

**EFFECT OF STRATEGIC ORIENTATION ON ORGANIZATIONAL EFFICIENCY OF  
FLORICULTURE FARMS IN NAIVASHA SUB-COUNTY**

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**DECLARATION**

This Research proposal is the original work and has not been presented by anyone else for any award in any institution or any other examination body

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## **DEDICATION**

I dedicate this Research Project to my Family Members; Josphine {Spouse} and Jabali {Son} for their priceless effort of constantly encouraging me from the start of my studies and further pushing me to this point of conclusion.

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## ABSTRACT

A firm's strategy can have a major impact on its structure, its activities, its investment, its relation to the market and its business performance as it seeks to gain a competitive advantage in a very competitive environment. However, not all firms respond to changes in the environment in the same way. These responses to the operating environment can be categorized according to the strategic orientation of the organization. Strategic orientation is important in making an organization enhance performance and gain a competitive advantage in its operating environment. The floriculture farming and export industry is experiencing increasing competitive and legislative pressure, and the firms have had to react in some strategic fashion to cushion themselves from the new developments as well as increase their organizational efficiency as a means of competitive advantage. However, their strategic orientation to the new developments remains unknown, as previous studies have only focused on factors influencing strategy implementation and performance in flower firms in Kenya. Therefore, the purpose of this study was to investigate the effect of Strategic orientation on organizational efficiency in Floriculture Farms in Naivasha Sub-County. Specifically, the variables of the were to establish the effects of defensive orientation, aggressive orientation, proactive orientation and risk taking orientation in promoting the organizational efficiency of the floriculture firms in Naivasha Subcounty. The Resource Based View and the Open Systems Theory guided the study. The study adopted descriptive survey research design and targeted 185 management members from 37 Floriculture Farms in Naivasha Sub-County. Purposive and random samplings were used to obtain a sample size of 112 respondents. Data was collected through questionnaires and data sheets. Both descriptive and inferential statistical analyses were used to analyse the data. The findings reveal that Defensive Orientation although has a weak and positive association with efficiency does not statistically influence Floriculture firm efficiency. However, Aggressive ( $b=-.315$ ), Proactive ( $b=.499$ ) and Risk taking ( $b=1.234$ ) have the greatest influence consecutively to Floriculture Firm efficiency. The Study recommended that Floriculture firms should adopt Defensive strategies if they can put in place resource management tools to support it. The study also recommended firms to adopt Aggressive strategies only if they have a sound risk strategy to cushion them from their agility. This study also recommends that Floriculture Firms should adopt both Risk taking and Proactive orientation to achieve high levels of efficiency. These findings will be useful to Managers of Flower Firms around the country by informing them of the risks and trade off of strategic configurations to environmental factors. They will also be able to steer their firms to success. The flower firm industry and the country will develop clear policies to guide these firms to cope with global competition and achieve economic and investment growth and development of the Country.

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## **LIST OF ABBREVIATIONS AND ACRONYMS**

**DEA** Data Envelope Analysis

**RBVOS** Resource Based View and the Open Systems

**SPSS** Statistical Package for the Social Sciences

**EO** Entrepreneurship Orientation

**CEO** Chief Executive Officer

## DEFINITION OF TERMS

**Defensive orientation** A coping mechanism by which people try to protect themselves from anxiety or psychological harm (Donohue, J.J. 2015)

**Aggressive orientation** it is a step taken to develop or meet the markets or the customer's needs (Sheu, C. 2002).

**Proactiveness orientation** refers to anticipatory, change-oriented and self-initiated behavior in situations. Proactive behavior involves acting in advance of a future situation, rather than just reacting (Covin, J.G. 1997),

**Risk Taking Orientation** Risk can be defined as possibility of failure or loss or other adverse consequences in pursuing some activity or venture (Schindler, P. S. 2008).

**Organizational efficiency** is the organization's ability to implement its plans using the smallest possible expenditure of resources. It is an important factor in the firm's organizational effectiveness, this being the ease and degree of success with which the organization is able to accomplish its aims (Flatten, T. C. 2015).

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

Globally the rising competition, breakthrough technological, changing demand patterns and other changes have increased the responsibility to managers to deliver superior performance and enhance market value to shareholders (Thoumrunroje & Racela, 2013). It could be fatal for companies to ignore these changing conditions. Therefore, organizations are striving to improve performance by developing and implementing effective business strategies that exploit opportunities in the marketplace while capitalizing on available resources and capability (Theodosiou, Kehagias & Katsikea, 2012).

A firm's strategy can have a major impact on its structure, its activities, its investment, its relation to the market, and its business performance. Sarker and Palit (2015) explain that strategy can be utilized as a problem solving tool that at the same creates new capabilities and improves performance. A strategy can also provide a framework that allows an organization and its managers to assemble specialized assets, to identify opportunities for providing valued products and services to customers, and to deliver those products and services for higher profits in the marketplace (Al-Ansaari, Bederr & Chen, 2015).

O'Regan and Ghobadian (2005), however, observe that not all firms respond to changes in the environment in the same way. These responses to the operating environment can be categorised according to the strategic orientation of the organization. According to Avci, Madanoglu, and Okumus (2011), orientation refers to the general or lasting direction of thought, inclination, or interest. Strategic orientation as the way a firm adapts to its external environment (Merriam-Webster (2009).

### **1.1.1 Strategic Orientation of Firms**

Strategic orientation refers to the broad outlines of the organization's strategy while leaving the details of strategy content and strategy implementation to be completed (Slater, Olson, & Hult, 2006). Kumar et al, (2012) defines strategic orientation as decision-making styles, processes and activities which determine business orientation in relation to surroundings. This interaction can be reflected in the form of establishment of new businesses, entering international markets or formation of organizational strategies. Hakala (2011) views strategic orientation as factors which influence organizational activities and direct them.

According to authors Zhou et al, (2005) and Johnson et al, (2012), strategy orientation involves a philosophy which directs business movement and has its roots deeply in values and beliefs which are infrastructures for organizational activities and attempts for directing competitive advantage. Slater et al, (2006) explains that strategy orientation is reflected in appropriate organizational activities which result in supreme performance. Strategic orientation has positive impacts on innovation, competitiveness and organizational performance (Kumar et al, 2012). In fact, strategy orientation involves models for responding to an environment in order to increase performance and competitive advantage (Hambrick, 2013).

According to Venkatraman (1989) there are six dimensions for strategic orientation: aggressive, defensive, futurism, proactiveness, analytical and risk taking. On the basis of the Porter Diamond Model, (Porter, 1990), states that strategic orientation is a key driver of the firm's competitiveness. This view has subsequently been confirmed over time by various studies such as Porter (1991); Riasi (2015); Riasi and Pourmiri (2015) which indicate that strategic orientation of organizations can enhance their competitiveness in their businesses. Studies on Iranian firms have also confirmed this relationship (Porter, 1990; Amiri Aghdaie et al., 2012;

Riasi & Amiri Aghdaie, 2013), which further magnifies the importance of the concept of strategic orientation.” However, the majority of the studies only researched the direct relation between a specific orientation and performance discarding moderating and mediating variables that potentially affect the relation between orientation and performance (Ghorbaninia & Aligholi, 2016). Further, studies concentrated on the role of a particular orientation, where only a limited number of studies did analyze the interactions between strategic orientations (Hakala, 2010).

To understand the implications of strategic orientation, their interrelations and effect on innovation performance, the four dominant strategic orientations (resource orientation, market orientation, entrepreneurial orientation and learning orientation) that are apparent in today’s strategy literature (Paladino, 2007; Hakala, 2010), are discussed in this section. These perspectives differ on how companies create superior competitive advantage and how they match resources with the environment. Thus, it can be said that strategic orientation is the pattern of responses that an organization makes to its operating environment to enhance performance and gain competitive advantage (Ghorbaninia & Aligholi, 2016).

A dimensional profile of strategic orientation was suggested by Venkatraman (1989) to be useful for interfirm comparisons and examination of performance differences. In this cross-sectional study of many industries, Venkatraman found aggressiveness, defensiveness, proactiveness, and riskiness dimensions of strategic orientation to be correlated with profitability. Although many studies in the Management literature incorporated strategic orientation, the effect on innovation performance (and organizational performance) and the relationship between strategic orientations remains unclear. Some found positive connections between orientations and organizational performance.



### **1.1.2 Organizational Efficiency of Firms**

The potential success of an organization depends to a large degree on its performance. Common measures of the organizational performance are effectiveness and efficiency (Bounds et al., 2005; Robbins, 2000). Most organizations assess their performance regarding effectiveness. Their focus is to achieve their mission, goals, and vision. At the same time, there are a plethora of organizations, which value their performance regarding their efficiency, which relates to the optimal use of resources to achieve the desired output (Chavan, 2009). Since the achievement of organizational mission and goals usually take a long time, and by way of a cross sectional study, we are going to measure performance using Efficiency.

Organizational efficiency is the organization's ability to implement its plans using the smallest possible expenditure of resources (Thanassoulis, Portela & Despić, 2008). It is an important factor in the firm's organizational effectiveness, this being the ease and degree of success with which the organization is able to accomplish its aims. Then use resources such as cash and labor in the actual implementation of those plans (Hubbard, 2007). According to Frey and Widmer (2011), organizational efficiency is the organization's ability to implement its plans using the smallest possible expenditure of resources. It is the organization's degree of success in using the least possible inputs in order to produce the highest possible outputs. It is an important factor in the firm's organizational effectiveness, this being the ease and degree of success with which the organization is able to accomplish its aims (Billyard & Donohue, 2015).

Among the factors contributing to organizational efficiency are resources which include both concrete items such as cash and more abstract concepts such as human capital (TBS, 2009). Factors that influence the efficiency of the organization's use of its resources can be both internal and external to the organization (Färe, Grosskopf & Margaritis, 2008). For example, the quality

of an organization's labor is often dependent in part on the general education of the region in which that organization is based. Quality of management is perhaps the most influential factor on organizational efficiency since it is management that chooses how to implement strategic plans - including selecting what methods and resources to use, and leading employees in order to make the most of their labor (Hubbard, 2007).

For an organization to succeed at accomplishing its aims, it must be able to create the right plans needed to accomplish those aims, pull together the resources needed to implement those plans, and then use resources such as cash and labor in the actual implementation of those plans (Fare et al., 2008). Organizational efficiency is still important to planning because it enables the achievement of plans that are otherwise impossible. For example, if a business' competitor has an entrenched position in a market but is less efficient in producing products, that business can enter the market through selling its products at lower prices that it can afford because of its lower production costs.

