MERIT RESEARCH JOURNALS
www.meritresearchjournals.org

Merit Research Journal of Business and Management (ISSN: 2408-7041) Vol. 3(6) pp. 073-084, October, 2015
Available online http://www.meritresearchjournals.org/bm/index.htm

Original Research Article

Effects of competitive strategies on organizational performance: A case of Nokia – Kenya

Gregory Njogu

MBA: Africa Nazarene University.

E-mail: gregx202@gmail.com

Abstract

The overall aim of this study was to examine the effects of competitive strategies on organizational performance. Specifically, the study sought; to determine effect of differentiation, cost leadership, Market Focus and corporate growth strategies on organization's performance. Descriptive survey research design was adopted by this study and the target population was 150 who were Staff in the Nokia-Kenya company Headquarters. A sample of 109 was picked from the subgroup through a stratified random sampling technique. Content analysis was employed in analyzing qualitative data whereas quantitative data was subjected to analysis by the use of descriptive and inferential statistics. The study findings revealed that competitive strategies affected organizational performance of Nokia Kenya Company. The study established that competitive strategies should be adopted due to its great influence on organizational performance as revealed by the study findings.

Keywords: Corporate growth strategy, Cost leadership strategy, Differentiation Strategy, Market focus strategy, Organization's Performance

INTRODUCTION

The pace and intensity of which the global business environment has been changing has escalated continuously over the past decades. The Operating environment has become very competitive, volatile and unpredictable. This has resulted to competitive strategies being adopted as defensive weapons against competition. Effects resulting from change in the operating environment continue to manifest themselves. This ever increasing competition that companies are faced with today means that rewards will accrue to those companies who have competitive advantage over their competitors and have precise understanding of their consumers need. By continuously scanning the environment and offering high value goods and services to customers in the ever changing operating environment, a more pronounced transformation of the business landscape is achievable (Ansoff, 1990).

Gephardt and VanBuren (1996) defines performance as attaining of enterprise objectives while pursuing various strategies that result to increased competitive advantage.It is the actual results or output of an organization measured against the outputs, objectives and goals the organization intends to achieve. Organizational performance is an examination of how an enterprice performs in comparison to the achievements it aims to acomplish. Financial, shareholder value and market performance are analysed so as to determine perfomance in corporate firms, while in other cases, the capacity to produce is analysed.

Nokia Kenya company is a branch of Nokia company which is an international telecommunication industry created in 1865. It is the largest manufacturer of mobile phone with its headquarters based in Helsinki, Finland. Within Africa, Nokia headquarters are based in Nairobi.

Nokia Kenya company has been in the forefront in adoption of competitive strategies aimed at enhancing its competitive advantage in the in the market. Differentiation strategy on organization's performance, cost leadership

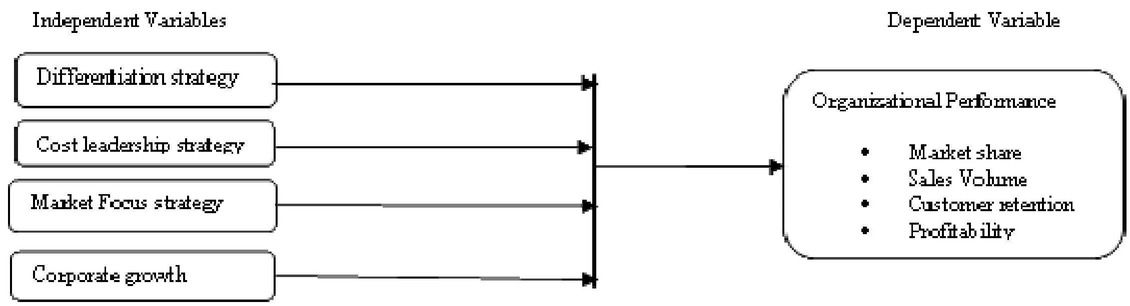

Figure 1. Theoretical Framework

strategy, market focus strategy and corporate growth strategy are among the competitive strategies adopted. However, evaluation of these strategies on organizational performance has not yet been done. The level of competition in the market has heightened and many imitations have arisen due to the prevalence of black market. This study aimed at establishing the effects of competitive strategies in enhancing organizational performance of Nokia Kenya Company. For firms to increase their survival chances while at the same time enhancing their profits in environment which are competitive, they have to intensify their efforts of searching for, and developing responsive strategies that increase their competitiveness while at the same time stepping up strategies that enable them to defend and protect their competitiveness. An organization that lags behind in adopting competitive strategies continuously suffers heavy financial losses because of the constantly changing external environment which brings about constraints to the firm (D'Aveni, 1994).

