INFLUENCE OF STRATEGIC ORIENTATION ON FIRM PERFORMANCE OF RETAIL SUPERMARKETS IN KENYA

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ABSTRACT

The main objective of this study was to investigate the influence of strategic orientation on firm performance at Tuskys Supermarkets Limited. The study was guided by the following specific objectives: to assess the influence of Entrepreneurial Orientation dimension on firm performance at Tuskys Supermarkets Limited; determine the influence of Market Orientation dimension on firm performance and establish the influence of Competitor Orientation on firm performance. The study was based on the Contingency Theory of organizations, Resource-Based Theory and Dynamic Capability Theory. The study used the descriptive research design. The target population was 543 staff from 12 Tuskys Supermarket Limited branches. The study used the stratified random sampling technique. The strata for this population were the 12 branches of Tuskys Supermarket Limited in Nairobi City County. The sample size for the study was established as 230 staff from Tuskys Supermarket Limited. A structured questionnaire was designed to collect data from respondents. The researcher used SPSS to analyze the data. Descriptive statistics correlation analysis using Pearson (r) was done. Multiple regression analysis was performed to determine the effects of the predictor variables Competitor Orientation (CO), Entrepreneurial Orientation (EO) and Market Orientation (MO) on response variable (FO) Firm Performance). R-square was determined and found to be 0.900. This implies that for any change by one unit in performance of Tuskys Supermarket, market orientation, competitor orientation, and entrepreneurial orientation are explaining 90% of such change. Further, p-Value was found to be 0.000<0.05 at 5% significance level implying that there was a statistically significant difference between mean of firm performance when aspects of strategic orientation was present and when absent. The researcher therefore recommends that supermarkets need to be more innovative in reaching out to their customers and in product development. This is because it will create a new market need for their products and services and hence more competitive in the retail store. In addition, supermarkets should endeavor to focus on identifying customers express needs that guide in developing products and services. This will give the firms opportunities to flourish compared to their competitors.

Key Words: *strategic orientation, entrepreneurial orientation, market, competitor orientation, firm performance*

INTRODUCTION

Strategic orientation refers to how organisations use strategy adapt and/or change aspects of its environment for a more favorable alignment or how firms strategically position themselves to achieve and sustain competitive advantage. It also refers to how strategy is used to improve the organization's chances of success (Choy & Mula, 2008). Strategic orientations are description of how resources allocation and coordination patterns are brought into, embedded, adopted, and/or enacted at some level within the firm. Here, the term orientation is described as firm's tendency to adopt particular norms, and acts or function in specific way (Cadoganet, 2012). Strategic orientation is seen as principles that direct and influence the activities of a business organization in their effort to achieve a better performance in the marketplace and ensure its viability (Hakala, 2011).

Firm performance is one of the most relevant constructs in the field of strategic management. A construct to measure firms' performance may have to be developed in such a way to be commonly used as the final dependent variable. Despite its relevance, the research on the firm performance suffers from problems such as lack of consensus, selection of indicators based on convenience and little consideration of its dimensionality (Selvam, Gayathri, Vasanth, Lingaraja, & Marxiaoli, 2016).

The strategic management literature show inconclusive evidence on the association between strategic orientation and firm performance. Studies (Nasir, 2013; Ibidunni & Falola, 2017) have suggested that an organization that employs proactive strategic orientations achieve superior performance and expansion than those that employ traditional/conservative strategic orientations. On the other hand, some studies (Shin & Lee, 2016; Espino-Rodríguez & Ramírez-Fierro, 2018) revealed a negative relationship between strategic orientation and firm performance.

Firm performance measures can be characterized as financial or non-financial, depending on whether the performance is measured in monetary or non-monetary terms. Financial indicators such as profitability and growth in sales, earnings per share and so forth have been extensively used to measure the concept of performance (Aliabadi, Dorestani, & Balsara, 2013). Non-financial measures of firm performance have been proposed to cater to the limitations of using accounting based measures of performance. Chow and Van der Stede (2006) proposed using objective non-financial indicators that consist of internal operating measures, employee-oriented measures, and customer-oriented measures.

Many earlier studies measured the firm performance with a single indicator. However, since then, several dimensions do exist, a researcher would have to choose all the dimensions most relevant to the relevant research and judge the outcomes of this choice. The management literature has identified determinants for firm performance are profitability performance, growth performance, market value performance, customers' satisfaction, employees' satisfaction, environmental performance, environmental audit performance, corporate governance performance and social performance (Selvam et al., 2016).

Statement of the Problem

Recent research in business and marketing has highlighted the importance of the concept of strategic orientation implemented by a firm for the continuous superior performance of a business. According to Mokhtar et al. (2014) most firms used four performance dimensions customer retention, new product success, sales growth and return on investment to measure market orientation and firm performance. This is further supported by Mensah (2013) which reaffirmed that strategic orientation increases firm performance. Other empirical evidences Asian Productivity Organization, 2011; Chen and Lin, 2011 suggested that strategic orientation is critical for the long-term survival of the firm with higher level of performance.

