strategy (Porter, 1980). According to the RBV model, business performance is a multidimensional construct that is influenced by internal organizational capabilities and resources. Resources are intangible and tangible properties that are semi-

permanent in nature, while capabilities are linked to the manner in which various operations are carried out. Porter's competitive strategy paradigm, on the other hand, states that success for an organization benefits from the adoption of differentiation, focus and cost leadership management strategy.

The pension schemes in Kenya have registered a significant growth in the last decade as evidenced through the value of the asset under management by the sector that has grown from Kshs 287.7 billion to Kshs 1,121.5 in 2018, representing an average growth of a compound annual growth rate of above 14.7%. This performance is attributed to the growing middle class population and the increased returns of investment by the sector (Cytonn, 2019). Despite the growth in performance, penetration rate of the pension schemes among the Kenyan adult population stands at around 15%, a position that is way below that registered in developed countries that stood for example at 87.5% in USA and 93.2% in UK as at 2016. In addition to the low penetration rate, pension schemes in Kenya have invested in a narrow segment such as real estate and stocks that has limited flexibility in case of economic downturns (Akwimbi, 2020). Similarly, stringent regulatory conditions on investment and policies have been introduced by the Retirement Benefits Authority (RBA) that has reduced the freehand that the pension funds operated within. Consequently, it is perceived that with improved strategic orientation, the performance of the pension schemes is expected to change.

### **1.1.1 Strategic Orientation**

The strategic orientation represents the potential paths to be pursued by an organization through the establishment of acceptable behaviours across the organization that ranges from the adoption of effective entrepreneurial, marketing, relationship and technological orientation (Liu & Fu,

2011). Multiple researchers have identified the actions of organizational strategic orientation. Higgins (2008) described strategic orientation as a method for developing or forming a plan for organizations to achieve superior results. A similar definition was pursued earlier by Gatignon and Xuereb (1997) who assert that strategic orientation is the entrance to a specific organization through which the implementation of plans to achieve superior performance levels when compared with competitors. Similarly, strategic orientation has been defined by Menguc and Auh (2005) as a direction implemented by an organization with a view to creating appropriate behaviors for the constant greater organizational performance. It suggests that strategic orientation is aimed at providing organizations with feedback on an ongoing basis from the above concepts, since management strategic orientation represents change in awareness of organizational managers of the business environment and associated response to changes in market innovations standards.

Different scholars have identified strategic orientation dimensions. Morgan et al., (2009) highlights the strategic directions types that could be adopted by business organizations, namely: aggressiveness that is associated with the firm's ability to align with external environment through the development of its human resources more quickly than competitors. The second component is the ability to evaluate the market situation by creating the internal and external environment of the enterprise, producing the best available solutions to the approach and allocating the capital for the objectives selected (Choy & Mula, 2008). The other dimension relates to the defensive capability and futurity that relates to the readiness of the organization to address the environmental conditions to come, especially in an environment involving rapid changes. Basu and Gupta (2018) included proactiveness as yet another dimension of strategic orientation that relates to the organization abilities of long-term planning, and applying this

strategy in organizations that focuses on sales forecasting, and care about the wishes of the customer, and environmental trends.

### **1.1.2 Competitive Advantage**

The long-term advantage of implementing a unique value-generating strategy is a sustainable competitive advantage; based on an inimitable combination of abilities and resources within an organization that competitor cannot replicate (Elia, Petruzzelli & Ciscitello, 2016). Competitive advantage enables the firm's competitive position in the market to be maintained and improved, a situation that enables a firm to survive over a long term period in the face of competition. Commenting on the operational condition that results in improved organizational competitive advantage, Lo, Chiao and Yu (2016) assert that sustainable competitive advantage is generated from existence of a unique competitive position, clear trade-offs and decisions as compared to those of competitors. Earlier on, Czepil (1992) defined competitive advantage as the ability by a business organization to provide greater market value over a long period of time.

Porter (1980) highlights that the firm's competitive advantage originates from the adoption of three constructs of competitive strategies, namely; differentiation, focus on specific market and cost management leadership. Cost leadership strategy is concerned with producing goods or services at competitive cost for a given quality, subject to incurring less variable costs, a lower level of marketing expenses, or to achieve a lower level of operating expenses and administrative expenses. Differentiation strategy refers to the differentiating organization's services or products from competitors by either adding unique characteristics of the services or products by making them attractive than competitors. West et al. (2010) notes that differentiation strategy does not allow the organization to ignore the factor cost and the desire to gain higher prices in the sector

through the loyalty of customers who are allergic to lower prices should continue being a dominant goal. The last strategy according to Porter is the focus strategy which aims at achieving competitive advantage through on cost reduction and differentiation in the target market in products and a limited geographical area (Wheelen& Hunger, 2008). It is believed that by directing the marketing efforts to serve a narrow market than competitors who compete on a larger scale.

### **1.1.3 Selected Pension Schemes in Kenya**

There are four primary schemes in the Kenyan retirement benefits sector: the National Social Security Fund (NSSF), individual pension schemes and the civil service scheme, which collectively account for 15% of the overall workforce. Both the public and private sectors, the workplace compensation scheme primarily includes the working community. The NSSF has the highest proportion of membership at 75% of all the registered members with an estimated membership of 2,900,000 million The civil service accounts for the highest proportion of the membership accounting for over 20% of this coverage, with occupational and individual schemes, of which there are approximately 1350 in operation, around 10%. Retirement benefits schemes are divided into two, pension schemes and provident funds. With regards to pension plans, at retirement, premiums from both the individual and the employer and accumulated interest are used to buy a longevity annuity from an insurance provider, whereas at death, a member of the provident fund earns its allocation and payments from the employer on its behalf and accrued interest as a lump sum for the provident funds. Currently, there are 30 registered umbrella pension schemes in Kenya (Appendix I). All the pension schemes both umbrella and

individual are regulated by the Retirement Benefits Authority (RBA) that was created by the Retirement Benefits Act of 1997.

The sector was largely unregulated prior to the establishment of the RBA in 1997 and was thus marked by a lack of security of the rights of the participants in the management of scheme affairs. Without a framework of clear regulatory, arbitrary investment was evidenced, mismanagement and embezzlement of scheme funds, low funding and poor record keeping, as a result, several of the pension schemes collapsed with contributors' money. However, over the years the reforms in the sector and the education initiatives by the RBA has resulted in growth in contribution and good performance leading to assets under the pensions schemes grow to Ksh 1,264.7 billion as at 2019, a 54% growth a decade ago (RBA, 2019). However, returns on pension plans have declined over the past decade due to the fact that conservative fund managers remain shy of new assets that give better returns. The changes in pension schemes over the last decade such as increased competition, reduced investment alternatives, young labour force and mergers of the players in the sector has necessitated the need for a strategic orientation on the part of the pension scheme management. According to the RBA 2019 annual report, strategic risk was identified as one of the significant factor facing the performance of the pension schemes. It is expected that adoption of effective strategic orientation will impact on the performance of these institutions in Kenya.

## **1.2 Research Problem**

The internationalization of national economies, intensified competition between firms, periodic and unpredictable changes, and the rising use of information technology are pressing businesses to face the challenge of enhancing competitive capacity (Basu & Gupta, 2018). This current

market situation has necessitated the need for companies to follow a more successful management mechanism that helps them to deliver greater results. The capacity to systematically orient them to the evolving world is thought to help organizations improve their performance, face potential obstacles and respond to successive external variables. As Porter points out, an organization's success derives from the willingness to distinguish itself in the eyes of the consumer by introducing value to its products, the strategic alignment potential helps the top management of organisations to be conscious of the goals and fields of operation and the recipients of the services provided (Porter,1980). One way of achieving this is through strategically orientating its operations to the prevailing business environment demands.

The umbrella pensions schemes (selected for the study) in Kenya play a critical role in pooling the retirement investments from different players with the aim of reducing the average cost per member and consequently enhance the overall returns to both the employees and the employer. The fund provides a solution to organizations that find setting up a Retirement Fund and continuously complying with the complex legal and statutory demands a challenge in both monetary and human resource cost. The Fund also makes it possible to delegate the demanding role of trusteeship (with its legal and statutory liabilities) to a team of professionals at no additional cost while at the same time saving you the hassle of having to appoint new trustees whenever a trustee leaves. This implies that the umbrella pension scheme have an important role to play to safeguard and invest the contributed funds, more so in developing countries like Kenya (Were, AmuhayaIravo & Wanjala, 2017). It therefore becomes important that the selected pension schemes organization come up with appropriate strategic move, such as to strategically orient itself to the prevailing market demands with a view to the contributed funds and to grow

them so that it becomes an important avenue for national growth as well as take care of the financial needs of the employer as well as the employees.

Different studies have been undertaken both at the international and local level to try and establish the nexus between strategic orientation and sustainable competitive advantage of firms. Grover and Saeed (2004) sought to explore the link between strategic orientation and the performance of public technology- based businesses institutions in USA. The results show that e-commerce involves adoption of diverse orientation approaches, as over emphasis on one dimension might lead to imbalances in the capabilities of other businesses. Aragón-Sánchez and Sánchez-Marín (2015) used the Miles and Snow typology to consider the impact of strategic alignment, management attributes and efficiency on Spanish SMEs and noticed that there was a substantial variation between prospector and defender SMEs in terms of variables dependent on their strategies. Puspita, Christiananta and Ellitan (2020), more recently, investigated the effects of strategic alignment, capabilities in supply chain, creativity potential on competitiveness and furniture retail success in Indonesia. The results suggest that a good strategic focus and supply chain potential have a significant positive impact on productivity, while innovative capacities do not have a significant impact on furniture retail efficiency and performance.

