ISSN 2959-7048 (Print)
ISSN 2959-7056 (online)
Research Bridge Publisher, International Journal of Social Science and Humanities Research, Vol. 2, Issue 2, pp: (201-217), Month: May – August 2024, Available at: https://researchbridgepublisher.com/

Competitive Strategies on Organizational Growth of Manufacturing Firms in Kenya.

Authors: [1] Morris Kasyoka Peter, [2] Dr. Antony Sije Okello, PhD

Crossref DOI: 10.61108/ijsshr.V1i1.55

Jomo Kenyatta University of Agriculture and Technology, Kenya
Jomo Kenyatta University of Agriculture and Technology, Kenya

ABSTRACT

The hypothesis that there is a connection between manufacturing companies' competitive tactics and their organizational development has gained acceptance on a worldwide scale. Manufacturing companies in Japan have gained more success in the global manufacturing industry owing to their capacity to employ a variety of competitive tactics, which has helped them create and maintain a sustainable competitive advantage. Nevertheless, Kenya's manufacturing sector has been in a state of decline throughout the course of the previous five years. Kenya's manufacturing industry contributed KES 118,134 million to the country's GDP in the first quarter of 2016, down from KES 113,460 million in the second quarter of the same year. Therefore, this study set out to look at how competitive strategies affect the growth of Kenya's manufacturing businesses. The purpose of this research was to compare and contrast the effects of four key organizational development strategies common among Kenyan manufacturers: cost leadership, differentiation, focus, and product innovation. The study's other goals included looking at how different types of organizational focus and product innovation strategies affected the development of manufacturing enterprises in Kenya. The study's theoretical foundations were laid in generic strategy theory, competitive advantage theory, resource-based perspective theory, open systems theory, and organizational development theory. This study used a survey research approach with a stratified sample of 189 firms. They were picked from among the 12 key industrial sub-sectors' 454 manufacturing enterprises. The study used a stratified sampling strategy. In the first scenario, 12 different types of businesses are separated using stratified sampling. Then, using a technique called simple random sampling, a representative subset of each stratum was picked. Questions were used to glean information. There were findings of a descriptive and an inferential nature. While descriptive statistics centered on frequency and percentages, inferential statistics made use of multiple linear regression. The relationship between the dependent and independent variables was shown by using multiple linear regressions. The feasibility and accuracy of the questionnaire were tested in a pilot study. The questionnaire adopted in this study was verified and trustworthy by collecting answers from 10% of the entire population. Participants from the preliminary research were included in the final tally to cut down on survey fatigue. The majority of participants backed the study's primary result that Kenyan firms are using cost-cutting techniques. Differentiation and cost leadership were two of the most common tactics used. According to the findings, a cost leadership mindset may significantly improve a company's bottom line. The research confirms the importance of the differentiation strategy to the company's growth. Regression analysis shows that the differentiation approach significantly contributed to the firm's expansion. The study showed that if one part of the business improved its product innovation approach, the whole organization would benefit. This is one of the reasons why the research found that a strategy of narrowing down on a certain area helped businesses expand. The product innovation approach was proved to have greatly contributed to the company's growth via statistical analysis. Cost leadership, distinctiveness, focus, and product innovation were all shown to have a significant influence on the company's performance, as were the other independent characteristics included in the research. Based on their results, the researchers reasoned that manufacturing companies could do well to adopt a differentiation strategy. Managers should focus on reducing costs and maximizing productivity to increase competitiveness.

Keywords: *Competitive Strategies, Cost Leadership Strategy, Differentiation Strategy, Focus Strategy, Product Innovation Strategy, Organizational Growth*

APA CITATION;

Peter, M. K., & Okello, A. S. (2023). Competitive Strategies on Organizational Growth of Manufacturing Firms in Kenya. *International Journal of Social Science and Humanities Research (IJSSHR) ISSN 2959-7056 (o); 2959-7048 (p), 1*(1), 683–698. https://doi.org/10.61108/ijsshr.v1i1.55

ISSN 2959-7048 (Print)
ISSN 2959-7056 (online)
Research Bridge Publisher, International Journal of Social Science and Humanities Research, Vol. 2, Issue 2, pp: (201-217), Month: May – August 2024, Available at: https://researchbridgepublisher.com/

1.0 INTRODUCTION

1.1 Background of the Study

It is now exceedingly tough for any contemporary corporate firm to function as a result of the exciting and dynamic problems that are being faced by organizations in the 21st century. The business companies are under a tremendous deal of pressure as a result of the uncertainties, threats, and limits that they face. As a result of this, they are attempting to determine the methods and means by which they might survive in a healthy manner. According to Ansoff, Kipley, and Ansoff (2019), the only option left when faced with such predicaments is to make the most of strategic management. This type of management can assist corporate management in achieving the highest possible level of efficiency while also maximizing the potential benefits of any opportunities that may arise (Ansoff, Kipley, and Ansoff, 2019). The globalization of business has compelled organizations to reevaluate their strategic approaches. Achieving this necessitates the development of robust competitive strategies aimed at securing sustainable competitive advantages. Sustainable or sustained competitive advantage is attainable when an organization implements strategies that create significant value and are difficult for competitors to replicate or introduce due to their costliness. Competitive strategy encompasses a series of actions, decisions, and commitments required for an organization to achieve strategic competitiveness, enabling it to outperform industry averages (Peng, 2013). The challenges associated with grand strategic goals extend beyond large firms, affecting small firms as well.

Competitive strategy is inherently long-term in nature, providing the foundation for sustained and coordinated efforts toward achieving long-term business objectives (Robinson & Pearce, 2013). For an organization to realize its goals, objectives, and overall vision, it must first ensure that all of its internal resources are properly aligned and integrated. Competitive strategies include the comprehensive approach used by a firm to facilitate development via the effective management of its business operations and product offerings. These factors include stability, expansion, and retrenchment. The development of corporate strategy entails the formulation of actions aimed at establishing a presence in various industries and achieving diversification. Additionally, it involves the initiation of measures to enhance the overall growth of the diversified businesses within the organization. Furthermore, it entails the pursuit of opportunities to leverage strategic synergies across different business units, thereby gaining a competitive advantage. Lastly, it involves the establishment of investment priorities and the allocation of corporate resources to the most promising business units.