Nevertheless, despite such strong theoretical and empirical link, the relationship between strategic orientation and firm performance is not always as stated. Few evidences from Kenyan business setting though not widely studies shows otherwise. According to Nduati and Kavale (2015), on the study of cement industries in Kenya, despite having a clear strategic orientation framework, there is no evidence of significant effect of strategic orientation on firm performance. Instead, the organizations derive its performance and efficiency from well-coordinated internal functions. From the foregoing, it is clear that the evidence of the findings from studies in Kenya on the relationship between strategic orientations and firm performance contradict the arrays of the existing empirical studies that positively relate the two, thus, the need to reposition the evidence from Kenyan business set up forms the basis and the felt need that defines the gap of this study necessitating the need to re-examine the influence of strategic orientation on the firm performance in the context of Retail supermarket business in Kenya. Tuskys supermarket makes a suitable case for this study.

GENERAL OBJECTIVE

The main objective of this study is to determine the influence of strategic orientation on firm performance of Retail Supermarkets in Kenya.

SPECIFIC OBJECTIVES

1. To assess the influence of Entrepreneurial Orientation on firm performance at Retail Supermarkets in Kenya
2. To determine the influence of Market Orientation on firm performance at Retail Supermarkets in Kenya.
3. To establish the influence of Competitor Orientation on firm performance at Retail Supermarkets in Kenya

THEORETICAL FRAMEWORK

The theoretical framework is the structure that can hold or support a theory of a research study. The theoretical framework introduces and describes the theory that explains why the research problem under study exists. Abend, Gabriel (2008). "The Meaning of Theory." Strategic orientation: - Strategic orientation is an indication of the direction in which a business wants to or should go in the future, and how well it is set up to do so (Wiesen, 2014). One of the most important pillars that have major implications for an organization's structure, activities, investments, relations with the market, and performance is strategy Valos, M.J. and Bednall, D.H. (2010). Having a strategy helps organizations find solutions to problems, create new capabilities, and improve business performance Sarker, S. and Palit, M. (2015) by allowing organizations and the managers to gather specific resources, recognize opportunities for providing valued products and services, and to convey those products and services for higher profits Al-Ansaari, Y., Bederr, H. and Chen, C. (2015).

Adopting the best strategy out there requires organizations to coordinate their approaches in establishing industry positions and/or by relying on its resources, competences, and capabilities in an effort to achieve a fit with their internal and external environments and in turn achieve a sustained competitive advantage and improved business efficiency. In order to achieve these goals, organizations need to focus on their strategic orientation since strategic orientation guides the direction that a firm intends to pursue in order to monitor its activities for better business performance Gao, G., Zhou, K. and Yim, C. (2007).

Therefore, strategic orientation of the firm reflects its operational, marketing, and entrepreneurial posture. By doing so, a firm achieves its goals in markets by taking risks, investing in innovation, becoming proactive, and developing future-oriented foresight Kumar, K., Boesso, G., Favotto, F. and Menini, A. (2012) Strategic orientation has received wide spread attention from management, marketing, and entrepreneurship scholars. However, no universally accepted definition of strategic orientation exists. The very nature of orientation is a matter of debate, and different streams of literature have developed diverse concepts. Orientation refers to the general or lasting direction of thought, inclination, or interest Merriam-Webster (2009) Strategic orientation refers to the manner in which a firm adapts to its external environment Avci, U., Madanoglu, M. and Okumus, F. (2011)

Resource Based Theory

The resource-based view theory (RBV) claims that firm's resources influence performance and hence, provide a competitive advantage for the firms. Due to globalization organization have increased competition and accentuated the importance of good employees to business success. To compete successfully in the globalizing world, employees' knowledge and skills must be maximized and fully utilized (Whelan & Carcary, 2011; Collings & Mellahi, 2009; Lewis & Heckman, 2006). An important part of this is the identification and deployment of employee capabilities to meet strategic and productivity targets (Nilsson & Ellström, 2012) and managers must be the orchestrators of effective employee capability application to the business 'needs. According to Ellehuus (2012), business leaders who are effective at managing employee talents can generate revenues and profits up to seven percent greater than their counterparts who are less successful in this task.