Businesses can gauge efficiency by analyzing resources, time or costs. With resource efficiency, the organization's resources are used effectively to minimize waste, while time efficiency refers to achieving goals within a set time frame or sooner. If the firm's operations are cost-efficient, the company creates, manufactures and delivers products inexpensively and generates profit (Billyard & Donohue, 2014). Several factors contribute to an organization's efficiency level, and the most important among them is management. Those in management must be well trained to deal with diversity in the workforce. They also must be ready to coordinate their efforts for better efficiency. They constantly look for ways to improve their operations, eliminating inefficient and redundant processes (Fried, Lovell & Schmidt, 2008). They need to be open to change and evolution in their products if they want to meet changing market conditions.

An organization's efficiency depends on its employees and how well they are committed to the company's goals and priorities (Thanassoulis et al., 2008). Employees must be clear about their roles and responsibilities, and the company needs to implement programs to enhance employee skills. The company also needs to encourage and motivate its employees. To make sure that employees are content and that they remain efficient, business owners need to acknowledge and compensate employees for their efforts. They also can outsource specific tasks in their operations for added efficiency (Frey & Widmer, 2011). Companies can increase their efficiency by running production processes well. By using state-of-the-art technology and eliminating processes that don't add value to their products, they can lower production costs (Besanko, Dranove & Shanley, 2000).

Advanced technology often results in quicker production, better-quality products and fewer product defects. Flexibility in production processes allows companies to make adjustments where required so they can meet customer specifications (Fried et al., 2008). Companies can manage production and inventory efficiency by avoiding overproduction of products and overstocking of inventory. Organizational efficiency is gauged using a number of quantitative figures such as production costs and production times because it is too broad of a concept to be encapsulated in a single figure.

There are several measures that fall under the term "efficiency". In most literature, efficiency is defined as either the production of a greater quantity of outputs without changing input levels, or the production of the same quantity of outputs with a reduction in the input levels (TPS, 2009). However, such definitions may work well in a qualitative sense, it really is describing a desired improvement to efficiency, not efficiency itself (Billyard & Donohue, 2015). In much of the open literature over the last four decades, efficiency has typically been defined using data

envelope analysis (DEA) wherein a subset of firms within an industry which have the “best” output-to-input ratios (i.e., best productivity) define a data frontier and the efficiency of any other firm within the industry is constructed as a unitless measure of how close it is to that parametric frontier. This is commonly known as scale efficiency (Sun, 2004). Other similar efficiency definitions also exist. For example, input saving efficiency is defined as the ratio of the required inputs on the frontier to the observed inputs needed to yield the same output and output increasing efficiency is the ratio of observed output to the output on the frontier with the same input (Brockett et al., 2004).

### **1.1.3 Floriculture in Kenya**

In Africa, Kenya is one of the most prominent fresh flower exporting countries. Floriculture industry is the most developed sector and accounts for about 40 per cent of all horticultural exports with an estimated annual growth rate of 20 percent (Kenya Flower Council, 2012). The Cut flower industry is a fast-growing agricultural sub-sector that contributes about half of the fresh horticultural exports in Kenya and is second foreign exchange earner (Bolo et al. 2006).

Majority of the flower firms are in Nakuru county Particularly Naivasha, and Rongai area is accounting for more than half of the flower firms in the country. This is due to the availability of vast land that allows large scale flower farming through the green-house technology. This is coupled with the availability of water from Lake Naivasha and cheap labor, which are the critical resources in this industry. Like all other organizations operating in a competitive environment, the cut-flower firms have embraced different strategic orientations which are expected to deal with the vagaries of the environment.

### **1.2 Statement of the Problem**

The Cut flower industry is a fast-growing agricultural sub-sector that contributes about half of the fresh horticultural exports in Kenya, has a big financial impact in foreign exchange earnings.

It also employs directly about 50,000 people, and 500,000 more are depending on it through indirect employment .Despite its significance in the Kenyan economic growth trajectory, the cut flower industry continues to fluctuate in terms of quality on the global market. Cost containment issues and the understanding and quick response to the market environment are some of the critical factors affecting the performance of cut flower firms (Chalwa, Sakataka and Oteki, 2016). To improve their performance cut flower firms, need to apply models for responding to the environment they operate in to increase performance and competitiveness. Cut flower firms particularly need to be proactive to develop market leadership, develop and nurture behaviors aimed and increasing efficiency through cost containment, invest their resources in developing their market share. An investigation of research literature reveals that strategy orientation has positive impacts on innovation, competitiveness and organizational performance. As important as this sector is to this country and even though, the flower industry's environment is very competitive and heavily regulated. Naivasha Sub County is home to over 100 floriculture firms making it the area with the largest concentration of such firms in the country. The high concentration means that the firms operate in a very competitive environment especially regarding access to the increasingly scarce production resources. Also, most firms have to develop and market their products on their own, and this can be quite challenging especially in the light of the recent removal of the preferential status of exports from Kenya into the EU markets. As a consequence, the firms have had to react in some strategic fashion to cushion themselves from the new developments and also increase their organizational efficiency as a means of competitive advantage. However, their strategic orientation to the new developments remains to be known as previous studies have only focused on factors influencing strategy implementation and performance in flower firms in Kenya. Little attention has paid attention to

the strategic view towards the market and how it can result in an increase of productivity and guarantee the long-term survival of these firms. To fill this obvious gap, therefore, the researcher will examine the effect of strategic orientation on organizational efficiency in the context of cut-flower firms in Kenya

### **1.3 Objectives of the Study**

#### **1.3.1 Main Objective**

The main objective of the study will be to investigate the effect of Strategic orientation on organizational efficiency in Floriculture Firm in Naivasha Sub-County

#### **1.3.1 Specific Objectives**

- i. To evaluate the effect of Defensive orientation on organizational efficiency in Floriculture Firms in Naivasha Sub-County
- ii. To assess the effect of Aggressive orientation on organizational efficiency of in Floriculture Firms in Naivasha Sub-County
- iii. To analyze the effect of Proactiveness orientation on organizational efficiency in Floriculture Firms in Naivasha Sub-County
- iv. To analyze the effect of Risk Taking Orientation on organizational efficiency in Floriculture Firms in Naivasha Sub-County

### **1.4 Research Hypotheses**

**HO1:** Defensive orientation does not significantly affect organizational efficiency in Floriculture Firms in Naivasha Sub-County

**HO2:** Aggressive orientation does not significantly affect organizational efficiency of in Floriculture Firms in Naivasha Sub-County

**HO3:** Proactive orientation does not significantly affect organizational efficiency in Floriculture Firms in Naivasha Sub-County

**HO4:** Risk Taking Orientation does not significantly affect organizational efficiency in Floriculture Firms in Naivasha Sub-County

### **1.5 Significance of the Study**

The outcome of this research is intended to enable the management of Floriculture Farms in Naivasha Sub-County to understand how their strategic orientation to the operating environment influences organizational efficiency. Especially, in the light of the increasing competition in the market coupled by the promotion of the country to be a GSB state meaning its products are subject to non-preferential tariffs when entering the European market. Other stakeholders in the flower and other agro-base export fields are also meant to benefit from the outcome of this study and gain valuable insight into the value of strategic orientation on their performance efficiency. Moreover, the findings of the study may also be used in conjunction with other similar studies to inform government policies and regulations on exports and enabling the actors to get more leverage in the markets through vertical integration. The study is important to future researchers and scholars in that; they will use this study and appreciate the knowledge acquired from it and lead to the development of new approaches to strategic orientation.

### **1.6 Scope of Study**

The study was carried out in Floriculture Firms in Naivasha Sub-county in the County of Nakuru. Nakuru County is one of the 47 counties in Kenya found in the Rift Valley region of Kenya (Constitution of Kenya, 2010). Floriculture firms operate in a monopolistic environments. The Study focused on Strategic Orientation variables and their influence on efficiency performance of Floriculture firms within the area. The study will covered a period of 6months from November 2017 to April 2018. The proposed Budget of the study was 175,500/=

### **1.7 Limitations of the study**

The study faced a number of limitations. Some of the sampled respondents were reluctant to participate in the study where in some instances respondents completely rejected to divulge the requisite information. Regarding the first challenge the researcher assured respondents that the study was for academic purpose and that their identity would be concealed. They were further cautioned against indicating their names on the questionnaire.



## **CHAPTER TWO LITERATURE REVIEW**

### **2.1 Introduction**

This chapter introduces the concepts of the study and the background of the problem and helps to define the problem or area of interest. It intends to make extensive coverage of the general literature on the subject and give a critical review of major issues related to the objectives of the study. Theoretical and empirical literature will be reviewed and gaps to be filled by the study identified. It then concludes with the conceptual framework.

### **2.2 Theoretical Framework**

The study utilized by Resource Based View, the Open Systems Theory and Contingency Theory.

#### **2.2.1 The Resource Based View (RBV)**

The Resource Based View (RBV) theory emphasizes the internal resources of the organization in formulating a strategy to achieve a sustainable competitive advantage in its markets. Firms that possess and exploit resources and capabilities that are valuable and rare will attain a competitive advantage (Barney,1991). The resource-based theory seeks to delineate the set of market frictions that would lead to firm growth and sustainable economic rents (via isolating mechanisms). If the organization is seen as made of resources which can be restructured to provide it with competitive advantage, then its perspective does indeed become inside out. In other words, its internal capabilities determine the strategic choice it makes in competing in its external environment. Organizational capabilities are combinations of human skills, organizational procedures and routines, physical assets, and systems of information and incentives that enhance performance along with a particular dimension (Chandler,1982). The theory is relevant to study as it gives the researcher an insight on how strategy formulation influences strategic orientation of the flower firms in Naivasha

### **2.2.2 Open Systems Theory**

Open system is defined by Ludwig as a set of objects or entities that interrelate with one another to form a whole. System theory is concerned with problems of relationships, of structures, and of interdependence, rather than with the constant attributes of the object. The systems theory views an organization as a social system consisting of individuals who cooperate within a formal framework, drawing resources, people, and finance from their services they offer. This theory is based on the view that managers should focus on the role played by each part of an organization; rather than dealing separately with the parts (Hannagan, 2002). The system theory emphasizes unity and integrity of the organization and focuses on the interaction between its parts and the interactions with the environment. It suggests that organizations must be studied taking into consideration the interrelationships among its parts and its relationship with the external environment. As with case with recent research it is evident that for organizations to a strategic orientation they need to take into account interrelationships with the external environment.