The contention that competitive strategy has only a marginal bearing on the expansion of an organization has been called into question (Thompson, 2011). Monroe (2012) claims that businesses that adopt a competitive strategy are more likely to succeed. Its effect on the variability in performance between departments and the growth of the company is small but discernible. According to Brush and Bromiley (2014), competitive strategies have an effect on organizational development because of their capacity to make the most of an organization's potential and the resources it has available in the industry. Monroe (2012) demonstrated that competitive strategy might be utilized to differentiate successful businesses from non-successful enterprises; hence, competitive strategy does in fact impact the evolution of organizations. This was also supported by Wheelen and Based on the frequency of resource governance choices, Hunger (2012) concluded that competitive strategy does important to organizational development and may be utilized to distinguish the continuing firm superior organizational growth from the non-continuing company superior performance groups. According to Wheelen and Hunger (2012), their results were corroborated by their own prior research. In order to accomplish its goals, objectives, and vision, a company's competitive strategy must, as stated by Pearce and Robinson (2013), coordinate and

ISSN 2959-7048 (Print)
ISSN 2959-7056 (online)
Research Bridge Publisher, International Journal of Social Science and Humanities Research, Vol. 2, Issue 2, pp: (201-217), Month: May – August 2024, Available at: https://researchbridgepublisher.com/
direct all of the company's resources. Therefore, grand strategy should be aligned appropriately so as to drive organizational growth towards a stated target.

1.2 Statement of the Problem

The manufacturing industry in Kenya has had a period of stagnation and diminishing earnings over the last five years, mostly attributed to an unstable operating environment. This highlights a deficiency in the nation's capacity to attain a completely industrialized economy by the year 2020 (World Bank, 2020). The manufacturing sector's gross domestic product (GDP) has shown a lack of growth and, in many instances, experienced declines attributed to seasonal swings (Trading Economics, 2021). From 2018 to 2021, the manufacturing industry saw a real annual growth rate of 4.1%, as reported by KPMG in 2021. This growth rate is comparatively lower than the average annual growth rate of 4.6% seen in the total real GDP. According to the Government of Kenya (GoK, 2022), manufacturing enterprises in Kenya have seen a significant decline in their market share within the East African region, amounting to around 70 percent. This decline has been attributed to many factors. The cost of production, influx of cheap imports, and prevalence of counterfeit items have prompted some manufacturing enterprises in Kenya to declare their intentions to either close down their factories or relocate their operations from Nairobi to alternative nations (KAM, 2021).

Manufacturing enterprises inside the nation encounter challenges in effectively executing, overseeing, and delivering their high-quality goods to their clientele. The aforementioned phenomenon has been ascribed to the volatile nature of the market, which is mostly controlled by established multinational corporations operating inside the nation. The time-consuming and costly implementation of business strategy has been linked to numerous organizations (Bukirwa & Kising'u, 2017; Abonda, 2017). The aforementioned circumstances have had a detrimental impact on the firm's viability, leading to heightened internal inefficiencies, subpar service provision, and, most significantly, diminished contributions to the GDP as well as the loss of employment prospects.

Abade's (2018) research analyzed how different competing tactics affect the market advantage of major manufacturing companies. The research showed a correlation between using strategic competition and gaining an edge. The research also discovered that competitive tactics influenced consumer satisfaction and the delivery of high-quality goods and services, both of which were met with favorable responses. In a same line, Abonda (2017) performed a research that highlighted the adoption of several competitive tactics by construction businesses in Kisumu County. Growth strategies including market penetration, new product creation, diversification, and expanding existing markets were included here as well as more general ones like differentiation, cost leadership, and focusing on core competencies. The research also highlighted the use of overarching strategies including joint ventures, innovations, and integrations amongst strategic alliances. The research conducted by Abonda (2017) has some resemblance to the present study; nevertheless, a notable criticism lies in the fact that Abonda's investigation included all manufacturing enterprises inside the county, regardless of their foreign or local origin. This study was conducted to address this gap in the current literature.

Oyiela (2011) and Karanja (2010) studies on commercial banks' performance due to their competitive strategies and pointed out that the adopted strategies led to improvements in customer base and the networking also went up. According to Adhiambo (2009), it is advisable for enterprises to contemplate the need for reconfiguring their goods and services, using new and inventive approaches. This tactical move is crucial for increasing their chances of success in a commercial setting that often experiences turbulence due to a wide variety of outside forces. The researcher's investigation was confined in scope, mainly focused on the banking industry. This research aims to bridge the gap left by its predecessors. Charles, & Benson(2023); Kiamburi

ISSN 2959-7048 (Print)
ISSN 2959-7056 (online)
Research Bridge Publisher, International Journal of Social Science and Humanities Research, Vol. 2, Issue 2, pp: (201-217), Month: May – August 2024, Available at: https://researchbridgepublisher.com/
(2013) researched the methods used by the leading commercial banks in Kenya. Data for the research was collected by census survey. The findings suggest that companies may construct winning strategies on the backs of their most valuable resources and skillsets provided they take the time to thoroughly inventory both. However, it should be noted that this research did not directly analyze the particular characteristics of competitive tactics that were discussed.