There currently, exists a knowledge gap on how generic strategies affects the performance of an organization in the Kenyan context. The mobile phone industy in Kenya is faced with challenges due to the emergence of various competitors and the widespread of blackmarket in the telecommunications sector (Karobia, 2006). As a result, companies have to prepare themselves strategically for this challenge; therefore, it called for a research study that explains performance diversity. Despite the adoption of various strategies, insignificant improvements in performance are recorded by organizations (Simister, 2011). Most organizations use cost leadership strategies to protect their markets. This is done by reducing prices when competitors are making a move of making in-roads in their market space. Differentiation strategy on the other hand is very costly, such as carrying out an extensive research, designing a product and requires a lot of effort in marketing (Miller & Friesen, 1986), thus preventing differentiators from producing at low cost (Porter, 1980).Nokia Kenya has adopted various strategies among them differentiation, cost leadership, market focus and corporate growth strategies. Despite differentiations of their products, many imitations of products offered by Nokia exist in the markets which are offered at lower cost. Further the competitors in the industry including Techno and Samsung have heightened the competition level in the industry with their products being everywhere in the market. This has filled various market niches existing in the market. This has been of great impact to Nokia Kenya. This ever increasing competition necessitated for a research of the effect of competitive strategies on the performance of Nokia since no study pertaining to the effect of these strategies on organizational performance has been conducted in the company hence there was need to undertake this study. The overall objective of this research was to examine the effects of competitive strategy on organizational performance. The specific objective were; to investigate the effect of differentiation strategy on organization's performance, to investigate the effect of cost leadership strategy on organization's performance, to investigate the effect of market focus strategy on organization's performance and to investigate the effect of corporate growth strategy on organization's performance The study sought to test the following hypothesis. (Figure 1)

H_{01}: There is no effect of differentiation strategy on the organizational performance of Nokia Kenya Company

H_{02}: There is no effect of cost leadership strategy on the organizational performance of Nokia Kenya Company

H_{03}: There is no effect of market focus strategy on the organizational performance of Nokia Kenya Company

H_{04}: There is no effect of corporate growth strategy on the organizational performance of Nokia Kenya Company

Conceptual Framework

Porter's Generic Strategies

The term "sustainable competitive advantage" emerged when Porter (1980) discusses the basic types of competitive strategies that a firm can possess (low cost or differentiation) in order to achieve a long run sustainable competitive advantage. In his book "Competitive Advantage: Creating and sustaining

Table 1. Target population

Subgroups	No of employees
Directors	1
Heads of department	3
Managers	10
Staff	136
Total	150

Source: Nokia Kenya, HR records (2014)

superior performance", Porter explains the requisite approach to business success. Sustainable competitive advantage means sustainable superior performance. Porter (1980) argues that superior performance can be achieved in a competitive industry through the pursuit of a generic strategy, which he defines as the development of an overall cost leadership, differentiation, or focus approach to industry competition. If a firm does not pursue one of these strategy types, it will be stuck-in-the-middle and will experience lower performance when compared to firms that pursue generic strategy. These strategies are applied in the business unit level and are called generic strategies because they are not firm or industry dependent.

Neo Institutional Theory of Differentiation

Neo-institutional theory discusses the differentiation of goods and services (Oliver, 1996). According to this theory, Differentiation of goods and services supports and helps in maintaining competitiveness, however, the ability by the organization to withstand pressures guarantees acquisition of resources, legitimacy as well as competitive advantage. Where organizational and competitions pressures are highly influential, this theory posits that differentiation is attributed to reduction in rivalry and increment of the probability of increasing competitiveness. Differentiation heightens competitiveness of a firm and intensifies its efforts of attaining superior share of limited resources, thereby improving performance.

Knowledge Gap

Research by Argyres and McGaha (2002) found out that differentiation and lower cost were directly connected with profitability. In today's operating environments, the competition levels have changed as compared to past years hence the study conclusions may not be applicable as of now which results to a knowledge gap. Studies by Helms (2006), and Power and Hahn (2004) found out that cost leadership strategy offered significant perfomance advantage. His study did not focus on Nokia Kenya hence a knowlegde gap. Research by Hahn and Powers (2010) established that formulation and successful implementation of high quality strategies result to realization of superior performance by a firm compared to a firm that does not do so. The study did not however narrow itself to investigating the effects of porter's generic strategies on organization performance. Studies by Acquaah and Yasai-Ardekani (2008) found out that differentiation strategy was superior in enhancing performance as compared to focus strategy and cost leadership strategy as well as the combined effect of the two strategies. These findings were not done in the Nokia Kenya Company hence a knowledge gap. This study therefore aimed at filling these research gaps by investigating the effects of competitive strategies on organizational perfomance of Nokia Kenya.