In Africa the current outlook for organizations seeking to maximize the effectiveness of their workforce is bleak. Companies are struggling to find, develop and retain the quality employees they need (Kamoche et al., 2015) and this challenge is weakening their ability to compete (Spies, 2011). Companies here face numerous impediments to maximizing the potential of their workforce. These challenges include a lack of investment in formal employee training and development (Mitra et al., 2011; Webster & Wood, 2005); low competency in skills considered critical to competitive work-forces (Mitra et al., 2011); adoption of western talent management practices which align poorly with African organizational contexts (Bagire, 2015; Silva et al., 2015); poor working conditions and low financial compensation (Webster & Wood, 2005); corruption (Everhart, 2010; Okpara & Wynn, 2008); tribalism, AIDS and resistance to change (Okpara &Wynn, 2008); poor recruitment and promotion practices (Okpara &Wynn, 2008; Webster & Wood, 2005). In addition, the continent has a scarcity of educated, skilled labor (Kock &Burke, 2008; (Ghebregiorgis &Karsten, 2006).

There is significant evidence that under certain circumstances a company's internal resources, particularly differentiated employee competencies, can be a source of sustained competitive advantage (SCA) for organizations. This is the basic premise of Resource-based Theory (RBT). The nature of the competitive advantage that organizations can derive from employees is impressively diverse. In Africa, for example, this has included achievement of organizational goals and improved organizational performance (Ijigu, 2015; Al Damoe et al., 2013; Akinyemi, 2012; Dimba, 2010).

Furthermore, there is sufficient evidence from Africa that employee skills, knowledge and attitudes that are strategically deployed alongside well aligned and integrated broad HR initiatives have a compensative effect on other forces conspiring to mitigate the impact of employee contribution (Schlechter et al., 2015; Onyema, 2014; Ihionkhan & Aigbomian, 2014; Akinyemi, 2012; Oladipo & Abulkadir, 2011). Therefore, the problems caused by, for example, a shortage of labor or endemic corruption, can be somewhat alleviated by better strategic application of the current workforce's full potential. According to Yang and Conrad (2011) RBT is concerned with organizational performance heterogeneity. The objective is to bring together a range of internal resources which combined and deployed strategically can create competitive advantage for the organization. Internal resources include various types of capital: Physical capital (buildings; machinery; stock); financial capital (investments; cash reserves; operating capital); human capital (the knowledge, qualifications, skills and experience of employees) and corporate capital (trademarks; patents; systems). Yang and Conrad (2011) explain that these resources become valuable when they are used to enable the organization to implement its business strategy. It is through the implementation of business strategy that sustained competitive advantage (SCA) can be achieved.

Leiblein (2011) has observed that RBT is premised upon two observable truths. Firstly, firms vary in their ability to control access and organize productive resources. Secondly, firms' differences in resources and resource management at least partially explain performance differences among close competitors. Four strategic orientations have been acknowledged to provide a significant impact on firm performance: market orientation (MO), entrepreneurial orientation (EO), learning orientation (LO) and technology orientation (TO) (Calantone et al.; Hakala, 2011).

The resource-based perspective is often viewed as a key theory in the strategy literature to explain performance of firms based on their internal competencies. This theory is useful for this study as it examines the capacities of FinTech companies and how these can be used to react to the external environment thus affecting their performance. Several studies (Nakola et al., 2015; Campbell & Park, 2017) have used the RBV theory in exploring the relationship between strategic orientation and organisation performance. "One of the most integrating and almost ubiquitous threads of current management thinking emphasises the importance of a resource-based view of the company (Powell and Bradford, 2000)."

Resource-based strategy emphasises strategy creation built around the further exploitation of existing core competencies and strategic capabilities (Thompson and Martin, 2005). A central premise of the resource-based view is that firms compete on the basis of their resources and capabilities (Peteraf and Bergen, 2003). Most resource-based view researchers choose to "look within the enterprise and down to the factor market conditions that the enterprise must contend with, to search for some possible causes of sustainable competitive advantages" holding constant all external environmental factors (Peteraf and Barney, 2003). This inward-looking approach has proven to be both influential and useful for the analysis of many strategic issues (Foss and Knudsen, 2003), among which the conditions for sustained competitive advantage and diversification. Extending the resource-based view to analyze competitive behaviors, Tripsas (1997) studies how existing competences shape responses to technological change and Peteraf and Bergen (2003) propose a market-based and resource-based framework to identify direct and indirect competitors.

Foss and Knudsen (2003) assert that uncertainty and immobility (i.e., sunk cost commitments) should be the only conditions to enter the study of sustained competitive advantage as exogenous elements whereas a host of additional conditions are candidates for inclusion as endogenous elements. They include input heterogeneity in this unbounded list of additional conditions that give shape to competitive advantage. Many of Foss and Knudsen's (2003) additional conditions relate to the competitive environment, thus supporting my claim for the integration of the competitive environment and the RVB in a single framework. Some resources can be specific to firms and are not easily imitated, firms differ in terms of their resource base. This inimitability is essentially what leads to competitive advantage(Das & Teng, 2000, p. 32).

