THE IMPACT OF PORTER’S GENERIC MODEL ON ORGANIZATIONAL PERFORMANCE: A CASE STUDY OF WESTCON GROUP

BY

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UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

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A Research Project Report Submitted to the Chandaria School of Business in Partial Fulfilment of the Degree of Masters in Business Administration (MBA)

UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA

FALL 2017
STUDENT’S DECLARATION
I, the undersigned, declare this my original work and has not been submitted to any other college, institution or university other than United States University in Nairobi for academic credit.

Signed ___________________________ Date: ___________________________

Anoke Christian (Id No: 632665)

This project report has been presented for examination with my approval as the appointed supervisor.

Signed ___________________________ Date: ___________________________

Prof Paul Katuse

Signed: ___________________________ Date: ___________________________

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ABSTRACT

The study objective was to examine the impact of Porter’s generic model on organizational performance of Westcon Group. This study aimed at assessing the impact of cost leadership strategy on organizational performance, determine the impact of differentiation strategy on organizational performance and examine the impact of focus strategy on organizational performance of Westcon Group.

The study adopted a descriptive correlation research method design to establish the impact of strategic management on organizational performance with a focus on Westcon Group. The descriptive research method focuses on the relationship between variables hence was the best for this study as it featured the relationship between strategic management and organizational performance. The study used questionnaires to get data from respondents. The study focused on 320 employees at Westcon Group. A sample size of 96 respondents comprising of the company’s top, middle, lower level managers and support staff was arrived at using a proportionate stratified sampling technique. The use of structured questionnaire helped the researcher to utilize descriptive and inferential statistics during data analysis and presentation. The study adopted frequencies; mean and standard deviation, and regression statistics. Figures and tables helped in data presentation.

The first variable of the study was to determine the effect of cost leadership strategy on organizational performance. The study found that due to cost leadership, Weston has set of skills recognized as unique by competitors. The strategy has enabled the company to provide goods and services at the lowest relative to its competitors hence cost leadership strategy has enabled Weston to developed winning reputation in the industry. It was found from the study that cost leadership has enabled the company to achieve efficiency in its operations hence the company maintains the quality of its offerings despite its expansion. Reduction in the cost of operations has made the company to outperform its competitors in the market and achieved competitive advantage in the industry. The study revealed that Westcon Group has maintained its customer base due to the quality of its products and services.
The study revealed how differentiation strategy impact on organizational performance. The study found that differentiation has led to the creation of new products and services. It is revealed from the study that differentiation strategies allow Weston employees to make operational decisions. The study revealed that Value is delivered to Weston customers due proper differentiation strategies in the company. Differentiation strategy has made the company to accept responsibilities for improvement of the organization. Due to differentiation strategies in the company, the leadership of Weston encourages innovation and creativity. The study found that the strategy has made the company to offer new products and services regularly. The differentiation strategy makes the company create vision and carry the same to completion.

The study examined the impact of focus strategy on organizational performance of Westcon Group. The study reveals that through the use of focus strategy, Westcon group has been able to enjoy a high degree of customer loyalty. The study found that Focus Strategy has made the company focus on serving a narrow market segment and that is why it is performing better. Focus strategy has made Weston employees work together to deliver results and that the company has achieved great sales due to the strategy. From the study, it was observed that due to focus strategy, employees at Weston have been equipped with the right skills to achieve the organizational objectives. This is due to the fact that learning is being shared all through the organization. Focus strategy has made internal and external communication at the organization efficient and this has made the company to enhance return on investment.
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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

Economic environment, according to Akinyele and Fasogbon (2010), is rapidly changing. This change is distinguished by such incidents as; changing customer and investor demands, escalating product-market competition and globalization. To compete successfully in this environment, organizations continually need to improve their performance by reducing cost, innovating products and processes and improving quality, productivity and speed to market. The study found that strategic management is a process that is ongoing and helps in evaluating and controlling the business and the industries in general. Strategic management helps an organization to assess its competitors and put in place goals and objectives to meet all existing and potential competitors. It also helps an organization to reassess each strategy quarterly or annually to establish how it has been executed and whether it has succeeded or needs replacement by a new strategy to meet changed circumstances, a new economic environment, new technology, a new social, financial or political environment, or new competitors (Akinyele & Fasogbon, 2010). Achieving a competitive advantage position and enhancing firm performance relative to their competitors are the main objectives that business organizations, in particular, should strive to attain (Raduan, Jegak, Haslinda, & Alimin, 2009).

Oliveira and Gimeno (2014) posit that the modern business environment places a lot of demands on businesses and managers. The high competition that characterizes the business environment in the contemporary globalized world demands that managers and organizations strategically organize their resources, practices, and operations to survive if not to stay ahead of the completion (Pieterse, Marjolein, & Thijs, 2012). Domilalo, Adekunle, Futai, and Orurutoyin (2015) explain the essence of strategic management as incorporating the deployment of the firm’s weaknesses and strengths to exploit the advantage of the external opportunities while minimizing the problems and threats that are posed and emanate from the external environment. It has also been defined as the formulation and implementation of pre-
determined strategies and strategic goals. On the other hand, organizational performance concerns the overall productivity of the organization (Domilalo, et al., 2015). Some of the attributes of productivity include but is not limited to customers and market share, profitability and stock turnover.

According to Cania (2014), organizations are seeking to create much competition between them by taking more market, more customers, more sales to identify their niche. Due to globalization, rapid changes have stemmed out including the advancement of information systems and other factors that have caused higher competition. Cania indicates that many organizations driving force is their market that enables them to set goals in their performance. These goals may include increasing number of customers, improving productivity and quality of innovative products, cost reduction, increasing the market percentage and achieving sale levels. These goals can be achieved through human resource management in organizations where the workforce is the key to success enabling the achievement of organizational performance.

Strategy is regarded as a ‘master concept’ within contemporary organizations and recognized in business schools where strategy is essential for the ‘rite of passage’ in becoming a strategist and understanding the essence of the organization. Strategy is also recognized as a capstone course taught to students at undergraduate and postgraduate level (Fleisher & Bensoussan, 2015). The field of strategic management is widely recognized as a critical course to set the foundation for other management disciplines in business schools.

Strategic management is the process and approach of specifying an organization’s objectives, developing policies and plans to achieve and attain these objectives, and allocating resources so as to implement the policies and plans (David, 2005). According to Adeleke (2008), this process entails examining both present and future environments formulating organizations objectives, implementing and controlling decisions focused on achieving these objectives in the present and future environments.
The performance of organizations in the contemporary competitive business environment has been a principal focus of intensive research in recent years. Specifically, the concern has been on how firms implement their policies and programs to achieve optimum performance while sustaining competitive advantage over other competitors (Muogbo, 2013). Managers, both in the private and public sector have become particularly concerned with how to achieve competitive advantage in terms of the internal organizational processes as well as the quality of services and products that their firms produce. As such strategic management has emerged as a highly important approach to achieving the optimum performance and realizing the mission and vision statement as well as the pre-determined organizational goals even for universities (Pieterse, 2012).

Griffin (2006) defines organizational performance as an organization’s ability to acquire and utilize scarce resources and valuables or expeditiously as possible in the pursuit of its operational goals. Baum (2002) adds that organizational performance entails the actual output results of an organization measured against intended outputs including goals and objectives. The performance captures what organizations do, produce and accomplish for various constituencies with which they interact. Stanleigh (2010) mentions that this makes it important to measure performance to monitor organization’s progress. It comprises measuring the actual performance outcomes or results of an organization against intended goals. This requires a top-down approach to setting performance criteria rather than a bottom-up approach that often occur in many organizations. In general, Barney (2012) added that organizational performance concept can be based on the idea that an organization is the voluntary association of productive assets, including human, physical, and capital resources, for the purpose of achieving a shared purpose.

Consequently, organizations all over the world are adopting strategic management practices a way of achieving and sustaining a competitive advantage. One of the purposes of strategic management is to improve business performance through people management. To achieve desired goals and objectives, organizations need to manage their human resources effectively and efficiently translating to better performance (Cania, 2014).
According to Peng (2014) top managers and chief executive officers (CEOs) of large firms, especially in Europe, Japan and North America have acknowledged strategic management as imperative in addressing the challenges of globalization. Organizations in the developing world are also following suit and this has been realized even in universities around the world.

Several studies have been conducted to examine the nature of the relationship between strategic management and organizational performance. Monday, Akinola, Ologbenla, and Aladeraji (2014) investigated the effect of strategic management on the performance of corporation among small and medium-sized enterprises (SMEs) in Lagos, Nigeria. They found that strategic management practice accounted for organizations’ market share and profitability. This further suggested the reason why organizations are accepting and implementing strategic management.

Similar results were also recorded by Maroa and Muturi (2015) as well as Kanyora and Okello (2015) when they investigated the impact of formal strategic management on how SMEs performed in Nairobi, Kenya. Some of their principal findings were that formal strategic management was inspired by competition and that firms that had adopted formal strategic management performed better than those that had not. Domilola, et al., (2015) explains that previous studies that have found a positive link between organizational performance and strategic advantage are in line with the underpinning principles of the resource-based views or theory (RBV).

Westcon Group is a value added distributor of category-leading unified communications, network infrastructure, data center and security solutions with a global network of specialty resellers, system integrators, and service providers. It was established in 1985 and has over 30 years’ proven experience proven to market for products and services from the vendor through to the end-user customer. It services including; Support Services, Professional Services, educational services and Supply Chain Services help develop opportunities that deliver great strategic insight, richer margin and long-term customer engagements engaging their team and the global delivery models (Westcon, 2015).
Weston has created a niche in the IT sector and has a unique global footprint, a network of partners and resources that enable the company to support, act, deploy, trade and transact. This extensive experience has enabled the company to grow and establish over 100 offices worldwide in over 60 countries, logistical networks capable of delivering in more than 170 countries, over 22 logistics and staging facilities around the globe and more than 300 engineers with more than 1500 technical certifications to support the group’s work. Weston group also has 10 support centers around the world in Chicago, Mexico, Buenos Aires, Sao Paulo, Madrid, Berlin, Dubai, Singapore, Sydney and Auckland (Westcon, 2015).

1.2 Statement of the Problem

Dauda, Akingbade, and Akinlabi, 2010; Abu Bakar, Tufail, Yusof, and Virgiyanti, 2011; Zeglat, AlRawabdeh, Faisal AlMadi and Shrafat (2012) found that an organization has to measure what it would like to manage or control. The recommendations from a study done by Dauda, Akingbade, and Akinlabi (2010) revealed that an organization should make use of strategic management for it to enhance the actual performance. On the other hand, Abu Bakar, Tufail, Yusof, and Virgiyanti (2011) analyzed the relationship between strategic management and organizational performance and found a significant relationship. In addition, Zeglat, AlRawabdeh, Faisal AlMadi, and Shrafat (2012) asserted that performance measurement system plays different and mesmerizing roles in the short and long-term of an organization's performance. The two critical roles of this notion are monitoring and measuring the progress of performance and attaining strategic objectives. Accordingly, the purpose of this research is to examine the impact of strategic management on Weston Group organization’s business performance.