RESEARCH METHODOLOGY

This study adopted quantitative descriptive Research design. Kothari (2006) asserts that descriptive research involves a survey and facts establishing queries of different kinds. This research design was considered appropriate because variables involved did not involve any manipulation but to establish the current status of the phenomena (Borg & Gail, 1983).The design enabled the researcher to examine the effects of competitive strategies on organizations performance at Nokia Kenya. The research was carried out at Nokia headquarters in Nairobi, Kenya.

The target population was one hundred and fifty personnel working for Nokia. It composed of Directors, Managers, Heads of departments and staff. Table 1 presents the target population.

The researcher used Yamane formula to obtain the appropriate sample size for use by this study. This formula is reliable to 95% and less than 5% factor deviation. The Yamane formula is given by

$n= N/ [1+ Ne^2]$

Where e is the deviation of the sample (error term), N is the size of the target population while n is the size of the sample. The conventional confidence level of 95% was used to ensure a more accurate result from the sample. Based on this, the error term equaled to 0.05. Using the total population of 150 respondents and error margin of 0.05, the sample size was calculated as follows

Table 2. Sample Frame

Subgroups	No of employees	Actual respondents
Directors	1	1
Heads of department	3	3
Managers	10	10
Staff	136	95
Total	150	109

Table 3. Extent of the adoption of differentiation strategy

Statement	Mean	Std. Deviation
Production of goods and services which are not similar to those of your competitors	4.42	.7476
Setting price which is different from that of competitors	4.17	.7340
Branding uniquely from other competitors	4.14	.9497

Source: Research data, 2014

n=150/(1+150*(0.05)*(0.05)) = 109

Therefore, the sample size was 109. The study adopted stratified random sampling to sample across the groups which were the strata. The researcher selected a sample of a 109 respondents from the target population as illustrated in table 2 above.

The method that the researcher used for gathering information is through issuing questionnaires. The questionnaires were used as data collection instruments because they were very economical in terms of time and cost as compared to other methods. The questionnaires included both structured and unstructured questions. Questions which are structured were used so as to save time, money and facilitate in data analysis. The unstructured questions were used so as to encourage the respondent to give information without feeling held back. The study gathered quantitative data by use of self-administered questionnaire through drop and pick later method where the researcher delivered the questionnaires in person at the respondents' places of work.

To ensure that the questionnaires are reliable, the researcher conducted a pre-test. Pre-testing helped the researcher to get feedback on how questions should be restructured to enhance the questionnaires clarity through correcting any deficiencies found during the pretest. The researcher picked 6 individuals from the subgroups to test how reliable the questionnaires were. The questionnaires were subjected to overall reliability analysis by comparing with Cochran alpha of 0.70 whereby coefficients of 0.70 or more implied high reliability.

Data collected was carefully summarized, analyzed and processed. Quantitative data collected was analyzed using descriptive analysis technique involving means, percentages and standard deviations and the inferential statistics. Statistical Package for Social Sciences was be used for the analyzing quantitative data. This study used the person's chi-square test to test the study hypothesis at 5% level of significance. Also the study used a multivariate regression model to determine the relationship between the independent variables and the dependent variable. The reason for using the regression model was because of its ability to test the nature of influence of independent variables on a dependent variable. The model specification was as follows;

$Y= \beta_0+\beta_1X_1+\beta_2X_2+\beta_3X_3+\beta_4X_4+\varepsilon$. Where; Y= Organizational performance, β_0 = Constant, β_1, β_2, β_3 and β_4 = Coefficients of determination of the independent variables, X_1= Differentiation Strategy, X_2= Cost Leadership Strategy, X_3= Market Focus Strategy, X_4= Corporate Growth Strategy, ε = Error term

Data Analysis, Results and Discussion

Differentiation strategy

In bid to establish the extent to which the strategies were adopted in Nokia Kenya, the study required the respondents to rate the following using a scale of 1 to 5 where 5= very great extent, 4= great extent, 3 = moderate extent, 2 = less extent and 1= No extent.

From the study findings, the respondents indicated that the company engaged in production of goods and services which are not similar to those of competitors to a very great extent as shown by a mean score of 4.42. The respondents indicated that setting price which is different from that of competitors was done to a very great extent as shown by a mean score of 4.17. The respondents also indicated that Branding was done uniquely from other competitors to a very great extent as shown by a mean score of 4.14. These findings imply that differentiation strategy was adopted by the company to a very great extent.