Dynamic Capability Theory (DCT)

Every day, in enterprises throughout the world, managers make decisions about investments and other interventions that influence their firm's capabilities. These decisions, in turn, have consequences for competitive advantage. As such, they are central to the study and practice of competitive strategy. Following Winter (2003), a capability is a collection of organizational routines that enable a firm to perform some set of tasks on a repeatable or consistent basis.

Dynamic capabilities can be distinguished from operational capabilities, which pertain to the current operations of an organization. Dynamic capabilities, by contrast, refer to "the capacity of an organization to purposefully create, extend, or modify its resource base" (Helfat et al., 2007). Two theories—"disruptive innovation" (Christensen 1997) and "economies of scope" (Bresnahan et al. 2011)—imply that a firm's capabilities are relatively fungible, and that capability constraints play, at best, a second order role. That is, firms have the capacity to develop novel capabilities in response to Schumpeterian competitive threats but they fail to engage this capacity either because they are myopic (Christensen 1997) or because they are responding (rationally) to the real costs of redeploying common assets (Bresnahan et al. 2011).

Define the term "dynamic" as "the capacity to renew competences so as to achieve congruence with the changing business environment; this is relevant in situations where time to market is critical and the nature of competition is difficult to determine". Capabilities are referred to as "the key role of strategic management in appropriately adapting, integrating and reconfiguring, internal and external organizational skills, resources, and functional competences to match the requirements of a changing environment" (D. J. Teece et al., 1997, p.515).

External factors such as the nature of the market and the firms' history for example determine the firms' ability to react to market fluctuations. Internal factors such as managerial behavior, social capital and trust for example determine the organizations ability to develop DC's (Véronique, Ambrosini & Bowman, 2009, p. 42). Eriksson (2014, p. 71)also argued that the creation of DC's rests on internal and external antecedents. Internal antecedents; structural and social, and external antecedents; environmental, networks and relationships influence the organization ability to develop and sustain DC's(Eriksson, 2014, p. 71).

In moderately dynamic markets where change occurs in the context of stable industry structure DC's reflectroutines. They are "complicated, detailed, analytic and stable processes with predictable outcomes" (Eisenhardt & Martin, 2000, p. 1106). However in high velocity markets where industry structure fluctuates, DC's are "simple, experiential, unstable processes that rely on quickly created new knowledge and iterative execution to produce adaptive, but unpredictable outcomes"(Eisenhardt & Martin, 2000, p. 1111). DC's in the context of competition can thus be seen as responses to the need for change or new opportunities (Easterby-Smith, Lyles, & Peteraf, 2009, p. 4) and these responses are deeply embedded in the firms' individuality.

Managerial capabilities are rooted in three underlying variables; managerial human capital, managerial social capital, and managerial cognition. The argument is that because managerial decisions are based on the resource and capability base of an organization, differences between firms in their resources and capabilities may lead to differences in managerial decisions and thus to differences in corporate performance (Adner & Helfat, 2003, p. 1020).

Wang and Ahmed (2007, p. 31)contributed to the DC's approach by identifying three component factors which reflect the common features of DC's across firms; adaptive capability, absorptive capability and innovative capability. Adaptive capability is defined as a firms' ability to take advantage of market opportunities (Wang & Ahmed, 2007, p. 37). Absorptive capability is referred to as the ability to identify and apply external information for commercial means. Firms with higher absorptive capability are better able to learn from partners and transform learned knowledge into competences (Wang & Ahmed, 2007, p. 37). Innovative capability refers to a firms' ability to develop new products or markets. The argument is that these factors explain the confusion behind how resources and capabilities can be used to sustain long-term firm performance (Wang & Ahmed, 2007, p. 43). Additional contributions discuss enablers and antecedents of DC's. Véronique Ambrosini and Bowman (2009, p. 41) for example discuss external factors and internal factors as drivers and inhibitors for DC's.

Increasingly, competitive advantage also requires the integration of external activities and technologies: for example, in the form of alliances and the virtual corporation. Zahra and Nielsen (2002) show that internal and external human resources and technological resources are related to technology commercialization. Over time, a firm's assets may become co-specialized, meaning that they are uniquely valuable in combination. An example is where the physical assets (e.g., plants), human resources (e.g., researchers), and intellectual property (e.g., patents and tacit knowledge) of a company provide a synergistic combination of complementary assets. Such co-specialized assets are therefore more valuable in combination than in isolation. The combination gives a firm a more sustainable competitive advantage (Teece, 2009; Douma and Schreuder, 2013).