The contemporary business environment in which organizations find themselves is a dynamic and a highly competitive one, this is more so even in the technology industry in which Westcon Group operates (Ofunya, 2013). Maroa and Muturi (2015) contend that just like elsewhere in the work, the hypercompetitive business environment created by globalization is pushing firms to their limits necessitating the dire need for the adoption of strategic management approach to doing business. Such an endeavor is necessary to augment
organizational choices, plans and decisions to enhance the positioning of the firm within a globally competitive market. Furthermore, as Melchoritta (2013) contends that strategic management is necessary for firms to increase their profitability and competitive advantage and that lack of strategic management practices are currently associated with organizational failure.

In the past few years, it has been reported that there has been a severe failure of organizations in Kenya and particularly on organizational performance (Kenya National Bureau of Statistics, 2012). Therefore a reference base is needed so that organizations may have policies on how to manage strategies so that it can enhance better organizational performance. Weston Group Ltd is one of the organizations in Kenya that practice strategic management. It is necessary for an organization to evaluate the effectiveness of their strategies in ensuring that organizations such as Weston Group achieve their objectives and improve performance. However, a few studies have been carried out in Kenya to determine the correlation between strategy management and organizational performance. Therefore, this study sought to bridge the knowledge gap by investigating the impact of strategic management on organizations performance at Weston Group Ltd.

In Kenya, it widely reported that the uptake of technology has experienced a great upsurge going by the internet and mobile phone penetration (Mupaso, 2014). As such, the market for the distribution of technology and technological application is highly competitive demanding serious strategizing on the part of the firms. In Kenya, Westcon Group is among the few organizations especially in the technology industry to adopt strategic management practices. However, while a lot of research attention has gone to study of the impact of strategic management on organizational performance in Kenya (including those by Kanyora & Okello 2015; Maroa and Muturi (2015) few have studied strategic management practices among firms in the technology industry. As such, very little understanding exists as to whether the results of the existing studies can apply to this sector presenting the knowledge gap that this research intends to fill. This study seeks to contribute to the understanding of the impact of strategic management on the performance of companies in the technology distribution
industry. It seeks to determine if strategic management affects critical aspects of firm’s performance.

1.3 General Objective

From the study, the general objective was to examine the effect of strategic management on the organizational performance of Westcon Group.

1.4 Specific Objectives

1.4.1 To assess the impact of cost leadership strategy on corporate reputation and image of Westcon Group.

1.4.2 To determine the impact of differentiation strategy on creativity and innovation of Westcon Group.

1.4.3 To investigate the impact of focus strategy on firm performance of Westcon Group.

1.5 Significance of the Study

The study aimed at providing valuable information that may prove vital to the following groups of people:

1.5.1 Employees of Westcon Group

The study equips Westcon employees with information regarding the strategic goals of their organization and how they fit into that plan. The study facilitates employee understanding and appreciation of the strategies suggested or implemented by the organization’s leadership. In so doing, the study facilitates the realization of greater employee acceptance of the strategies and motivation towards the attainment of the organizational objectives. Besides, the study allows employees to appreciate the tasks or assignments as contributing to the organization’s overall performance.

1.5.2 Management of Westcon Group

The study is of vital importance to Westcon Group in several regards. It provides crucial and indispensable information, which helps boost Westcon managers’ intelligence on the
association between the strategic management and organizational performance. In so doing, the study adds to internal information regarding the impact of strategic management on organizational performance and hence helps managers acquire an in depth understanding of the nature and relevance of the relationship to the organizations’ goals. The study facilitates the re-defining and enhancement of the practice of strategic management at Westcon to ensure the realization of its performance objectives.

1.5.3 Other Organizations in Kenya

Other organizations operating in Kenya also stand to benefit from the study. The study allows managers and leaders of other firms to relate and compare the impact of strategic management on Westcon’s performance with their own performance. Furthermore, the study results inspire other organizations that have not embraced strategic management to learn how crucial the practice would be for their own performance. For the firms that have already adopted the practice of strategic management, the study allows them to determine which areas of their organizational practices need a strategic readjusting to ensure optimum performance.

1.5.4 Future Researchers

The study contributes information to the existing body of work regarding the strategic management and its significance to organizational performance. In so doing, the study equips scholars interested in conducting a similar study with background information as well as the conceptualization of the concepts relating to strategic management and its impact on organizations. Those who wish to study the impact of strategic management on organizations in Kenya or Africa finds the study quite significant for familiarization purposes. The study also unearths issues of concern that may inspire further research.

1.6 Scope of the Study

The focus of this study is Weston Group. The study examined the effect of strategic management on the organizational performance of Weston Group. The study was targeting
the employees of Weston Group to obtain information pertaining to strategic management and organizational performance. The study reveals that the tool for data collection was a questionnaire. The respondents in the study were categorized into several groups according to their cadre (top-level management, middle-level management, lower level management, and support staff). The study took place within Nairobi County because the respondents are majorly based in the county. From the study, the research took approximately six months starting from June 2017 to complete this study. This study predicted challenges of time limitation during data collection period given the busy schedule of respondents. However, this was overcome by making special appointments with the respondents and using a research assistant to help in collecting data at the convenience of the respondents.

1.7 Definition of the Terms

1.7.1 Strategic Management

Strategic management can be conceptualized as the manner in which the firm employees its managerial competence in the use of limited resources to facilitate the realization of predetermined organizational goals amid internal and external environmental challenges (Essien, 2012).

1.7.2 Competitive Advantage

According to Awwad, Al-Khattab and Anchor (2013), competitive advantage (CA) refers to the extent to which organizations or companies are able to establish and sustain an unassailable position vis-à-vis its competitors.

1.7.3 Organizational Performance

Organizational performance refers to a reflective assessment of the performance of the enterprise, firm or an establishment in terms of how it meets its goals and objectives (McLaughlin, 2017).
1.7.4 Corporate Reputation

Corporate or business reputation refers to the overall estimation or perception of the firm, held by both its external and internal stakeholders and is based on the current activities or potential future behaviors of the firm (Adeosun & Ganiyu, 2013).

1.7.5 Corporate Image

Corporate image implies a spectrum of visual factors, which are utilized in several ways to promote the image of the firm (Awwad, et al., 2013).

1.7.6 Innovation

Vyas (2014) defines innovation as the creation and subsequent modification of inventions into services, techniques and approaches or products that are deemed valuable upon use internal use within the firm or upon launch in the market.

1.8 Chapter Summary

This chapter introduces the reader to the study background. The chapter discusses the statement of the problem, the purpose of the research, and specific research objectives that guided the study. The chapter offers the specific objectives that guided the study as well as the significance of the study. The chapter has provided readers with the study scope and it offers definitions for key terms. The second chapter reviews the literature available from various articles including journals, books, magazines and other internet sources. The third chapter discusses the methodology of the study while fourth and fifth chapters discuss results and findings, and discussions, conclusions, and recommendations.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction
This chapter provides a review of literature from authors who studied the effect of strategic management on organizational performance. The chapter discusses the impact of cost leadership on corporate reputation and image; the effects of differentiation on creativity and innovation and the impact of focus strategy on firm performance. At the end, the study provides a summary of the chapter.

2.1 Impact of cost Leadership Strategy on Corporate Reputation and Image

Any business or commercial organization reputation has a bearing on value. This may not be identified in an organizations balance sheet but it affects supplier attitudes, investor confidence, staff recruitment and a myriad of other stakeholders in its capacity as relationship capital. Reputation is defined as a perception of past actions and future behaviour viewed not in isolation but in the context of what others are doing in the marketplace. (CIMA, 2007). Companies develop winning reputations by creating and projecting a set of skills that their constituents recognize as unique developing practices that integrate economic and social considerations into their competitive strategies. This results into a strong image and good reputation that have a positive impact on growth in profit margin, community goodwill, employee morale, investor support, relationships with vendors and suppliers, and overall organizational pride (Alsop, 2004).

2.2.1 Cost-Leadership Strategy

Cost-leadership strategy, according to Li and Li (2008), strives to supply a standard, high-volume, no-frills goods at the most competitive charge to customers. Kim, Nam, and Stimpert (2006) found in their study that cost leadership strategies are preferred in developing nations such as Malaysia, Indonesia, India, and China. According to Kim, Nam, and Stimpert (2006), these countries have lower labour and production cost. A differentiation
strategy is to generate value to clients by offering superior quality, brand image, good services, and innovative products. This according to Porter (1985) will differentiate the product which means the product will be more competitive than others.

Frambach, Prabhu, and Verhallen (2003) found that Cost Leadership tends to be more competitors oriented than customer oriented. Cost leadership needs a strong focus on the supply side other than the demand side of the market. This, according to Day and Wensley (1998) needs a high level of competitor orientation. Therefore, organizations pursuing a cost leadership strategy should constantly benchmark themselves against other competing organizations in order to evaluate their comparative cost position in marketplace. A business enterprise that pursues cost leadership strategy attains a low-cost position by putting emphasis on aggressive construction of efficient-scale facilities, tight cost and overhead control, vigorous pursuit of cost reductions from experience, evasion of marginal customer accounts, and cost minimization in areas like advertising, research and development (R&D), sales force, services, and many more (Porter, 1985).

Kim, Nam and Stimpert (2006) reveal that cost leadership strategy has been successfully and effectively implemented in Japan. For instance, the strategy is successfully implemented in Toyota company system. The company’s superior competitiveness is in cost reduction and quality and delivery time. The company has provided the impetus for a worldwide shift toward enhancing efficiency and effectiveness by means of cost-cutting strategies (Schonberger, 1994). In Japan, customer service is defined somewhat differently than in the West, which may explain its presence in this cost leadership factor makeup (Allen & Helms, 2001).

Cost leadership strategy is an integrated set of actions executed to offer goods or services with attributes that are acceptable by clients at the lowest cost relative to that of competitors (Ireland, Hokisson & Hitt, 2011). This strategy represents efforts by organizations to create competitive advantage by attaining the lowest cost in the industry. According to Porter (1980), companies implementing this strategy strive to achieve efficiency and stringent cost control and has the objective to realize its offer at the lowest possible cost. Through cost
leadership strategy, publicly traded companies enjoy a higher-price earnings multiple than their competitors and are also buttressed on the downside based on trust and respect they’ve developed over time, provided that they stay true to their core values and culture (Alsop, 2004).

Low cost relative to competitors is the theme running through the entire overall cost leadership strategy and the objective is clearly overall industry cost leadership. Achieving cost leadership normally requires an aggressive construction of efficient and effective scale capabilities and vigorous pursuit of cost reductions through experience, evasion of marginal customer accounts, tight cost and overhead control, and cost reduction in areas like R&D, sales force, service, advertising, and many more. When attempting to achieve an overall cost leadership position, low cost relative to competitors is the theme running through the entire strategy (AldehAYat & Twaissi, 2011).