### **2.2.3 Contingency Theory**

Contingency theory is an approach to the study of organizational behavior 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. Contingency theory's core concept of fit suggests that a proper alignment among internal and external organizational factors will positively affect organizational performance. Contingency theory has a long and ongoing tradition in entrepreneur-ship research. For example, some of the earlier works include Miller and Toulouse (1986) who investigated the relationships between strategy, structure, decision making, and CEO personality on performance. When they investigated the interaction effects of the context, in this case dynamic or stable environments, they found for example that innovation strategies were more favorable in dynamic environments. In a similar vein, Covin and Slevin (1989) used a contingency approach when they studied how environment, structure, entrepreneurial orientation, and strategy affected performance outcomes of small firms. In hostile environments they found that organic structure, high EO, and a strategy that focused on long-term orientation and high product prices was related to high performance. In benign environments, in contrast, it was found that mechanistic structure, low EO and a strategy that

focused on short-term orientation and the reliance of single customers. Along these lines, Zahra and Covin (1995) studied how EO affected performance in different environments; they found that EO was particularly effective in hostile environments. Entrepreneurship scholars have also compared the results of additive models with contingency models. Wiklund and Shepherd (2005) investigated the effects of EO on firm performance. They compared the results of an additive model with those of a contingency model and they found that by also adding the interaction effects of context (environment and access to capital) they were better able to explain the effect of EO on performance. Their results show that EO is most beneficial for firms that have limited access to capital and are situated in a stable environment. The theory is relevant to the study as it assists the researcher to understand the environment in which the firm is operating and how to utilize the plan for the resources in order to have a strategic advantage in the market in this for the floriculture in Naivasha.

## **2.3 Empirical Review**

### **2.4.1 Defensive Orientation and Organizational Efficiency**

Corporate response strategy to the environment can be categorized as reactive, accommodative, defensive and proactive (Carroll, 2009). Oliver and Holzinger (2008) explain that as strategy signifies the set of opportunities for creating value and deploying dynamic capabilities to obtain a competitive advantage. Consequently, when a company has motives for value creation or maintenance, that drive their decision to undertake stakeholders' management, there are two ways to receive the opportunity advantage in managing stakeholder relations; either to aggressively influence the stakeholder's demands and expectations, or to respond to the stakeholder's demands to create more opportunities for a win-win situation (Oliver & Holzinger, 2008). The latter is known as the defensive strategy.

Defensive strategy is the pre-emptive allocation of related resources to adapt to the possible change in demands of the stakeholder through predictions in the environmental scanning systems (Woolley, Bear, Chang, DeCostanza, 2013). According to Fang et al., (2010), defensive strategy is doing what may be needed in the future, such as, constructing operating protocols that

stakeholders may demand in the future. Gaining first mover advantage and increasing company reputation through taking preventive action by scanning and anticipate changes in major stakeholders' demands. Scanning and predictive capabilities. Continuous investment in environmental scanning, hiring professionals and accumulating knowledge on changes in stakeholder demands, advance prediction of changes in target stakeholder demands allows allocation of resources.

Enhancing an organization's scanning and predictive capabilities can aid a corporation to obtain the latest knowledge on the underlying environmental change. As a result, it will be able to make appropriate responses before events occur, gain the first mover advantage and also improve its organization's reputation (Mahon, 2002). Active scanning and predictive capabilities can be operated differently, for example continuing investments in scanning procedures, strengthening employee training to improve abilities in scanning the environment and obtaining related knowledge, or hiring professionals to provide suggestions periodically on the latest in changes and response strategies (Oliver & Holzinger, 2008).

An organization must strive in the regular, instant and expansive scanning of stakeholder demands to predict the changes that will occur in stakeholder demands. This will enable the organization to quickly obtain and accumulate the latest knowledge of possible changes in such demands and through innovative operating regulations, to take defensive strategy and to obtain the first mover advantage (Woolley et al., 2013). Furthermore, consumers, suppliers, competitors and the government will highly acknowledge the response of the company which can lead to a public recommendation through the media or public service announcements, which are all beneficial to the company reputation (Mahon, 2002).

In a study of counterterrorism teams in the U.S. Intelligence community, Woolley (2011) observed that teams with a strategic defensive orientation sought out much more external information than did teams with an offensive strategic orientation. At times, this emphasis on information-seeking led the defensive teams to become overwhelmed and to overlook critical knowledge and skills held by team members. A study by Fang et al., (2009) in Taiwan established that defensive strategy is based on value creation and response guided strategy. This signifies that if an organization has the dynamic capabilities of scanning and prediction, and can preemptively identify changes in major stakeholder demands, then in response allocate resources early, defensive strategy's goals of obtaining the first mover advantage and elevating company reputation will be achieved.

Ghorbaninia and Aligholi (2016) investigation of the influence of strategy orientation dimensions on the performance of companies which are active in food industries in Alborz Province, Iran. The study revealed that defensive approach influences organizational performance. Having growing and aggressive strategies may not result in improvement of organizational performance in all cases, but defensive strategies may yield better fruits. Regarding this result, organizations should concentrate on maintaining their existing optimal status and should use operational and strategic plans and control costs to increase productivity. Furthermore, by analyzing competitive strategies and identification of their actions, they should keep their current market share and existing situation. In Nigeria, a study by Abiodun and Ibidunni (2014) on strategic orientation and performance of agro-based firms in a transitioning economy using revealed that defensive strategy positively correlated with organizational effectiveness. The implication of such defensive actions could be traced to pressures faced by

local industry players from their local counterparts. Therefore, firms strategically make an effort to secure their present product-market domain.

#### **2.4.2 Aggressive Orientation and Organizational Efficiency**

The aggressive approach involves the use of resources for the improvement of the market situation. This dimension of strategy orientation requires much investment and emphasizes on the development of market share (Morgan & Strong, 2003). A company is aggressive when it uses its resources to excel competitors and looks for market share increase to win the competition (Venkatraman, 1989; Morgan & Strong, 2003) and tends to have a strong challenge with competitors for acquiring efficiency (Ferrier, 2001). This is the most aggressive of the four strategies. It typically involves active programs to expand into new markets and stimulate new opportunities. New product development is vigorously pursued, and offensive marketing warfare strategies are a common way of obtaining an additional market share. They respond quickly to any signs of market opportunity and do so with little research or analysis.

A large proportion of their revenue comes from new products or new markets. They are often highly leveraged, sometimes with a substantial equity position held by venture capitalists. The risk of product failure or market rejection is high (Johnson, Martin & Saini, 2012). Their market domain is constantly in flux as new opportunities arise and past product offerings atrophy. They value being the first in an industry, thinking that their “first mover advantage” will provide them with premium pricing opportunities and high margins. Price skimming is a common way of recapturing the cost of development (HeidarzadehHanzaee, Khoshpanjeh & Rahnama, 2011). They can be opportunistic in headhunting key employees, both technical and managerial. Advertising, sales promotions, and personal selling costs are a high percentage of sales (Valmohammadi & Firouzeh, 2010). Typically, the firm will be structured with each

strategic business unit having considerable autonomy. The industry that they operate in tends to be in the introduction or growth stage of its life cycle, with few competitors and evolving technology (Tavanazadeh & Aligholi, 2014).

Aggressiveness dimension measures the business ability to engage organizational resources in executing aggressive strategies and the pursuit of increased market share as a means to achieving business unit profitability. The firm aims to possess higher market share ahead of competitors (Abiodun, 2009). This strategy takes the form of cost leadership (Porter, 1980; Miller 1988; Wright et al. 1992; Thompson and Strickland, 1999; Hitt et al., 2007; Chang et al., 2002). Explosion and expansion strategy described by Wissema et al. (1980), product innovation (Schuler and Jackson, 1987; Miller, 1988), price and image differentiation (Mintzberg, 1988).

Heiens and Pleshko (2010) investigated the relationship between strategic orientation, growth strategies, and market share performance. The study showed that the more aggressive firms, prospectors, are likely to implement growth strategies using both new and current services while focusing on both new and current market areas. Analyzers, while using current services or both current and new services for growth in equal amounts, are also more likely than expected to implement growth strategies emphasizing both current and new services. Analyzers are a bit more conservative, with most firms emphasizing current markets for growth. Nevertheless, they are more likely than expected to include new markets in growth efforts as well. The least aggressive firms, reactors, act oppositely to prospectors, focusing their growth efforts mostly on current services and at current market groups.

A study by Ghorbaninia and Aligholi (2016) revealed that aggressive approach influences organizational performance. Of course, this dimension has the smallest influence on

organizational performance. Strategies like price war, widespread advertisements, presentation of similar products with higher quality and more innovation, ignorance of short-term profits in favor of long-term success. Furthermore, companies which are market challengers are also recommended to follow strategies above. Fang et al., (2010) study of aggressive strategies in Taiwanese firms revealed that firms that had invested in building infrastructure, training employees in environmental consciousness and aggressively exploring opportunities within the company for green innovation. This quick internal restructuring of the manufacturing process and the active introduction of many innovative measures, coupled with the superb capability of establishing a new environmental accounting system, not only helped the company respond readily to the demands of downstream supply chain buyers. Ibidunni and Falola (2016) studied the impact of strategic orientation dimensions on new product development in Agro-based Nigerian Firms. Their study, however, did not find any significant association between aggressiveness dimensions was found not to have any effect on new product development.

#### **2.4.3 Proactive Orientation and Organizational Efficiency**

Proactiveness refers to seeking new opportunities in the market, anticipating future demands and opportunities in the market, participating in emerging markets, shaping the environment, and introducing new products and brands before their rivals. Proactive strategy means taking action to mold and redefine the demands of major stakeholders in the operating environment, influencing their beliefs to conform to the benefit of the organization (DiMaggio & Powell, 2003; Oliver, 2001). Fang, Huang, and Huang (2010) define Proactive Strategy as creating and satisfying needs, taking the role of an industry leader, e.g., Mold new demands for stakeholders and satisfy them. Taking action to mold and redefine major stakeholder demands in the operating environment to conform beliefs to match with organizational benefits. Influence of social culture.



With socio- cultural influence, the organization can actively create, widely share and spread the norms and rules of the organization to influence social culture.

If an organization cannot make an impact on social culture, it will naturally be unable to redefine stakeholder demands in the operating environment. Therefore, it cannot match their beliefs to its organizational benefit (Pfeffer & Salancik, 1978), thereby leading to failure in proactive strategy. Institutional theory suggests that power will flow to organizations that have the greatest capacity to shape and manipulate the underlying values and beliefs. Therefore, organizations will be able to shape or control these basic values and beliefs embedded in their operating system (Oliver, 2001). In assessing the dynamic capability that can influence or control basic values and beliefs, whether or not an organization's efforts in the media or public relations influence social culture in forming shared beliefs becomes the barometer.