The study sought to determine the extent to which

Table 4. Effect of differentiation strategy on organizational performance

	Mean	Std. Deviation
Ensuring that the value of products and services is different from those of competitors enhances the performance of the company	3.70	.9412
Ensuring that services offered are unique from those from those of competitors enhances the performance of the company	3.62	.9566
Offering goods and services of higher quality than those of competitors enhances the performance of the company	3.60	.8112
Differentiation based on purpose enhances the performance of the company	4.05	1.0431

Source: Research data, 2014

Table 5. Extent of the adoption of Market Focus strategy

	Mean	Std. Deviation
Offering their goods and services to areas which have niche.	4.12	.8970
Offering goods and services to the market based on geographical aspects, purchasing power of customers, and demand variation.	3.95	1.0051
Better services to the identified market niche	3.53	1.3065

Source: Research data, 2014

differentiation strategy affects the organizational performance. From the study findings, the respondents strongly agreed that differentiation based on purpose enhanced the performance of the company as shown by a mean score of 4.05. The respondents agreed that ensuring that the value of products and services was different from those of competitors enhanced the performance of the company as shown by a mean score of 3.70. The respondents further agreed that ensuring that services offered were unique from those from those of competitors enhanced the performance of the company as shown by a mean score of 3.62. In addition, the respondents agreed that offering goods and services of higher quality than those of competitors enhances the performance of the company as shown by a mean score of 3.60. This is an implication that differentiation strategy enhanced performance of the company. The study findings concur with Acquaah and Yasai-Ardekani (2008) who found out that differentiation strategy enhanced organizational performance.

Market focus strategy

In a bid to establish the influence of market focus strategy on organizational performance, the study requested the respondents to give their ratings. A scale of 1 to 5 was provided where 5= very great extent, 4= great extent, 3 = moderate extent, 2= less extent and 1= No extent. The findings are presented on the table 5 above.

From the study findings, the respondents indicated that the company offered their goods and services to areas which have niche to a very great extent as shown by a mean score of 4.12. The findings further indicated that the company engaged in offering goods and services to the market based on geographical aspects, purchasing power of customers, and demand variation to a great extent as shown by mean score of 3.95. The findings also indicated that the company offered better services to the identified market niche as shown by a mean score of 3.53.

The study also sought to establish the extent to market focus strategy affected the performance of company. The respondents were provided with a scale of 1 to 5 where 5= very great extent, 4= great extent, 3 = moderate extent, 2 = less extent and 1= No extent. The findings are presented in the table 6 below.

From the study findings, the respondents indicated that producing affordable products enhanced organization performance to a very great extent as shown by a mean score of 4.40. The respondents further indicated that broad range of new products, increasing investment logistics and supply chain management and use of latest technology enhanced organizational performance to a very great extent as shown by mean scores of 4.33, 4.27 and 4.01 respectively. The respondents indicated that ensuring easy accessibility for clients, offering services not offered by competitors; increasing number of service points, expanding its distribution network and conducting regular market surveys of customer needs enhanced organizational performance to a great extent as shown by a mean score of 3.91, 3.91, 3.78, 3.73 and 3.56 respectively. In addition the respondents indicated that attractive appearance of premises enhanced organizational performance of the company to a moderate extent as shown by a mean score of 3.15. These findings concur with David (2000) who points out that the advantages of focus strategy

Table 6. Effect of market focus strategy on organizational performance

	Mean	Std. Deviation
Increasing number of service points	3.78	1.0400
Ensure easy accessibility for clients	3.91	.8247
Conducting Regular market surveys of customer needs	3.56	.7268
Use of latest technology	4.01	.9601
Offering services not offered by competitors	3.91	.8247
Attractive appearance of premises	3.15	.7367
producing affordable products	4.40	.7162
increasing investment logistics and supply chain management	4.27	.7674
expanding its distribution network	3.73	1.0528
broad range of new products	4.33	.9211

Source: Research data, 2014

Table 7. Extent of the adoption of Cost Leadership strategy

	Mean	Std. Deviation
Keeping charges lower than competitors	4.04	.6921
New service features in response to demand	4.36	.7725
Use of latest technology	4.19	.7218
Staff reduction	2.44	.6759

Source: Research data, 2014

include having control over customers as the firm could be the only supplier, customer loyalty is as well enhanced hence cushioning the firm against entry of new competitors and substitutes.

Cost leadership strategy

The study sought to establish the extent to which cost leadership strategy was adopted by the company. The respondents were provided with a scale of 1 to 5 where 5= very great extent, 4= great extent, 3 = moderate extent, 2 = less extent and 1= No extent. The respondents rating were tabulated 7 above.