To understand how overall cost leadership strategy may generate superior profitability, it is necessary to identify the benefits of a low-cost position (Al-Qatamin & Al-Qatamin, 2012). Porter (1985) found that a low-cost position gives an organization a defense against rivalry from competitors. Lower costs indicate that a business enterprise can still make the returns after the competitors have competed away their profits by means of competition. The study shows that a low-cost position defends the enterprise against powerful buyers. Commanding buyers can apply power only to force down prices to the level of the next most efficient and effective competitor. Low cost offers a protection against commanding suppliers by offering more flexibility to deal with input cost increases. The factors that lead to a low-cost position usually also provide substantial entry barriers in terms of scale economies or cost advantages. Finally, a low-cost position usually places the firm in a favourable position vis-à-vis substitutes relative to its competitors in the industry (Birinci & Eren, 2013).” Because scale economies and cost advantages tend to defend a firm against powerful buyers and suppliers and provide substantial entry barriers, achieving a low overall cost position often requires a high relative market share. In other words, cost advantages can create value for a firm by
reducing the five threats of entry, rivalry, substitutes, suppliers and buyers (Arasa & K'Obonyo, 2012).

2.2.2 Competitive Advantage

According to Wen-Cheng, Chien-Hung and Ying-Chien (2011) firms attain competitive advantage through cost leadership strategy when they deliver same benefits as competitors but at a lower cost (cost advantage), or deliver benefits that exceed those of competing products (differentiation advantage). Competitive advantage believes in the notion that cheap labor is everywhere and natural resources are not essential for a good economy. Competitive advantage is necessary for satisfied customers who will receive higher value in delivered products for higher income than what the owners request from management and such requirements can be fulfilled with the organization of production, higher application and as low as possible production costs (Ranko, Berislav, & Antun, 2008).

As a result of cost leadership strategy where the best is the focus but at a favourable cost, an organization is still able to attain competitive advantage just like Barney, (2012) suggested that the resources that are scarce and valuable at the same time can create competitive advantage, and if these resources are also difficult to duplicate, substitute and hard to deliver, they can sustain the advantage. Competitive advantage arises when a business enterprise develops or obtains an attribute or combination of attributes that permits it to do better than its competitors. These attributes comprise access to natural resources, such as inexpensive power or high-grade ores, or access to very much trained and accomplished personnel human resources. Above writings signify competitive advantage as the ability to stay ahead of present or potential competition

2.2.3 Quality

When companies are offering a variety of products, it can become difficult sometimes to concentrate on quality which in turn impacts in the company reputation. However, firms with strong positive reputation attract better reputation and are perceived as providing more value
and customers end up being loyal and buy a broader range of products and services from them. As a result, in an economy where 70% to 80% of the market value comes from hard to assess intangible assets such as brand equity, intellectual capital, and goodwill, organizations have become vulnerable to do anything that can damage their reputation (Eccles, Newquist, & Schatz, 2007).

According to Grönroos (2011) quality is a feature of a particular product or service that is perceived by a customer in a certain way. Quality of products and services of any organization is very important as it helps develop relationship quality in a long-run partnership context as finding new customers is much more costly than keeping the old ones and that is the reason why the needs and expectations of potential consumers should be met. In 1984, Grönroos came up with three dimensions of quality looking at service quality including technical quality of the outcome, functional quality of the process and reputational/image quality. The first one stays for “what” is received by the customer during his interaction with a service company. In a hotel, this can be applied to a guest who gets a room in a hotel. The other dimension stands for “how?” the outcome was received. This point arises directly from the interaction between the consumer and the personnel, and general atmosphere, for example, during the check-in. It might also be influenced by other customers queuing or even decorations. And the last but not least is corporate image, which sets certain expectations in the mind of the potential customer based on his view of the company. The first two dimensions are used as fundamentals for it (Grönroos, 2011).

Connection between quality dimensions can be followed as well as the relation of expected service and perceived service, where expected level of service is a consumers’ in-mind pre-assumption of the services offered by an organisation. They are affected by marketing activities as advertising, PR, pricing etc. and external factors like word-of-mouth, ideology etc. The aim of the firm is to make values expected and perceived as equal as possible, in order to avoid the gap, which may appear between those two. For that purpose, marketing activities should reflect real technical and functional qualities and as a result, expectations will not be set too high; as well as services perceived should be improved if the qualities are
presented to be better than they are (Grönroos, 2011). Expectations may be different on each of the stages of the whole process, however, fulfillment of consumers’ expectation will encourage them to have long-term relationship with the company and as a result, make them loyal

2.3 Impact of Differentiation Strategy on Creativity and Innovation

Kalay and Gary (2014) indicate that innovation is assessed as the most important differentiation strategy to acquire competitive advantage in the market. Lopez and Merono (2011) define innovation as a new structure or management process, a policy, a new plan or program, a new production process, or a new product or service produced in an enterprise (Lopez-Nicolas & Merono-Cerdan, 2011). According to Freeman (1982), innovation is defined as marketing a new (or developed) product or as technical, design, production, management and commercial practices in the use of a new (or developed) process or equipment commercially for the first time (Bessant & Tidd, 2007). Through globalization, advanced technology has been supported and the entry of new competitors and imitation of products has taken place. Products tend to be more commoditized since there was no uniqueness among the product and consequently competition is only based on the price (Kim & Mauborgne, 2005). However, the financial crisis that took place in the year 2008, developing countries particularly and various global companies switched their competitive strategies from low-cost strategy to differentiation strategy (Gehani, 2013).

2.3.1 Generic of Differentiation Strategy

Differentiation consists in differentiating the product or service offered by the firm, in other words, creating something that is perceived industry-wide as being unique (Jalaliyoon, Abu Bakar, & Taherdoost, 2012). Differentiation may be attained in many ways, for instance through design, technology, customer service, brand image, features, and dealer network. Bases of differentiation may be sorted into three categories. First, to execute differentiation strategy, an organization may focus directly on product (or service) characteristics, this is product complexity, the timing of product introduction, product features, or location. Second,
an organization may focus on the relationship between her customers and herself. A good example is through product customization, product reputation and consumer marketing. Finally, differentiation strategy may be executed by focusing on the connection within or between organizations. These connections include within functions of a firm, linkage with other firms, distribution channels, service support and product mix. Ideally, the firm should differentiate itself along several dimensions. There may also be other ways for firms to differentiate than the examples mentioned above. In fact, Barney (2012) argues that “product differentiation is ultimately an expression of the creativity of individuals and groups within the firms. It is limited only by the opportunities that exist, or that can be created, in a particular industry and by the willingness and ability of firms to creatively explore ways to take advantage of those opportunities.

According to Porter differentiation may generate superior profitability for the reason that it provides insulation against competitive rivalry because of brand loyalty by customers and resulting lower sensitivity to price. It also increases margins, which avoids the need for a low-cost position. The resulting customer loyalty or allegiance and the need for a competitor to triumph over exceptionality provide entry barriers (Owolabi & Makinde, 2012).

Differentiation capitulates superior margins with which to deal with supplier power, and it evidently alleviates buyer power, since buyers lack similar alternatives and are thus less price sensitive. Finally, the firm that has differentiated itself to achieve customer loyalty should be better positioned vis-à-vis substitutes than its competitors.” Besides reducing the five threats of entry, rivalry, substitutes, suppliers and buyers, differentiation creates value by enabling a firm to charge a premium price that is greater than the extra cost incurred by differentiation (Luen, Yong, & Fook, 2013).

As for overall cost leadership, successful differentiation requires that the strategy be rare and costly to imitate. And rare and costly bases for differentiation are sources of sustainable competitive advantage. The rarity of a differentiation strategy depends on the capability of individual organizations to be inventive in discovering new ways to differentiate their services and/or products (Barney, 2012). In short, inventive organizations will at all times
manage to differentiate themselves from competitors. As rivals try to emulate these organizations’ last differentiation move, creative organizations will already be working on new moves and as a result, they always stay one step ahead of the competition. In general, bases for differentiation that are costly to duplicate include links between functions, timing, location, reputation, distribution channels, and service and support. Product mix, links with other firms, product customization, product complexity and consumer marketing may be costly to imitate depending on the circumstances (Owolabi & Makinde, 2012).

Organizing to implement a differentiation strategy requires particular consideration to the organizational structure, management controls, compensation policies, and implementing cost leadership strategies (Al-Qatamin & Al-Qatamin, 2012). As mentioned previously, organizational arrangements and implementation tools should not only fit but also reinforce the strategy. Porter (1980) suggests that, strong marketing abilities, product engineering, creative flair, strong capability in basic research, corporate reputation for quality or technological leadership, long traditional in the industry or unique combination of skills drawn from other businesses, and strong cooperation from channels are commonly required skills and resources for implementing differentiation. Common organizational requirements include strong coordination among functions in R&D, product development, and marketing, subjective measurement and incentives (instead of quantitative measures), and amenities to attract highly skilled labor, scientists, or creative people. Contrary to overall cost leadership, differentiation may imply a hinder to high market share. The reason is that differentiation typically requires a perception of exclusivity that is incompatible with a high market share (Kim & Mauborgne, 2005).

According to Kotler and Amstrong (2003), differentiation is the act of designing meaningful differences to distinguish company offerings from competitors offerings. Entry into the market is a top priority for companies using this strategy and they have the discretion to set prices and exploit a wide market segment in the pursuit of achieving high profit and growth and also offering good product quality to customers. Porter (1990) adds that innovation helps companies gain sustainable competitive advantage and improve performance through
creativity in making changes and commercial value. Using creativity, a company is able to exploit products and create new ones through innovation. Using differentiation strategy, it impacts on creativity and innovation in a number of ways;

2.3.2 Leadership

Semuel, Siagian and Octavia (2016) indicate that the success or failure of an organization is determined by the role played by the leadership of the organization. Especially in heightened global competition, good leadership has become very important. Nejad and Rowe (2009) define leadership as the in individual ability to lead a group of people in order to achieve specific goals. The ability to influence others to make every day voluntarily decisions in the sense of long term and short term growth and the existence of a company is now known as strategic leadership. Companies using strategic leadership are able to instill values and a clear vision to their employees allowing them to make operational decisions and leaders of the organization are able to focus on the strategic decisions of the company.

According to Hitt, Ireland and Hoskisson (2005), Strategic leaders encourage innovation in the face of environmental change and move forward as well as aware of the capabilities of the organization so as to benefit the company in both the short and long term. Strategic leadership looking at indicators such as strategic direction, exploitation and maintenance of core competencies, development of human capital, maintaining of effective corporate culture, the emphasizes of ethical practices and establishment of strategic control that encourages the creation of innovation which leads to better financial performance achievement.