The aforementioned research mostly focused on competitive tactics and their association with competitive advantage, with some examining performance as well. However, it is important to note that these studies predominantly centered on particular organizations that do not operate within the manufacturing sector. The primary aim of the research will be to establish the correlation between the different tactics used by organizations and their corresponding performance outcomes. Hence, this research failed to incorporate the assessment of how competitive tactics impacted the development of organizations. And unlike this research, none of them took place in Nairobi County, Kenya. The present investigation used strategic competition as an explanatory variable. The impact of rivalry on Kenya's industrial companies' ability to expand their operations must be studied; This culminates into four specific research objectives identified as

1. To investigate the influence of employing a cost leadership strategy on the growth of organizations within the manufacturing sector in Kenya.
2. To determine the influence of differentiation strategy on organizational growth among manufacturing firms in Kenya
3. To establish the influence of focus strategy on organizational growth among manufacturing firms in Kenya
4. To assess the influence of product innovation strategy on organizational growth among manufacturing firms in Kenya

2.0 RESEARCH METHODOLOGY

Cooper and Schindler (2018) define a research design as a blueprint or framework for collection, measurement and analysis of data, a plan or procedural outline that enables a researcher obtain answers to research questions. Mohajan, (2018) on the other hand define a research design as a logical and systematic plan prepared for directing a research study, it specifies the objectives of the study, the methodology and techniques to be adopted for achieving the objectives.

Descriptive cross sectional research design used to address the research problem of the study. A descriptive study aims at finding out the what, where and how of a phenomenon (Cooper & Schindler, 2018). The appropriateness of this design is that it allowed the researcher to utilize both quantitative and qualitative data so as to establish the influence of competitive strategies on the organizational growth of manufacturing firms in Kenya.

The target population of this study was all the 454 manufacturing firms drawn from the 12 key industrial subsectors located in Nairobi and its surroundings (KAM, 2021). The target population was identified based on the fact that 80% of all manufacturing firms are located within Nairobi and its surrounding area hence a high concentration of manufacturing firms which led to ease of accessing the manufacturing firms. According to Bernard (2017) a research population is a well-defined collection of individuals or objects known to have similar characteristics and usually have a common, binding characteristic or trait.

A list comprising of sampling units from which the study population is obtained is known as sampling frame (Cochran, 2007). The sampling frame for this study was all of the 454 manufacturing firms in the 12 key industrial sub-sectors obtained from the directory of Kenya Association of Manufacturers (2021). These sub-sectors include; building, mining and construction, chemical and allied, energy, electrical and electronics, food and beverages, leather

ISSN 2959-7048 (Print)
ISSN 2959-7056 (online)
Research Bridge Publisher, International Journal of Social Science and Humanities Research, Vol. 2, Issue 2, pp: (201-217), Month: May – August 2024, Available at: https://researchbridgepublisher.com/
and footwear, metal and allied, motor vehicle and accessories, paper and board, pharmaceutical and medical equipment, plastics and rubber, textile and apparels, timber, wood and furniture.
Primary data was collected using semi-structured questionnaire. The questionnaires contained both closed-ended questions and few open-ended questions to encourage higher response rate. Open-ended questions provided the respondents with a chance to express their own personal opinions beyond the researcher's span of knowledge.
These questions also aided in enriching the qualitative methodology effectively. The questionnaires further provided anonymity as most respondents did not want their identity revealed. Before embarking on the field study, the researcher recruited and train three research assistants so that they were able to get quality data. Since the data was collected from top level managers or their equivalent it required booking appointments. Appointments will be booked and the questionnaires were administered by the research assistants at agreed times. This approach helped in clarifying any item that required some explanation by the respondents. The approach also helped reduce delayed response usually associated with CEO/managers where there is no personal contact.
After data collection data analysis was done. This process is important as it makes data sensible. Data analysis tool that was used is dependent on the type of data to be analyzed depending on whether the data is qualitative or quantitative. Qualitative data was analyzed by content analysis. The quantitative data in this research was analyzed by descriptive statistics using statistical package for social sciences (SPSS) version 24. Descriptive statistics includes mean, frequency, standard deviation and percentages to profile sample characteristics and major patterns emerging from the data.

Inferential data analysis was done using regression analysis. The regression analysis was used to establish the relations between the independent and dependent variables. Regressions was used because the procedure uses two or more independent variables to predict a dependent variable. To examine the linear correlations between certain predictor factors and the dependent variable, each individual independent variable has the following models:

$$Y=\beta_0+\beta_1X_1+o_\mu \quad \text{.....Equation 1}$$
$$Y=Y=\beta_0+\beta_2X_2+o_\mu \quad \text{.....Equation 2}$$
$$Y=\beta_0+\beta_3X_3+o_\mu \quad \text{.....Equation 3}$$
$$Y=\beta_0+\beta_4X_4+o_\mu \quad \text{..... Equation 4}$$

To assess the relevance of the effect of the independent factors on the dependent variable, the study used a multiple linear regression model
The following was the regression equation:

$$= \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$$

Where: Y is the dependent variable (Organizational Growth),

β0 is the regression coefficient/constant/Y-intercept,

β1, β2, β3 and β4 are the slopes of the regression equation,

X_1 = Cost leadership strategy
X_2 = Differentiation strategy
X_3 = Product innovation strategy
X_4 = Focus strategy

ISSN 2959-7048 (Print)
ISSN 2959-7056 (online)
Research Bridge Publisher, International Journal of Social Science and Humanities Research, Vol. 2, Issue 2, pp: (201-217), Month: May – August 2024, Available at: https://researchbridgepublisher.com/

3.0 FINDINGS AND DISCUSSION

In this study, reliability tests were conducted to assess whether the five -point Likert scale used in the questionnaire to measure the study constructs (variables) was reliable (measures intended purpose). To achieve this, the study employed Cronbach's Alpha coefficient analysis to assess how reliable this scale was; a coefficient of 0.7 was adopted as the minimum threshold for deciding on the sufficiency of the reliability of the study scale *(*Kendell & Jablensky, 2003*)*. Results for reliability test were as indicated in Table below

Table 1: **Reliability Test Results**

Variables (Constructs)	Number of items	Cronbach Alpha
Cost leadership strategy	5	0.900
Differentiation strategy	5	0.781
Focus strategy	5	0.818
Product innovation strategy	5	0.778
Organizational Growth	5	0.885
Overall	**25**	**0.832**

The results as indicated in table1, clearly shows that Cronbach alpha coefficients for all the variables were above the minimum threshold of 0.7 *(*Kendell & Jablensky, 2003*);* Cost leadership strategy was 0.900; Differentiation strategy was 0.781; Focus strategy was 0.818; Product innovation strategy was 0.778 and Organizational growth was 0.885. Therefore, our study concluded that the 5-point scale of the items used to measure the study constructs was reliable and acceptable for further analysis.