In investigating how strategic orientation affects the success of Kenyan manufacturing companies operating under regional integration in East Africa, Otieno, Bwisa and Kihoro (2012) found that the success of Kenyan manufacturing companies is dictated by the strategic orientation they take and thus, if they have to boost their performance, the sugar firms need to take sufficient strategic orientation. Owino and Kibera (2015) investigated the effect of organizational culture and business orientation on the success of 42 Kenyan microfinance



institutions and identified that performance differences are substantially and positively influenced by organizational culture. For their part, by following the mediation approach, Njeru and Kibera (2016) investigated the marketing strategies, market orientation and their joint effect of tour companies in Kenya with the findings suggesting that marketing practices mediate the perceived nexus between business orientation and performance of the firms.

From the studies done, investigation on the role of strategic orientation on organization outcomes has attracted the attention of various scholars. However, in the Kenyan context, the effect of the combined effect of the four strategic orientations and competitive advantage of selected Pension schemes in Kenya has attracted limited research. In addition, the variables used to proxy the strategic orientation dimensions have been varied and therefore resulting in conflicting findings on the effect and also the direction of change. As a result, in the quest to bridge the existing gap, this research will seek to answer the following research question; what is the relationship between strategic orientation and competitive advantage of Selected Pension schemes in Kenya?

### **1.3 Research Objective**

The objective of the study was to explore the relationship between Strategic Orientation and Competitive Advantage of Selected Pension Schemes in Kenya

### **1.4 Value of the Study**

Pension schemes in Kenya and those of other financial intermediaries will benefit from the outcome of this research since they will use the information gathered to understand how strategic orientation dimensions can be employed in the changing business environment to be a source of competitiveness. The management in the pension industry is now able to identify relevant

strategic orientation dimensions in the Kenyan context since their economies of scale is lower than that of other financial intermediaries. This will improve their management practice as well as improve on the competitiveness theories, including Porter and Miles and Snow Typologies of the company's competitive advantage.

Secondly, policy makers, including the Retirement Benefits Authority (RBA) can now find the study to be important in developing policy statements that guide the sector. The investment on strategic orientation tenets that prove to be beneficial in shaping the firm competitiveness can be considered for tax rebates as well as given more budgeting especially for the government owned pension schemes.

The academic world also benefits from the outcome of the ongoing research since it will provide insightful discussion that can guide other scholars in coming up with a gap that this research will not have covered due to its scope. The Kenyan pension industry is still at its development stage and further studies on how to improve its competitiveness will come in hand. Hence future scholars can explore other variables that can either moderate or mediate the nexus between strategic orientation and the competitiveness of the organizations.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

The section covers theories that anchored the study and further covers the empirical studies on strategic orientation and competitive advantage. The chapter explores the literature relating to the concept of strategic orientation and the four different dimensions under investigation. The literature also investigates the extent to which strategic orientation influences the firms level of competitive advantage. In addition, the chapter presents the conceptual framework.

### **2.2 Theoretical Review**

The resource-based theory and Porter's Competitive Strategy Framework have been used as theoretical frameworks to support the research. This section compares and contrasts the two hypotheses, emphasizing their importance to the research.

#### **2.2.1 Resource Based Theory**

The concepts of the resource based view (RBV) theory were originally developed by Penrose (1959) and Wernerfelt (1984) and later improved by Barney (1991). The RBV considers an enterprise to be a particular set of substantial client-managed tangible and intangible resources that acts as a medium of improving firm competitiveness. Barney (1991) avers that a resource acts as a source of competitiveness in case it has certain unique attributes that distinguishes them from those of other players in the market. These involve characteristics that are important to create a sustainable competitive edge, including the need for a resource to be valuable; it must be scarce across future and current competitors; it must be imperfectly imitable; and it should also not provide technically comparable alternatives for established goods. However, since resources

cannot be transferred and completely imitated, the product markets are expected to be stable and constant (Barney, 1991, Kraaijenbrink *et al.*, 2010).

A firm's current state of competitive advantage is never permanent and thus requires that a firm continuously seeks new strategies that transcend the firm's competencies, customers, product and service development, in order to remain relevant. This is because, as Boyer, Swink and Rosenzweig (2005) highlights, organizational capabilities is not adequate as a source of competitive advantage but rather requires that these internal capabilities are augmented by appropriate strategy to create a synergy and thus improve performance. Therefore, the capacity of an organization to orient its operations in terms of adapting to the external environment, building internal and external environment, proactiveness and building defensive capabilities is expected to result in improved competitive advantage.

However, the RBV has attracted criticism owing to its static nature and lacks the ability of a company to adjust procedures and reconfigure resources with a view to increasing its productivity (Vera, Crossan & Apaydin, 2011). In fact, RBV does not adequately clarify how businesses build and implement their capabilities and resources with a view to improving its competitiveness. The theorists advancing the dynamic capability principles have explored the possible ways of doing away with this constraint by suggesting that rather than having a company considered as ownership of capabilities and resources, this feature alone cannot put a company in a strategic position to win a bigger share in a competitive market and instead, they propose that a firm should have a strategic approach that executes resources and capabilities that suits the operational environment of the company and will help spearhead market penetration (Eisenhardt & Martin, 2000; Morgan *et al.*, 2009).

### **2.2.2 Porters Theory of Competitive advantage**

Porter (1980) theory of competitive advantage highlight that the success of a company in the market and the whole industry is a function of the physiognomy of the business in which a company competes. The composition of all sectors of the economy, according to Porter, is determined and re-aligned by five drivers and, by implication, the drives set up policies that control competitiveness in a given industry (Porter, 2008). The five dimensions that shape a company's business environment include challenges posed to an organization by competitive firms, competing goods, strong competitors, potential new entrants and powerful buyers. The collective value of these variables determines the future benefit potential to be realized in the business.

The level of competitiveness at which a corporation works affects its ability to realize full profitability. If the rivalry escalates, within the survival target, the focus of diverse stakeholders converges (Grant, 2005). Porter thus argues that the paradigm of five powers not only encourages us to see past his immediate opponents, but also tends to describe the market in which rivalry takes place. Furthermore, Porter claims that the structure specifies the strategies that can drive a corporation to achieve greater corporate success, having defined the conditions that determine its competitive position. Emphasis, distinction and cost reduction are the determining factors of these techniques. Cost leadership implies an alternate approach that seeks to outperform adversaries by productivity rather than operation or product consistency (Mou, Shin & Cohen, 2017). Without forgoing reliability and efficiency, this approach stresses giving consumers a competitively reduced cost. This strategy is illustrated in the aspects of a company's or corporate setup by the administrative process of cost minimization and allocation. A

company's differentiated approach attempts to establish the existing gap that acknowledges and perceives the service or product of the supplier as quality which satisfies their requirements (Porter, 1990). The focus dimension avers that an organization is supposed to constrict its marketing methodology by affecting the regional area, the product line segment or the customer community. The approach also allows firms to concentrate on particular regional areas, product line divisions or client groups (Brenes, Montoya & Ciravegna, 2014).

Teece (2018) states that different people recognize only the five forces concept and its use in an exceedingly superficial way when analysing the implementation of Porter's framework. As a consequence, there is a risk that an unreliable, incomplete and unhelpful analysis will occur. It can lead to misanalysis, bad decision-making, and tragic effects in an enterprise at the most horrible point. In comparison, Porter (2008) illustrates the lack of quantitative approaches used for the distinctive application of the organization of the five forces and for the analysis to be decentralized into a series of qualitative lists. These forms of measurement of workplace environments are also relatively arbitrary and offer inadequate alternatives to the accuracy initially recommended and outlined by Porter.

### **2.3 Dimensions of Strategic Orientation**

Puspita, Christiananta and Ellitan (2020) analyzed the cumulative impact of strategic focus, supply chain strength and growth potential on the success of furniture retail companies. The study also focused on the relationship between strategic alignment, supply chain flexibility, potential for growth, competitive edge and furniture retail success in Indonesia. The study gathered data from 156 typical furniture retail store managers. The findings indicate that the strategic focus and the potential of the supply chain have a substantial influence on the

competitiveness of the furniture industries with the dominant attributes of strategic orientation being market orientation and relationship orientation having the highest influence on the firms' performance. This finding supports a similar position arrived by Kumar et al., (2012) who advocated a single strategic orientation to be pursued to achieve higher level of competitiveness. In comparison with the current study, the research did not have pension firms as the context. However, the context of the research is different because unlike the current study which concentrates on the pension firms in Kenya, the study was done in Indonesia whose contextual setting is different.