Semuel, Siagian and Octavia (2016) points out leadership as one of the impacts of differentiation strategy on creativity and innovation. He argues that through leadership, the creation of innovation in a company is supported including an environment that fosters creativity, allocation of resources to generate accurate market research and the creation of innovations that are acceptable to the market. Semuel, Siagian and Octavia (2016) adds that it is important for leaders to see innovation as a very important aspect of an organization. However, if they see it as optional and only focus on the daily company operations, the
emergence of innovation and creativity in the organization is inhibited resulting into failure in innovation performance. It is thus required that strategic leadership is considered in any organization to balance long-term and short-term needs of the company such as innovation and company daily operations.

2.3.3 Delivery of Value

Shankar (2012) indicates that differentiation strategy makes a company different and gives it a unique position that involves the delivery of a particular mix of value to its customers. He adds that using the differentiation strategy innovative companies must also incorporate a consistent strategic direction in order to have a strategic vision. According to Porter, innovation means offering things in different ways by creating a combination of different things to come up with a better product or service which adds value to what a company is offering. Kalay and Gary (2014) add that innovation provides greater value to the customers that companies serve. It helps companies deliver right new and improved products, services, business practices, solutions and experiences to achieve their objectives. More than 99 percent of all new ideas are built on the foundation of existing knowledge making the prospect of being innovative more accessible.

2.3.4 Entrepreneur Orientation

Gehani (2013) define entrepreneurial orientation as the organizational willingness to find and accept new opportunities and take responsibility to affect change. It defines the firm level strategic processes that businesses use to gain competitive advantage (Rauch & Frese, 2009). Through the use of the differentiation strategy, the importance of entrepreneurial orientation on a firm performance is considered as it is a good measure to explore opportunities in the market to utilize from them (Ireland, Kuratko, & Covin, 2003). A company is considered an entrepreneurial firm when it offers new products and services that are above average and entering in new markets as a result of innovation and creativity (Ghemawat, 2010). Innovativeness is a entrepreneurial dimension that reflects the willingness to support creativity and experimentation while a company is introducing new products/services,

Ireland and Webb (2007) indicates that entrepreneurial orientation, differentiation strategies and creativity and innovation are closely related with each other. Entrepreneurial activities affect innovations of companies and they need to be entrepreneurially oriented to innovate new and different products, services, images and processes which cannot be imitated easily by others. According to Aldehayyat and Twaissi (2011), when a firm is entrepreneur oriented, risk-taking propensity is a reflection of its activities and firms may incur heavy debt or make large resource commitments, in the interest of obtaining high returns by seizing opportunities in the marketplace. This risk-taking behaviour becomes a crucial factor that differentiates entrepreneurs from others because it can create losses and inconsistencies in the performance (Morris & Kuratko, 2002). Hughes and Morgan (2007) adds that when firms are entrepreneurs, they become proactive seeking new opportunities in the market and anticipate future demands and opportunities in the market, participate in emerging markets, shape the environment and introduce new products and brands before their rivals. As a result of proactivity, firms perform better than their rivals and respond to market changes quickly by being creative and innovative. As a result, a company becomes a leader in the industry embracing opportunities in the industry it find before their rivals (Cania, 2014).

Entrepreneur orientation of a firm also makes companies become competitive aggressive and they tend to directly and intensely challenge its competitors to achieve entry or improve position outperforming industry rivals in the marketplace (Babbie & Mouton, 2010). Companies also become autonomous and in a position to take independent action creating business concepts or a vision and carrying it through to completion. Companies are able to make decisive and risky actions when they have the entrepreneurial autonomy-making free actions and independent decision making leading to creativity and innovation (Gehani, 2013).
2.4 Impact of Focus Strategy on Firm Performance

Markgraf (2013) states that focus strategy identifies the market segments where the company can compete effectively. The strategy matches market characteristics with the company's competitive advantages to select markets where a focus of the company's resources is likely to lead to desired sales volumes, revenues and profits. Companies that adopt focus strategy and achieve higher return on investment (ROI) (White, 2006).

2.4.1 Focus Strategy

The Porter Generic Competitive Strategies (1980, 1985) of overall cost-leadership, differentiation and focus on strategic management research cannot be overemphasized. Low cost and differentiation strategy may be compatible approaches in dealing with competitive forces (Allen & Helms, 2006; Griffin, 2006), and postulated the pursuit of what has been termed ‘hybrid’, ‘mixed’, ‘integrated’, or ‘combination’ strategies (Kim et al., 2006). These ‘hybrid’ strategies are the ones which combine low cost and differentiation elements (Gopalakrishna & Subramanian, 2001).

A combination competitive strategy involving a high level of emphasis on both cost-leadership and differentiation strategies simultaneously should be distinguished from “stuck-in-the-middle” strategy where a firm fails to successfully pursue both cost-leadership and differentiation strategies (Acquaah, 2006). A combination strategy has been shown to be viable and profitable (Kim et al., 2006). Since cost-based and differentiation-based advantages are difficult to sustain, firms that pursue a combination strategy may achieve higher performance than those firms that pursue a singular strategy. The pursuit of a differentiation strategy for low-cost firms will help minimize their vulnerability due to reliance on cost-based advantages only (Alsop, 2004).

A hybrid strategy seeks simultaneously to achieve differentiation and low price relative to competitors. This success strategy depends on the ability to deliver enhanced benefits to the customers with low price while achieving sufficient margins for reinvestment to maintain and
develop bases of differentiation. This is, in fact, the strategy Tesco is trying to follow (Jalaliyoon, Abu Bakar, & Taherdoost, 2012).

A best-cost provider strategy is giving customer more value for the money by offering upscale product attributes at a lower cost than rivals. Being the best cost producer of an upscale product allows a company to under-price rivals whose products have similar upscale attributes. This option is a hybrid strategy that blends elements of differentiation and low-cost in a unique way (Thompson, Strickland, & Gamble, 2015). Ireland et al. (2011) assert that most consumers have high expectations when purchasing a good or service. In general, it seems that most consumers want to pay a low price for products with somewhat highly differentiated features. Because of these customer expectations, a number of firms engage in primary and support activities that allow them to simultaneously pursue low cost and differentiation. Firm seeking of using this use the integrated cost leadership/differentiation strategy (Ireland et al., 2011).

2.4.2 Enhance Performance

YAŞAR (2010) states that companies obtain performance in the scope of sustainable competitive advantage which entails decisions on shaping firm’s competitive strategies as one of the main issues for managers under firms’ business level strategy. Formulation and completion of competitive business strategies improve performance as one of the competent methods to achieve firm’s sustainable competitive advantage. As a result, the impact of competitive strategies on firm performance has become a major issue of unease and policymakers have been playing an important role to refine firm performance for a long time. Calcagno (2007) indicates that competitive advantage is as a result of focus strategy helping a firm maintain and sustain a favourable market position. This position is translated into higher profits compared to those obtained by competitors operating in the same industry.

Organizations that use focus strategy regularly have the benefit of a high degree of customer loyalty and this loyalty discourages other organizations from competing openly (Stone, 1995). Nevertheless, organizations practising a differentiation-focused strategy may be able
to pass higher costs on to clients because close substitute goods do not exist. Organizations that thrive in a focus strategy are able to modify a broad range of product development strengths to a relatively slim market segment that they very well know. Some risks of focus strategies include changes in the target segments and imitation. Moreover, it may be quite easy for a broad-market cost leader to adjust its product in order to compete openly. Finally, other focusers may possibly be able to carve out sub-segments that they can serve even better (Ghemawat, 2010).

In the focus strategy, an organization targets a precise segment of the market (Davidson, 2008). The organization can choose to focus on product range, a select customer group, service line, or geographical area (Hyatt, 2008). Also, focus is determined by adopting a narrow competitive scale within an industry. Focus intends to grow market share by operating in a niche market. The market is either not attractive to or is disregarded by larger competitors. These niches crop up from a number of factors including buyer characteristics, geography, and product requirements or qualifications. Porter (2005) reveals that a successful focus strategy depends upon an industry sector large enough to have good growth prospects but not of great magnitude to other key competitors. As a result, focus strategy impacts on;

2.4.3 Increased Sales

According to Markgraf (2013) companies increase their sales using focus strategy concentrating on segmenting the market into sections that can be reached at a low cost and segments that customers are looking for. Using focus strategy companies can use low production costs as an effective competitive advantage and segment a market that they can reach at a low cost and concentrate resources there. This allows companies to maintain their price advantage and increase their sales. Thompson, Strickland and Gamble (2015) states that companies to be successful using a focus or niche strategy, they must be large enough to yield profit and have room for growth. Focus strategy enables companies to develop a loyal customer base and businesses are left to concentrate on the needs of a specific market segment offering products and services that are desired in that segment which in turn impacts on sales and eventually performance of an organization.
Queensland, (2016), indicate that through focus strategy, companies can develop strategies and grow them without increasing costs making the business more profitable increasing sales revenue and decreasing costs and benchmarking the business. Through focus strategy, companies can increase sales by developing new product lines, getting new customers, finding new companies with the niche, and pricing goods and services correctly. The behavior of competitors is a major factor affecting an organization strategy. In addition to evaluating the actions of existing competitors, new entrants in the market can be evaluated and at the same time strategy of the organization adjusted with competitors reacting to actions and proceed with elements that result in an overall more favorable competitive environment. (Markgraf, 2013).

2.4.4 Improved Staff Performance

Cania (2014) indicate that focus strategy needs to take into account the central role of human resources in organizational performance, considering that human resources use other organizational assets to enhance performance. Among aspects of organizational efficiency that Gruman and Saks (2011) consider critical is performance management, which is directly linked to employee performance. Cania (2014) adds that performance management enables companies to develop a continuous and flexible process of working together between managers and other staff in the organization as a single team which is very important when an organization is on focused strategy. This enables staff to work together to achieve required results enabling companies to focus on the planning of future performance and performance improvements.

Brewster, (2000) states that HRM Strategy provides the basis for regular dialogue and frequent between managers and other employees about performance needs and further development of the organization. Strategic human resource management may bring a number of benefits to the organization including; Contributing to the goal accomplishment and the survival of the company; Supporting and successfully implementing business strategies of the company; Creating and maintaining a competitive advantage for the company; Improving the responsiveness and innovation potential of the company; Increasing the number of
feasible strategic options available to the company; Participating in strategic planning and
influencing the strategic direction of the company as an equally entitled member of top
management and improving cooperation between the HRM department and line managers.
As a result, this makes focus strategy reliant upon leadership in an organization. Organization
leaders are responsible for decisions on goal and purpose, employee compensation and
interpersonal relationships within the organization (Yuan & Lee, 2011).

According to Cania (2014), organizations are trying to create as much competition in the
market, reaching to manage their human resources in achieving the organizational
performance required. Some of the goals are cost reduction, achieving sales levels, increasing
the number of customers, increasing the market percentage, increasing product quality,
innovative products, improve productivity. However, there is need to realize the expectations
required by their clientele especially while on focused strategy and to prepare their
employees of what is expected of them to achieve performance. Through strategic human
resource management, employees will be equipped with the right skills and will be placed in
positions according to the level of their qualification and skills (Adeleke, 2008).