Validity was performed by use of KMO and Bartlett's Test for sampling adequacy to test various types of validity including construct, discriminant and convergent validity. Construct validity shows how the instrument is measuring the target construct (Zapolski, Guller & Smith, 2012). Further Varimax methods and also principal component analysis was applied to extract those factors that clearly measure the variables under investigations. Principle element analysis and varimax rotation technique were done applying Eigen values greater than or equal to 0.5. Factors with Eigen values greater than (1) were derived and items with factors loadings with greater or equal 0.5 were retained. A KMO sampling adequacy value of less than 0.5 indicates that the questions depicting a variable are not valid. In addition, the Bartlett's test of sphericity must be significant at $p \leq 0.05$ to ensure validity.

Table 2: Kaiser-Meyer-Olkin and Bartlett's Test of Sphericity Results

Variable	Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy	Bartlett's Test of Sphericity		
		Approx. Chi-Square	Degrees of freedom	p-value
Cost Leadership	0.841	128.550	15	0.000
Differentiation Strategy	0.833	314.774	15	0.000
Focus Strategy	0.795	235.857	15	0.000
Product Innovation Strategy	0.548	321.159	15	0.000
Organizational Growth	0.730	300.305	15	0.000

(Source: Pilot study results)

Findings as indicated in Table 2, shows that the value of KMO for all the variables (constructs) were above a minimum threshold of 0.5; cost leadership = 0.841, differentiation strategy= 0.833, Focus strategy= 0.795, Product innovation strategy= 0.548, organizational growth= 0.730. This indicates that the number of items for each constructs (variable) were adequate to measure the respective variables. The Chi-square test results for Bartlett's Test of Sphericity were all found to be significant; [χ^2 (10) =128.550, $p=0.000 < 0.05$] for cost leadership, [χ^2 (35) = 314.774, $p=0.000 < 0.05$] for differentiation strategy, [χ^2 (28) = 235.857, $p=0.000 < 0.05$] for focus strategy, [χ^2 (10)

ISSN 2959-7048 (Print)
ISSN 2959-7056 (online)
Research Bridge Publisher, International Journal of Social Science and Humanities Research, Vol. 2, Issue 2, pp: (201-217), Month: May – August 2024, Available at: https://researchbridgepublisher.com/
=321.159, $p=0.000 < 0.05$] for product innovation strategy and [χ^2 (45) = 300.305, $p=0.000 < 0.05$] for organizational growth; this indicated that the sampled items for each variable were from a population with equal variance.

Multiple Linear Regression Model was adopted in this study to model the relationship between the competitive strategies (Independent Variables) and organizational growth (Dependent Variable). The study dataset was tested for purposes of inference or prediction, if it satisfied all the assumptions of this model which included: Normality, Linearity and multicollinearity. This is critical because scientific insights yielded by a regression model that has violated these assumptions may be at best, inefficient or at worst, seriously biased or misleading (Oteki, 2019).

To check for normality, the study adopted the Shapiro-Wilk test to test for the assumption of normal distribution of the study variables; cost leadership strategy, differentiation strategy, focus strategy and product innovation strategy and organizational growth. The findings were as shown in Table 3

Table 3: Summary of Normality test for Distribution of scores for Variables

Variable Construct		Shapiro-Wilk test		
		Statistic (W)	Df	p-value
1.	Cost leadership strategy	.105	139	.200*
2.	Differentiation strategy	.109	139	.169
3.	Focus strategy	.116	139	.074
4.	Product innovation strategy	.154	139	.190
5.	Organizational growth	.184	139	.264

The Shapiro-Wilk test results shown above (Table 3) indicate that the p-values for product innovation strategy was greater than 0.05 level of significance; cost leadership strategy (W=0.105, p-value=0.200>0.05). We therefore rejected the null hypothesis and concluded that cost leadership strategy was significantly normally distributed. Also, Shapiro-Wilk test results indicated that the p-value for differentiation strategy was greater than 0.05 level of significance; differentiation strategy (W=0.109, p-value=0.169>0.05). We therefore rejected the null hypothesis and concluded that the score for differentiation strategy was significantly normally distributed.

The Shapiro-Wilk test results (Table 4.8) shows that the p-value for focus strategy was greater than 0.05 level of significance; focus strategy (W=0.116, p-value=0.074>0.05). We therefore rejected the null hypothesis and concluded that the score for focus strategy was significantly normally distributed.

The Shapiro-Wilk test results (Table 4.8) shows that the p-value for product innovation strategy was greater than 0.05 level of significance; product innovation strategy (W=0.154, p-value=0.190>0.05). We therefore reject the null hypothesis and conclude that the score for product innovation strategy was significantly normally distributed.

The Shapiro-Wilk test results (Table 4.8) shows that the p-value for organizational growth was greater than 0.05 level of significance; organizational growth (W=0.184, p-value=0.264>0.05). We therefore reject the null hypothesis and conclude that the score for organizational growth was significantly normally distributed.