According to Wade and Hulland (2004), IS resources may take on many of the attributes of dynamic capabilities, and thus may be particularly useful to firms operating in rapidly changing environments. Despite such a concerted intellectual effort, progress toward a strategic theory of capabilities or even a coherent framework has been disappointing. For instance, in a comprehensive review of the literature on the topic, Peteraf et al. (2013) put in starkly: "From the intensity of this research effort and evident interest in the topic, one might surmise that there exists a common understanding of dynamic capabilities. This is far from the case. The construct remains open to a variety of conceptualizations and interpretations concerning even its most basic aspects, including how dynamic capabilities are defined." The attempt to parse the dynamic capabilities concept at ever finer levels of detail has lead to multiple competing definitions (for a comparison, see Dosi et al.2008). Even the most ardent supporters of a dynamic capabilities approach to strategy would have to admit that the framework has made little progress theoretically, and has certainly gained even less traction among practitioners.

Debate may simply reflect a healthy process of generation and selection among multiple competing ideas, especially early in the intellectual life cycle of a concept (Helfat and Peteraf 2009). Following Winter (2003), a capability is a collection of organizational routines that enable a firm to perform some set of tasks on a repeatable or consistent basis. The term know-how and capabilities will be used interchangeability. At the same time the DCT explains the competences a firm requires to create long term sustainable competitive advantage. Similarly the ability for the field of supply chain management to be an important driver in the achievement of sustainable competitive advantage has also been highlighted (Chen et al., 2004, p. 518). They proposed a comprehensive assessment model which can be used to evaluate purchasing and supply chain management theories (Vos & Schiele, 2014, p. 1). Additionally they provide a framework that helps determine at which stage of its life cycle a theory is (Vos & Schiele, 2014, p. 8), which will be applied to the DC's approach.

Contingency Theory

Contingency theory is an approach to the study of organizational behaviour in which explanations are given as to how contingent factors such as technology, culture and the external environment influence the design and function of organizations. The assumption underlying contingency theory is that no single type of organizational structure is equally applicable to all organizations. Rather, organizational effectiveness is dependent on a fit or match between the type of technology, environmental volatility, the size of the organization, the features of the organizational structure and its information system. Contingency theories were developed from the sociological functionalist theories of organization structure such as the structural approaches to organizational studies by Reid and Smith (2000), Chenhall, (2003) and Woods (2009). These studies postulated that organizational structure was contingent on contextual factors such as technology, dimensions of task environment and organizational size. In some other literature, contingency theory was still regarded as a dominant paradigm in management accounting research (Fisher, 1995; Cadez and Guilding, 2008).

This theory assumes that styles are fixed, and that they cannot be adapted or modified (Gupta, 2009). A leader is most effective when his or her attributes and style of leadership is matched with the situation and environment around them (Gupta, 2009). The Contingency theory is not concerned with having the leader adapt to a situation, rather the goal is to match the leader's style with a compatible situation (Gupta, 2009). To make best use of this theory, it is important to find what style a leader has (Gupta, 2009). This is done through the Least Preferred Coworker Scale (LPC) (Gupta, 2009).

Fiedler's Contingency Model attempts to match the leader's style using LPC to the situation in which they would thrive (Gupta, 2009). Task-oriented leaders are most effective when their positional power is high, as well as the task structure (Gupta, 2009). People or relation-oriented leaders perform their best when the relationship levels between themselves and followers are at their greatest (Gupta, 2009). After finding the style of the leader, Fiedler's Model states that finding the best situation for the leader, also known as "situational favorableness" (Fiedler's Contingency Model, n.d).

These three factors combine to form the situation in which a leader's style is effective or ineffective. If the three factors match up to the style of the leader, success is projected (Gupta, 2009). It is important to remember that the opposite can happen as well. If a leader is put into a situation opposite of his or her favored task structure, member relation, and level of power, then failure is to ensue (Gupta, 2009). Strengths of Contingency Theory used to create leadership profiles for organizations puts emphasis on combination of leaders style and the situation "It is predictive; there is a well-defined method to evaluate LPC and Situations"(Gupta, 2009).

The Contingency Theory can be used to create leadership profiles for organizations, in which certain styles can be matched with situations that have proven to be successful (Gupta, 2009). Companies can know what type of person would fit in each position of the organization whenever there is an opening. This theory also helps to reduce what is expected from leaders, and instead puts emphasis on finding a match to the situation (Gupta, 2009). This theory, although complex, is very useful in matching professionals to the right situations and determining the best person for a job (Gupta, 2009).

EMPIRICAL REVIEW

It is a way of gaining knowledge by means of direct and indirect observation or experience. Empiricism values such research more than other kinds. Empirical evidence (the record of one's direct observations or experiences) can be analyzed quantitatively or qualitatively. The varying perception of empiricism and rationalism shows concern with the limit to which there is dependency on experience of sense as an effort of gaining knowledge. According to rationalism, there are a number of different ways in which sense experience is gained independently for the knowledge and concepts. According to empiricism, sense experience is considered as the main source of every piece of knowledge and the concepts. In reference with a specific piece of knowledge, this paper focused on differentiating between rationalism and empiricism or rational views and empirical views.