2.4.5 Learning Organization

Focus strategy impacts on the organization make it a learning organization where all systems
in the organization become interconnected with interdependent parts acting as a whole
known by Peter Senge as systems thinking (Lawrmore, 2014). According to Griffin (2006)
when an organization works as a united system and understand systems thinking, it
constantly learns from its experiences and shares learning throughout the organization
influencing organizational performance. Using focus strategy where an organization is
focused on a segmented market, the organization is able to concentrate on improving its
systems including internal communication and keep their customers informed and how the
things are interconnected with the system they benefit from.

According to Baum (2002) large organizations focusing on various activities end up having
poor communication and operating in a vacuum making mistakes that can be avoided and
money, time and customers saved from loss. Focus strategy enables several key components in the organization to be united into a system to keep the organization on track and keep everyone on the same page, keep customers happy, keep competitors in the dust, keep the money rolling in, keep the profits up (Lawrmore, 2014).

2.5 Chapter Summary

This chapter analyses literature review on the impact of strategic management on organizational performance focusing the specific objectives of this research. The next chapter provides the research methodology of the study.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

The research methodology adopted by the study is presented in this chapter. The elements in this chapter include the research design, population and sampling design, data collection methods, research procedures, and the data analysis method. The summary of the whole chapter is provided at end of this chapter.

3.2 Research Design

Cooper and Schindler (2014) find a research design as the structure and organization of a study regarded to obtain answers to research questions. The research design reveals the structure of the research problem and the program of investigation used to obtain empirical evidence. Babbie and Mouton (2010) on the other hand find research design as a structured framework or plan that helps a researcher to solve a research problem and minimize knowledge gap. By use of a perfectly developed and clear research framework, readers can enhance confidence in the methods used as the researcher maximizes validity and minimizes error or rather mistakes.

In this study, a descriptive research design was adopted. Cooper and Schindler (2014) found that descriptive research defines the uniqueness related to the subject population. In this case, the research design intended at answering who, what, where, when or how much about a condition under study. This model helped provide a clear description of the various travel motivations and drivers for Kenya’s tourism uptake from potential travel audiences in East Africa. The model further aided an understanding the intra-regional market’s product preference, determined booking patterns, and purchase behavior.

This model again tested the correlation between variables in the population. This was good in the collecting comprehensive information on the variables and in that way facilitating the study to offer recommendations that are accurate and relevant.
3.3 Population and Sampling Design

3.3.1 Population

Polit and Hungler (2013) in their study found that population is a totality or sum of all the members, objects or subjects that conform to a set of stipulations. This study targeted 320 employees at Weston group Africa. This target population provided sufficient information on the impact of strategic management on organizational performance at the Weston Group.

Table 3.1: Population Distribution

<table>
<thead>
<tr>
<th>Cadre</th>
<th>Total Population</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Management</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>Middle Management</td>
<td>16</td>
<td>5</td>
</tr>
<tr>
<td>Lower Management</td>
<td>48</td>
<td>15</td>
</tr>
<tr>
<td>Support Staff</td>
<td>250</td>
<td>78</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>320</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

3.3.2 Sampling Design

3.3.2.1 Sampling Frame

Cooper and Schindler (2008) found that a proper and complete list of all factors of a population facilitates the development of a sample population is known as a sampling frame. In this study, the sampling frame involved all the employees at Weston Group Africa-Nairobi office. The sampling frame was obtained from the human resource office of Weston Group office in Nairobi to ensure all employees are involved in this process and are not left out making the sampling frame for this study relevant, current and complete.

3.3.2.2 Sampling Technique
This study adopts a census technique for the periodic collection of information about the population from the entire population. Data was collected through the census method that gave the opportunity for an intensive study about the problem area. In this case, this research targets the employees of Weston group Nairobi.

### 3.3.2.3 Sample size

Saunders et al. (2010) find that sample size is the statistically determined factors to be studied. The sample size is defined as a variation in the population and the variables to be studied. The derived sample was from all the selected travel and tour operators. Uma and Bougie (2010) assert that the sample should be selected cautiously to be an actual manifestation of the studied population. Mugenda and Mugenda (2012) found that a sample size of between ten and thirty percent is a very well representation of the target population and hence the 30% is satisfactory for analysis.

Using 30% proportionately, the study arrived at a sample size of ninety-six (96) respondents as presented in the table below.

**Table 3.2: Sample Size Distribution**

<table>
<thead>
<tr>
<th>Cadre</th>
<th>Total Population</th>
<th>Sample Population</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Management</td>
<td>6</td>
<td>2</td>
<td>30</td>
</tr>
<tr>
<td>Middle Management</td>
<td>16</td>
<td>5</td>
<td>30</td>
</tr>
<tr>
<td>Lower Management</td>
<td>48</td>
<td>14</td>
<td>30</td>
</tr>
<tr>
<td>Support Staff</td>
<td>250</td>
<td>75</td>
<td>30</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>320</strong></td>
<td><strong>96</strong></td>
<td></td>
</tr>
</tbody>
</table>
3.4 Data Collection Methods

A research questionnaire was the optimal tool to collect data from respondents. According to Malhotra (2011), a questionnaire is defined as a critical tool that provides an efficient and effective way of gathering information in a short period of time. The questionnaires contained closed-ended questions that ensured respondents restriction to certain categories in their responses and open-ended questions that provided an insight of new ideas. The questionnaire was categorized into four segments. The first section looked at the general information of the respondents. The second, third and fourth section of the questionnaire looked at questions based on the specific objectives of this research ensuring that the questionnaires are standardized, valid and reliable for testing purposes for this research.

The research tool (questionnaire) entailed of structured and unstructured questions. The researcher trained research assistants to assist the respondents, were essential to appreciate the substance of the study and guaranteed that the response was well-matched with the objective of the study. A letter to the respondents notifying them of privacy and use of the information they disseminated was attached to the questionnaire.

3.5 Research Procedures

Cooper and Schindler (2014) in their study revealed that research procedures entail a concise and clear vindication of all the steps presumed in the study for the reason of explicability. In crafting and trying out the questionnaire, the research supervisor re-examined and gave advice on suitable edits before giving the approval to commence the survey. As this was taking place, the researcher was following up with the research office for an official introductory letter to send to the management of Weston Group for consent to carry the research in the company.

Before the questionnaires were administered to the respondents, the researcher conducted a pilot test on 8 staff, two from each of the categories. To establish the reliability of the questions before the actual administration, the pilot test was carried out. The pilot test was
carried out to make certain that the questionnaires are complete, accurate, precise, and clear (Hussey and Hussey, 2007).

After the pilot study, amendments were done and the final questionnaire was prepared for collection of data. The researcher then explained the purpose of the research and sought permission from the Human Resource manager at Weston Group to carry out the research. This was done through an introductory letter seeking to carry out the research in the company. The approval from the human resource manager proceeded to the administration of questionnaires to the respondents during their working hours with the assistance of a qualified research assistant. In order to ensure high response rate, the researcher gave the respondents two weeks to fill the questionnaires however the researcher send frequent reminders to the respondents to increase on response rate.

3.6 Data Analysis Methods

Cooper and Schneider (2014) found that data analysis as a research technique for the systematic and qualitative description of the clear content of a communication. To enhance research quality, quantitative method of data analysis was utilized. Babbie and Mouton (2010) found that descriptive statistics entails a process of changing raw data into tables and charts. Frequency distribution and percentages are critical in making sense of the data. Statistical Package for Social Sciences (SPSS) program was used to analyze research data. The findings were presented using tables and figures.

Descriptive statistics (measures of central tendencies; such as means, and standard deviation) were key among the quantitative tools employed in this study. These tools of analyses were used for instance to determine views of commonality and deviations from commonality. Regression is another useful statistic that described the degree of relationship between variables that were used. The study also utilized measures of central tendency. Covariance was applied in testing the causal relationship in this study. This determined effect of strategic management on the performance of organizations. Inferential statistics like regression and
correlation analysis were utilized to confirm the strength and direction of relationship between variables that were tested.

3.7 Chapter Summary

This chapter discusses the research methodology that was used in this study looking at the different methods and procedures the research adopted to conduct the study. This research adopted descriptive research design and conduct a census on employees of Weston Group Nairobi Office. The next chapter presents the findings of the study.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

This chapter illustrates the analyzed results and findings of the study on examining the impact of strategic management on organizational performance with a focus on Westcon Group. The response rate is illustrated in the first section of the chapter. Background information that demonstrates the demographic presentation of respondents is shown in the second section. The third section is about the impact of cost leadership strategy on corporate reputation and image. The fourth section deals with the impact of differentiation strategy on creativity and innovation. The study in the fifth section of the chapter deals with the effects of focus strategy on firm performance. The final section is the summary of the whole chapter.

4.1.1 Response Rate

![Figure 4.1: Response Rate](image)

The total number of individuals or respondents participated in a study is known as a response rate. The response rate is exemplified in the means of percentage. From the figure, it is clear that this study had a population size of 320 staff working at Westcon Group. The response
rate of the study is illustrated in Figure 4.1 above. The study reveals that 91% of the respondents took part in the study while 9% did not take part in the study. The study, therefore, implies that the response rate is well above the average response rate to represent the population.

4.2 Background Information

4.2.1 Gender of Respondents

![Figure 4.2: Gender of Respondents](image)

Figure 4.2 above was used to illustrate the gender demonstration of the study. It is well revealed that 44 percent of employees at Westcon Group were females and 56 percent of the employees were males. This, therefore, illustrates that majority of the employees at Westcon Group are men. This means that the organization enjoys flexibility in working. This is because men can work for more or rather longer hours than women. They can also willingly go for night shifts and longer seminars which is not the case for married women employees.

4.2.2 Age Group of Respondents
Table 4.3 represents the age groups of respondents working at Westcon Group. The age groups were categorized into four levels as; 18 to 30 years, 31 to 40 years, 41 to 50 years and above 51 years. The study from the figure revealed that; 3 percent of the respondents were between 18 to 30 years of age, 79 percent were between 31 to 40 years of age, 9 percent of respondents were between 41 to 50 years of age, and 9 percent of respondents were above 51 years of age. This implies that most of the employees at Westcon Group were between 31 to 40 years of age. This means that the organization could really perform well as most of the employees are active and energetic to perform tasks.

4.2.3 Employee Position of Respondents

Figure 4.4 represents the respondents’ positions in the organization. From the figure, 7 percent of employees were in top-level management, 11 percent of the employees were in middle-level management, 14 percent of the employees were in lower-level management position and 68 percent of the staff were subordinates. The study implies that the majority of
the staff (68 percent) were subordinates. This translates that the company would easily achieve her objectives as the majority of employees execute strategies.