By adopting a descriptive research style, Obeidat (2016) investigated the nexus between strategic orientation variables as measured by technology and market orientation and how it impacts the organizational performance of three Jordanian telecommunications companies. As a mediating aspect, the research introduced innovation. The findings show that the three variables that proxied strategic orientation had a substantial impact on telecommunication financial performance. Innovation, on the other hand, was discovered to moderate the link between a firm's orientation strategy and performance. The study proxied strategic orientation through the use of three variables, namely; market, technology and entrepreneurial orientation. The findings however, differ with that of Puspita et al., (2020) and an earlier one by Grewe et al., (2009) who similarly arrived at the same results by establishing a positive association between market, technological and entrepreneurial orientation on performance. Though the study goals are similar to the current one, it utilized a different set of dimension to represent strategic orientation variable.

The perception of the Jordanian pharmaceutical companies contribution of strategic orientation and the adoption of the same practices among the firms was investigated by Al-Zu'bi (2014). Through a distribution of 303 questionnaires on the equivalent number of firms, the findings revealed that there was a positive effect of the efficient, enhanced and proactive strategic orientation on the performance of the pharmaceutical firms in Jordan. This result is in line with that of Higgins (2008) who found that the capacity of a firm to always have a foresight in its strategies was found to enable it handle future changes in the operating environment. The results therefore suggest that the pharmaceutical firms should adopt the futurity dimensions since it had the greatest effect on the competitive advantage of the pharmaceutical firms. Though the study mirror the current research, the geographical position and industries under investigation is different and therefore the nature of competition and business line is like to result in a different result.

Chatzoglou, et al. (2011) investigated the combined effect of IT alignment, SO on organizational structure of 295 export firms in Belgium and using the structural equation model, the study found that the alignment between strategic orientation organization structure and information technology results in improved organizational performance. The findings also reveal that firm size had no impact on firm performance. The results confirm the finding by Pollalis (2003) as conducted in the North America context but in the study strategic orientation was taken as a moderating role. The findings suggest that organizations should consider utilizing IT capabilities with the alignment of organizational structure and strategy. In the study however, the combined effect of IT alignment and strategic orientation on organizational structure and not competitiveness was investigated.



The influence of orientation with regard to human resource practices on employee organizational commitment of Kenyan manufacturing firms was investigated by Kidombo, K'obonyo and Gakuu (2012). The study was based on 251 large manufacturing firms and the findings show that hard human resource practices has a positive effect on affective commitment. The finding supports the one arrived by Browning (2006) but only concentrated itself to human resource factors as opposed to strategic ones. Pursuing the same line, Nzioka and Njuguna, (2017) examined the influence of firm orientations on performance of Hotels in Nairobi County, Kenya by adopting descriptive research design among three cadres of employees in 58 hotel owners. The research suggests that industry competition and market power has a positive effect on the performance of the hotels under investigation. Similarly, competitor orientation was found to have higher influence on the firms' performance though in the survey different determinants of hotel performance was investigated.

The association between organizational culture and business focus strategy on the success of MFI in Kenya was examined by Owino and Kibera (2015). The study followed a cross-sectional descriptive analysis methodology and the results show that the efficiency of the MFI in Kenya is substantially and positively influenced by the organizational culture. Similarly, the analysis indicates that the association between organizational culture and success occurs in a partial mediation of the strategic orientation. Njeru and Kibera (2014) examined the presumed impact of business orientation: competitor orientation, inter-functional cooperation and market orientation on the efficiency of Kenyan tour companies. The results were based on 104 questionnaires from registered tour companies with Kenya Association of Tour Operators, and the results indicate that the three composite business orientation components had a significant positive effect on the performance of the tour companies.

## **2.4 Effect of Strategic Orientation on Organization Competitive Advantage**

Any successful firm must be able to constantly enhance their product offerings and use cutting-edge marketing strategies. These characteristics can be grouped together under the umbrella of innovation. Businesses can enhance the quality of their products or services via innovation, differentiate themselves from rivals, and contribute to improved long-term firm success (O'Donnell and Cummins, 2005). The owner or manager must be able to oversee the whole innovation process, from identifying opportunities to delivering the final product or service. Other elements, such as marketing clout, financial resources, and production skills, may reduce the power of innovation, according to Rhee (2010). He claims that innovation may help businesses enhance their entire performance and convert them into global corporations capable of expanding and competing. Firms may attract more consumers and grow sales by using the proper combination of techniques to enhance innovation. Organizations may reinvent themselves by implementing creative methods, adapting to changing business conditions, and even expanding into new markets.

An entrepreneurial mindset is required for a company to thrive and accomplish its objectives. Entrepreneurial orientation has been demonstrated to be a significant determinant for business performance in previous empirical study (Rhee, 2010). Firm innovation has emerged as a critical component in the development of long-term competitive advantages. Organizations/firms with a strategic perspective are more inclined to act proactively in response to environmental possibilities, be aggressive in their dealings with rivals, take risks, and make greater use of their limited resources. In a resource-constrained environment, organizations and companies cannot experiment with proactive, risky, and aggressive initiatives that might not be accepted. Using

better techniques to be more efficient and effective than competing companies is considered a significant component of establishing a competitive edge. When the capabilities are configured in a unique way, they will gain a competitive advantage and overcome organizational/firm challenges.

To meet changing consumer expectations and provide greater value in terms of extra advantages and/or cheaper costs, a company must expand its market intelligence activities. This will lead to increased customer satisfaction and loyalty. Product, service, price, distribution, and communication aspects should be uniquely blended by a company's organization. Organizations that focus on customers and competitors benefit from Strategy's expertise in establishing adequate marketing skills for the actual implementation of chosen strategic behaviors in the marketplace (Morgan, 2009). Development of suitable marketing capabilities is both required and facilitated by the implementation of strategies in the marketplace. Cost reduction is a strategy used by organizations so as to gain a competitive edge. This results in lower costs and better performance for the company as a whole. By decreasing costs, cost-orientation places a premium on in-depth understanding of how much it costs to provide products and services to the market. The advantages of this approach include average and marginal costs. When a company decides whether or not to enter and compete in a new market in order to take advantage of an opportunity, the availability of resources plays a role. If an opportunity is to contribute to the company's success, it must be brought to fruition by a proper plan and launched into the market (Hakala, 2010).

Organizations with a focus on the market frequently reorganize their departments to better serve their customers. As a result, businesses that have a focus on the market are more likely to be

inventive and adopt new goods, services, and procedures. The market orientation, for example, serves as a motivating factor for the innovativeness of the company. According to Im and Workman (2004), the success of a firm's innovation depends in large part on its market orientation. In addition, they assert that businesses with a focus on the market are more aggressive in satisfying consumers and fostering strong, good connections with their suppliers.

## **2.5 Empirical Review**

Numerous studies have been carried out both in the global and local scene on strategic orientation and competitive advantage. For instance, Ferreira & Coelho (2019) delved into the impact of strategic orientation innovation capabilities on competitive and firm performance. A sample of 387 Portuguese SMES were considered for the study. The study employed the dynamic capabilities approach and the modelling structural approach to examine the relationships among variables. The study established that innovation capacity and strategic orientation mediates the association between exploration and exploitation of capabilities while strategic orientation has an impact on performance and competitive advantage. The above study presents a contextual gap which was addressed by the study by exploring the pension schemes in Kenya to ascertain whether the same findings apply.

Al-Zu'bi (2014) examined the impact of strategic orientation on Jordanian Pharmaceutical companies' competitive advantage. The research explored the degree to which the selected strategic orientation variables had been adopted by the pharmaceutical firms. The target population was all the pharmaceutical firms quoted at the Amman Stock Exchange which had 2015 employees at 2014 from which 322 were randomly selected for purposes of the study. Primary data was collected using structured questionnaire and the regression analysis results

showed that there prevails a strong relationship between strategic orientation and competitive advantage. The results further revealed that strategic orientations namely analysis, aggressiveness, defensiveness, riskiness, proactiveness and futurity had largely been adopted by the pharmaceutical firms. The study recommended the undertaking of a similar study with other variables not incorporated in the study. In addition to the contextual gap, the strategic orientation variables utilized by the study vary from those adopted by the author of this paper.

Avci, Madanoglu & Okumus (2011) examined the nexus between strategic orientation and performance of tourism firms in Turkey. The study found the differences in both the financial as well as the non-financial performances of the tourism firms to be largely dependent on the strategic orientations. Ideally, the prospectors were noted to perform better than the defenders, while analyzers depicted a comparable performance. The implication drawn from the results is that developing countries, tourism enterprises may be indifferent when deliberating between these two strategies depending on their internal characteristics as since they yield similar financial outcomes. Specific factors and developments in company-specific factors and macro-environment seemed to influence the strategic orientation of tourism firms and their performance.

Grawe & Chen (2009) studies the association between strategic orientation, service innovation and performance of the Chinese electronic industry. A survey was administered to 900 supply chain executives of the respective firms where 362 instruments were successfully filled and returned. The structural equation modelling was applied to analyze the associations between competitor, customer, service and cost orientation on market performance. According to the results customer orientation competitor orientation have a strong impact on service innovation

and subsequently market performance while cost orientation has a negligible impact on service innovation.