To find out whether the independent variables were closely related a multi collinearity test was done. Multi collinearity leads to unstable coefficient estimates in regression models, which can lead to exaggerated standard errors for the coefficients. This is the major issue. The research used the Variance Inflation Factor (VIF) to look for problems with collinearity. The existence of multicollinearity is indicated by independent variables with VIF more than 10 or a tolerance value less than 0.1, according to Brien (2007). To see the results of the collinearity test, look at Table 4

ISSN 2959-7048 (Print)
ISSN 2959-7056 (online)
Research Bridge Publisher, International Journal of Social Science and Humanities Research, Vol. 2, Issue 2, pp: (201-217), Month: May – August 2024, Available at: https://researchbridgepublisher.com/

Table 4: Multicollinearity test using Variance Inflated Factor (VIF)

Variable	Tolerance (1/VIF)	VIF
Cost leadership strategy	.396	2.525
Differentiation strategy	.211	4.733
Focus strategy	.609	1.641
Product innovation strategy	.597	2.456

These findings show that there was no collinearity among the independent variables because the tolerance values for all four variables are greater than or equal to 0.10 and the VIF values are lower than or equal to 10. Therefore, all of the independent variables were incorporated into the multiple linear regression model.

Correlation analysis was used to determine the strength and direction of the relationship between the innovation's strategies (cost leadership strategy, differentiation strategy, focus strategy and product innovation strategy and organizational growth the findings were as shown in Table 5 below.

-Table 5: Correlation Analysis

		Product innovation	Process innovation	Market Innovation	Technological innovation
Cost leadership strategy	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	139			
Differentiation strategy	Pearson Correlation	.756**	1		
	Sig. (2-tailed)	.000			
	N	139	139		
Focus strategy	Pearson Correlation	.504**	.579**	1	
	Sig. (2-tailed)	.000	.000		
	N	139	139	139	
Product Innovation strategy	Pearson Correlation	.747**	.874**	.619**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	139	139	139	139
Organizational Growth	Pearson Correlation	.647**	.728**	.524**	.709**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	139	139	139	139

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

The results above (Table 5), all the relationships were positive, and significant (p-value=0.001) implying that competitive strategies are positively and significantly related with organizational growth. The most significant stronger relationship was between cost leadership strategy and organizational growth (r= 0.728, p-value= 0.000< 0.05). This implied that increase in competitive strategy in cost leadership would results to increase in organizational growth.

This followed by the relationship between organizational growth and differentiation strategy, (r= 0.705, p-value = 0.000<0.05). This postulated that increase in competitive strategy in differentiation strategy would results to increase organizational growth.

This was followed by the relationship between organizational growth and focus strategy, (r= 0.647, p-value = 0.000<0.05). This implied that increase in competitive strategy in focus strategy would

ISSN 2959-7048 (Print)
ISSN 2959-7056 (online)
Research Bridge Publisher, International Journal of Social Science and Humanities Research, Vol. 2, Issue 2, pp: (201-217), Month: May – August 2024, Available at: https://researchbridgepublisher.com/

results increase in organizational growth.

This was followed by the relationship of product innovation strategy and organizational growth (r= 0.524, p-value = 0.000<0.05) indicating that there was a statistically significant moderate positive correlation between product innovation strategy would results increase in organizational growth.

Table 6 Analysis of Variance

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	29.958	4	7.490	44.5833	.000[b]
	Residual	22.482	134	.168		
	Total	52.440	138			

a. Dependent Variable: Organizational Growth

b. Predictors: (Constant), Cost leadership strategy, Differentiation strategy, Focus strategy and Product innovation strategy

Further, ANOVA results in table 6 also shows that the F-calculated value was 44.5833 while the F-Critical/tabulated was 2.42 at 5% significance level (P=0.05). That is, from the study model, the significant F value shows that the four independent variables (Cost leadership strategy, Differentiation strategy, Focus strategy and Product innovation strategy) are indeed different from each other and that they affect the dependent variable organizational growth in varied ways.

Basing on the findings in Table 6, the study observed that the competitive strategies had significant partial influence in predicting organizational growth as indicated by the significant unstandardized beta coefficients: cost leadership strategy had $\beta = 0.204$, $t = 2.519$, p-value = 0.001 < 0.05, differentiation strategy had $\beta = 0.112$, $t = 8.615$, p-value = 0.000< 0.05 and market innovation strategy had $\beta = 0.242$, $t = 2.327$, p-value = 0.004 < 0.05 which were considered to be significant at 5% level of significance whereas technological innovation strategy had $\beta = 0.427$, $t = 3.028$, p-value = 0.002< 0.05 which was considered significant at 5% level of significance. The constant was found to be insignificant, that is, $\beta = -0.286$, $t = -0.605$, p-value = 0.548> 0.05; this indicates that apart from the four competitive strategies (cost leadership strategy, differentiation strategy, focus strategy and product innovation strategy), there are other variables, not included in the model, that could possibly influence organizational growth, thus paving way for further research to be done in this area.

Table 7 Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	-.286	.473		-.605	0.548
Cost leadership strategy	0.204	0.081	0.170	2.519	0.001
Differentiation strategy	0.427	0.141	0.364	3.028	0.003
Focus strategy	0.112	0.013	0.104	8.615	0.000
Product innovation strategy	0.242	0.104	0.200	2.327	0.004

a. Dependent Variable: Organizational Growth

Multiple Linear Regression model equation that was used to predict the organizational growth of manufacturing firms in Kenya when given the innovation strategies (cost leadership strategy, differentiation strategy, focus strategy and product innovation strategy) were:

CS= -0.286+ 0.203 CLS + 0.427 DS + 0. 242 FS + 0. 112MI

Where;

CS = Competitive Strategy

CLS = Cost Leadership Strategy

ISSN 2959-7048 (Print)
ISSN 2959-7056 (online)
Research Bridge Publisher, International Journal of Social Science and Humanities Research, Vol. 2, Issue 2, pp: (201-217), Month: May – August 2024, Available at: https://researchbridgepublisher.com/

DS = Differentiation Strategy
FS = Focus Strategy
MI = Market innovation strategy

The first hypothesis of the study sought to examine the significance of the causal and effect relationship between cost leadership strategy on organizational growth among manufacturing firms in Kenya. The researcher sought to test for the following hypothesis;

H_{01}*: *There is no significant influence of cost leadership strategy on organizational growth among manufacturing firms in Kenya.