From the study findings, the respondents indicated that new service features in response to demand was adopted by the company to a very great extent as shown by a mean score of 4.36. The respondents indicated the company used the latest technology to a great extent as shown by a mean score of 4.19. The respondents further indicated that keeping charges lower than competitors was done to a great extent as shown by a mean score of 4.04. In addition, the respondents indicated that staff reduction was done to a less extent as shown by a mean score of 2.44. These study findings show that cost leadership strategy was adapted to a great extent by the company.

The study sought to establish the extent to which the following forces impacted on the company. The respondents were provided with a scale of 1 to 5 where 5= very great extent, 4= great extent, 3 = moderate extent, 2 = less extent and 1= No extent. The findings are presented in the table 8 below.

From the study findings, the respondents indicated that prices of equipment affected the company's performance to a great extent as shown by a mean score of 3.72. The respondents further indicated that other costs affected the company's performance to a great extent as shown by a mean score of 3.68. Also, prices of supplies affected the company's performance to a great extent as shown by a mean score of 3.62. In addition, fees charged by consultants affected the company's performance to a great extent as shown by a mean score of 3.50. The study findings established that staff costs affected the company's performance to a little extent as shown by a mean score of 2.21. Thisimplies that cost leadership strategy affected organizational performance to a great extent. These findings conform to Helms (2006) findings that cost leadership strategy has significant perfomance advantage.

Corporate growth strategy

From the study findings, 46.2% of the respondents indicated that development of products, services, market and penetration into new markets affected organizations performance in the company to a great extent, 23.1% indicated to a moderate extent, 19.2% indicated to a very great extent while 11.5% indicated to a little extent. From the research findings, it can be deduced that corporate growth strategy affects organizational performance to a great extent.

In order to establish the extent to which corporate

Table 8. Effect of Cost leadership strategy on organizational performance

	Mean	Std. Deviation
Staff costs	2.21	1.1758
Prices of supplies	3.62	1.1192
Prices of equipment	3.72	.8512
Fees charged by consultants	3.50	.9500
Other costs	3.68	.9682

Source: Research data, 2014

Table 9. Effect of corporate growth strategy on organizational performance

Statements	Mean	Std. Dev
Market Penetration has enabled firm to achieve growth and enhance its market share	3.59	1.0982
Market Development enabled the firm to grow through directing the products that they currently offer to new market segments	3.96	.8443
Diversification has enabled the firm to grow as a result of diversifying into new businesses through development of new products and services for new markets	3.87	1.0489
Product Development has enabled a firms to develop new and modernized products for the market segments it currently serves	4.01	.6344

Source: Research data, 2014

growth strategy influenced organizational performance, the study asked the respondents indicate their rating with regard to the following statements. The respondents were provided with a scale of 1 to 5 where 5= strongly agree, 4= Agree, 3 = Neutral, 2= Disagree and 1= Strongly Disagree. Table 9 above tabulates the study findings.

From the study findings, the respondents indicated that product development enabled the company to develop new and modernized products for the market segments it currently serves to a great extent as shown by a mean score of 4.01. The respondents further indicated that market development to a great extent enabled the firms to grow through directing the products that they currently offer to new market segments as shown by a mean score of 3.96. The respondents also indicated that diversification had enabled the firm to grow as a result of diversifying into new businesses through development of new products and services for new markets to a great extent as shown by a mean score of 3.87. In addition, the respondents indicated that market penetration enabled firm to achieve growth and enhanced its market share to a great extent as shown by a mean score of 3.59. These findings concur with Mintzberg (1973) that eexploiting new markets for the existing product might enhance performance of a firm if the core competencies possessed by that firm relate to the specific product other than to specific market segment.

Organizational Performance

The study sought to establish the trend of the following performance measures in the company as a result of adoption of competitive strategies. The findings are presented in the table 10 below.

From the study findings, the respondents indicated that Organizational processes, Product and Service quality, profitability, Sales Volume and Market share had improved as shown by mean score of 3.78, 3.69, 3.65, 3.63 and 3.51 respectively. The respondents further indicated that Customer satisfaction and Customer loyalty was constant as shown by mean score of 3.38 and 3.21 respectively. In addition, the respondents indicated that customer retention was declining as shown by a mean score of 2.91. The respondents attributed the decline in customer retention and loyalty as well as satisfaction to the increased counterfeit goods which tainted the image of the company. Also, the respondents pointed out that despite adoption of the competitive strategies, there was high imitation from the competitors which did not work well for the company.

Hypothesis Testing

The study conducted hypothesis testing to establish whether competitive strategies affected organizational performance of Nokia Kenya Company. The hypothesis tested was:

H_{01}: There is no effect of differentiation strategy on the organizational performance of Nokia Kenya Company. The findings are tabulated in table 11 below.