Also, an organization's dynamic capability in influencing social culture can be linked to its impact on major stakeholders. The degree of obtaining resources and information channels, the redefinition of major stakeholder demands and the shaping of social culture's common awareness increases the company's competitive advantage (Oliver, 2001; Pfeffer & Salancik, 1978; Suchman, 2005). An organization can, through the practicality of development, bring about influence in molding new basic values or produce common beliefs in social culture to improve the practical development of an organization's actions. It can also achieve consensus in society as well as connect to an organization's benefits, thereby creating value.

To sum up, an organization's range and extensiveness in an economic or regulatory environment decide the power and scope of influence on social culture (Uzzi, 1997). This is because when an organization influences social culture, it can actively create and share organizational norms to

affect society's basic values and beliefs of major stakeholders, hence capable of matching them with the benefit and advantage of the organization. Therefore, it is likely that if an organization possesses influence on social culture, the actions it takes will naturally redefine the demands of major stakeholders in the operating environment and will influence the beliefs of these stakeholders to conform to the organization's benefit (Johnson et al, 2012).

The range and extensiveness of operating procedures with major stakeholders affect the number of persuadable major stakeholders who will believe and agree that the practical development of an organization is in line with their expectations, hence will improve its organizational performance. This theory is similar to that proposed by Suchman (2005). It states that if a company can aggressively create and share organizational norms, spread and define the links to society's basic values, then the influence on social culture can be used to mold new beliefs in major stakeholders. It is likely to form common approval of a company's practical development, which in turn will improve an organization's results (Kumar et al, 2012).

Fang et al., (2010) studied corporate social responsibility strategies, dynamic capability, and organizational performance: Cases of top Taiwan-selected benchmark enterprises. Their study revealed that proactive strategy is based on value creation and influence guided strategy. If an organization possesses the capabilities of influencing social culture, it will be able to actively create and share the benefits derived from their corporate norms, thereby improving social culture. This helps to achieve the molding and redefinition of major stakeholder demands in the operating environment, achieving proactive strategy's goal of influencing beliefs to match the organizational benefits. Ghorbaninia and Aligholi (2016) study in Iranian agro-processing firms revealed that proactiveness influences organizational performance. This approach emphasizes on being one step ahead of competitors. Therefore, it is recommended that organizations identify

customers' needs and expectations (even needs customers are not aware of) before competitors and present new processes and products and innovative activities. Furthermore, management of organizations should update information on their industry and use newly born technologies instead of outdated technologies.

#### **2.4.4 Risk Taking Orientation and Organizational Efficiency**

Risk-taking refers to the willingness to invest in large amounts of resources in projects whose results may be unknown and where the cost of failure may be high. According to Söderbom (2012), engaging in product-market innovation, being the first to enter new markets, and understanding of risky ventures are at the heart of entrepreneurship. Venkatraman (1989) contends that risk taking refers to a company's tendency to take risks in strategic activities and approaches. Risk taking is important in resource allocation and is a key parameter in the determination of decision making processes in competitive strategy. Risk taking is more an intuitive feature than being an analytical one and requires considerable human resource and financial investment. Risk taking indicates uncertainty about the acquisition of positive potential results or potential destructive results from decisions and activities (Morgan & Strong, 2003). Riskiness captures the extent of the riskiness of the firm. This is reflected in its choice and criteria over resource allocation decisions and the general pattern of decision making. Firms characterized by high risk strategies may be trading-off with lower profits than expected (Söderbom, 2012).

Entrepreneurial firms will engage in activities like product market innovation, ventures that are somewhat risky and they will be the first organization to develop proactive innovations that beat their competitors to the punch (Lumpkin & Dess, 2001; Miller, 1981). Finally, risk-taking requires the organization to embrace uncertainty and ambiguous situations where in turn,

variances of the organization's return on investments increase (Patel et al. 2015). Often risk-taking reflects the organization's willingness to segregate from the tried-and-true, despite the possibility the venture may not succeed (Wiklund & Dean, 2005). This is particularly critical as risk-taking requires the organization to commit significant resources to uncertain environments without knowing all the consequences (Anderson et al. 2015; Kollman & Stockman, 2014; Wales et al. 2015). For these notions of innovativeness, proactiveness, and risk-taking to translate into successful performance, organizations are required to leverage their resources throughout their various functional departments (De Clercq et al. 2014; Brettel et al. 2015).

This is so the necessary conditions and context can be created for effective exploitation of these opportunities (De Clercq et al. 2014). Capabilities that allow risk-taking within the organizational context are more likely to enable the firm to benefit from frequent innovating and taking risks in product-market strategies (Jantunen et al. 2005; Real et al. 2014; Shan et al. 2016). The result of this is the development and commercialization of technology and products which can be achieved by entrepreneurial activities (Clausen & Korneliussen, 2012). This again feeds into the firm performance when these activities are initiated. Additionally, the senior manager's identification of opportunities and threats may be dependent upon their risk orientation where various managerial characteristics and behaviours will determine what activities are pursued (Anderson et al. 2015).

However, research has indicated that an individual's attitude towards risk will not perfectly correlate with subsequent entrepreneurial activity (Anderson et al. 2015). Entrepreneurial orientation does not automatically transform into entrepreneurial activity (Kollman & Stockman, 2014). The variation between managers' perception of entrepreneurial behaviour and

opportunities is an important element to consider as this may alter the organization's actual and realized entrepreneurial activity which in return could affect their performance and results (Kollman & Stockman, 2014). Given this, the entrepreneurial behaviour and attitude of the managers will contribute to the conceptual-firm level entrepreneurial orientation (Anderson et al. 2015).

Naldi, Nordqvist, Sjöberg, and Wiklund (2007) examined Entrepreneurial Orientation, Risk Taking, and Performance in Family Firms in Swedish SMEs. The study found that risk taking is a distinct dimension of entrepreneurial orientation in family firms and that it is positively associated with proactiveness and innovation. The study also found that even if family firms do take risks while engaged in entrepreneurial activities, they take the risk to a lesser extent than nonfamily firms. Moreover, and most importantly for our understanding of entrepreneurial orientation in family firms, it was also established that risk taking in family firms is negatively related to performance. Both theoretical and practical implications of the findings are provided.

In The Netherlands, a study on Strategic orientation and innovation performance at Dutch manufacturing SME's by Reulink (2012) revealed that risk taking, proactiveness, and autonomy cannot be combined with customer and competitor orientation and interfunctional coordination. Information about customers and competitors becomes obsolete when striving for incremental innovations with entrepreneurial behavior. This result is very plausible because risk taking is about taking actions without having all the information required about customers and competitors, being proactive about competitor actions and autonomy of personnel. Being entrepreneurial makes market orientation less important for the development of a firm. A study by Jabeen et al., (2013) on Antecedents of Firm's Performance. Empirical Evidence from

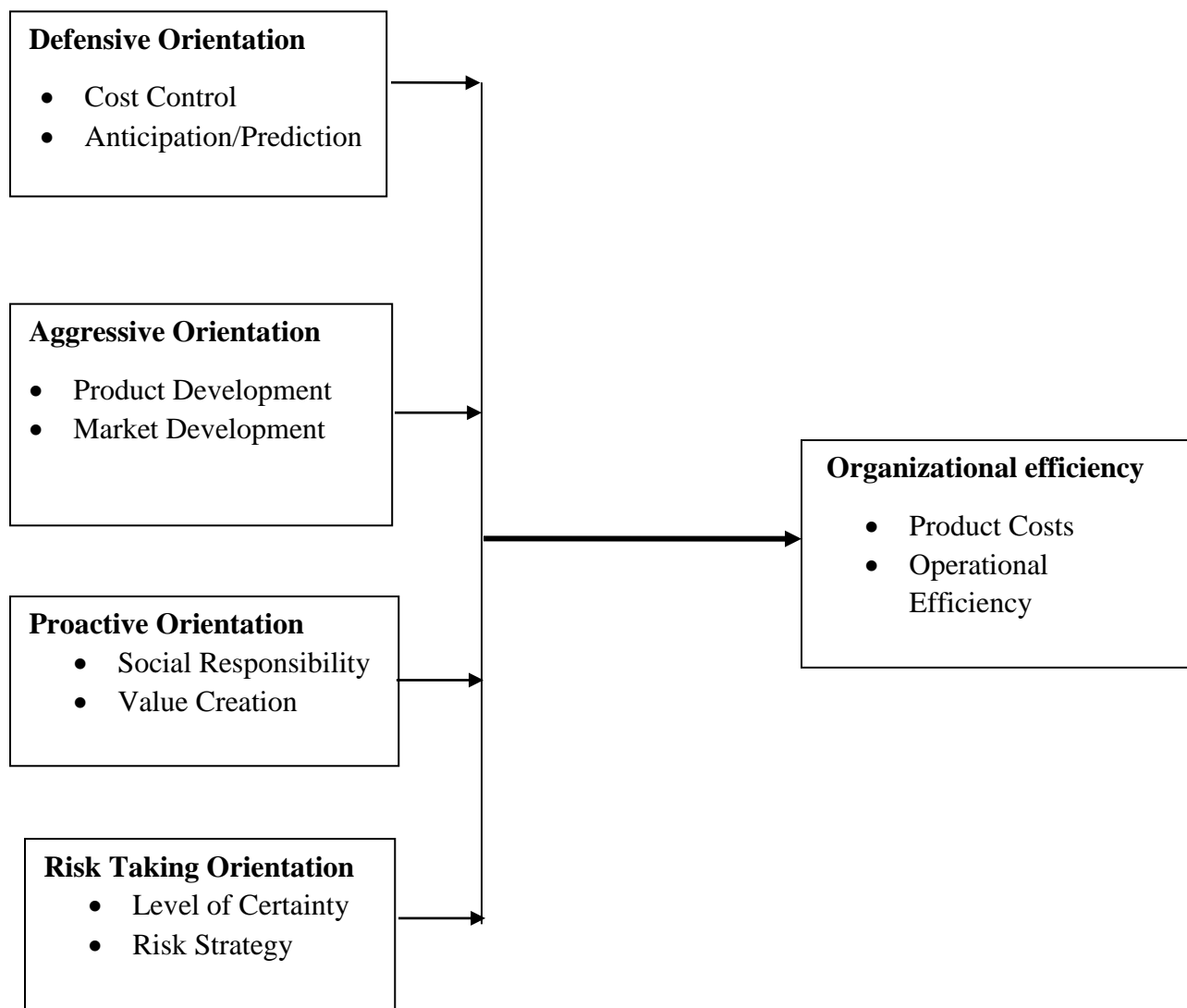
Yemeni SME's found insignificant relationships between Innovation and risk taking orientation, firm's performance and risk taking orientation and Firm's performance and market orientation. Ghorbaninia and Aligholi (2016) study also found that risk taking does not have any significant influence on organizational performance. This result is not consistent with the results of previous studies. This may be attributed to the environment of competition because about 90% of Iranian companies compete inside borders and indices of the internal group and strategic group do not allow for continuing strategies with high risk.