4.2.4 Work Experience of Respondents

Figure 4.5 represents the respondents’ year of working experience at Westcon Group. From the figure, 11 percent of staff had less than one years of working experience in the organization, 14 percent of the employees had 1 to 2 years of working experience, 68 percent of the employees had 3 to 4 years of working experience in the organization and 7 percent of the staff at Westcon Group had more than 5 years of working experience.

![Figure 4.5: Work Experience of Respondents](image)

The study implies that the majority of the staff (68 percent) had a work experience of three to four years. This translates that the majority of the Westcon staff had moderate experience at work hence the organization ought to invest in employee training and development to enhance their knowledge and expertise.

4.3 Cost Leadership Strategy and Organizational Performance

The first objective of the study was to determine the impact of cost leadership strategy on organizational performance at Westcon Group. The study sought information from cost leadership, skills, strategy and competition.

4.3.1 Descriptive of Cost Leadership Strategy
A statistical program, SPSS, was used to test for descriptive statistics of factors of cost leadership strategy. The study shows that the descriptive results for elements of cost leadership strategy were provided in terms of the mean, standard deviation and coefficient of variation (C.V). The study reveals that the total number of respondents analyzed in each measure was 87. This was decided by the total amount of official complete questionnaires in each case.

The mean for cost leadership strategy ranged from 2.68 to 4.79. The findings from the study illustrate that Westcon Group has maintained its customer base due to the quality of its products and services. Even though the study shows that respondents agreed that most of the parameters of cost leadership strategy enhance organizational performance, they disagreed on the first parameter that cost leadership strategy has enabled Weston to developed winning reputation in the industry hence the lowest mean of 2.68.

### Table 4.1: Cost Leadership Strategy and Organizational Performance

<table>
<thead>
<tr>
<th>Description</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>C.V</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost leadership strategy has enabled Weston to developed winning reputation in the industry</td>
<td>87</td>
<td>2.68</td>
<td>0.91</td>
<td>0.34</td>
</tr>
<tr>
<td>Due to cost leadership, Weston has set of skills recognized as unique by competitors</td>
<td>87</td>
<td>4.66</td>
<td>0.48</td>
<td>0.10</td>
</tr>
<tr>
<td>The strategy has enabled the company to provide goods and services at the lowest relative to its competitors</td>
<td>87</td>
<td>4.72</td>
<td>0.45</td>
<td>0.10</td>
</tr>
<tr>
<td>The cost leadership has enabled the company to achieve efficiency in it operations</td>
<td>87</td>
<td>4.39</td>
<td>0.62</td>
<td>0.14</td>
</tr>
<tr>
<td>The company enjoys high price earnings than competitors</td>
<td>87</td>
<td>3.62</td>
<td>0.78</td>
<td>0.22</td>
</tr>
<tr>
<td>Competitive advantage has been achieved in the company due to cost leadership strategy</td>
<td>87</td>
<td>4.61</td>
<td>0.65</td>
<td>0.14</td>
</tr>
<tr>
<td>Reduction in the cost of operations has made the company to outperform its competitors in the market</td>
<td>87</td>
<td>4.22</td>
<td>0.85</td>
<td>0.20</td>
</tr>
<tr>
<td>Cost leadership strategy has enabled the company to maintain the quality of its offerings despite its expansion</td>
<td>87</td>
<td>4.61</td>
<td>0.58</td>
<td>0.13</td>
</tr>
<tr>
<td>The company has maintained its customer base due to the quality of its products and services.</td>
<td>87</td>
<td>4.79</td>
<td>0.41</td>
<td>0.09</td>
</tr>
</tbody>
</table>
The standard deviation for cost leadership strategy ranged from 0.41 to 0.91. The significant parameter is that the company has maintained its customer base due to the quality of its products and services while the least significant parameter is that cost leadership strategy has enabled Weston to developed winning reputation in the industry. It means that cost leadership strategy is significant to Westcon’s achievement of effective performance. The study also revealed that coefficient of variation of the parameters ranged from 0.01 to 0.34 meaning the same as the standard deviation.

4.3.2 Regression Analysis of Cost Leadership Strategy and Organizational Performance

To determine the relationship between cost leadership strategy and organizational performance, regression was conducted between parameters of cost leadership strategy as a predictor variable against the organizational performance achieved in the Westcon Group.

Table 4.2: Model Summary of Cost Leadership Strategy and Organizational Performance

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.842&lt;sup&gt;a&lt;/sup&gt;</td>
<td>.708</td>
<td>.705</td>
<td>.22304</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Cost Leadership Strategy

Table 4.2 reveals that $R^2$ of the model is 0.708 meaning that 70.8 percent of the variations in the organizational performance achieved at Westcon Group are as a result of effective implementation of cost leadership strategy. The difference of 29.2 percent is as a result of other aspects not envisaged in this model denoted by the error term. The study, using this model, checked whether there is a strong empirical ground to wrap up that cost leadership strategy significantly enhances organizational performance.
From ANNOVA in Table 4.3, there is a p-value of 0.000. The study concludes that there is a significant relationship between cost leadership strategy and organizational performance at Westcon Group. This implies that cost leadership strategy has a significant influence in enhancing organizational performance.

In table 4.4, the standardized coefficients of cost leadership strategy parameters are 0.842 and p values are 0.000. The study utilized linear regression representation to test the relationship between cost leadership strategy and organizational performance at Westcon Group. The linear equation model is stated as; \( Y = a_0 + a_1X1 + \epsilon \): Where \( Y = \) Organizational Performance, \( a = \) Constant value, \( X1 = \) cost leadership strategy, and \( \epsilon = \) error term

Table 4.4 shows the results of the model.

The study thus represents competitive advantage as,

Organizational Performance = -0.548 + 0.842 cost leadership strategy + \( \epsilon \)

It means that a unit change in the ways cost leadership strategy is applied causes a change of 0.842 in the performance of Westcon Group.
4.4 Differentiation Strategy and Organizational Performance

The second objective of the study was to assess the impact of differentiation strategy on organizational performance of Westcon Group. The study sought information from differentiation strategy, leadership, value among others.

4.4.1 Descriptive Statistics of Differentiation Strategy

Table 4.5: Differentiation Strategy and Organizational Performance

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>C.V</th>
</tr>
</thead>
<tbody>
<tr>
<td>Differentiation has led to creation of new products and services</td>
<td>87</td>
<td>4.75</td>
<td>.554</td>
<td>.117</td>
</tr>
<tr>
<td>Differentiation strategies allow Weston employees to make operational decisions</td>
<td>87</td>
<td>4.70</td>
<td>.593</td>
<td>.126</td>
</tr>
<tr>
<td>Due to differentiation strategies in the company, the leadership of Weston encourages innovation and creativity</td>
<td>87</td>
<td>4.10</td>
<td>.793</td>
<td>.193</td>
</tr>
<tr>
<td>Value is delivered to Weston customers due proper differentiation strategies in the company</td>
<td>87</td>
<td>4.34</td>
<td>.607</td>
<td>.140</td>
</tr>
<tr>
<td>Differentiation strategies have made the company to accepts responsibilities for improvement of the organization</td>
<td>87</td>
<td>4.36</td>
<td>.792</td>
<td>.182</td>
</tr>
<tr>
<td>The strategy has made the company to offer new products and services regularly</td>
<td>79</td>
<td>4.29</td>
<td>.908</td>
<td>.212</td>
</tr>
<tr>
<td>The company responds to market changes quickly due to differentiation strategy</td>
<td>87</td>
<td>3.89</td>
<td>1.050</td>
<td>.270</td>
</tr>
<tr>
<td>The differentiation strategy make the company to create business vision and carry it to completion</td>
<td>87</td>
<td>3.44</td>
<td>1.395</td>
<td>.406</td>
</tr>
</tbody>
</table>

The statistical tool that was adopted by the researcher was the mean and standard deviation (S.D). They were used to categorize the effect of the parameters of differentiation strategy. The study illustrates that the total number of respondents analyzed in each measure was 87.

The means for differentiation strategy and organizational performance ranged from 3.44 to 4.75. This implies that Westcon Group has heavily invested in differentiation strategy to enhance its services and achieve effective organization performance. This is shown with the most of respondents agreeing that differentiation strategy has played a great deal in achieving effective organizational performance.
The study also demonstrates that the standard deviation for differentiation strategy and organizational performance ranged from 0.554 to 1.395. The implication of these results is that there was high deviation among the opinions of the respondents about the impact of differentiation strategy on organizational performance. The opinions especially highly deviated on the statement that differentiation strategy makes the company create business vision and carry it to completion. Variance expresses the same implication as the standard deviation.

4.4.2 Regression Analysis of Differentiation Strategy and Organizational Performance

The study sought to statistically test whether differentiation strategy significantly affects organizational performance of Westcon Group. This was tested using the differentiation strategy as predictor variables against the organizational performance in Westcon.

Table 4.6: Model Summary of Differentiation Strategy and Organizational Performance

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.888&lt;sup&gt;a&lt;/sup&gt;</td>
<td>.789</td>
<td>.787</td>
<td>.18945</td>
</tr>
</tbody>
</table>

<sup>a</sup> Predictors: (Constant), Differentiation strategy

The study shows that the R<sup>2</sup> from this test is 0.789 meaning that 78.9 percent of the variation in organizational performance of the Westcon Group results from differentiation strategy. The study reveals that the remaining 21.1 percent was due to other factors not tested in this model.

Table 4.7: ANNOVA of Differentiation Strategy and Organizational Performance

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>11.437</td>
<td>1</td>
<td>11.437</td>
<td>318.654</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>3.051</td>
<td>85</td>
<td>.036</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>14.488</td>
<td>86</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<sup>a</sup> Dependent Variable: Organizational performance
<sup>b</sup> Predictors: (Constant), Differentiation strategy
The ANNOVA in Table 4.7 above has a p-value of 0.000. The study hence concludes that there is a statistical significant relationship between parameters of differentiation strategy and organizational performance at Westcon Group.

The study in Table 4.8 reveals a linear regression model that was used to test the relationship between differentiation strategy and organizational performance achieved at Westcon. Table 4.8 clearly shows the results of the model.

### Table 4.8: Coefficients of Differentiation Strategy and Organizational Performance

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>1.171</td>
<td>0.168</td>
<td>6.955</td>
</tr>
<tr>
<td></td>
<td>Differentiation strategy</td>
<td>0.705</td>
<td>0.039</td>
<td>0.888</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Organizational performance

The study thus represents organizational performance as,

\[
\text{Organizational performance} = 1.171 + 0.888 \text{ differentiation strategy} + \€
\]

It means that a modification of the differentiation strategy causes a change of 0.888 in organizational performance at Westcon.

### 4.5 Focus Strategy and Organizational Performance

The objective of the study was to examine the impact of focus strategy on organizational performance at Westcon Group. The study sought information from focus strategy, return on investment, customer loyalty, sales among others.

#### 4.5.1 Descriptive of Focus Strategy

In table 4.9, tests for descriptive statistics were conducted on SPSS which is statistical software.
The descriptive results for parameters of focus strategy were provided in terms of the mean, standard deviation and coefficient of variation. The total number of respondents analyzed in each measure was 87.