At 5% level of significance, the calculated Pearson Chi-Square value was 62.925[a] which was greater than the tabulated Chi-Square value which is 16.92. Also the associated P-Value (Asymptotic significance) obtained

Table 10. Organizational Performance

	Mean	Std. Dev
Market share	3.51	1.0134
Sales Volume	3.63	.9235
Customer satisfaction	3.38	1.1812
Product and Service quality	3.69	.7364
Organizational processes	3.78	.9481
Customer loyalty	3.21	1.0106
Customer retention	2.91	1.1321
Profitability	3.65	0.8321

Source: Research data, 2014

Table 11. Chi-Square tests for effect of differentiation strategy

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	62.925[a]	9	.000

Source: Research data, 2014

Table 12. Chi-Square tests for effect of cost leadership strategy

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	49.843[a]	9	.000

Source: Research data, 2014

Table 13. Chi-Square tests for effect of market focus strategy

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	37.658[a]	12	.000

Source: Research data, 2014

was 0.000. This value was less than 0.05 (5% level of significance) indicating that there is evidence against the null hypotheses and therefore leading to its rejection. A conclusion was therefore drawn that differentiation strategy affected organizational performance of Nokia Kenya Company.

The study further conducted hypothesis testing to establish whether cost leadership strategy affected the organizational performance. The null hypothesis was;

H_{02}: There is no effect of cost leadership strategy on the organizational performance of Nokia Kenya Company

The findings of the chi-square test are tabulated in table 12 above.

At 5% level of significance, the calculated Pearson Chi-Square value was 49.843[a] which was greater than the tabulated Chi-Square value which is 16.92. Also the associated P-Value (Asymptotic significance) obtained was 0.000. This value was less than 0.05 (5% level of significance) indicating that there is evidence against the null hypotheses and therefore leading to its rejection. A conclusion was therefore drawn that cost leadership strategy affected organizational performance of Nokia Kenya Company.

In addition, the study conducted hypothesis testing to establish whether market focus strategy affected the organizational performance. The null hypothesis was;

H_{03}: There is no effect of market focus strategy on the organizational performance of Nokia Kenya Company. The findings of the chi-square test are tabulated in table 13 above.

At 5% level of significance, the calculated Pearson Chi-Square value was 37.658[a]which was greater than the tabulated Chi-Square value which is 21.03. Also the associated P-Value (Asymptotic significance) obtained was 0.000. This value was less than 0.05 (5% level of significance) indicating that there is evidence against the null hypotheses and therefore leading to its rejection. A conclusion was therefore drawn that of market focus strategy affected organizational performance of Nokia Kenya Company.

Finally, the study conducted hypothesis testing to establish whether corporate growth strategy affected the organizational performance. The null hypothesis was;

H_{04}: There is no effect of corporate growth strategy on the organizational performance of Nokia Kenya Company. The findings of the chi-square test are

Table 14. Chi-Square tests for effect of corporate growth strategy

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	10.210[a]	3	.017

Source: Research data, 2014

Table 15. Correlation Matrix

		Organizational Performance	Cost Leadership Strategy	Corporate Growth Strategy	Market Focus Strategy	Differentiation Strategy
Organizational Performance	Pearson Correlation	1				
	Sig. (2-tailed)					
Cost Leadership Strategy	Pearson Correlation	.486**	1			
	Sig. (2-tailed)	.000				
Corporate Growth Strategy	Pearson Correlation	.258*	-.343**	1		
	Sig. (2-tailed)	.023	.002			
Market Focus Strategy	Pearson Correlation	.291**	.101	-.180	1	
	Sig. (2-tailed)	.010	.377	.116		
Differentiation Strategy	Pearson Correlation	.314**	-.208	.368**	-.243*	1
	Sig. (2-tailed)	.005	.067	.001	.032	

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

Source: Research data, 2014

tabulated in table 14 above.

At 5% level of significance, the calculated Pearson Chi-Square value was 10.210[a] which was greater than the tabulated Chi-Square value which is 7.815. Also the associated P-Value (Asymptotic significance) obtained was 0. 017. This value was less than 0.05 (5% level of significance) indicating that there is evidence against the null hypotheses and therefore leading to its rejection. A conclusion was therefore drawn that of corporate growth strategy affected organizational performance of Nokia Kenya Company.

Correlation Analysis

In order to determine the relationship between the variables under study, the study used Karl Pearson's product moment correlation analysis. The findings were as shown in the table 15 above.

Pearson's correlations analysis was conducted at 95% confidence interval and 5% confidence level. The table above indicates the correlation matrix between the competitive strategies and organizational performance. According to the table, there is a positive relationship between organizational performance and the competitive strategies which include cost leadership strategy, corporate growth strategy, market focus strategy and differentiation strategy as indicated by Pearson's correlation of 0.486, 0.258, 0.291 and 0.314 respectively.