## 2.4 Conceptual Framework

The conceptual framework shown in Figure 1 shows the functional relationship between the independent and dependent variables.

### Independent Variables

### Dependent Variable



## **Figure 2.1: Conceptual Framework**

As shown in Figure 1.1, the study conceptualizes as independent variables; defensive orientation, aggressive orientation, proactive orientation and risk taking orientation as critical to the realization of organizational efficiency in floriculture firms in Naivasha Sub County. These are individually expected to influence the organizational efficiency of the flower firms which is characterized by increased production, improved access to markets and comparatively lower operating costs and profitability.

### **2.5 Critique of Relevant Literature To the Study**

The studies have demonstrated the value strategic orientation or positioning in their dimensions; defensive orientation, aggressive orientation, proactive orientation and risk taking orientation in promoting organizational performance. Defensive orientation was found to be well focused on externalities. Members of defensive teams were always on the lookout for potential danger, and take a highly concrete and detail-oriented approach to examining their environment. Defensive teams will collectively notice many sources of opposition and feel compelled to address them, resulting in perceptions of a broad problem scope (Pennington & Roese, 2003). However, the studies mainly focused on defensive teams and not entire organizational orientation.

Studies on aggressive orientation revealed that this dimension of strategy orientation requires much investment and emphasizes on the development of market share (Morgan & Strong, 2003). A company is aggressive when it uses its resources to excel competitors and looks for market share increase to win the competition. However, the efficacy of this strategy in the light of the resource based view which seeks to economize the firm's resources was not evident in the past studies. Concerning proactive orientation strategy, it emerged that the strategy is concerned with taking action to mold and redefine the demands of major stakeholders in the operating environment, influencing their beliefs to conform to the benefit of the organization (DiMaggio &



Powell, 2003; Oliver, 2001). It is a culture based strategy. It will be, thus, important to shed more light on how the firms modify their culture or infuse their culture into a strategy to achieve organizational efficiency. Finally, about risk taking orientation, it was evident that risk taking is more an intuitive feature than being an analytical one and requires considerable human resource and financial investment. Risk taking indicates uncertainty about the acquisition of positive potential results or potential destructive results from decisions and activities (Morgan & Strong, 2003). However, several firm characteristics determining its risk capabilities were not discussed in the studies among them size, age, and capital structure. Therefore, it will be important to examine this strategic orientation in the perspective of the firm characteristics as well.

## **2.6 Research Gaps**

The studies reviewed in this section have provided important insight into the workings of various dimensions of strategic orientation of firms (Woolley, 2011; Abiodun & Ibidunni, 2014; Ghorbaninia & Aligholi, 2016). However, the studies were not exhaustive on the effects of strategic orientation on performance characteristics of organizations. In particular, other performance measures are examined except organizational efficiency. Also, most of the studies were done overseas with little, done in the developing world context and Africa. Therefore, the present study seeks to address these gaps by examining the effect of Strategic orientation on organizational efficiency in Floriculture Farms in Naivasha Sub-County.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter discusses the study design, the target population, the sample size and the sampling procedure the researcher will discuss the research instruments and how instrument reliability will be ensured, data collection techniques and data analysis techniques.

#### **3.2 Research Design**

The study adopted descriptive survey research design. This type of design was appropriate for gathering information, summarizing, presenting and interpreting it for clarification (Orodho & Njeru 2004). According to Orodho (2005), descriptive survey research design generates accurate information for a large number of people over a wide area using a small sample. It is used to explore relationships between variables and allows generalizations across populations. Since this study sought to obtain descriptive and self-reported information on the effect of Strategic orientation on organizational efficiency in Floriculture Farming in Naivasha Sub-County, the descriptive research design enabled the researcher to expose the respondents to a set of standardized questions to allow comparison.

The researcher utilized both Qualitative and Quantitative research methods. Qualitative research methods are scientific in nature and consist of an investigation that; seeks answers to questions, uses a predefined set of procedures, collects evidence and produces findings that are not determined in advance. They are also effective in determining intangible factors such as; social norms, social, economic status, gender roles, and religion (Fraenkel and Wallen, 2000). This research method uses open-ended and closed-ended instrument formats. Quantitative research methods address an investigation that; seeks to confirm a hypothesis about phenomena, uses highly structured methods such as Questionnaires, surveys, and structured observations.

### 3.3 Target population

According to Cooper and Schindler (2008), a population is a well-defined set of people, services, elements, and events, group of things or households under investigation. 37 flower firms operating as subsidiaries of multinationals are members of the Kenya Flower Council. The accessible population of interest of this study comprised of the management of the firms at various departmental levels such as the Production Manager, Marketing Manager, Logistics Manager, Human Resource Manager and the Finance Manager. The accessible population is therefore 185 as shown in Table 3.1.

### 3.4 Sample Frame

**Table 3.1: Sample frame**

<b>Respondent category</b>	<b>Population</b>
HR Managers	37
Production Managers	37
Marketing Managers	37
Logistics Managers	37
Finance Managers	37
<b>Totals</b>	<b>185</b>

Source: Kenya Flower Council, 2016

### 3.5 Sampling Techniques and Sample Size

#### 3.5.1 Sampling Technique

Frankel and Wallen (2000) defined sampling as a procedure of selecting members of a research sample from the accessible population which ensures that conclusions from the study can be generalized to the study population. The ideal sampling technique for this study is stratified random sampling followed by random sampling in each category because specific persons in the firms are involved in the planning, executions, and management of the firm's strategies. These are key informants and can give more accurate and reliable information on the status and performance of the strategies. The main factor considered in determining sample size is the need

to keep it manageable while being representative enough of the entire population under study. The use of the two sampling methods as opposed to other sampling designs has been informed by the need for respondent specificity and also the need for introducing randomness (Sekaran, 2006).

### 3.5.2 Sample Size

This study employed the Nassiuma's (2009) formula to calculate the required sample size from the target population of 185, thus;

$$n = \frac{Nc^2}{c^2 + (N-1)e^2}$$

Where n = sample size, N = population size, c = coefficient of variation ( $\leq 50\%$ ), and e = error margin ( $\leq 3\%$ ). This formula enables the researchers to minimize the error and enhance the stability of the estimates (Nassiuma, 2000). Substituting into the formula we got;

$$n = \frac{185 * (0.5)^2}{(0.5)^2 + (185 - 1) * (0.03)^2} = 111.28 \approx 112$$

Thus, a sample size of 112 respondents was obtained from the above formula.

### 3.6 Research Instruments

The study utilized both primary and secondary data. Primary data was important as it involved creating "new" data (Kombo and Tromp, 2006) and this was collected from respondents. Data collected was based on the perceptions and attitude of the respondents towards the subject of the items in the questionnaires. Secondary data was also collected to supplement the primary data. This was not collected directly by the researcher but was obtained from the diverse store of information in both print and electronic media to aid in interpretation of respondent views. The study used questionnaires (see Appendix II) as data collecting instruments. The questionnaire was structured containing closed ended items. The selection of these tools was guided by the nature of data to be collected, time available and the objectives of the study. It has quite some

advantages which include: confidentiality; time saving; and reduced interviewer bias. Questionnaires also have the advantages of low cost, easy access, physical touch to widely dispersed samples (Fowler, 1993) and also the fact that the results are quantifiable. However, the use of questionnaires requires careful preparation as it could easily confuse the respondents, or discourage them, or simply fail to capture important information needed in the study (Mugenda and Mugenda, 2003). It was to enable the researcher to reduce both researcher and respondent biases.

### **3.7 Data Collection Procedure**

The Researcher acquired the necessary permissions to conduct research from Jomo Kenyatta University of Agriculture and Technology and from the Naivasha Subcounty Administrator. The questionnaire was then administered directly by the researcher using a drop and pick up later technique where respondents will be given at least one day to fill them. Data to be collected was based on the perceptions and attitude of the respondents towards the subject of the items in the questionnaires

### **3.8 Pilot Test**

This study used questionnaires after pilot testing them for correctness and accuracy on 10 non-participatory respondent sample. Piloting was be done in flower firms in Rongai Sub County in Nakuru County which has similar demographic patterns. According to Mugenda (2000), 10% of the sample is adequate for piloting.

#### **3.7.1 Validity of Research Instruments**

The study adopted content validity which will be used to show whether the test items represented the content that the test was designed to measure (Mugenda & Mugenda, 1999). To ensure that all the items used in the research instrument are consistent and valid, the instruments were then subjected to scrutiny and review by the researcher's supervisors at JKUAT. The items were rephrased and modified where necessary to avoid ambiguity before being used for data collection.

### **3.7.2 Reliability of Research Instruments**

The researcher used the internal consistency method to check the reliability of the research instruments. Reliability analysis will be calculated the Cronbach's alpha coefficient for all the sections of the questionnaire from the results of the pilot study. A value of 0.7 or below of the Cronbach's alpha coefficient will show low internal consistency (Cronbach & Azuma 1962). Subsequently, modifications, additional questions and any shortcomings that was found in the questions were corrected at this stage.

### **3.9 Data Processing and Analysis**

Data analysis is the process of looking at, analyzing and summarizing data with the intent to extract useful information and develop reliable conclusions (Bryman & Bell, 2002). Data obtained from the questionnaires was first cleaned and edited before being coded and subjected to further analysis. The Likert scales in closed ended questions in the questionnaires was converted to numerical codes and be scored on 1-5 point scale in order of magnitude of the construct being measured, then be entered into the Statistical Package for Social Sciences (SPSS) version 24.

The data was analyzed using both descriptive and inferential statistical methods. Descriptive analysis was done using means and standard deviations to describe the basic characteristics of the population. Inferential statistics involved the use of Pearson's Product Moment correlation and multiple regression models to determine the nature of the relationship between the variables.

The multiple regression models may assume to hold under the equation;

$$y_{ij} = b_0 + b_1x_1 + b_2x_2 + b_3x_3 + b_4x_4 + e$$

Where;

y = Organizational Efficiency in Floriculture Farming in Naivasha Sub-County

$b_0$  = Constant

$x_1$  = Defensive Orientation

$x_2$  = Aggressive Orientation

$x_3$  = Proactiveness Orientation

$x_4$  = Risk Taking Orientation

$b_1$  to  $b_5$ , are the regression coefficients

$e$  = the estimated error of the regression model

### 3.9.2 Reliability Test Results

**Table 3.2: Reliability Test Results**

<b>Variables</b>	<b>No. of Items</b>	<b>Cronbach's Alpha</b>
Defensive Orientation	7	.741
Aggressive Orientation	8	.731
Proactive Orientation	8	.796
Risk-Taking Orientation	7	.788
Floriculture Firm Efficiency	8	.722

The above Table shows that Cronbach alpha for the piloted questionnaire was above 0.7 for all items in each variable. The questionnaire was therefore considered reliable for analysis and statistical generalization

**CHAPTER FOUR**  
**RESEARCH FINDINGS AND DISCUSSIONS**

**4.1 Introduction**

This chapter covers data analysis, interpretation and presentation of the findings. It includes response rate, descriptive statistic for each individual objectives of the study and inferential statistics for each Hypothesis.