From the table, the mean for focus strategy ranged from 3.61 to 4.59. The findings of the study imply that Westcon Group utilizes the focus strategy to achieve organizational performance. The study shows that respondents strongly agreed that focus strategy enhances organizational performance.

**Table 4.9: Focus Strategy and Organizational Performance**

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>C.V</th>
</tr>
</thead>
<tbody>
<tr>
<td>The company has achieved return on investment through the adoption of focus strategy</td>
<td>87</td>
<td>3.89</td>
<td>1.050</td>
<td>0.270</td>
</tr>
<tr>
<td>Focus strategy has enabled the company to enjoy high degree of customer loyalty</td>
<td>87</td>
<td>4.59</td>
<td>.601</td>
<td>0.131</td>
</tr>
<tr>
<td>Focus strategy has made the company to focus on serving a narrow market segment</td>
<td>87</td>
<td>4.15</td>
<td>.829</td>
<td>0.200</td>
</tr>
<tr>
<td>The company has achieved great sales through use of focus strategy</td>
<td>87</td>
<td>3.61</td>
<td>1.082</td>
<td>0.300</td>
</tr>
<tr>
<td>Focus strategy has made Weston employees to work together to deliver results</td>
<td>87</td>
<td>3.95</td>
<td>.834</td>
<td>0.211</td>
</tr>
<tr>
<td>Due to focus strategy, employees at Weston have been equipped with the right skills to achieve the organizational objectives</td>
<td>87</td>
<td>4.01</td>
<td>.856</td>
<td>0.213</td>
</tr>
<tr>
<td>Learning is shared all through the organization</td>
<td>87</td>
<td>3.61</td>
<td>1.060</td>
<td>0.294</td>
</tr>
<tr>
<td>Focus strategy has made internal and external communication at the organization efficient</td>
<td>87</td>
<td>3.89</td>
<td>1.166</td>
<td>0.300</td>
</tr>
</tbody>
</table>

The study also reveals that the focus strategy and organizational performance had standard deviation ranging from 0.601 to 1.166. The study reveals that there was a great variation of respondents’ opinions on the statement that; focus strategy has made internal and external communication at the organization efficient. The coefficient of variation ranged from 0.131 to 0.300.
4.5.2 Regression Analysis of Focus Strategy and Organizational Performance

Table 4.10 shows that the model summary of focus strategy.

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.922a</td>
<td>.851</td>
<td>.849</td>
<td>.15942</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Focus strategy

The coefficient of determination ($R^2$) for the relationship between focus strategy and organizational performance was 0.851. The $R^2$ means that that 85.1 percent of organizational performance at Westcon was explained by focus strategy adopted by the company. The remaining 14.9 percent was explained by other factors not considered in the model.

Table 4.11 shows the overall model significance with a $p$-value of 0.000. From the study, it is concluded that focus strategy has a significant impact on achievement of organizational performance of Westcon.

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>12.328</td>
<td>1</td>
<td>12.328</td>
<td>485.043</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>2.160</td>
<td>85</td>
<td>.025</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>14.488</td>
<td>86</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Organizational performance

b. Predictors: (Constant), Focus strategy

In table 4.12, study used linear regression model to test the relationship between focus strategy and organizational performance achieved at Westcon Group. Table 4.15 illustrates the results of the model.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>1.515</td>
<td>.121</td>
<td>12.517</td>
</tr>
<tr>
<td></td>
<td>Focus strategy</td>
<td>.666</td>
<td>.030</td>
<td>.922</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Organizational performance
The relationship in the table was represented by the following equation:

\[ \text{Organizational performance} = 1.515 + 0.922 \text{ focus strategy} + \varepsilon \]

The regression equation shown above indicates that a strategic modification in the implementation of focus strategy causes an increase of 0.922 in the performance of Westcon.

**4.6 Chapter Summary**

This chapter has presented the results and findings with regard to the data given out by the respondents from Westcon Group. The chapter provided analysis of the response rate, background information, cost leadership strategy, differentiation strategy and focus strategy on organizational performance of Westcon Group. The next chapter presents the summary, discussions, conclusions and recommendations.
CHAPTER FIVE

5.0 DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The study in this chapter gives a summary, discussion, conclusions, and recommendations of the study all offered subsequently.

5.0 Summary of the Study

The objective of the study was to examine the effect of strategic management on organizational performance of Westcon Group. This study aimed at assessing the impact of cost leadership strategy on the organizational performance, determine the impact of differentiation strategy on organizational performance and examine the impact of focus strategy on organizational performance of Westcon Group.

The study adopted a descriptive correlation research method design to establish the impact of strategic management on organizational performance with a focus on Westcon Group. The descriptive research method focuses on the relationship between variables hence was the best for this study as it featured the relationship between strategic management and organizational performance. The study used questionnaires to get data from respondents. The study focused on 320 employees at Westcon Group. A sample size of 96 respondents comprising of top, middle, lower level managers and support staff was arrived at using a proportionately stratified sampling technique. The use of structured questionnaire helped the researcher to utilize descriptive and inferential statistics during data analysis and presentation. The study adopted frequencies; mean and standard deviation, and regression statistics. Figures and tables helped in data presentation.

The study determined the impact of cost leadership on organizational performance. The study found that due to cost leadership, Weston has set off skills recognized as unique by competitors. The strategy has enabled the company to provide goods and services at the lowest relative to its competitors hence cost leadership strategy has enabled Weston to
developed winning reputation in the industry. It was found from the study that cost leadership has enabled the company to achieve efficiency in its operations hence the company maintains the quality of its offerings despite its expansion. Reduction in the cost of operations has made the company to outperform its competitors in the market and achieved competitive advantage in the industry. The study revealed that Westcon Group has maintained its customer base due to the quality of its products and services.

The study revealed how differentiation strategy impact on organizational performance. The study found that differentiation has led to the creation of new products and services. It is revealed from the study that differentiation strategies allow Weston employees to make operational decisions. The study revealed that Value is delivered to Weston customers due proper differentiation strategies in the company. Differentiation strategy has made the company to accept responsibilities for improvement of the organization. Due to differentiation strategies in the company, the leadership of Weston encourages innovation and creativity. The study found that the strategy has made the company to offer new products and services regularly. The differentiation strategy makes the company create business vision and carry the same to completion.

The study examined the impact of focus strategy on organizational performance of Westcon Group. The study reveals that through the use of focus strategy, Westcon group has been able to enjoy a high degree of customer loyalty. The study found that Focus strategy has made the company focus on serving a narrow market segment and that is why it is performing better. Focus strategy has made Weston employees work together to deliver results and that the company has achieved great sales due to the strategy. From the study, it was observed that due to focus strategy, employees at Weston have been equipped with the right skills to achieve the organizational objectives. This is due to the fact that learning is being shared all through the organization. Focus strategy has made internal and external communication at the organization efficient and this has made the company to enhance return on investment.
5.1 Discussion

5.1.1 Cost Leadership Strategy and Organizational Performance

The study analyzed the impact of cost leadership strategy on organizational performance of Westcon Group. The study found that cost leadership strategy has enabled the company to provide goods and services at the lowest relative to its competitors. The study agrees with the findings of Li and Li (2008) who state that cost-leadership strategy strives to offer no-frills, high standard, high-volume product at the most competitive price to customers. On the other hand, the study agrees with Day and Wensley (1998) who argue that cost leadership needs a strong focus on the supply side other than demand side of the market. This requires a high level of competitor orientation. The findings of this study concur with the findings of Porter (1985) who revealed that firms pursuing a cost leadership strategy must constantly benchmark themselves against other competing firms in order to weigh up their relative cost and position themselves in market place. Porter (1985) affirmed that an organization that focus on cost leadership strategy achieves a low-cost position by putting emphasis on aggressive construction of efficient-scale facilities, vigorous pursuit of cost reductions from tight cost and overhead control, experience, evasion of marginal customer accounts, and cost minimization in areas like research and development (R&D), sales force, services, advertising, and many more.

The study found that due to cost leadership, Weston has set of skills recognized as unique by competitors. The findings concur with the findings of Alsop (2004) who confirms that companies develop winning reputations by creating and projecting a set of skills that their constituents recognize as unique developing practices that integrate economic and social considerations into their competitive strategies. Kim, et al. (2006) found that a winning reputation results into a strong image and good reputation that have a positive impact on growth in profit margin, community goodwill, employee morale, investor support, relationships with vendors and suppliers, and overall organizational pride. On the other hand, the study done by CIMA (2007) found that any business or commercial organization reputation has a bearing on value. This may not be identified in an organizations balance
sheet but it affects supplier attitudes, investor confidence, staff recruitment and myriad of other stakeholders in its capacity as relationship capital.

The study showed that the company has maintained its customer base due to the quality of its products and services. The findings agree with the findings of Eccles, et al., (2007) who argue that firms with strong positive reputation attract better reputation and are perceived as providing more value and customers end up being loyal and buy broader range of products and services from them. Barney (2012) on the other hand found that when companies are offering a variety of products, it can become difficult sometimes to concentrate on quality which in turn impacts on the company reputation.

From the study, it is well demonstrated that cost leadership strategy has enabled the company to maintain the quality of its offerings despite its expansion. The study supports the findings of Grönroos (2011) asserts that Quality of products and services of any organization is very important as it helps develop relationship quality in a long-run partnership context as finding new customers is much more costly than keeping the old ones and that is the reason why the needs and expectations of potential consumers should be met. The study by Grönroos (2011) also affirmed that quality is a feature of a particular product or service that is perceived by a customer in a certain way. The study also agrees with the findings of Schonberger (1994) who revealed that in organizational superior competitiveness in cost reduction, delivery time and quality, has provided the momentum for a worldwide shift toward enhancing efficiency by means of cost-cutting strategies.

From the study, it is found that cost leadership has enabled the company to achieve efficiency in its operations. The study reveals that Westcon Group has achieved competitive advantage over competitors due to cost leadership strategy. The findings of the study concur with the findings of Porter (1980) who reveals that companies implementing cost leadership strategy strive to achieve efficiency and stringent cost control and has the objective to realize its offer at the lowest possible cost. Alsop (2004) found that through cost leadership strategy, publicly traded companies enjoy a higher-price earnings multiple than their competitors and are also
buttressed on the downside based on trust and respect they’ve developed over time, provided that they stay true to their core values and culture.

5.1.2 Differentiation Strategy and Organizational Performance

The study found that Westcon Group uses differentiation strategy to enhance her performance. The study confirms that differentiation strategy has led to the creation of new products and services at Westcon Group. The study concurs with the findings of Ghemawat (2010) who found that an organization is considered an entrepreneur firm when it offers new products and services that are above average and entering in new markets as a result of innovation and creativity. The study findings also agree with the findings of Ireland, et al. (2003) who affirm that through use of differentiation strategy, the importance of entrepreneur orientation on a firm performance is considered as it is a good measure to explore opportunities in the market to utilize from them. The study concurs with Stanleigh (2010) who in his findings argues that innovativeness is an entrepreneur dimension that reflects the willingness to support creativity and experimentation while a company is introducing new products and services, novelty, technological leadership and R&D in developing new processes.