Regression Analysis

In this study, a multiple regression analysis was conducted to test the influence among predictor variables. The research used statistical package for social sciences (SPSS V 21.0) to code, enter and compute the measurements of the multiple regressions. The model summary are presented in the table 16 below

The study used coefficient of determination to evaluate the model fit. The adjusted $R^{2,}$ also called the coefficient of multiple determinations, is the percent of the variance in the dependent explained uniquely or jointly by the independent variables. The model had an average

Table 16. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.819[a]	.671	.653	.37290

Source: Research data, 2014

Table 17. Summary of One-Way ANOVA results

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	20.721	4	5.180	37.252	.000[b]
1	Residual	10.151	73	.139		
	Total	30.872	77			

Source: Research data, 2014

Table 18. Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	-.176	.327		-.538	.592
	Differentiation Strategy	.517	.096	.397	5.375	.000
1	Cost Leadership Strategy	.397	.043	.670	9.336	.000
	Market Focus Strategy	.269	.048	.394	5.660	.000
	Corporate Growth Strategy	.230	.042	.413	5.448	.000

Source: Research data, 2014

adjusted coefficient of determination (R^2) of 0.653 and which implied that 65.3% of the variations in organizational performance are explained by the independent variables understudy (Differentiation Strategy, Cost Leadership Strategy, Market Focus Strategy and Corporate Growth Strategy).

The study further tested the significance of the model by use of ANOVA technique. The findings are tabulated in table 17 above.

From the ANOVAs results the probability value of 0.000 was obtained which indicates that the regression model was significant in predicting the relationship between organizational performance and the predictor variables as it was less than $\alpha=0.05$.

In addition, the study used the coefficient table to determine the study model. The findings are presented in the table 18 above.

As per the SPSS generated output as presented in table above, the equation ($\mathbf{Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon}$) becomes:

$Y = -0.176 + 0.517X_1 + 0.397X_2 + 0.269X_3 + 0.230X_4$

From the regression model obtained above, a unit change in differentiation strategy holding the other factors constant would lead to change inorganizational performance by 0.517;a unit change in cost leadership strategy holding the other factors constant would change organizational performance by 0.397, a unit change in market focus strategy holding the other factors constant would change the organizational performance by 0.269 while a unit change in corporate growth strategy holding the other factors constant would change organizational performance by 0.230. This implied that differentiation strategy had the highest influence on organizational performance followed by cost leadership strategy then market focus strategy and finally corporate growth strategy. It was an implication that differentiation strategy, cost leadership strategy, market focus strategy and corporate growth strategy promoted organizational performance and vice versa.

CONCLUSION

The study concludes that differentiation strategy affects organizational performance to a very great extent. Leitner and Guldenberg (2010) noted that differentiation strategy is superior in enhancing performance of an organization. The relationship existing between differentiation strategy and organizational performance is positive. Differentiation of products and services affected organizations performance of their company to a very great extent. The study concludes that differentiation based on purpose, ensuring that the value of products and services are different from those of competitors, offering services that are unique and of higher quality than those of competitors enhance the performance of the company.

The study further concludes that cost leadership strategy affects the performance of an organization to a very great extent. The study further concludes that cost leadership strategy is directly related to organizational performance. According to Power and Hahn (2004), cost leadership strategy offer significant perfomance advantage. The study deduces that offering goods and services at different cost from those of competitors affected organizations performance in the company to a very great extent. The study further deduces that prices of equipment affect the company's performance to a great extent as well prices of supplies and fees charged by consultants. However, the study concludes that staff costs affect the company's performance to a little extent.

The study concludes that market focus strategy affect organizational performance to a great extent. The study further concludes that market focus strategy is directly related to organizational performance.Allen and Helms (2006) asserts that cost leadership influence the perfomance of an organizational. Engagement in provision of products and services to a particular region in need of those products and services affect organizations performance to a great extent. The study concludes that producing affordable products enhance organization performance to a very great extent as well as production of broad range of new products, increasing investment logistics and supply chain management and use of latest technology. The study also concludes that ensuring easy accessibility for clients, offering services not offered by competitors, increasing number of service points, expanding its distribution network and conducting regular market surveys of customer needs enhance organizational performance to a great extent.