**4.2 Response rate**

**Table 4.1: Response rate**

		<b>Frequency</b>	<b>Percent</b>
Valid	Received responses	100	90.0
	Unreturned Responses	12	10.0
Total		112	100.0

From the study, 112 questionnaires were administered to respondents 100 were successfully filled and returned which translated to a response rate of 90 % .As shown in table 4.1. A response rate of 70% and above is considered adequate for generalization in literature.

**4.3 Background Information**

**4.3.1 Gender of the Respondents**

The researcher sought to find out the views of different gender interviewed. The findings are as indicated in table 4.2

**Table 4.2: Gender of the Respondents**

		<b>Frequency</b>	<b>Percent</b>
Valid	Male	67	67.0
	Female	43	43.0
Total		100	100.0

From the table 4.2 majorities of the respondents (67.0) were males and (43.0%) females. This shows that most positions were held by men; however there are a sufficient number of females joining in the floriculture farming. The gender of the respondents assisted the researcher to try



and have an equal view of both males and females gender on their perspective strategic orientation and organizational efficiency.

#### 4.3.2 Educational Level of the Respondents

The study sought to seek the respondent's level of education. The findings were as shown in the table 4.3.

**Table 4.3: Highest Level of Educational of the Respondents**

		<b>Frequency</b>	<b>Percent</b>
Valid	Certificate	10	10.0
	Diploma	19	19.0
	Bachelor's Degree	58	58.0
	Master's Degree	13	13.0
<b>Total</b>		<b>37</b>	<b>100.0</b>

The findings indicate that 10%, 19% and 58% and 13% of the respondents had certificate, diploma, Bachelor's degree and Master's degree respectively. This indicates that at least all the respondents were qualified in some area of specialization and had experience in the field.

Their relevant qualification with majority of them having qualified to Bachelor's degree level shows that the respondents have some knowledge and skills in business management which is important in informing our study. Therefore all the respondents were knowledgeable to answer the questionnaires satisfactorily

#### 4.3.3 Age of Respondents

The researcher further sought to find out the age the respondents in Floriculture firms. As in table 4.4

**Table 4.4: Age of Respondents**

		<b>Frequency</b>	<b>Percent</b>
Valid	Between 18years and 28 years	22	22
	Between 29 years and 39 years	51	51
	Between 40 years and 49 years	24	24
	Between 50 years and 59 years	3	3
	Above 60 Years	0	0
<b>Total</b>		<b>100</b>	<b>100.0</b>

The researcher established that 51% of the respondents were 29 to 39 years, 24.0% aged 40 to 49 years, 22.0% between 18 and 28 years, 3% were at an advanced age of between 50 and 59 years and none was above 60 years. The researcher therefore observed that majority of the respondents was middle aged. Floriculture farming is a labor intensive endeavor and hence would require productive labor for an optimum outcome. These results also suggest that Floriculture farms retire their workers at 60 years as none of the respondents were 60 years and above.

#### **4.4 Descriptive Analysis**

The study established descriptive statistics to explain the respondent's perceptions regarding the various study variables.

##### **4.4.1 Defensive Orientation and Organizational Efficiency**

The research sought to evaluate defensive orientation as used to achieve organizational efficiency in Floriculture Farms. The findings are as shown in the table 4.5

**Table 4.5: Defensive Orientation**

	N	Mean	Std. Deviation
We occasionally conduct significant modifications to production technology so as to improve on our efficiency	100	1.51	.502
Often use cost control systems for monitoring performance	100	3.52	.502
We often use new production management techniques for increased efficiency	100	2.56	.499
We do constantly scan the environment so as to be able to anticipate any major changes in stakeholders demands	100	3.99	.870
We have invested in market intelligence tools to help us in environmental scanning that we then configure our operations along	100	3.00	.739
We practice knowledge management so as to enable us accumulate knowledge on changes in stakeholder demands for better efficiency	100	3.52	.918
Advance prediction of changes in target stakeholder demands allows efficient allocation of resources in our firm	100	2.97	.858
Valid N (listwise)	100		

The findings in table 4.5 provided evidence that defensive Orientation is used in Floriculture farms. This is revealed by (M=3.99; SD= 0.87). (M=3.52; SD=0.52) which indicated that Floriculture farms scan their environment to anticipate major threats in stakeholder demands and they use cost control systems to monitor performance. They also manage knowledge with the aim of achieving efficiency in operations (M=3.52 and SD=0.918). The respondents however disagree that Floricultural firms continuously modify their production technology to improve efficiency (M=1.51; SD=0.502). From the findings the ratings of Defensive Orientation items indicate that indeed most floriculture firms are not sure on their resource management initiatives that have a substantial cost implication.

#### 4.4.2 Aggressive Orientation and Organizational Efficiency

The study set out to assess Aggressive orientation as used in achieving organizational efficiency in Floriculture Firms. The table 4.6 below shows findings of the assessment.

**Table 4.6: Aggressive Orientation**

	N	Mean	Std. Deviation
To increase our efficiency in the market, we often forgo profitability to gain market share	100	2.58	.496
We strategically lower our prices so as to increase our market share	100	2.96	.764
We do practice price skimming to enable us recapture the cost of development	100	3.16	.861
We pursue different approaches to the market that can enable us to expand into new markets and stimulate new opportunities	100	2.56	.499
We vigorously pursue new product development using technology so as to increase our efficiency	100	3.75	1.058
We always try to capture new market frontiers in the most efficient way	100	3.92	.813
We head-hunt highly performing employees to as to enable us achieve high levels of efficiency	100	3.64	1.010
We spend a considerable proportion of our revenue on advertising in our markets	100	3.47	1.114
Valid N (listwise)	100		

From the table the respondents were in agreement that Aggressive orientation has an effect to Organizational efficiency. This is revealed by efficient market operations (M=3.92; SD=0.813), innovative product development (M=3.75; SD=1.058), Aggressive talent head hunting (M=3.64; SD=1.01). From the findings it is evident that the Floriculture firms in

Naivasha Subcounty respond to the environment aggressively although they still need to be agile.

#### 4.4.3 Proactive Orientation and Organizational efficiency

The study sought to find out analyze how Proactive Orientation affects floriculture farming in

Naivasha Subcounty the findings were presented in the table 4.7 below

**Table 4.7: Proactive Orientation**

##### **Descriptive Statistics**

	N	Mean	Std. Deviation
We are the first ones to introduce new brands or products on the market	100	3.45	1.218
We are constantly on the look- out for businesses that can be acquired	100	2.95	.821
We study the culture of both our clients and our staff and suppliers	100	2.58	.535
We try to instill a culture of social responsibility to our stakeholders	100	4.06	.789
We actively create, widely share and spread the norms and rules of our organization to influence social culture	100	3.93	.807
We strive to pursue value creation through efficient processes	100	3.57	1.066
Our strategy is guided by creating efficiencies in all aspects	100	2.56	.499
The proactive strategy has enabled us to achieve high levels of efficiency without correspondingly high inputs	100	3.75	1.058
Valid N (listwise)	100		

From the findings it was apparent Majority of Floriculture Firms were unsure about their proactivity as revealed by the neutral position they took on prospecting for acquisitions and new products (M=2.95;SD=0.821 and M3.45;1.218). However they have developed a culture

of reaching out to stakeholders through social responsibility initiatives and a belief system of proactiveness. (M=4.04; 0.789 and 3.75; 1.058). This clearly shows that Floriculture Firms should do more to enhance greater benefits.

#### 4.4.4 Risk -Taking Orientation and Organizational Efficiency

The study sought to establish the level to which risk Taking Orientation affects Floriculture firms efficiency, the table 4.8 below shows the findings.

**Table 4.8: Risk -Taking Orientation**

##### **Descriptive Statistics**

	N	Mean	Std. Deviation
We support projects where the expected returns are certain	100	3.92	.813
Our operations follow the “tested and working” track	100	3.64	1.010
We have invested in risk training for our key staff	100	3.47	1.114
We have invested in risk management tools so as to afford us efficient operations	100	3.45	1.218
We try to carry out regular risk assessment of our markets	100	2.95	.821
We also conduct regular internal risk assessment so as to ascertain our capabilities	100	2.58	.535
Risk strategy has enabled us to achieve high levels of operational efficiencies	100	4.06	.789
Valid N (listwise)	100		

As seen on the findings in the above table, use of Risk taking Orientation is key for achieving high levels of efficiency in Floriculture firms in Naivasha Subcounty(M=4.06;0.789). They

achieve this by supporting projects with expected returns that are certain (  $M=3.92$  ; $SD=0.813$ ) and by using tested and working operations ( $M=3.64$ ; $1.010$ ). However, it was not clear whether they carry out regular risk assessments internally and of the markets ( $M=2.58$ ; $0.535$  and  $M=2.95$ ; $0.821$ ) .

#### 4.4.5 Organizational Efficiency

The study also sought to describe organizational efficiency measures of Floriculture firms as shown in the table 4.9 below shows the findings.

**Table 4.9:Organizational efficiency**

##### **Descriptive Statistics**

	N	Mean	Std. Deviation
Our productions costs have been decreasing with increasing production	100	3.93	.807
We are now capable of producing more per unit time	100	3.57	1.066
Our exports volumes have increased for the same input	100	3.47	1.114
Our output-to-output ratios are impressive	100	3.45	1.218
Our inputs have reduced for the same output	100	2.95	.821
We are able to access markets faster than before	100	2.58	.535
The markets are able to absorb a high amount of our products than before	100	3.57	1.114
Our new efficiencies enable us to attend to other issues of significance to our operations	100	3.45	1.218
Valid N (listwise)	100		

The findings reveal that in Floriculture firms in Naivasha Subcounty , production costs have been decreasing with increasing production( $M=3.93$ ; $SD=0.807$ ) since the firms are now capable of producing more per unit(  $M=3.57$ ; $SD=1.066$ ). At the same time the markets are able

to absorb more of firm's products than before implying that there is an improvement in quality as well despite efficiency gains.

#### **4.5 Inferential Analysis**

The research sought to establish the relationship between the dependent and independent variable. Correlation and regression analysis were completed to help establish the nature strength and direction of the relationships between independent and dependent variable.