Kiiru (2015) looked into dynamic capabilities, strategic orientation and competitive advantage of SMEs in Kenya. The study adopted the descriptive design and targeted 8601 FMCG retail SMEs where 358 were selected to collect data using stratified. The findings portended that the deployment of dynamic strategic capabilities have a direct effect on competitive advantage. It was observed that customer orientation and competition orientation of a business have a sizeable mediating effect on the association between sensing capabilities and competitive advantage. Customer oriented strategies and capabilities were found to be the most crucial important dynamic capabilities for enhancing performance. The study differs from the present study as strategic orientation was used as a moderating variable.

Onsinyo (2020) explored the impact of strategic orientation on performance of public universities in Kenya. The research targeted all the registered public universities in Kenya which were 31<sup>st</sup> December, 2019. A census study was conducted given the population size and results collected using a structured questionnaire. The study adopted the descriptive research design. Regression analysis results manifested that analysis dimension, defensive dimension, aggressiveness dimension and defensiveness dimension has no statistically significant contribution on Kenyan Universities' contribution. It was established that strategic orientation contributed to a negligible percentage of approximately 15% to performance. The study found it prudent for the top- management of public universities to adopt competitive strategies such as strategic orientation to improve performance. There exists a sectorial gap since the focus was on public universities.

Kobonyo (2013) analyzed the influence of human resource strategic orientation on Kenyan manufacturing firm's performance. The study targeted the private manufacturing firms registered with Kenya registered with KAM as at 2013. The study adopted the questionnaire by Huselid (2006) with slight adjustments. The descriptive research design was adopted to generate both descriptive statistics. The study established that all forms of universalistic orientation result desirable organizational performance when properly implemented and that there exists a strong positive association between strategic orientation and performance. The researcher recommends a similar study to be conducted for public manufacturing firms using the longitudinal research design to ascertain whether the same findings hold. The aforementioned study was particular to human resource strategic orientation as opposed to the current study which analyzed strategic orientation as a general principle.

## **2.6 Summary of Literature and Research Gap**

The literature and empirical studies show that firm internal factors that are unique and not easily imitable has consistently been found to affect the competitiveness of a firm. Towards the same, the ability of the firm management to develop appropriate strategic orientation with a view to align itself to the prevailing market environment has attracted the attention of many local and international scholars.

Strategic orientation has shown a substantive effect on organizational performance which long term effect results to an organizational competitiveness in the respective market. Scholars such as Puspita, Christiananta and Ellitan (2020) have pinpointed that firms that have aligned their operational activities towards technological perspective have gained extensive benefits ranging from market penetration to profitability. Technology is the current driver for enhanced

innovation that brings about new methods of conducting business operations, quality of products, information and technology for external and internal communications as well as new product mix and packaging styles. Kumar et al., (2012) on their part also suggested that successive organization not only major its operational activities on a single strategy. Besides, operational activities comprise of various conjoined sets of activities and therefore efficiency of operation, it is a necessity for an increased performance for organizations to establish a diversified strategic orientation dimension in order to increase its competitiveness capacity.

As discussed in the literature, Obeidat (2016) factored in the role of innovation in mediating strategic orientation and organizational performance. From the review of the study, it is crystal clear that innovation plays a critical role as far as implementation of various strategic orientation dimensions for enhanced organizational performance. Employees innovative capacity has been identified as an important aspect of consideration as far as implementation of strategic orientation is concerned. It is therefore an organizational mandate to ensure that there is appropriate training of employees for effective implementation of strategic orientation constructs. Grewe et al., (2009) on their part pointed that organizational performance is greatly influenced by various strategic orientation. However, with market, technology and entrepreneurial orientation, an organization is said to be in an advanced positive for competitive advantage given effective implementation of the strategies.

The study by Higgins (2008) established that an organization is in a better position to deal with future changes brought by various factors such as change in technology or change in market environment if appropriate strategic orientation dimensions are implemented efficiently. Adoption of technological orientation involves extensive research and development which results



to innovative ways of conducting daily business operations. As a result, according to Chatzoglou, et al. (2011), innovation can bring about new technology that might enable an organization to use the current and the previous trends to predict the future market trends thus enabling an organization to deal with change management effectively.

While majority of the findings suggest that strategic orientation has a positive effect on the final outcome of a firm, a sizeable number of studies also show that different dimensions of strategic orientation has had negative or no effect on the firm performance. In addition, different dimensions of strategic orientation have been advanced by scholars depending on the nature and business environmental condition that a firm operates in. As a result, studies relating to how the four variables representing strategic orientation on the competitive advantage of Kenyan firms has been limited. This research will therefore seek to bridge this existing gap by investigating the influence of market, entrepreneurial, relationship and technology on the competitive advantage of the pension firms in Kenya.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter presents research methodology approach that was adopted in the quest to arriving at the research objective. The areas of consideration in this chapter comprised of the study research design, target population and the procedures adopted in collecting the data. In addition, the approach that was adopted in analysing the data collected is presented and the descriptive statistic variables that was used to ascertain the association between the variables.

### **3.2 Research Design**

A cross-sectional descriptive design method was adopted in this research. The aim of descriptive survey design, according to Gill and Johnson (2006) is to determine the general characteristics of a given population or subjects. It also aids in the establishment of an individual's true perceptions and ideals in order to assess how the condition is in comparison to the corresponding target group. The report will be cross-sectional since it will be conducted through all the select pension firms in Kenya and that have their headquarters in Nairobi. The research design is suitable for this analysis since it will enable the researcher to draw inferences regarding the joint and individual effect of market, entrepreneurial, relationship and technology orientation.

### **3.3 Population of the Study**

Hancock and Algozzine, (2016) describes a population of the study as a collection of study elements which can be living or non-living things that a researcher has developed interest of investigating over a given hypothesis. These elements of study, the target population, are determined based on various factors including the geographical boundaries, the scope of the study, availability and time bound.

The target population in the study was selected Pension schemes in Kenya that are registered with Retirement Benefit Authority (RBA). According to RBA, there are 3 different categories of pension schemes registered in Kenya; umbrella retirement pension schemes (31), individual retirement pension schemes (40) and income drawdown funds (13). The market share held by each pension firm formed the basis for selecting the 31 firms in the industry and therefore the study considered umbrella retirement pension scheme since there is competition for customers of which to maintain existing customers and attract more, firms should remain competitive. Thus, the study adopted census survey because the number of pension schemes selected are only 31 which is a small number that is manageable for complete enumeration.

### **3.4 Data Collection**

The research based its findings from the primary data that was collected primarily using a questionnaire as the main data collection instrument. The questionnaire contained questions that were closed ended that facilitated prompt results. Section A captured the demographic details of respondents and target groups, B sought to establish the strategic orientation dimensions employed by the selected pension schemes in Kenya. Section C sought to investigate how the firms competitive position had been influenced by the strategic orientation adopted. Mugenda (2008) states that the use of the questionnaire maintains anonymity, saves time and is easy in administering.

The target respondents to the study were the business development managers or persons holding equivalent position in the firms. The respondents were requested to fill in the questionnaires after

which they were to send back within the shortest time possible with constant reminders being sent to respondents that were slow in filling in the questionnaires.

### 3.5 Data Analysis

Following the completion of the data collecting procedure, the researcher assessed the data for consistency, correctness, and completeness. In addition, the string data was converted into numerical format for convenience of statistical analysis. The standard deviation and mean were determined and used to analyse the data using descriptive statistics techniques in SPSS.

The findings were presented using graphs and tables. The influence of strategic orientation on the competitive advantage of the chosen Kenyan pension companies was investigated using regression analysis. Because the study's target population was more than 30 companies (Cooper & Schindler, 2014), the researcher used a regression equation to explore the link between strategic orientation and competitive advantage. The regression model took the form,

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

Where Y	=	Competitive advantage
$\beta_0$	=	Constant
$X_1$	=	Market Orientation
$X_2$	=	Entrepreneurial orientation
$X_3$	=	Relationship Orientation
$X_4$	=	Technology Orientation
$\epsilon$	=	Error term

The ability of the X variables to predict the Y was measured using the F-test and the coefficient of determination used to measure the changes in Y are elucidated by X. The direction and

intensity of the nexus between strategic orientation and competitive advantage of Pension Schemes in Kenya were assessed using a correlation analysis at a 5% significance level or a 95% confidence level.

## **CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATION OF RESULTS**

### **4.1 Introduction**

This chapter gives the highlights of the results obtained from data analysis process. It covers the results information with regard to the respondent and organizational unit, number of employees, and the operating period of the organization, Further, results on the respondents working experience and employees' current level of management will be provided. In regard to the study variables, the sections presents the results relating to the four strategic orientation variables as well as how they individually and jointly affect the competitive advantage of the pension firms. Tables and charts are used to present data.

### **4.2 Response Rate**

The response rate was used to assess how the respondents participated in the survey and the higher the response rate better the findings in being representative of the study units under investigation. The study's target population comprised of 31 selected pension schemes. Each of the selected pension scheme was issued with one questionnaire. Table 4.1 presents the results in regard to the research response rate.

**Table 4. 1 Response Rate**

<b>Questionnaires</b>	<b>Number</b>	<b>Percentage</b>
Filled and collected	25	80.6
Non-responded	6	19.4
Total	31	100

From the findings in Table 4.1, the research response rate of 80.6 % shows that more than four-fifth of the targeted firms responded and since one questionnaire was distributed per firm, the results show a good data collection was achieved. In accordance with Mugenda and Mugenda (2003), realisation of a 50% of rate response from the data collected is considered adequate, 60% is regarded beyond expectation and a response rate of 70% is rated very well. Similarly, Bailey (2000) supports this perspective by stating that a response rate of 50% is considered adequate, while a response rate of more than 70% is considered excellent for data analysis. Consequently, a response rate of 80.6% is deemed to be good to draw a conclusion from.