Basing on the results indicated in Table 7, the regression Coefficient results showed that β= 0.204, $p=0.001<0.05$; therefore, cost leadership strategy had a statistically significant influence on the organizational growth among manufacturing firms in Kenya. This indicates that a unit improvement in the cost leadership strategy was likely to result to an improvement in the on the organizational growth among manufacturing firms in Kenya by 20.4%. The results reiterate the importance of innovation strategy in product strategy. According to the results, cost leadership strategy are key in competitive strategies.

The second hypothesis of the study sought to establish the significance of the causal and effect relationship differentiation strategy on organizational growth among manufacturing firms in Kenya. The researcher sought to test for the following hypothesis;

H_{02}*: *There is no significant influence of differentiation strategy on organizational growth among manufacturing firms in Kenya.

The regression Coefficient results showed that β= 0.427, $p=0.003<0.05$; therefore, differentiation strategy had a statistically significant influence on the organizational growth among manufacturing firms in Kenya. This indicates that a unit improvement in the differentiation strategy was likely to result to an improvement in the on the organizational growth among manufacturing firms in Kenya by 42.7%. Given the above findings, the study notes that, it is crucial to have differentiation strategy in an organization.

The third hypothesis of the study sought to examine the significance of the causal and effect relationship between focus strategy on organizational growth among manufacturing firms in Kenya.The researcher sought to test for the following hypothesis;

H_{03}*: *There is no significant influence of product innovation strategy on organizational growth among manufacturing firms in Kenya.

The regression Coefficient results showed that β= 0.112, $p=0.000<0.05$; hence focus strategy had a statistically significant influence on the organizational growth among manufacturing firms in Kenya. This indicates that a unit improvement in the market innovation was likely to result to an improvement in the on the organizational growth among manufacturing firms in Kenya by 11.2%.

The fourth hypothesis of the study sought to establish the influence of product innovation strategy and organizational growth among manufacturing firms in Kenya. The researcher sought to test for the following hypothesis;

H_{04}*: *There is no significant influence of focus strategy on organizational growth among manufacturing firms in Kenya.

The regression Coefficient results showed that β= 0.242, $p=0.004<0.05$; hence product innovation strategy had a statistically significant influence on the organizational growth among manufacturing firms in Kenya. This indicates that a unit improvement in the product innovation strategy was likely to result to an improvement in the on the organizational growth among manufacturing firms in Kenya by 24.2 %. This implies that manufacturing firms in Kenya depend on product innovation strategy.

4.0 CONCLUSIONS

4.1 Conclusions of the Study

The study concluded that cost leadership strategy is an important factor that influences organizational growth. Moreover, the results indicated that cost leadership played a great impact in the results posted by the manufacturing firms. The strategy according to respondents, led to manufacturing firms changed with the latest technology in their operations, invested in innovation and product improvement and that they charged low.

The study further concluded that the use of differentiation strategy was found to have a positive and significant relationship with the organizational growth. Hence, the use of differentiation strategy is expected to lay strong foundation for increase in growth of manufacturing firms which was also affirmed by most of the respondents agreeing that the strategy played a great role on financial results posted by the firms Therefore, it can be concluded that to ensure greater growth by manufacturing firms in Kenya, it is imperative that the firms consider adopting differentiation strategy as it significantly influences their overall growth.

The study also concludes that the relationship between focus strategy and organizational growth was determined to be statistically insignificant at 5% confidence level. When firms considered focus strategy as a competitive strategy, its organizational growth would increase. The strategy ensured that firms gained a competitive advantage, acquired and retained customers, increased market share and profitability, played a great role in relationship management and ensured that banks acquired low cost products and specific products for a given market.

Lastly, the study concluded that new products are an important factor that influences organizational growth. It was also found out that development of new products is a key factor contributing to organizational growth; and that companies that register their patents gain on profitability from intellectual property rights arising from the patents hence increasing organizational growth. Further, the findings showed that product research and development is a vital ingredient enhancing organizational growth and that management meeting on product innovation strategies was positively correlated to organizational growth.

The study recommends that manufacturing firms do adopt the use of differentiation strategy in their business processes. With the increase in the number of firms in manufacturing sector and advancement in technology coupled with interest rate cap, the researcher recommends that manufacturing firms should embrace the use of differentiation strategy so as to remain resilient to changes and competition in the manufacturing industry.

Managers should focus on good cost management practices in addition to setting low interest rates to derive competitiveness. Cost leadership strategy is an integrated set of action taken to produce goods or services with features that are acceptable to customers at the lowest cost, relative to that of competitors. Managers should pursue cost reduction, tight cost and overhead control to achieve a low cost position. Product differentiation is key to corporate growth.

The study also establishes that the relationship between focus strategy and organizational growth was determined to be statistically insignificant at 5% confidence level. The study therefore suggest to management of manufacturing firms should also concentrate on focus strategy. The manufacturing firms should come up with customized products that can attract customers to their products.

Manufacturing firms in Kenya should stipulate policies that provide and enhance platforms for product innovation so as to enhance organizational growth. There is need also to invest in product innovation strategies that would enhance new products, quality improvement, research & development and training on innovative product activities

REFERENCES

[1]. Abade, J. A. (2017). Competitive Strategies and Competitive advantage of Large Manufacturing firms in nairobi, Kenya. Nairobi: University of Nairobi.