##### **4.5.1 Correlation Analysis**

Responses were transformed into a composite score of their means and a zero order biserial correlation coefficient was used to establish the relationship between the dependent and independent variable. The findings from the analysis were presented in table 4.10



**Table 4.10: Correlation Analysis**

<b>Correlations</b>		Defensive Orientation	Aggressive Orientation	Proactive Orientation	Risk-Taking Orientation	Floriculture Firm Efficiency
Defensive Orientation	Pearson Correlation	1				
	Sig. (2- tailed)					
	N	100				
Aggressive Orientation	Pearson Correlation	.416**	1			
	Sig. (2- tailed)	.000				
	N	100	100			
Proactive Orientation	Pearson Correlation	.325**	.352**	1		
	Sig. (2- tailed)	.001	.000			
	N	100	100	100		
Risk-Taking Orientation	Pearson Correlation	.284**	.571**	.302**	1	
	Sig. (2- tailed)	.004	.000	.002		
	N	100	100	100	100	
Floriculture Firm Efficiency	Pearson Correlation	.119	.292**	.438**	.673**	1
	Sig. (2- tailed)	.237	.003	.000	.000	
	N	100	100	100	100	100

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

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

From the table 4.10 correlation analysis results  $r=0.673$ ;  $p=0.000$  ( $<0.05$ ) imply statistically significant strong positive relationship between Floriculture firms efficiency and risk taking orientation. The values  $r=0.438$ ;  $p=0.000$  ( $<0.05$ ) indicate an average positive and significant

relationship between Floriculture firm efficiency and Proactive Orientation. The vales  $r=0.292$ ;  $p=0.030$  ( $<0.05$ ) indicate a weak positive and significant relationship between Floriculture firm efficiency and Aggressive Orientation. Lastly,  $r=0.119$ ;  $p=0.237$  ( $>0.05$ ) implies that the relationship between Floriculture Firms efficiency and defensive orientation was weak positive and statistically insignificant. Nevertheless Risk Taking, Proactive, Aggressive, and Defensive Orientation had significant associations indicating there maybe need to adopt all to achieve higher efficiency gains.

#### 4.6 Regression Analysis

Multiple regression analysis was conducted to determine the total influence all the independent variables on Floriculture firm's efficiency in Naivasha Subcounty

**Table 4.11: Regression Model Summary**

##### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.744 <sup>a</sup>	.554	.535	.35505

a. Predictors: (Constant), Risk-Taking Orientation, Defensive Orientation, Proactive Orientation, Aggressive Orientation

From the table 4.11 the value R-square=0.554 meaning that Risk Taking, Defensive, Proactive and aggressive Orientation together explain up to 54.4% of Floriculture Firm efficiency. ANOVA test was used to test the model fit. The level of significance was set at  $p<0.05$ .The findings from the analysis were presented in table.4.12

**Table 4.12: ANOVA<sup>a</sup>**

**ANOVA<sup>a</sup>**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	14.857	4	3.714	29.464	.000 <sup>b</sup>
Residual	11.976	95	.126		
Total	26.833	99			

a. Dependent Variable: Floriculture Firm Efficiency

b. Predictors: (Constant), Risk-Taking Orientation, Defensive Orientation, Proactive Orientation, Aggressive Orientation

From the table 4.12,  $p=0.000 (<0.05)$  implies that the combined influence of Risk Taking, Defensive, Proactive and aggressive Orientation together explain up Floriculture Firm efficiency. The model coefficients are as shown in the table 4.13

**Table 4.13: Regression Coefficients**

**Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
1 (Constant)	-1.002	.510			-1.963	.053
Defensive Orientation	-.189	.129	-.113		-1.461	.147
Aggressive Orientation	-.315	.156	-.181		-2.027	.045
Proactive Orientation	.499	.117	.323		4.278	.000
Risk-Taking Orientation	1.234	.146	.711		8.437	.000

a. Dependent Variable: Floriculture Firm Efficiency

#### 4.7 Hypothesis Testing

As depicted in Table 4.13 above defensive orientation is not a predictor of Floriculture Firm efficiency. Since  $p\text{-value} (0.147) > 0.05$  level of significance, we fail to reject the null hypothesis and conclude that there is enough evidence that Defensive Orientation is not a useful predictor of Floriculture Firms efficiency in Naivasha Subcounty.

The second hypothesis predicted that there is no significant influence of Aggressive Orientation on Floriculture Firm Efficiency. The results show that Aggressive Orientation predicts Floriculture Firm Efficiency. Since  $p\text{-value} (0.045) < 0.05$  level of significance, we reject the null hypothesis and affirm that there is enough evidence to conclude that Aggressive Orientation is useful as a predictor of Floriculture Firm Efficiency in Naivasha Subcounty.

The third hypothesis predicted that there is no significant influence of Proactive Orientation on Floriculture Firms efficiency in Naivasha Subcounty. The results indicate that proactive orientation predicts Floriculture Firms Efficiency. Since  $p\text{-value} (0.000) < 0.05$  level of significance, we reject the null hypothesis and affirm that there is enough evidence to conclude that proactive orientation is a predictor of Floriculture Firm Efficiency in Naivasha Subcounty.

The fourth hypothesis predicted that there is no significant influence of Risk taking Orientation on Floriculture Firm Efficiency in Naivasha Subcounty. The results indicate that Risk-Taking Orientation predicts Floriculture Firm Efficiency in Naivasha Subcounty. Since  $p\text{-value} (0.000) < 0.05$  level of significance, we reject the null hypothesis and affirm that there is enough evidence to conclude that Risk-Taking orientation is a predictor of Floriculture Firm Efficiency in Naivasha subcounty.

The fitted Multiple Regression Model was;

$$Y = -1.002 - 0.315X_2 + 0.499X_3 + 1.234X_4$$

Whereby Y =dependent variable- Floriculture Firm Efficiency in Naivasha Subcounty

X<sub>2</sub> = Aggressive Orientation

X<sub>3</sub> = Proactive Orientation

X<sub>4</sub> = Risk Taking Orientation

The model presents a linear relationship of research variables. The coefficients implies that change in one unit of Aggressive Orientation leads to a change in Floriculture firm efficiency in Naivasha Sub-county by -0.315, change in one unit of proactive orientation lead to a change Floriculture Firm Efficiency in Naivasha sub-county by 0.499 and change in one unit of Risk orientation leads to change in Floriculture Firm Efficiency in Naivasha sub-county by 1.234. Lastly the constant -1.002 indicates the level of Floriculture Firm Efficiency in Naivasha sub-county if there are no influences of the independent variables.

## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter contains summary of findings, conclusions and recommendations and further areas of research which is derived from data analysis.

#### **5.2 Summary of the Findings**

Results from finding that were gathered from the analysis data shows that majority of the respondents were males with females having a fair representations. Also it was found that of the respondents had certificate, diploma, and undergraduate degree and Master's degree respectively. The findings also showed that most respondents were 29 to 39 years, and none were above 60 years.

##### **5.2.1 Defensive Orientation and Organizational Efficiency**

While there is evidence that defensive Orientation is used in Floriculture firms the ratings of Defensive Orientation items. The relationship between Floriculture Firms efficiency and defensive orientation was weak positive and statistically insignificant and that Defensive Orientation is not a useful predictor of Floriculture Firms efficiency in Naivasha subcounty .

##### **5.2.2 Aggressive Orientation and Organizational Efficiency**

Findings reveal that floriculture firms engaged in efficient market operations (innovative product development and aggressive talent head hunting. The values indicate a weak positive and significant relationship between Floriculture firm efficiency and Aggressive Orientation. The results show that aggressive orientation predicts floriculture firm efficiency since p-value.

##### **5.2.3 Proactive Orientation and Organizational Efficiency**

There is evidence of proactivity in prospecting for acquisitions and new products. Floriculture Firms have established a culture of reaching out to stakeholders through social responsibility initiatives .The values indicate an average positive and statistically significant relationship

between Floriculture firm efficiency and Proactive Orientation. The results also indicate that proactive orientation predicts Floriculture Firms Efficiency.

#### **5.2.4 Risk Taking Orientation and Organizational Efficiency**

Risk taking Orientation is key for achieving high levels of efficiency in Floriculture firms in Naivasha Subcounty (. They achieve this by supporting projects with expected returns that are certain and by using tested and working operations. However, it was not clear whether they carry out regular risk assessments both internally and of the markets and. Correlation analysis results imply statistically significant strong positive relationship between Floriculture firm's efficiency and risk taking orientation. The results indicate that Risk-Taking Orientation predicts Floriculture Firm Efficiency in Naivasha subcounty.

#### **5.3 Conclusions of the Study**

Firstly, based on the summary of findings, the study concluded that although defensive Orientation is used in Floriculture firms to gain efficiencies in operations it must be supported by establishing proper resource management mechanisms to achieve cost containment and hence contribute positively towards achieving efficiency performance of Floriculture firms in Naivasha subcounty. Defensive Orientation can be a useful predictor of organizational efficiency if it is well balanced with other strategic orientations.

Secondly, the study concludes that aggressive orientation predicts organizational efficiency and as such Floriculture firms should adopt this orientation by engaging in efficient market operations particularly in product development and talent management. However they should engage cautiously as the influence is negative. This is in line with Studies on aggressive orientation which reveals that this dimension of strategy orientation requires much investment and emphasizes on the development of market share (Morgan & Strong, 2003). A company is

aggressive when it uses its resources to excel competitors and looks for market share increase to win the competition. Hence they should put in place a risk strategy to cushion themselves from the dangers of agility. This should also use of technology to achieve efficiency. The study also concludes that together with risk taking orientation, aggressive orientation can achieve more gains for less resources and increase output to output ratios.

Thirdly, The study also concludes from the findings that floriculture firms have established a culture of reaching out to stakeholders through social responsibility initiatives and other proactive activities like prospecting for acquisitions and new products. This orientation has been shown to lead to high organizational efficiencies by producing more per unit and at the same time the markets are able to absorb more of firm's products. This is supported by (Narver & Slater, 1990; Taleghani, Gilaninia, & Talab, 2013). They suggest that Customer orientation is an organizational culture that considers the present and potential customers' needs and wants, constantly producing value.

Lastly, based on the findings risk taking orientation has the largest influence of Floriculture firm efficiency. The study concludes that risk averse attitudes in approaching market vagaries yield better returns. This confirms analysis of Söderbom (2012), who implies that Risk-taking refers to the willingness to invest in large amounts of resources in projects whose results may be unknown and where the cost of failure may be high. According to Söderbom (2012), engaging in product-market innovation, being the first to enter new markets, and understanding of risky ventures are at the heart of entrepreneurship. Particularly firms that engage in tested and working operations and projects with high returns are likely to achieve efficiency performance. The study concludes



that risk taking orientation works best with a proactive attitude in improving efficiency performance.