### **4.3 Demographic Information**

The information sought in this section included the respondent's gender and working experience. Further, the respondent's current management position was sought and for the organization, the length of period that it has been operating in Kenya was also sought. The results are provided in the following sections.

#### **4.3.1 Number of Employees**

The number of employees according to Koudelkova and Milichovsky (2015) helps determine the size of an organization. Micro and small enterprises are taken to be those firms with less than 49 employees while firms that are considered to be middle size are those that range between 50 and 249 and those firms with more than 250 employees are considered as large. The results with regard to this question is presented in Table 4.2.

**Table 4. 2 Number of Employees**

Categories	Frequency	Percent	Cumulative Percent
Valid Less than 200	3	12.0	12.0
200-400	13	52.0	64.0
401-500	6	24.0	88.0
Over 500	3	12.0	100.0
Total	25	100.0	

From the results in Table 4.2, majority (52.0%) of pension schemes in Kenya are large organizations given that that they have employees ranging from 200-400. 24% of the pension schemes have 401-500 employees, 12% have over 500 employees while 12% also are considered to be medium organizations with less than 200 employees. This therefore imply that majority of pension schemes in Kenya are large organizations.

#### 4.3.2 Age of the Organization

In determination of level of experience of an organization in the industry of operation and the economy at large, the age of organization is one of the metrics used. The study sought to establish the age distribution of the organizations under study. The findings in regard to this question is presented in Table 4.3.

**Table 4. 3 Age of the Organization**

Category	Frequency	Percent	Cumulative Percent
Valid Less than 10 Years	3	12.0	12.0
10-20 years	14	56.0	68.0
21-30 years	4	16.0	84.0
Over 30 years	4	16.0	100.0
Total	25	100.0	



Table 4.3 shows that most (56.0 percent) of the pension plans studied had been in existence for between 10 and 20 years. The findings also show that 16 percent of pension schemes have been in existence for 21 to 30 years, with another 16 percent having coexisted in the pension industry for more than 30 years. Only 12% of the pension schemes have been in existence for less than ten years. The findings reveal further that over 90% of pension firms have been in business for more than ten years, implying that, all other things being equal, the respondents working in respective pension firms are informed about the techniques used in the industry to enhance performance factoring in strategic orientation measures. This is an implication that majority of the pension schemes have significant experience in the sector and therefore they understand the extent of competition attributed to emergence of high number of players in the sector. As a result, in order to gain sustainable competitive advantage, organizations need to strategize provision of services and align them to prevailing market conditions and economic situations.

### 4.3.3 Employee Level of Management

The management level of employees reflects the extent of employee engagement in strategy formulation and execution decision-making. Employees are increasingly involved in decision-making at higher levels of management. The goal of the study was to evaluate the various cadres of the respondents and the results is presented in Table 4.4.

**Table 4. 4 Employee Level of Management**

Category	Frequency	Percent	Cumulative Percent
Valid Top level	4	16.0	16.0
Middle level	17	68.0	84.0
Supervisory level	3	12.0	96.0
Others	1	4.0	100.0
Total	25	100.0	

From the findings, it is evident over two-thirds (68%) of the respondents holds middle level of management, 16% holds top level of management, 12% were from supervisory level while only 4 percent comprised of employees from different facets of departments in the pension schemes reviewed. With over two-fifths of the respondents holding senior managerial positions, it can be concluded that the respondents were knowledgeable on matters relating to strategic orientation decisions in the organizations and therefore can be relied upon on their submission.

#### 4.3.4 Employee Experience Level

The level of experience among employees varies in relation to the length of service that an employee has been attached to a particular organizational activity. Length of service of an employee informs a researcher how well a respondent understands the involvement of respective organization that an employee is attached to in the area or perspective under study. The findings are tabulated in Table 4.5

**Table 4. 5 Employee Experience Level**

		Frequency	Percent	Cumulative Percent
Valid	Less than 5 years	4	16.0	16.0
	5-10 years	11	44.0	60.0
	11-15 years	9	36.0	96.0
	More than 15 years	1	4.0	100.0
	Total	25	100.0	

The findings demonstrates that 44% of the respondents have been attached to respective organization for a period between five and ten years, 36% have been providing services to pension schemes for 11-15 years while 16% of the respondents have been operating in the

pension schemes for less than 5 years and that only 4% have been in the service sector for more than 15 years. This demonstrates that the majority of respondents had substantial knowledge about the industry in terms of strategic orientations.

#### **4.4 Dimensions of Strategic Orientation**

The study looked at four different aspects of strategic orientation: market, entrepreneurial, relationship, and technology. The section measured the extent to which the dimensions have been implemented by the selected pension plans so as to gain a competitive advantage. The statements were used as measures of dimension incorporation in the firms under study where the Likert scale range was from 1 to 5; 5 = Very great extent; 4 = Great extent; 3 = Moderate extent; 2 = Little extent; 1= No extent. The means that are greater than 3.5 implied that there is considerable extent of incorporation of the dimension while the means less than 1.5 shows that the dimension has not been implemented. A standard deviation greater than 1 represents a high respondent's variation with the statements and vice versa.

##### **4.4.1 Market Orientation**

The aspect of a firm aiming to identifying and meet customer needs and wants is called marketing philosophy. Market orientation allows an organization to align its services with the target customers' preferences. It helps provide exactly what solves the problems of the customers and as a result, customer loyalty is enhanced and potential customers subscribe to the service due to anticipated value for service. In the long run, an organization that enhances market orientation strategy increases profitability due to increase in customer subscription to the services.

#### **Table 4. 6 Market Orientation**

Statement	N	Mean	Std. Deviation
The organization has prioritized marketing process in its activities	25	4.080	.57155
The organization marketing process is customer-oriented	25	3.920	.70238
The competitor strategies are employed while developing the pension scheme marketing strategy	25	3.840	.55377
There is inter functional coordination	25	3.720	.73711
Marketing input is incorporated in the organization strategic planning process	25	3.320	.85245
<b>Overall mean</b>	<b>25</b>	<b>3.700</b>	

Table 4.6 provides the summary of the findings where it was discovered that the organization has prioritized marketing process in its activities (M=4.08) and that marketing process in the organizations is customer oriented (M=3.92). In addition, the study found that competitor strategies are employed while developing the pension scheme marketing strategy (M=3.82) and to achieve more as far as market orientation is concerned, inter-functional coordination (M=3.7) is encouraged in the organization. The study also established that among the selected pension schemes studied, marketing input is incorporated in the organization strategic planning process (M=3.32). From the findings, it implies that there has been great extent if not moderate of market orientation implementation strategy in the organization. This is because the overall mean on the measurement metric statements provided were found to be more than 3.5 and the standard deviation less than one.

#### 4.4.2 Entrepreneurial Orientation

According to Obeidat (2016) define the firms managerial philosophies that guide the day –to-day activities as entrepreneurial orientation (EO). This management thinking further captures

strategy-making practices and firm behaviors. In this context, entrepreneurial orientation enhances creation of new products in line with customer demands thus attracts high number of customer subscription into the new products and services. In the long run, an organization with sophisticated entrepreneurial orientation strategies can gain sustainable competitive advantage. Table 4.7 provides the summary of the findings in respect to entrepreneurial orientation dimension.

**Table 4. 7 Entrepreneurial Orientation**

	N	Mean	Std. Deviation
The organization has produced new products over the last five years	25	3.960	.67577
The organization puts more emphasis on R& D and innovation	25	3.800	1.08012
We are inclined to high-risk businesses with uncertain returns	25	3.720	.79162
We adopt competitive posture over competitors	25	3.640	.81035
Under competition, our firm adopts aggressive actions as compared to competitors	25	3.440	.91652
<b>Overall mean</b>	<b>25</b>	<b>3.172</b>	

From the study findings, it was discovered to a great extent, the pension schemes selected for study have produced new products over the last five years (M=3.96) and that to achieve this, the organizations put more emphasis on R& D and innovation (M=3.8). In order to further enhance entrepreneurial orientation strategies, the study found that to a great extent, the pension schemes have been inclined to high-risk businesses with uncertain returns (M=3.72) but at the end of the day, the uncertain returns become certain. The study also established that the schemes have adopted to great extent the competitive posture to enhance competition for market in the sector

(M=3.64). This is an implication that entrepreneurial orientation in the organizations has been implemented to a great extent.

#### 4.4.3 Relationship Orientation

Relationship orientation in an organization is considered as one of the important factors in enhancing good relationship with the suppliers, customers and other stakeholders. The study sought to establish the extent at which relationship orientation strategy has been implemented in the organizations. Table 4.8 provides the summary of the findings.