In general, rationalists are known for the development of their own views following two different way. First, the key argument can be placed that there are cases in which the content of knowledge or concepts end up outstripping the information. This outstripped information is provided by the sense experience (Hjørland, 2010, 2). Second, there is construction of accounts as to how reasoning helps in the provision of addition knowledge about a specific or broader scope. Empiricists are known to be presenting complementary senses related to thought. First there is development of accounts of how there is provision of information by experience that is cited by rationalists. This is insofar for having it in the initial place. At times, empiricists tend to be opting skepticism as an option of rationalism. If experience is not helpful in the provision of knowledge or concept cited by rationalists, then they do not exist (Pearce, 2010, 35).

Competitor Orientation

Kotler et.al, (2006) estimated 28 percent of new product ideas driven by customers; they also believe that about 30 per cent of new product ideas come from analyzing the competitors' products (Wong and Tong, 2012). It means that in additional to customers and internal cross-functional cooperating, firms need to consider their competitors as an important external factor that can influence new product development activities of the firm. In other words, to enhance their chances of NPS, firms not only have to know what customers need, but also what its competitors are doing in meeting such needs (Kotler, et al. 1999). Carson and Carson, (2003) define competitor orientation as a firm-wide endeavor to understand the market or an industry where the company is operating in and to continually monitor the activities of its competitors, learn from their successes and failures to ensure that its own product will be a real improvement over those of its competitors. Wong and Tong, (2012) claim that this crucial competitor knowledge enables NPD team to make informed decisions and develop new products that surpass those of its competitors.

Entrepreneurial Orientation

Numerous authors have suggested the benefit of conducting multi-level research in the EO domain (cf. Wales et al., 2011; Wiklund and Shepherd, 2011; Zahra, 1993). Multi-level models are implied within perspectives of EO as capturing a combination of managerial attitudes toward risk-taking and firm entrepreneurial behaviour (Anderson et al., 2015). Moreover, it is important to recognize that EO beliefs and behaviors may differ across organizational levels (Wales et al., 2011; Zahra, 1993).

Thus, at a minimum, managerial attitudes toward risk-taking are likely to exhibit variance based on key organizational contextual considerations such as managerial level, functional area, and business unit goals (Wales et al., 2011). Yet, it is arguable that EO behaviour may also be manifest at lower organizational levels through innovative and proactive business initiatives and projects undertaken by organizational members, which lead to new firm product-market entries. While some of these entrepreneurial initiatives will be embarked based on top management team direction, others will be autonomous in origin leading to the emergence of 'grass roots' strategies for the organization (Burgelman, 1983). Wiklund and Shepherd (2011) raise additional multi-level questions in the EO domain, such as examinations of firm-level EO as an antecedent to individual-level experimentation.

Market Orientation

The relationship between market orientation and new product success has gain considerable attention in recent years demonstrating a positive impact of market on new product performance (Baker and Sinkula, 2005). As consumers may suffer from a lack of full knowledge of what is available in the market and what might best meet their needs, a firm that understands the market and its customers well, would enjoy a significant competitive advantage over its competitors (Slater and Narver, 1994).

Market orientation has been viewed from different perspectives by different authors. Considering Market orientation as an operative process, Kohli and Jaworski (1990) believe that it is conceived as a set of organizational behaviors and processes, market intelligence generation; market intelligence dissemination; and responsiveness to such intelligence across departments (Kohli and Jaworski, 1990). Market orientation also has been seen as an organizational culture that emphasizes the use of firm-wide cooperation to create superior values for its customers, outperform competitors and generate more profit for a firm (Baker and Sinkula, 2007; Li et al., 2010; Narver and Slater, 1990). However, Narver and Slater proposed their model in 1990 on the three core elements of market orientation (Davis et al., 2010) that are considered in this study either. These elements are customer orientation, competitor orientation and R&D and marketing cooperation (RMC).

Firm Performance

Many authors have evaluated the link between strategic orientation and firm performance using different measures. Some of them have employed return on asset as measure of performance while others have used sales growth. Also, other researchers have employed return on equity as the measure of the company performance. El Mir and Seboui (2008) argued that corporate governance is mostly believed to be the main driver of the company performance. However, the measures of company performance employed by the researchers are not the same which may be accounted as the source of mixed findings on the relevance of corporate governance on firm performance. In their analysis, Raja and Kumar (2007) employed Tobin's Q being formed by the summation of market value of equity, liquidation value of preference share and book value of debt divided by book value of total assets as the measure of firm performance against corporate governance.

Also in assessing the significance of corporate governance; Hutchinson and Gul (2004) measured firm performance by considering return on equity. In this case, return on equity is measured as profit after interest and tax divided by equity. Moreover, in evaluating firm performance Weir and Lang (2000) and Erhardt et al (2003) employed return on asset as the measure of performance. Francoeur et al (2008) employed abnormal return (excess return) as the measure of performance. In the same process, Smith et al (2006) employed four measures; gross profit margin, contribution margin divided by net sales, operating income divided by net sales and net income after tax divided by net sales. This proves that different accounting measures have been employed in assessing the contribution of corporate governance to the firm performance.