#### **5.4 Recommendations**

After the research on the influence of use of strategic orientations on organizational efficiency of floriculture firms in Naivasha Subcounty, The study has confirmed that Aggressive, proactive and Risk taking orientations have a significant influence on Floriculture firm efficiency individually and together. It is also evident that the use of defensive systems does not have an influence on organizational efficiency unless certain resource management mechanisms are put in place or only when adopted in combination with other orientations to achieve organizational efficiency. Based on the conclusions the study recommends that management of floriculture firms should use Resource management tools to facilitate advance prediction of changes in target stakeholder demands, allow efficient allocation of resources in the firm to invest in market intelligence and production management techniques as mechanisms to boost their defensive Orientations. They should also use aggressive orientations in tandem with their defensive strategies to reap maximum benefits.

Secondly the study recommends that aggressive orientations should be used by Floriculture managers as a way to respond to the environment. Firms however need to be more agile to changes that might promise quick gains as they will need to sacrifice short term earnings to build market share. The study also recommends the use of technology to aid in deploying aggressive strategies to minimize risks. Thirdly based on the conclusion on proactive Orientation Floriculture firm managers should do more to reap greater benefits. They need to combine with other orientations and not only prospect for new acquisition and product development but instill a culture of value creation and innovativeness to support proactiveness.

Lastly the study recommends that Floriculture firms should embrace Risk taking as it is a very useful predictor of efficiency performance. However to improve their competences the firms should establish a risk strategy and engage in regular risk assessments of its markets and ascertain its internal capabilities invest in risk management tools and also risk training to achieve high levels of organizational efficiencies. Other organizations should also be encouraged to use the same in order to provide faster and efficient services to their customers.

### **5.5 Suggestions for further studies**

The study creates a gap that other researchers or academic students can address through concentrating on effect of defensive orientations on competitive advantage to bring out how different firms utilize their strategic advantage to achieve strategic performance.

The study did not exhaust all strategic also look at all orientations and it also focused on efficiency rather than effectiveness as a measure of performance. It also contextually looked at flower firms in Naivasha Subcounty. Suggested research could also be undertaken on other contexts and methodologies not applied here for example a panel study of performance can be carried out since this study only took specific measures of performance at a point in time.

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Appendix 1: Letter of Introduction



**JOMO KENYATTA UNIVERSITY  
OF  
AGRICULTURE AND TECHNOLOGY**  
P.O. Box 1063 - 20100 NAKURU, KENYA.  
TEL: (051) 2216660 FAX: 2215664 CELL: 0714 716957  
Email: [nakuruchd@jkuat.ac.ke](mailto:nakuruchd@jkuat.ac.ke) Website: [www.jkuat.ac.ke](http://www.jkuat.ac.ke)

REF: HD333-C007-7858/2015

DATE: 29<sup>TH</sup>MARCH, 2018

**TO WHOM IT MAY CONCERN**

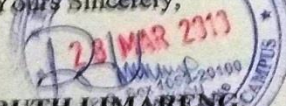
Dear Sir/Madam,

**RE: JOHN KIPCHIRCHIR KWAMBAI HD333-C007-7858/2015**

This is to confirm that Mr. Kwambai is a bona fide student of this University undertaking a Master programme in Business Administration at the Nakuru CBD Campus. He has finished his course work and is currently working on research project on: **EFFECTS OF STRATEGIC ORIENTATION ON ORGANIZATIONAL EFFICIENCY OF FLORICULTURE FARMING IN NAIVASHA SUB COUNTY.**

Any assistance accorded to him will be highly appreciated.

Yours Sincerely,

  
**RUTH LIMARENG,**  
**ADMINISTRATOR, NAKURU CBD CAMPUS.**  
RL/NKR



**JKUAT is ISO 9001:2008 CERTIFIED**  
Setting Trends in Higher Education, Research and Innovation

## Appendix 2: Questionnaire for all Respondents

My name is John Kwambai, a post graduate student at Jomo Kenyatta University of Agriculture and Technology. I am currently undertaking a research project on *the effect of Strategic orientation on organizational efficiency in Floriculture Farming in Naivasha Sub-County* as a partial requirement in fulfillment for the award of the degree. The information that will be provided through the filling of this questionnaire will be of great value to this study and will be treated with confidentiality.

### INSTRUCTIONS:

1. Do not write your name on the questionnaire.
2. Please respond to all the questions accurately and honestly.
3. Please respond by ticking (✓) the appropriate spaces and filling the spaces that have been provided.

### SECTION A: General Information

1. Kindly indicate the age bracket  
Between 18 years and 28 years (     )  
Between 29 years and 39 years (     )  
Between 40 years and 49 years (     )  
Between 50 years and 59 years (     )  
Above 60 years (     )
2. Gender  
Male (     )                      Female (     )
3. Highest level of education attained  
Secondary (     )  
Certificate (     )  
Diploma (     )  
Undergraduate degree (     )  
Postgraduate degree (     )  
Other (specify) (     )

5. How many years have you worked in the flower industry in Kenya?

.....

### SECTION B: Defensive Orientation and Organizational Efficiency

The following are statements related to the extent to which defensive orientation affects organizational efficiency in your firm. Please rate them according to your understanding by ticking (✓) where it is appropriate.

SA=strongly agree; A= agree; N= Neutral; D= disagree (3); SD= strongly disagree

Statements	SA	A	N	D	SD
We occasionally conduct significant modifications to production technology so as to improve on our efficiency					
Often use cost control systems for monitoring performance					
We often use new production management techniques for increased efficiency					
We do constantly scan the environment so as to be able to anticipate any major changes in stakeholders demands					
We have invested in market intelligence tools to help us in environmental scanning that we then configure our operations along					
We practice knowledge management so as to enable us accumulate knowledge on changes in stakeholder demands for better efficiency					
Advance prediction of changes in target stakeholder demands allows efficient allocation of resources in our firm					

### SECTION C: Aggressive Orientation and Organizational Efficiency

The following are statements related to s extent to which aggressive orientation affects organizational efficiency in your firm. Please rate them according to your understanding by ticking (√) where it is appropriate.

SA=strongly agree; A= agree; N= Neutral; D= disagree (3); SD= strongly disagree

Statement	SA	A	N	D	SD
To increase our efficiency in the market, we often forgo profitability to gain market share					
We strategically lower our prices so as to increase our market share					
We do practice price skimming to enable us recapture the cost of development					
We pursue different approaches to the market that can enable us to expand into new markets and stimulate new opportunities					
We vigorously pursue new product development using technology so as to increase our efficiency					
We always try to capture new market frontiers in the most efficient way					
We head-hunt highly performing employees to as to enable us achieve high levels of efficiency					
We spend a considerable proportion of our revenue on advertising in our markets					

**SECTION D: Proactive Orientation and Organizational Efficiency**

The following are statements related to the extent to which proactive orientation affects organizational efficiency in your firm. Rate by ticking (√) where it is appropriate.

SA=strongly agree; A= agree; N= Neutral; D= disagree (3); SD= strongly disagree

Statement	SA	A	N	D	SD
We are the first ones to introduce new brands or products on the market					
We are constantly on the look- out for businesses that can be acquired					
We study the culture of both our clients and our staff and suppliers					
We try to instill a culture of social responsibility to our stakeholders					
We actively create, widely share and spread the norms and rules of our organization to influence social culture					
We strive to pursue value creation through efficient processes					
Our strategy is guided by creating efficiencies in all aspects					
The proactive strategy has enabled us to achieve high levels of efficiency without correspondingly high inputs					

**SECTION E: Risk Taking Orientation and Organizational Efficiency**

The following are statements related to the extent to which risk taking orientation affects organizational efficiency in your firm. Please rate them according to your understanding by ticking (√) where it is appropriate.

SA=strongly agree; A= agree; N= Neutral; D= disagree (3); SD= strongly disagree

Statements	SA	A	N	D	SD
We support projects where the expected returns are certain					
Our operations follow the “tested and working” track					
We have invested in risk training for our key staff					
We have invested in risk management tools so as to afford us efficient operations					
We try to carry out regular risk assessment of our markets					
We also conduct regular internal risk assessment so as to					

ascertain our capabilities					
We do pursue the PELT(Political, Environmental, Legal and Technological) model when carrying out risk assessment					
Risk strategy has enabled us to achieve high levels of operational efficiencies					

**SECTION F: Organizational Efficiency in Flower Firms**

The following are statements related to the status of organizational efficiency in Floriculture firms in Naivasha Sub County. Please rate them according to your understanding by ticking (√) where it is appropriate.

SA=strongly agree; A= agree; N= Neutral; D= disagree (3); SD= strongly disagree

<b>Statements</b>	<b>SA</b>	<b>A</b>	<b>N</b>	<b>D</b>	<b>SD</b>
Our productions costs have been decreasing with increasing production					
We are now capable of producing more per unit time					
Our exports volumes have increased for the same input					
Our output-to-output ratios are impressive					
Our inputs have reduced for the same output					
We are able to access markets faster than before					
The markets are able to absorb a high amount of our products than before					
Our new efficiencies enable us to attend to other issues of significance to our operations					

*Thank you very much for your cooperation*

*God bless*

### Appendix 3: Budget

<b>Items</b>	<b>Unit Cost</b>	<b>Quantity</b>	<b>Amount (Ksh)</b>
<b>Proposal Development</b>			
Internet service during literature review			15,000
Typing and binding the proposal	1500 pc	Five copies	7,500
Piloting the data collecting tools (transport and subsistence)	2000 per day	Five days	10,000
<b>Sub total</b>			<b>32,500</b>
<b>Data Collection</b>			
Printing and photocopying data collection tools			25,000
Transport during data collection	1500 per day	20 days	30,000
Subsistence during data collection	2000 per day	20 days	40,000
<b>Sub-total</b>			<b>95,000</b>
<b>Project Report Preparation and Presentation</b>			
Data analysis			8,000
Typing and printing the report	1500 per copy	6copies	9,000
Photocopying and binding	2000 per copy	Six copies	12,000
Publication			20,000
<b>Sub-Total Ksh</b>			<b>49,000</b>
<b>Total Ksh</b>			<b>176,500</b>

**Source of funds: Self sponsored**

### Appendix 4: Work Plan

Activity	Period of months						
	Nov 2017	Dec 2017	Jan 2018	Feb 2018	Mar 2018	Apr 2018	May 2018
Problem formulation							
Literature search and review							
Concept/Proposal development							
Concept/Proposal submission and defense							
Collect data							
Analyze data							
Writing final project report							
Submitting report to the supervisor							