[2]. Abidin, N.Z., Yosof, N., Hassan, H., & Adros, N. (2011). Applying competitive strategy in quantity surveying firms: An evolving process. Asian Journal of Management Research 2(1), 61-73.
[3]. Abonda, F. (2017). Competitive Strategies and Organizational Performance of Construction Companies in Kisumu County, Kenya. Nairobi: University of Nairobi.
[4]. Adhiambo, O. S. (2009). Competitive positioning and performance of commercial banks in Kenya. Nairobi, Kenya: University of Nairobi.
[5]. Al-Fuqaha, A., Khreishah, A., Guizani, M., Rayes, A., & Mohammadi, M. (2015). Toward Better Horizontal Integration among IOT Services. IEEE Communications Magazine, 53(9), 7), 72-79.
[6]. Alhilou, M. M. (2016). Strategy implementation process in SMEs: exploring multiple cases from the KSA (Doctoral dissertation, The University of Manchester (United Kingdom)).
[7]. Allen, R.S., Helms, M.M., Takeda, M.B., & White C.S. (2007). Porter's Generic Strategies: An Exploratory Study of their use in Japan. Journal of Business Strategies, 24 (1), 69-90.
[8]. Anne (2016): The Effects of Diversification Strategies on the Performance of Manufacturing firms in Kenya. Published MBA Project of the University of Nairobi.
[9]. Arasa, R., &Gathinji, L. (2014). The relationship between competitive strategies and firm performance: A case of mobile telecommunication companies in Kenya. International Journal of Economics, Commerce and Management, 2(9), 1-15.
[10]. Averan (2011) Diversification as A Corporate Strategy: Assessment of Financial Performance of Industrial Companies in South Africa. Published MBA Project of University of Pretoria.
[11]. Awaluddin, M. (2014). The Effect of Corporate Strategy to Company Performance (A Survey in Businesses Unit of PT. Telekomunikasi Indonesia, Tbk). International Conference on Economics, Education and Humanities (ICEEH'14) Dec. 10-11, 2014 Bali (Indonesia)
[12]. Bacanu, B. (2010). Differentiation versus low cost strategies in Romania, Management and Marketing 5(2), 135-142.
[13]. Barney, J. B., & Hesterly, W. (2006). Strategic management and competitive advantage: Concepts and cases. Upper Saddle River, NJ: Pearson Prentice Hall.
[14]. Belsey, D h Kuh, E & Welseh, R. (1980). Regression Diagnostic: Identifying Influential Data and Co-Linearity. New York, Wiley.
[15]. Brush, T. H., & Bromiley, P. (2007). What Does a Small Corporate Effect Mean? A Variance Components Simulation of Corporate and Business Effects. Strategic management journal, 18(10), 825-835.
[16]. Bukirwa, S., & Kising'u, T. (2017). Influence of competitive strategies on organizational performance of hotels in Kenya. Strategic journal of business & change management., 4(2(10)), 138-158.
[17]. Burden, R. (2018). Systems theory and its relevance to schools. In Problem behaviour in the secondary school (pp. 28-36). Routledge.
[18]. Carmines, E. G., & Zeller, R. A. (1979). Reliability and Validity Assessment (Vol. 17). Sage publications.
[19]. Charles, M., & Benson Ochieng, S. (2023). Strategic Outsourcing and Firm Performance: A Review of Literature.International Journal of Social Science and Humanities Research (IJSSHR) ISSN 2959-7056 (o); 2959-7048 (p),1(1), 20–29. https://doi.org/10.61108/ijsshr.v1i1.5
[20]. Conover, W. J., Johnson, M. E., & Johnson, M. M. (1981). A Comparative Study of Tests for Homogeneity of Variances, With Applications to the Outer Continental Shelf Bidding Data. Technometrics, 23(4), 351-361.
[21]. Cooper, C., Booth, A., Varley-Campbell, J., Britten, N., & Garside, R. (2018). Defining the process to literature searching in systematic reviews: a literature review of guidance and supporting studies. BMC medical research methodology, 18(1), 1-14.
[22]. Daina, O. M. (2014). Analysis of Turnaround Strategies on Organization Performance: Case of Uchumi Supermarket-Kenya. European Journal of Business and Management 8(31), 176-185
[23]. Darrow, W. P., Algin, B., & King, D.H. (2001). David Vs Goliath in the hardware industry: generic strategies and critical success factors as revealed by business practice. The Mid-Atlantic Journal of Business. 37(2/3), 97-109.
[24]. David, F. (2000). Strategic Management Concepts and Cases. Englewood Cliffs, NJ: Prentice-Hall.