**Table 4. 8 Relationship Orientation**

Statement	N	Mean	Std. Deviation
We aim to improve the level of customer service	25	4.160	.7461
Our customers are committed to our services	25	4.000	.8165
The organization aims to understand the needs of our partners	25	3.880	.7810
The organization measures its level of customer satisfaction on regular basis	25	3.880	.8813
We aim to guarantee customer satisfaction	25	3.760	.8306
<b>Overall mean</b>	<b>25</b>	<b>3.936</b>	

The study findings established that in enhancing relationship orientation as a dimension of strategic orientation, they aim to improve the level of customer service (M=4.16), understand the needs of partners (M=3.88), measure the level of customer satisfaction regularly (M=3.88) and guarantee customer satisfaction (M=3.76). The findings demonstrate that the pension schemes in Kenya have enhanced the adoption of relationship orientation strategies to a great extent. The

low standard deviation is also an evident further from the respondents since the variance in their opinions was low.

#### 4.4.4 Technology Orientation

The Technological orientation aims at assessing how an organization has been able to adapt new technology-based resources and skills. This type of strategic orientation examines how an organization has used the internet and other technical methods to obtain reliable sources of information while investigating an issue in order to find a long-term solution. This section sought to evaluate the form of technological orientation mechanism that are being adopted by the pension firms. The findings are presented in Table 4.9.

**Table 4. 9: Technology Orientation**

Statement	N	Mean	Std. Deviation
Our products are based on high technology	25	3.840	.7461
We actively develop new technologies	25	3.800	.8165
The organization gives its employees freedom to suggest on new technologies that can improve the firm business	25	3.7600	.6633
We introduce new technology in our service that conform to the customer expectation	25	3.720	.6782
We have adopted better technologies than our competitors	25	3.720	.6782
The organization product development strategy is more ambitious than our competitors	25	3.720	.8426
<b>Overall mean</b>	<b>25</b>	<b>3.76</b>	

From the findings, the researcher noted that the products offered by pension schemes are technology oriented (M=3.84) and these organizations actively develop new technologies (M=3.8), a strategy that is achieved through engagement of employees and giving them freedom

to suggest on new technologies that can improve delivery of quality services to the customers (M=3.76). In addition, the findings suggested that pension schemes have introduced new technology in their services that conform to the customer expectation (M=3.72) and that the level of technology among the schemes varies significantly depending on the level of advancement and the size of a scheme. Therefore, the findings imply that technology orientation as a dimension of strategic orientation has been adopted the pension schemes and that products and services are technology oriented thus enhancing quality of products and services that meets customer specifications.

#### 4.5 Relationship between Strategic Orientation and Competitive Advantage

**Table 4. 10: Relationship Between Strategic Orientation and Competitive Advantage**

Statement	N	Mean	Std. Deviation
We respond quickly to customer complaints	25	4.000	.8660
We track changes in customer needs and wants	25	3.880	.7257
Our ability to collect strategic information from competitors for use in strategic planning is good	25	3.840	.7461
Our speed of sharing competitor moves in the organization is good	25	3.680	.9452
Our products have significant advantage over those of competitors	25	3.480	.9183
Our product changes are unique	25	3.480	.8718
We respond well to changes in the market	25	3.440	.6506
Our products are difficult to be copied by competitors in the pension sector	25	3.400	.9574
<b>Overall mean</b>	<b>25</b>	<b>3.6500</b>	

This section of the study was to establish the relationship between strategic orientation and competitive advantage of selected pension schemes in Kenya. The study found that as a result of strategic orientation, the pension schemes respond quickly to customer complaints (M=4.00), the schemes track changes in customer needs and wants (M=3.88), and that the ability to collect the strategic information from competitors for use in strategic planning has improved significantly



(M=3.84). Other outstanding findings with regard to incorporation of strategic orientation among the pension schemes as far as competitive advantage is considered is that the speed of sharing competitor moves among the organizations has increased (M=3.68). From the findings, it is evident that the relationship between strategic orientation and competitive advantage among the pension schemes has been realized to a greater extent.

#### **4.6 Regression Analysis**

The aim of establishing the linear equation is to establish the linear equation that will relate the four strategic orientation variables and the competitiveness level realised by the pension firms under investigation to each other. The resulting linear equation provides the level of strength and direction that the four predictor variables have with the dependent variable, whenever the other variables in the model are kept constant.

$R^2$  describes the degree to which the four variables jointly influence the competitive advantage of the firms. Under this section, the models that were determined include the model summary, regression coefficient and the overall regression coefficients that gives the four variable effect on the firm competitive advantage. First, the individual predictor variable regressions are determined and then the joint effect.

##### **4.6.1 Market O**

##### **rientation and Competitive Advantage of Selected pension schemes**

###### **4.6.1.1 Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.814 <sup>a</sup>	.662	.647	.62585

a. Predictors: (Constant), Market orientation

The model summary in relation to market orientation and competitive advantage of selected pension schemes suggest the existence of a strong positive correlation between the variables (R = 0.814). In addition, the study established that market orientation as an independent variable explains 66.2% (R Square = 0.662) of the overall competitive advantage of selected pension schemes.

#### 4.6.1.2 Regression coefficient

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.526	.406		1.295	.208
	Market orientation	.876	.131	.814	6.709	.000

a. Dependent Variable: Competitive advantage

The regression coefficient table shows the impact that independent variable has on the outcome variable. The findings show that market orientation technique has a significant and positive relationship with competitive advantage of selected pension schemes in Kenya. The resulting linear regression analysis is;

$$Y=0.526 + 0.876X_1$$

This imply that additional units or advancement of market orientation by a single unit increases competitive advantage by a factor of 0.876 and without market orientation, competitive advantage will remain at a constant of 0.526 units.

## 6.6.2 Entrepreneurial Orientation and Competitive Advantage of Selected pension schemes

### 4.6.2.1 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.752 <sup>a</sup>	.565	.546	.70973

a. Predictors: (Constant), Entrepreneurial orientation

The model summary demonstrates entrepreneurial orientation alone explains 56.5% of the overall competitive advantage of selected pension schemes as shown by the R square (0.565) which is the coefficient of determination. In addition, the R value which is the coefficient of correlation shows that entrepreneurial orientation and competitive advantage are positively correlated.

### 4.6.2.2 Regression Coefficient

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.928	.425		2.182	.040
	Entrepreneurial orientation	.721	.132	.752	5.467	.000

a. Dependent Variable: Competitive advantage

The regression coefficient table demonstrated that entrepreneurial alone in the model positively affect competitive advantage of selected pension schemes. Additional efforts to enhance entrepreneurial orientation improve competitive advantage by a factor of 0.721. This impact was found to be statistically significant since  $p < 0.000$  which is less than 0.05. Hence the linear regression equation for entrepreneurial orientation and competitive advantage will be given as;

$$Y=0.928 + 0.721X_2$$

### 4.6.3 Relationship Orientation and Competitive Advantage of Selected pension schemes

#### 4.6.3.1 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.821 <sup>a</sup>	.674	.660	.61450

a. Predictors: (Constant), Relationship orientation

The study findings in regard to relationship orientation and competitive advantage of selected pension schemes, shows that there is a strong and positive correlation. The R coefficient of 0.821 is the evidence of existing correlation between the variables and the R square shows that relationship orientation as a single predictor in the model explains 67.4% of the overall competitive advantage.

#### 4.6.3.2 Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.630	.381		1.652	.112
	Relationship orientation	.877	.127	.821	6.896	.000

a. Dependent Variable: Competitive advantage

The study found that relationship orientation has a significant positive influence on the competitive advantage of chosen pension schemes in Kenya, concluding that relationship orientation has a positive and significant impact on the competitive advantage of selected pension schemes. From the linear regression equation;

$$Y=0.630 + 0.877X_3,$$

It shows that advancement in relationship orientation increases competitive advantage of the firms under investigation by a factor of 0.877.

#### 4.6.4 Technology Orientation and Competitive Advantage of Selected pension schemes

##### 4.6.4.1 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.622 <sup>a</sup>	.387	.360	.84258

a. Predictors: (Constant), Technology orientation

The coefficient of correlation (R=0.622) demonstrates that there is a positive and relatively strong connection between technological orientation and competitive advantage. Furthermore, according to the coefficient of determination (R square =0.387), technology orientation accounts for 38.7% of the total competitive advantage of selected pension schemes.

##### 4.6.3.2 Regression Coefficient

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.021	.576		1.772	.090
	Technology orientation	.664	.174	.622	3.811	.001

a. Dependent Variable: Competitive advantage

The linear regression equation showing the relationship between technology orientation and competitive advantage of selected pension schemes took the form;

$$Y= 1.021 + 0.664X_4$$

The findings show that additional units of technology orientation enhances competitive advantage by a factor of 0.664. This imply that technology orientation as a single predictor in the model has a positive impact on competitive advantage.

#### 4.7 Overall Regression Outcome

##### 4.7.1 Summary model

Table 4.11 represents the model summary of the four predictor variables as measured by the adjusted R square, R square, and standard error of estimate.

**Table 4. 11: Summary model**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.892 <sup>a</sup>	.795	.754	.52270

a. Predictors: (Constant), Technology orientation, Market orientation, Relationship orientation, Entrepreneurial orientation

The study findings in Table 4.11 provides that strategic orientation practices under investigation have a strong positive correlation with a R value of 0.892. The R square (coefficient of determination) of 0.795 shows that the independent variables that the research investigated jointly accounted for 79.5% of the level of competitive advantage of the organizations under study. From the results, it can be deduced that the other factors This implies that other factors that were not incorporated in the model accounts for 20.5% of the competitive advantage benefit.