The study concludes that corporate growth strategy affect organizational performance to a great extent. The study further concludes that corporate growth strategy is directly related to organizational performance. Spanos and Lioukas (2001) who argue that that there existed a positive evidence of the relationship between corporate growth strategies and organizational performance. Development of products, services, market and penetration into new markets affect organizations performance in the company to a great extent. The study further concludes that product development enables the company to develop new and modernized products for the market segments it currently serves to a great extent. This study also concludes that market development to a great extent enables the firms to grow through directing the products that they currently offer to new market segments. Diversification also enables the firm to grow as a result of diversifying into new businesses through development of new products and services for new markets to a great extent and that market penetration enables a firm to achieve growth and enhanced its market share to a great extent.

RECOMMENDATIONS

This study found out that differentiation strategy is positively related to organizational performance and it affects to a very great extent. This study therefore recommends that differentiation strategy should be highly adopted in order to promote organizational performance. The study furthers recommends for continuous efforts of differentiation as the study findings established that there are high imitation levels from the competitors.

The study findings revealed that cost leadership strategy is highly influential on organizational performance. As a result, this study recommends that organizations should highly adopt cost leadership strategy. The study however recommends that staff reduction should not be used as a means of promoting organizational performance. This is based on the study findings that staff reduction affect organizational performance to less extent as indicated by the respondents.

The study advocates for adoption of market focus strategy due to its great influence on organizational performance and the positive relationship as well as revealed by the study findings.

The study found out that corporate growth strategy directly affects organizational performance. Hence the study recommends that measure be taken by the organization to enhance the adoption of corporate growth strategy to a very great extent in order to reap the benefits accrued from its adoption. The study strongly recommends that efforts be undertaken to fight against imitations as it's a key drawback to organizational performance as established by the study findings.

The variables under study contributed to 65.3% of the variations in organizational performance. The study recommends that another study be conducted to establish the factors attributed to the remaining 34.5% variation in organizational performance.

The study investigated the effects of competitive strategies on organizational performance at Nokia Kenya. This study recommends that a similar study be undertaken to organizations in other sectors.

REFERENCES

Acquaah M, Yasai-Ardekani M (2008). Does the implementation of a combination competitive strategy yield incremental performance benefits? A new perspective from a transition economy in Sub-Saharan Africa. *Journal of Business Research*, 61(4), 346-354.

Allen RS, Helms MM (2006). Linking strategic practices and firm performance to Porter's generic strategies. *Business Process Management*, 12(4), 433-54.

Ansoff H, McDonnell E (1990). Implanting Strategic Management, Prentice Hall, London

Argyres and McGaha (2002). Barriers to New Competition, Cambridge, Mass: Harvard University Press.

Borg WR, Gall MD (1983). Educational research: An introduction (4th ed.). New York: Longman

D'Aveni, R. A. (1994). Hypercompetition: Managing the dynamics of strategic maneuvering.New York: The Free Press.

David FR (2000). *Strategic Management: Concepts*; Prentice Hall Inc. Upper Saddle River, New Jersey.

Gephart MA, VanBuren ME (1996). Building synergy: The power of high performance work systems, *Training and Development, Alexandria,* 50(10), 21-36.

Hahn W, Powers TL (2010). Strategic plan quality, implementation capability, and firm performance. Academy of Strategic Management Journal, 9(1), 63-81.

Helms MM, Clay D, Peter W (1997). Competitive strategies and business performance: evidence from the adhesives and sealants industry, Management Decision, 35(9), 689-703. http://www.openlearningworld.com/books/Business/strategy.html.

Karobia S (2006). Strategic plan quality, implementation capability, and firm performance. Academy of Strategic Management Journal, 9(1), 63-81.

Kothari CR (2006). Research Methods: Methods and techniques. 3rd Edition. New age international publishers.

Leitner KH, Guldenberg S (2010). Generic strategies and firm performance in SMEs: A longitudinal study of Austrian SMEs. *Small Business Economics*, 35(3), 169-189.

Miller D, Friesen PH (1986). Porter's generic strategies and performance: An empirical examination with American data, Part I: Performance implications. *Organizational Studies, 7*(3), 255-261.

Mintzberg H (1973). Strategy – making in three modes, *California Management Review*, 2, 44-53

Oliver C (1996). The institutional embeddedness of economic activity, in Baum, J.A.C., Dutton, J. (Eds), *Advances in Strategic Management, JAI Press, Greenwich*, *CT*, Vol. Vol. 13 pp.163-87.

Porter ME (1980). Competitive strategy. New York: The Free Press.

Power TL, Hahn W (2004). Critical competitive methods, generic strategy and firm performance. *Int. J. Bank Marketing*, 22 (1), 43-64.

Simister P (2011*). Business strategies*. retrieved from

Spanos YE, Lioukasm S (2001). An examination into the causal logic of rent generation: contrasting Porter's competitive strategy framework and the resource based perspective. *Strategic Management Journal*, 22(10), 907-934.