[25]. Dawes, J. (2018). The Ansoff Matrix: A Legendary Tool, But with Two Logical Problems.
[26]. Ebarefimia, U. S. (2014). New Product Development Process and Its Impact on Business Performance in Nigeria. The Business & Management Review, 4(4), 25.
[27]. Foss, N. J., & Saebi, T. (2018). Business models and business model innovation: Between wicked and paradigmatic problems. Long Range Planning, 51(1), 9-21.
[28]. Gerald, A., & Elisifa, N. (2013). Analysis of Business Growth Strategies and Their Contribution to Business Growth: A Tanzania case study.
[29]. Grimm, C. M. (2005). Strategy as action: Competitive Dynamics and Competitive Advantage. New York: Oxford University Press.
[30]. Gupta for new age international (P) Ltd.
[31]. Gworo, A. G. (2012). The Challenges of Implementation of Growth Strategies at Equity Bank Kenya Ltd. Unpublished research project, University of Nairobi.
[32]. Hill, C. & Jones, G., (2012). Strategic management theory, An integrated approach. (10th ed.). Mason: Wiley India.
[33]. Hoskisson, R. (2013). Competing for Advantage. (3rd ed.). Mason: South-Western. Institution in Kenya." IJRDO - Journal of Business Management ISSN-2455-6661. Volume-2, Issue-6, June,2016 Paper-1 1. International Thomson Business Press.
[34]. Jepkosgei, R. J. (2014). Challenges of Implementing Growth Strategies by Manufacturing firms in Kenya. Published MBA project of the University of Nairobi.
[35]. Johan, A. P., & Handika, R. F. (2018). A Qualitative Investigation on the Successful Turnaround Strategy from Top Leader Perspectives: Examples from Indonesia. Business: Theory and Practice, 19, 114.
[36]. Johnson G. & Scholes K (2003). Exploring Corporate Strategy (text cases) 6th Edition. New Delhi Prentice Hall.
[37]. Kihara, A. S. N. (2017). Influence of Strategic Contingency Factors on Performance of Large Manufacturing Firms in Kenya (Doctoral dissertation, COHRED, JKUAT).
[38]. Kinyungu, R. N. & Ogollah, K. (2017). Influence of competitive strategies on organizational performance of Kenya Commercial Bank. International Academic Journal of Human Resource and Business Administration, 2(3), 201-221
[39]. Kothari, C.R (2003). Research Methodology (Methods and Techniques) 2nd Ed. New Delhi K.K.
[40]. Liu, C. M., Lin, K. W., & Huang, C. J. (2014). Effects of product development on operating performance in textile industry. The Anthropologist, 17(1), 157-163.
[41]. Lynch, R. (2003). Corporate Strategy. (3rded.), Harlow, England: Prentice Hall Financial Times.
[42]. M.A Peterat (1993) "The Cornerstone of Competitive Advantage: A Resource Based View," In
[43]. Makheti, R., & Nyakweba, O. B. (2016). Assessment of Turnaround Strategy on Organizational Performance: A Case of Kenya Industrial Estates, Kenya.
[44]. Mbithi, B., Muturi, W., & Rambo, C. (2015). Effect of Market Development Strategy on Performance in Sugar Industry in Kenya. International Journal of Academic Research in Business and Social Sciences, 5(12), 311-325.
[45]. Mohajan, H. K. (2017). Two Criteria for Good Measurements in Research: Validity and Reliability. Annals of "Spiru Haret". Economic Series, 17(4), 59.
[46]. Mohajan, H. K. (2018). Qualitative research methodology in social sciences and related subjects. Journal of Economic Development, Environment and People, 7(1), 23-48.
[47]. Monbiot, G. (2013). Captive State: The Corporate Takeover of Britain. Pan Macmillan.
[48]. Monroe, S. A. (2006). How Corporate Strategy Contributes to Firm Performance: A Cross-Sectional Study of Resource Governance Decision Making in US Firms: (Doctoral dissertation, Massey University).
[49]. Muga, T. S. (2016). Market Development Strategies and Perfomance of Multinational Pharmaceutical Companies in Kenya. Published research project University of Nairobi.
[50]. Mugenda .O. & Mugenda (2003) Research Methods : Quantitative and Qualitative Approaches,
[51]. Mutuma, P. (2013). An Investigation of the Effects of Expansion Strategies on Performance of Manufacturing firms in Kenya (Doctoral dissertation, Kenyatta University).

[52]. Nairobi: Acts Press.
[53]. Namdeo, S. K., & Rout, S. D. (2017). Calculating and Interpreting Cronbach's Alpha Using Rosenberg Assessment Scale on Paediatrician's Attitude and Perception On Self Esteem. International Journal of Community Medicine and Public Health, 3(6), 1371-1374.
[54]. Ndege, B. W. (2018). Effects of Concentric Diversification Strategies on Growth of Cosmetic Firms in Nakuru County, Kenya. (Doctoral dissertation, JKUAT).
[55]. Ngwenya, B., Sibanda, V., & Zana, C. (2016). Successful Implementation of Turnaround Strategies in the Manufacturing Sector in Harare, Zimbabwe-Impediments and Challenges Faced. International Journal of Accounting, Finance and Risk Management, 1(1), 1-10.
[56]. Obasan, K. A., Ariyo, O. O., & Hassan, B. A. (2015). Marketing Strategy and Product Performance: A Study of Selected Firms in Nigeria. Ethiopian Journal of Environmental Studies and Management, 8(6), 669-674.
[57]. Ochieng, J. N. (2018). Turnaround Strategies in a Competitive Environment A Case Of Uchumi Supermarket (Doctoral dissertation, United States International University-Africa).
[58]. Oyiela, B. (2011). Competitive strategies and Performance of Commercial Banks in Kenya. (Unpublished MBA project). SChool of Business, University of Naairobi, Kenya.
[59]. Pearce, J. & Robinson, R. (2013). Strategic Management; Planning for Domestic and Global Competitiveness. (13th ed.). Chicago: Richard D. Irwin, Inc.
[60]. Porter, M. (2008). The five competitive forces that shape strategy. Harvard Business Review. January, 79-93. Quoted Manufacturing Companies in Nigeria. European Journal of Business and Management www.iiste.org ISSN 2222-1905 (Paper) ISSN 2222-2839 (Online) Vol.8, No.19, 2016.
[61]. Sifuna, I. N. (2014). Effect of competitive strategies on performance of public universities in Kenya (Unpublished MBA Project). Kenyatta University.
[62]. Sijei, Omwenga and Iravo (2016). Relationship between Financial Restructuring Turnaround Strategy and Performance of Small and Medium Enterprises in Kenya. International Journal of Management and Commerce Innovations. Research Publish Journals ISSN 2348-7585 (Online) Vol. 4, Issue 1, pp: (818-823), Month: April 2016 - September 2016, Available at: Simon (2015) China's grand strategy, Published journal of the University of Sydney.
[63]. Van Trijp, H. C., & Van Kleef, E. (2008). Newness, Value and New Product Performance. Trends in food science & technology, 19(11), 562-573.
[64]. Van, D., (2005). Strategic management. Ontario: Custom Publishing.
[65]. Wanjiru, M. M. (2016). Product Diversification Strategies as A Determinant of Perceived Firm Performance Among Real Estate Companies in Nairobi City County, Kenya (Doctoral dissertation, Moi University).
[66]. Wheelen, T. & Hunger, D. (2012). Strategic management and business policy: Towards Global Sustainability. Boston: Pearson Education. www.researchpublish.com
[67]. Yegon, K. (2014). Marketing Strategies for Profitability: A case of Safaricom Ltd in Kenya Telecommunication Industry. International Journal of Scientific and Research Publications, 4(5), 1-5.
[68]. Zou, K. H., Tuncali, K., & Silverman, S. G. (2003). Correlation and Simple Linear Regression. Radiology, 227(3), 617-628..