##### 4.7.2 Analysis of Variance

Table 4.12 presents the statistical results of ANOVA which explains the fitness of the model to predict correctly the outcome from the input.

**Table 4. 12 Analysis of Variance**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	21.176	4	5.294	19.376	.000 <sup>b</sup>
	Residual	5.464	20	.273		
	Total	26.640	24			

a. Dependent Variable: Competitive advantage

b. Predictors: (Constant), Technology orientation, Market orientation, Relationship orientation, Entrepreneurial orientation

The F statistic is 19.376 and the level of significance is 0.000, which is less than 0.05, according to the ANOVA findings in Table 4.12. With a significance threshold of 0.05, there is a 5% risk of committing a type 1 error, which is rejecting the null hypothesis before it has been tested and determined to be corrected. The model is statistically significant in predicting the variables relationship since the significance level is less than the p-value, 0.05..

#### 4.7.3 Coefficients of regression analysis

Regression coefficients show how one unit change in an independent variable affects the dependent variable. Table 4.13 lists the regression model's coefficients, t-values, and level of significance for each predictor variable.

**Table 4. 13 Coefficients of regression analysis**

Model		Unstandardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	t	
1	(Constant)	.064	.396		.161	.874

Market orientation	.472	.197	.438	2.392	.027
Entrepreneurial orientation	.050	.183	.053	.276	.786
Relationship orientation	.495	.183	.463	2.708	.014
Technology orientation	.032	.159	.030	.203	.841

a. Dependent Variable: Competitive advantage

The generalized regression equation has the following form given the regression analysis's constants:

$$Y = 0.064 + 0.472X_1 + 0.050X_2 + 0.495X_3 + 0.032X_4$$

From the findings, it is evident that without strategic orientation the overall competitive advantage will be constant with 0.064 units. In addition, the findings show that enhancing strategic orientation dimensions improves the overall competitive advantage. Market orientation enhances competitive advantage positively since the variable has a positive coefficient (0.472) which imply that additional unit of market orientation strategies in the organizations improve the level of competitive advantage. Entrepreneurial orientation on the other hand also has a positive relationship with competitive advantage. According to the findings, effective implementation of additional units of entrepreneurial orientation strategies contributes positive results by a factor of 0.472 units. The same applies to relationship and technology orientation dimensions. The overall implication therefore with regard to independent variables is that there is a positive relationship between strategic orientation and competitive advantage.



#### **4.8 Discussion of the Findings**

The study general objective aimed at determining the relationship between strategic orientation and organizational competitive advantage in the industry. Towards answering the general objective, four measures of strategic objectives were investigated, namely; market orientation, entrepreneurial, relationship and technology orientation. The study findings show that the pension schemes under consideration have adopted strategic orientation dimensions and implemented to a large extent. The respondents indicated that to a great extent, there are various strategies that have been put in place that demonstrate commitment of pension schemes towards effective leadership and delivery of services that are strategically oriented.

From individual variable perspective, the study established that market orientation had a positive effect on the pension firms competitive advantage. The study established that as a result of market orientation, marketing strategies have been tailored to express customer-oriented characteristics and that there is inter functional coordination to ensure the marketing practices have an end goal of improving the level of competitive advantage. The study findings support earlier findings by Al-Zu'bi (2014) who established that market orientation positively affects performance of Jordanian pharmaceutical companies citing that the firms are able to align products and services offering to what customers want in the market.

Entrepreneurial orientation on the other hand also has a positive association with competitive advantage. The study established that as a result of entrepreneurial strategies, the pension schemes have been producing new products over the past half-decade. The entrepreneurial characteristic nature of pension schemes studied has also enabled the organizations to engage in high-risk business that at the beginning, has uncertain returns but at the close of business,

increases profitability and thus competitive advantage. Earlier findings by Puspita et al., (2020) as well as Grewe et al., (2009) arrived at the same results by establishing a positive effect of strategic orientation on performance with entrepreneurial orientation as the main factor.

According to the study findings, effective implementation of relationship orientation enhances competitive advantage of pension schemes in Kenya. The study has established that as a result of relationship orientation implementation strategies, the pension schemes have committed to understanding the needs of partners and stakeholders in the sector. This has been spearheaded by the fact that service provision is customer orientated and the aim is provision of services that satisfies the needs of customers and enhances customer satisfaction. The findings are in tandem with Njeru and Kibera (2014) that relationship orientation through competitor orientation, inter-functional cooperation and market orientation affects positively the efficiency of Kenyan tour companies.

The current market setting is characterized by technology and competition. The study has established that technology orientation, as a dimension of strategic orientation, has improved provision of services to customers and consequently uplift customer loyalty. As a result, there has been continuous increase in profitability which place some of the pension schemes at the helm in the industry. The study further established that technology has enabled ambiguity of products and services among the players in the pension sector. This finding is in conjunction with Obeidat (2016) who established that strategic orientation with technology as a mediating positively influence organizational performance and profitability.

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

### **5.1 Introduction**

A summary of the key findings, conclusion made from the findings, and recommendations are presented in this chapter for both policy and research activities. The findings and recommendations reached serves to address the study's main objective. The chapter concludes by citing the major limitations and suggestion for future studies.

### **5.2 Summary**

The study aimed to find out how pension schemes in Kenya might be more strategically oriented to gain a competitive edge. The study included four strategic orientation dimensions: market,

relationship, entrepreneurial, and technological orientation. From the analysis and computation of overall descriptive statistics, the study established those various strategies that are interrelated to strategic orientation have been adopted by the pension schemes in Kenya to a great extent. Therefore, the findings suggest that strategic orientation is not a new concept of leadership among the pension schemes in Kenya.

From individual independent variable point of view, the study established that market orientation is significant factor particularly in the alignment of strategic market strategies to meet customer specification. The study findings established that with additional unit of effort and commitment towards implementation of market orientation strategies, there is a positive impact on sustainability of competitive advantage. In an attempt to keep pace with the most performing pension schemes, the averagely rated schemes employ strategies of competitors in developing marketing strategies. This ensures that marketing strategies are tailor-made to meet certain market segmentation that influences the overall performance as a result of increased uptake of the services offered by the schemes.

Secondly, the study found that strategic orientation is positively related with competitive advantage of pension schemes in Kenya as far as entrepreneurial orientation dimension is concerned. In order to enhance entrepreneurial strategies, the pension schemes produce new and unique products and services that are fashioned towards providing solution to customer needs and wants. As an entrepreneurial characteristic adopted by the pension schemes, involvement of high-risk business has resulted to achievement of exemplary performance thus proving the business phrase that “no pain no gain”.

Relationship orientation involves maintaining good relationship with stakeholders, employees, top management and suppliers. An increase in strategies supporting relationship orientation, according to the study findings, improves the competitive capability and advantage of pension schemes in Kenya. The results obtained from the analysis shows that the regression question coefficient attached to relationship orientation is positive implying that advancement in relationship orientation strategy positively influence competitiveness of the pension schemes. Therefore, the study established that among the strategies aimed to improve relationship orientation strategy is to guarantee customers satisfaction and understand the needs of customers.

According to the study findings, strategic orientation (as measured by technological orientation) correlates positively with competitive advantage for Kenya's pension schemes.. The pension schemes have devoted resources towards research and development aimed to enhance innovation strategies that leads to emergence of new technologies for development of new products. In enhancement of technological framework in the organizations, efficiency of operational activities is upheld and therefore improving service delivery.

In determination of the relationship between strategic orientation as a whole concept with sustainable competitive advantage, the study established as a result of strategic orientation, products of specific pension schemes are difficult to be copied by other schemes due to uniqueness and complexity of the products. Strategic orientation has also enabled the pension schemes to respond well to changes in the market and track changes in customer needs and wants. Collection of strategic information has also improved thus enabling the firms to orient service production strategically. According to the inferential statistics, strategic orientation and the competitiveness of Kenya's pension systems are strongly correlated ( $R= 0.892$ ). Strategic

orientation methods contribute cumulatively by 79.5 percent ( $R^2=0.795$ ) to the final competitiveness outcome when implemented well.

### **5.3 Conclusion**

According to the study's summary of findings, strategic orientation of pension schemes has a positive association with competitive advantage. Market orientation, entrepreneurial orientation, relationship orientation, and technology orientation are all aspects of strategic orientation that improve a company's overall competitive advantage. In improving market orientation strategies, the pension schemes get to know the needs of customers and therefore align their products in line with customer preference. In addition, relationship orientation allows the pensions schemes to maintain good working environment with employees, good communication flow with suppliers and partners thus enhancing performance in the long run.

The study also concludes that entrepreneurial dimension of strategic orientation allows the pension schemes to be creative in the market and develop new products that follows the trend of the market and economy at large. As a consequence of the efficacy of the products and services, there will be a higher adoption of those items and services. The use of technology has been discovered to increase the competitiveness of pension schemes. As a result of the advanced technological foundation, the study indicates that pension schemes have been able to adapt swiftly to market changes and trends.