RESEARCH METHODOLOGY

Research Design

The study used the descriptive research design. Descriptive method of research refers to the type of research that aimed at obtaining information on current state of phenomena. This type of research sets out to provide an accurate profile of situations, people or events. According to The goal of descriptive research is to describe a phenomenon and its characteristics. This research is more concerned with what rather than how or why something has happened. Therefore, observation and survey tools are often used to gather data (Gall, Gall, & Borg, 2007). The descriptive research design is thus useful for this study as it aims to understand how strategic orientation of Tuskys Supermarket Limited affects the performance of the retail chain of stores. The design is also significant as the study proposes to use a survey (questionnaire) to collect information from a selected population.

Target Population

The target population is defined as the group of individuals or participants with the specific attributes of interest and relevance (Creswell, 2003).The target population for the study is administration and management staff at Tuskys Supermarket Limited in Nairobi City County. The target population is thus 543 staff from 12 Tuskys Supermarket Limited.

Sampling Technique and Sample Size

The study proposes to use the stratified random sampling technique. This approach allows a researcher to distinguish the target population into different strata (groups) where members are picked from each of these strata. The strata for this population were the 12 branches of Tuskys Supermarket Limited in Nairobi City County. The sample size is a portion selected from the target population for analysis (Dattalo, 2008). In order to determine the sample size for this research; the Yamane (1967) sampling formula was adopted. The sample size for the study is established as 230 staff from Tuskys Supermarket Limited.

$$n = \frac{N}{1+N\,(e^2)}$$

Where: n = sample size; N = study population, e = tolerance at the preferred level of confidence; $\alpha = 0.05$ at 95% confidence level

$n = 543 / 1 + 543 (0.05)^2 = 543 / 2.3575 = 230$

Data Collection Instrument

The study used quantitative methods of data collection and analysis. The questionnaire is the most dominant tool used for collecting quantitative primary data. A questionnaire refers to a structured series of written questions, which usually generate written responses. Structured questionnaire specify the set of response alternatives and the response format (Malhotra, 2010). A structured questionnaire was designed to collect data from respondents. The questionnaire consisted of eight (8) sections: demographic information of staff, The questionnaire had close-ended questions for the demographic information and likert scale type of questions for the study variables. The indicators for the questionnaire have been adapted from Venkatraman (1989) and Gupta and Basu (2014).

Data Analysis and Presentation

The researcher used SPSS to analyze the data. Descriptive and inferential statistical methods were used in making sense of the data. Descriptive analysis is used to describe the basic features of the data in the study. They provide simple summaries about the sample and the measures. Together with simple graphical analysis, they form the basic virtual of any quantitative analysis of data. Inferential statistics, on the other hand, aim to measure the association or effects, if any, between the predictor and response variables. In this case, correlation analysis using Pearson (r) was done. Multiple regression analysis was also performed to determine the effects of the predictor variables (Entrepreneurial Orientation, Market Orientation and Competitor Orientation and on response dependent variable (firm performance). The proposed regression model for the study is:

$$\mathbf{Y = a + bX_1 + cX_2 + dX_3 + \varepsilon_J}$$

Where: Y = Firm Performance; a = constant, b, c, d, coefficients of X_1, X_2 and X_3 respectively; X_1 = Entrepreneurial Orientation; X_2 = Market Orientation; X_3 = Competitor Orientation; ε_J = Error term

RESEARCH FINDINGS

Table 1: Model Coefficients

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	-0.552	0.137		-4.018	0.000
Entrepreneurial Orientation	0.472	0.077	0.416	6.109	0.000
Market Orientation	0.076	0.075	0.066	1.015	0.312
Competitor Orientation	0.135	0.069	0.122	1.949	0.043
Dependent Variable: Firm Performance					

Table 1 indicates the coefficient of model that reflects relationship between strategic orientation and firm performance at bivariate level. From the findings, the constant was found to be -0.552 implying that when all the three independent variables are held constant, performance of Tuskys supermarket will be negative to a tune of -0.053 out of 5 points. At the same time, when entrepreneurial orientation positively changes by one unit, firm performance would positively change by 0.472 units. The same case will happen with positive change in one unit of market orientation and competitor orientation which would lead to positive change in firm performance by 0.076 and 0.135 respectively. Market orientation, nevertheless, was found to have no significant bivariate relationship with firm performance (p-Value = 0.312>0.05) at 95% confidence level as opposed to entrepreneurial orientation (p-Value = 0.000) and competitor orientation (p-Value = 0.043<0.05). The model can thus be summarized as:

$$Y = -0.552 + 0.472X_1 + 0.076X_2 + 0.135X_3$$

Table 2: Correlation Coefficients

		Firm Performance	**Entrepreneurial Orientation**	**Market Orientation**	**Competitor Orientation**
Firm Performance	Pearson Correlation	1.000			
	Sig. (2-tailed)				
	N	169			
Entrepreneurial Orientation	Pearson Correlation	0.929	1.000		
	Sig. (2-tailed)	0.000			
	N	169	169		
Market Orientation	Pearson Correlation	0.843	0.894	1.000	
	Sig. (2-tailed)	0.000	0.000		
	N	169	169	169	
Competitor Orientation	Pearson Correlation	0.841	0.870	0.893	1.000
	Sig. (2-tailed)	0.000	0.000	0.000	
	N	169	169	169	169
**	Correlation is significant at the 0.01 level (2-tailed).				

From the correlation analysis, all the variables were found to be positively correlated with each other. Considering the correlation between the dependent variable (firm performance) and each of the independent variables (entrepreneurial orientation, market orientation and competitors orientation), the highest correlations were between entrepreneurial orientations and firm performance (0.929), entrepreneurial orientation and market orientation (0.894), as well as entrepreneurial orientation and competitor orientation (0.870). This means a unit increase in any of the independent variable will lead to an increase in dependent variable and a unit decrease will also lead to decrease in dependent variable (Kothari, 2008). The also results put entrepreneurial orientation at central position when related with other variables (market orientation and competitor orientation) to influence firm performance. The test of significance revealed the p-value of 0.000 for all which is less than the level of significance of 0.05, 2-tail test; therefore the test is statistically significant.

Table 3: Coefficient of Determination

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.949	0.900	0.898	0.169
Predictors: (Constant), Market Orientation, Competitor Orientation, Entrepreneurial Orientation			

To determine the degree to which all the explanatory variables (market orientation, competitor orientation, and entrepreneurial orientation) explained any change in the dependent variable (firm performance), R-square was determined and found to be 0.900. This implies that for any change by one unit in performance of Tuskys Supermarket, market orientation, competitor orientation, and entrepreneurial orientation are explaining 90% of such change. The remaining 10% of the change is explained by other variable not conceived in this study. This once more puts strategic orientation at a principal position in influencing performance of supermarkets in Kenya. The standard error of estimate was found to be 0.169 at 0.05-significant level.

The findings agree with Hakala (2010) assertion that strategic orientation helps an organization analyse strategy for future growth as it compares with the actual execution of procedures. The strategic orientation and the level of inter functional coordination of a firm influence the ability of the firm to take advantage of a new product to make it successful. Therefore, even after controlling for the innovation characteristics, firm orientation can have a marginal impact on innovation performance. A firm's strategic orientation reflects the strategic directions implemented by a firm to create the proper behaviors for the continuous superior performance of the business (Narver and Slater 1990). A firm’s strategic orientation reflects the strategic directions implemented by a firm to create the proper behaviors for the continuous superior performance of the business (Narver and Slater, 1990).

CONCLUSIONS

This study concludes that the most significant among the factors contributing to Firm Performance is entrepreneurial orientations, followed by market orientation and finally competitor orientation.

Entrepreneurial orientation greatly influences firm performance and it affects among others areas such as innovativeness, pro-activeness, and risk-taking as core defining aspects or dimensions of the orientation.

Market orientation closely follows Entrepreneurial orientation in terms of influencing the firm performance. Market orientation manly concerns with areas such as consumer needs and desires in order to define new products to be developed. In addition it determines what consumers view as their immediate needs, primary concerns, or personal preferences within a particular product category. Other important dimensions considered within this area are information dissemination, response time and information generation among other factors.

The study puts competitor orientation as number three in influencing firm performance. Competitor orientation manly looks at competitor strength and competitor information. To effectively counter competitor activities competitor orientation aspect may also consider production efficiency, pricing, delivery times, customer satisfaction, innovation, employee retention and market share.

The study finally established that the three independent variables that were studied explain only 90% of the factors influencing firm performance. This therefore means there are factors outside this research contributing to 10% of the factors influencing firm performance.

RECOMMENDATIONS

The study has found that strategic orientation is crucial in determining performance of a firm and particular supermarkets. The following recommendations are therefore given for firms and other stakeholders to arrive at the desired output:

Supermarkets need to be more innovative in reaching out to their customers and in product development. This is because it will create a new market need for their products and services and hence ne competitive in the retail store. In addition, supermarkets should endeavor to focus on identifying customers express needs that guide in developing products and services. This will give the firms opportunities to flourish compared to their competitors.

Decision makers and managers in supermarkets should consider intensive training to understand fully the concept of strategic orientation and thus effectively apply it in decision making in their respective firms and especially for to make difficult decisions by showing

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