### **5.4 Recommendations**

The study concludes that operational activities in the pension scheme industry should be strategically directed, based on the findings. Given the positive and strong relationship between

strategic direction and competitive advantage of Kenyan pension schemes, organizational activities should be properly coordinated in order to achieve continuous competitiveness. The coefficient of determination demonstrated that strategic orientation constitutes 79.5% of the overall competitive advantage of the pension schemes. As a result, increase in organizational strategies in relation to strategic orientation increases competitive capability of the organizations.

Strategic orientation is still at its development stage and its implementation at an organization level is still low or is at early phase. As a result, the study recommends that more resources be devoted towards research and development in order to establish the optimal strategic orientation practices that can create sustainable competitive advantage. In addition, marketing has evolved over time. Incorporation of strategic marketing orientation will ensure product awareness to a larger group of customers. Therefore, it is the role of marketing department of the selected pension schemes to enhance strategic marketing orientation in order to have more new customers subscribing to the products of the pension schemes.

## **5.5 Limitations**

The study did not encounter much limitations however, with the emergence of Covid-19, there was restriction in movement and therefore forcing data collection to follow online format. In addition, with interruption in economy, businesses have closed down and firms have laid down some employees. As a result, creation of wealth has been negatively affected thus limited resources devoted towards completion of this project. However, the researcher devised alternative ways of curbing the challenges thus creating an ample environment for successful completion of the study.

In addition, the study was confined towards the selected pension schemes. Therefore, the study was limited in terms of scope in relation to study population. Based on study design, the study was limited to descriptive study design. The time for carrying out the study was also limited but the researcher planned well in order to balance the time frame provided for the completion of the project.

### **5.6 Suggestions for future studies**

The current study aimed to establish the relationship between strategic orientation and competitive advantage of pension schemes in Kenya. It is yet to be determined whether the findings are applicable in other sectors of the economy. Therefore, it is upon potential scholars to carry out a same study in other sectors in order to compare with the current study. The study also was confined to selected pension schemes in Kenya. What if a study is carried out in entire pension schemes in the country? Will the findings have the same outcome? The questions will be answered by future studies.

The study was done using a descriptive study design. The study suggests future studies to consider using explanatory design that will cover a lengthy period of time hence strategic orientation can be analyzed over a period of time. Strategic orientation is a management tool that applies to strategic firms that focuses on the changing business environment. As a result, the study suggests that future studies should focus on other firms with strategic-oriented goals for instance technology firms.



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## **APPENDIX**

### **Appendix 1: Letter to the Respondents**

**Martin Suva Mwanzivi**

**P. O. Box 30599 - 00100**

**Nairobi, Kenya.**

22<sup>th</sup> September, 2020

I am a student at the University of Nairobi studying a "Master's Degree in Business Administration (MBA)," and as part of the course requirements, I am doing a research project. My study focuses on Kenyan pension schemes' strategic direction and competitive advantage. You have been recognized as participants in this study, and I would appreciate it if you could fill out the questionnaire. Kindly be informed that your response will be treated with the utmost confidentiality and will not be used for any other reason than this project.

All information gathered will be kept private, and the study findings will not be disclosed or publicized in any way that would allow individual participants to be identified. All data will be compiled and evaluated as a whole, with no connection to identifiable people. Furthermore, all participation in this study is entirely voluntary, and you have complete discretion over whether or not to participate. If you agree now, you can change your mind at any point during the interview with no consequences. However, we hope you will continue to participate until the end.

For more information about this study, you can contact the Principal Investigator on Tel: 0721293609.

I am looking forward to your cooperation.

With kind regards,



**Martin Suva Mwanzi**

## **APPENDIX II: QUESTIONNAIRE**

### **SECTION A: DEMOGRAPHIC INFORMATION**

**1.** How many employees are in your organization?

(a) Less than 200 (b) 200 – 400

(c) 401 - 600 (d) Over 601

**2.** What is the age of the organization?

(a) Less than 10 years (b) 10 – 20 years

(c) 21 - 30 years (d) Over 31 years

**3.** What level of management are you?

a) Top Level ( ) b) Middle level ( )

- c) Supervisory Level ( )                      d) Others (Specify) ( )

4. For how long have you worked in the organization?

- a) Less than 5 years ( )                      b) 6 -10 years ( )  
 c) 11 – 15 years ( )                      d) More than 15 years ( )

**Section B: Strategic Orientation Dimensions**

5. Below are strategic orientation practices. Please indicate the extent to which the dimensions are adopted in your organization.

**Key:**5 - Very great extent 4 - Great extent 3 - Moderate extent 2 - Little extent 1- No extent”

**a. Market Orientation**

Statement	5	4	3	2	1
The organization has prioritized marketing process in its activities					
Marketing input is incorporated in the organization strategic planning process					
The organization marketing process is customer-oriented					
The competitor strategies are employed while developing the pension scheme marketing strategy					
There is inter functional coordination					

**b. Entrepreneurial Orientation**

Statement	5	4	3	2	1
The organization has produced new products over the last five years					
Under competition, our firm adopts aggressive actions as compared to competitors					
We adopt competitive posture over competitors					
We are inclined to high risk businesses with uncertain returns					

The organization puts more emphasis on R& D and innovation					
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How else is entrepreneurial orientation practices manifested in your organization

.....

**c. Relationship Orientation**

Statement	5	4	3	2	1
We aim to guarantee customer satisfaction					
The organization aims to understand the needs of our partners					
Our customers are committed to our services					
We aim to improve the level of customer service					
The organization measures its level of customer satisfaction on regular basis					

**d. Technology Orientation**

Statement	5	4	3	2	1
Our products are based on high technology					
We introduce new technology in our service that conform to the customer expectation					
We have adopted better technologies than our competitors					
The organization product development strategy is more ambitious than our competitors					
We actively develop new technologies					
The organization gives its employees freedom to suggest on new technologies that can improve the performance					

How else is technology orientation practices manifested in your organization

.....

**Section C: Sustainable Competitive Advantage**

4. Below are organizational sustainable competitive advantage indicators. Please indicate the extent to which these indicators have been achieved in the organization. Key:

5 - Very great extent    4 - Great extent        3 - Moderate extent    2 - Little extent

1- No extent



	<b>Measures of Competitive Advantage</b>	1	2	3	4	5
1	Our products are difficult to be copied by competitors in the pension sector					
2	We respond well to changes in the market					
3	We track changes in customer needs and wants					
4	Our product changes are unique					
5	Our products have significant advantage over those of competitors					
6	Our speed of sharing competitor moves in the organization is good					
7	Our ability to collect strategic information from competitors for use in strategic planning is good					
8	We respond quickly to customer complains					

**THANK YOU SO MUCH FOR YOUR TIME.**

## Appendix III: Data Collection Letter



UNIVERSITY OF NAIROBI  
COLLEGE OF HUMANITIES AND SOCIAL SCIENCES  
SCHOOL OF BUSINESS

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Telephone: 020-8095398  
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Our Ref: D61/7545/2017

Tel: 020 8095398  
Nairobi, Kenya

Date: 11<sup>th</sup> March, 2021

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### TO WHOM IT MAY CONCERN

The bearer of this letter, **MARTIN SUVA MWANZIVI** of Registration Number **D61/5946/2017** is a Master of Business Administration (MBA) student of the University of Nairobi.

He is required to submit as part of his coursework assessment a research project report. We would like the student to do his project on **Strategic Orientation and Competitive Advantage of Selected Pension Schemes in Kenya**. We would, therefore, appreciate if you assist him by allowing him to collect data within your organization for the research.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organization on request.

Thank you.



FLORENCE RUTURI  
SENIOR ADMINISTRATIVE ASSISTANT

#### **Appendix IV: LIST OF SELECTED PENSION SCHEMES IN KENYA**

1. The Monarch Personal Pension Plan
2. The Heritage All Company Individual Retirement Benefits Scheme
3. Zimele Personal Pension Plan
4. UAP Individual Pension Plan
5. Pioneer Assurance Company Personal Pension
6. Pan Africa Life Personal Pension Plan
7. Old Mutual Individual Retirement Benefits Scheme
8. Octagon Personal Pension Scheme |
9. Madison Insurance Personal Pension Plan
10. Kenyan Alliance Insurance Co. Ltd.
11. Kenyan Alliance Insurance
12. Kenya power pension fund Chancery Personal Pension Plan
13. Kenindia Assurance Company Personal Pension Plan
14. Jubilee Insurance Company Personal Pension Plan
15. Individual Retirement Benefits Scheme (40 schemes)
16. ICEA Lion Individual Retirement Benefits Scheme
17. GA Life Personal Pension Plan
18. Dry Associates Personal Provident Plan
19. CPF Individual Pension Scheme
20. Co-op Trust Individual Retirement Benefits Scheme Read
21. Company Individual Retirement Benefits Scheme
22. CIC Pension Plan
23. CFC Life Individual Pension plan In wealth Personal Pension Scheme
24. British American Provident Fund
25. Britam Pension Scheme
26. Blue Small and Medium Enterprises Jua Kali Individual Retirement Benefits Scheme (Mbao Pension Plan)
27. Blue shield Personal Pension Plan
28. Apollo Insurance Company Individual pension Arrangement
29. APA Life In time Personal Pension Plan
30. Amana Personal Pension Plan
31. Alexander Forbes (Vuna Pension Plan)