From the study, it is found that differentiation strategies allow Weston employees to make operational decisions. The findings of the study agree with the findings of Semuel, et al. (2016) who indicate that the success or failure of an organization is determined by the role played by the leadership of the organization. The authors found that companies using strategic leadership are able to instill values and a clear vision to their employees allowing them to make operational decisions and leaders of the organization are able to focus on the strategic decisions of the company. The study also agrees with the findings of Nejad and Rowe (2009) who found that the ability to influence others to make every day voluntarily decisions in the sense of long term and short term growth and the existence of a company is now known to make organization thrive and effectively achieve their objectives.

From the study, it is confirmed that value is delivered to Weston customers due proper differentiation strategies in the company. The study findings support the findings of Luen, et
al. (2013) found that value is created by differentiation strategy enabling a firm to charge a premium price that is greater than the extra cost incurred by differentiation. On the other hand, Porter (1990) affirms that innovation helps companies gain sustainable competitive advantage and improve performance through creativity in making changes and commercial value. The study by Shankar (2012) indicates that differentiation strategy makes a company different and gives it a unique position that involves the delivery of a particular mix of value to its customers. Kalay and Gary (2014) assert that innovation provides greater value to the customers that companies serve. The study reveals that differentiation strategy helps companies deliver right new and improved products, services, business practices, solutions and experiences to achieve their objectives.

The study reveals that differentiation strategies have made Westcon Group accept responsibilities for improvement of the organization. This concurs with the findings of Gehani (2013) who found that differentiation strategy allows organizations to find and accept new opportunities and take responsibility to affect change. The study also agrees with the findings of Yuan and Lee (2011) who confirm that organization leaders are responsible for decisions on goal and purpose, employee compensation and interpersonal relationships within the organization. Aldehayyat and Twaissi (2011) indicate that entrepreneur orientation, differentiation strategies and creativity and innovation are closely related to each other. Entrepreneurial activities affect innovations of companies and they need to be entrepreneurially oriented to enhance innovation of new and different products, services, images and processes which cannot be imitated easily by others.

From the study, it is confirmed that due to differentiation strategies in the company, the leadership of Weston encourages innovation and creativity. Semuel, Siagian and Octavia (2016) points out leadership as one of the impacts of differentiation strategy on creativity and innovation. He argues that through leadership, the creation of innovation in a company is supported including an environment that fosters creativity, allocation of resources to generate accurate market research and the creation of innovations that are acceptable to the market.
On the other hand, Gehani (2013) asserts that it is important for leaders to see innovation as a very important aspect of an organization.

5.1.3 Focus Strategy and Organizational Performance

The study confirms that focus strategy has an impact on the performance of Westcon Group. It was found from the study that focus strategy has enabled the company to enjoy a high degree of customer loyalty. Stone (1995) adds that Firms that use focus strategy have a high degree of customer loyalty that discourages other customers from competing with this firms directly. However, this study contradicts with Ghemawat (2010) study as he found that firms that pursue focus strategy pass more costs to customers as close substituting products do not exist. Porter (1985) found that focus strategy may generate superior profitability for the reason that it provides insulation against competitive rivalry because of brand loyalty by customers and resulting lower sensitivity to price. Owolabi and Makinde (2012) found that customer loyalty and the need for a competitor to overcome uniqueness provide entry barriers.

The study found that focus strategy has made the company to focus on serving a narrow market segment and enhance its performance. Succeeding in focus strategy requires that firms tailor make a broad range of strengths in product development to a narrow market segment that is known very well (Ghemawat, 2010).

In the target segments, imitation and changes are risks of focus strategies where a firm targets a specific segment of the market. A service line, product range, geographical area and a select customer group are areas firms can choose to focus on (Hyatt, 2008). Adopting a narrow competitive scope within an industry is also a basis of the focus strategy (Davidson, 2008). Growing market share through operating a niche market or markets that are overlooked by larger competitors are aims of focus strategy (Porter, 2005).

The study found that focus strategy has made Weston employees to work together to deliver results. Cania (2014) indicate that focus strategy needs to take into account the central role of human resources in organizational performance, considering that human resources use other
organizational assets to enhance performance. The findings of this study agree with the findings of Gruman and Saks (2011) who found that focus strategy enables staff to work together to achieve required results enabling companies to focus on the planning of future performance and performance improvements. The study agrees with Cania (2014) who reveals that performance management enables companies to develop a continuous and flexible process of working together between managers and other staff in the organization as a single team which is very important when an organization is on focused strategy.

From the study, it was confirmed that due to focus strategy, employees at Weston have been equipped with the right skills to achieve the organizational objectives. The study agrees with the findings of Adeleke (2008) who found that through strategic human resource management, employees will be equipped with the right skills and will be placed in positions according to the level of their qualification and skills. On the other hand, the study agrees with Cania (2014) who found that organizations are trying to create as much competition in the market, reaching to manage their human resources in achieving the organizational performance required. The study reveals that some of the goals are cost reduction, achieving sales levels, increasing the number of customers, increasing the market percentage, increasing product quality, innovative products, improve productivity. Yuan and Lee (2011) there is need to realize the expectations required by their clientele especially while on focused strategy and to prepare their employees of what is expected of them to achieve performance.

The study revealed that focus strategy has made internal and external communication at the organization efficient hence Westcon Group has managed to achieve a return on investment. The study agrees with Lawrmore (2014) who found that using focus strategy where an organization is focused on the segmented market, the organization is able to concentrate on improving its systems including internal communication and keep their customers informed and how the things are interconnected with the system they benefit from. The study disagrees with the assertions of Griffin (2006) who found that when an organization works as a United system and understand systems thinking, it constantly learns from its experiences and shares
learning throughout the organization influencing organizational performance. The findings of the study reveal that Focus strategy impacts on the organization make it a learning organization where all systems in the organization become interconnected with interdependent parts acting as a whole known.

The study findings reveal that through focus strategy, companies can develop strategies and grow them without increasing costs making the business more profitable increasing sales revenue and decreasing costs and benchmarking the business. The findings of the study concur with the findings of Queensland (2016) who confirm that through focus strategy, companies can increase sales by developing new product lines, getting new customers, finding new companies with the niche and pricing goods and services correctly. On the other hand, Markgraf (2013) found that the behavior of competitors is a major factor affecting an organization strategy. In addition to evaluating the actions of existing competitors, the study reveals that new entrants in the market can be evaluated and at the same time strategy of the organization adjusted with competitors reacting to actions and proceeds with elements that result in an overall more favorable competitive environment.

5.2 Conclusions

5.2.1 Cost Leadership Strategy and Organizational Performance

The study concludes that cost leadership strategy has a statistically significant impact on organizational performance. Cost leadership strategy has enabled the company to provide goods and services at the lowest relative to its competitors. The study also concludes that due to cost leadership, Weston has set of skills recognized as unique by competitors. The cost leadership has enabled the company to achieve efficiency in it operations. The study concludes that Westcon Group has maintained its customer base due to the quality of its products and services hence competitive advantage has been achieved in the company. The study also concludes that Reduction in the cost of operations has made the company to outperform its competitors in the market.
5.2.2 Differentiation Strategy and Organizational Performance

From the study, it is concluded that differentiation strategy has a significant impact on the performance of organizations. Due to differentiation strategies in the company, the leadership of Weston encourages innovation and creativity and this has led to the creation of new products and services. The study concludes that differentiation strategies allow Weston employees to make operational decisions and this has made the company to accept responsibilities for improvement of the organization. Value is delivered to Weston customers due to proper differentiation strategies in the company hence the company offers new products and services regularly. The study also concludes that the company responds to market changes quickly due to differentiation strategy.

5.2.3 Focus Strategy and Organizational Performance

The study concludes that focus strategy has a significant impact on the performance of the organization. Focus strategy has enabled the company to enjoy a high degree of customer loyalty. The study concludes that through the focus strategy, Westcon Group has focused on serving a narrow market segment that has made the company to enhance its performance. Focus strategy has made Weston employees work together to deliver results and this is because employees have been equipped with the right skills to achieve the organizational objectives. The study concludes that focus strategy has made internal and external communication at the organization efficient and this has helped in enhancing sales and achieving a return on investment of the organization.

5.3 Recommendations

5.3.1 Recommendation for Improvement

5.3.1.1 Cost Leadership Strategy and Organizational Performance

The study recommends organizations especially Westcon Group to appropriately adopt cost leadership strategy as it helps companies supply a standard of high volume services at the most competitive prices to customers and develop a company’s winning reputation in the industry. Efficiency in each value adding activity is enhanced because cost leadership strategy exploits all potential cost drivers and enables an organization to provide goods and
services at the lowest price relative to its competitors. Cost leadership strategy is good for a company because it enables the organization to benchmark itself against competing organizations hence being able to access their relative cost. The study recommends the adoption of cost leadership strategy because it enables a company to improve its efficiency by controlling costs along the existing activity cost chain. The study found that due to cost leadership, a firm pursues cost savings through the cost chain and not by overlooking anything. According to the study, cost advantage is achieved through restructuring the cost chain eliminating unnecessary cost producing activities.

5.3.1.2 Differentiation Strategy and Organizational Performance
The study recommends management of companies to execute differentiation strategy because it enables the companies creates customer value by offering high-quality products supported by good services at premium prices. Differentiation strategy has enabled companies built value by creating attributes for its services at an acceptable cost. The study recommends the use of differentiation approach because it has enabled companies to carry out their own strategic group unique services within the industry. The strategy is easily achieved because the companies use technology to remain on the cutting edge of innovation that helps to limit easy imitation of the company brands. Differentiation approach helps companies to market unique products for varied customer groups hence customers are less sensitive to prices.

5.3.1.3 Focus Strategy and Organizational Performance
The study found that focus strategy helps a company identify a market niche for their products and services. The study recommends the use of focus strategy because the approach can either focus on low-cost strategy or differentiation strategy. Focus strategy enables firms to produce unique products that enhance value to the organizations. The study recommends focus strategy because the firm using it targets a specific niche within an industry hence enhances specialization in activities in ways that other firms cannot perform. Focus strategy has enabled firms to improve on other sources that are of value-adding activities. This has also helped in developing sets of barriers to new entrants from entering the market.
5.3.2 Recommendation for Further Research

Further research is necessary to look into key characteristics of the successful implementation of generic strategies in organizations. My study looked into the impact of strategic management on the organizational performance of Westcon Group.
REFERENCES


Lawrmore. (2014, January 13). *Strategic Focus – Key Success Factor 1.* Retrieved from Lawrmore.com: https://lciweb.com/MLEdge/Archives/MLE4SF1Strategic.htm


APPENDICES

APPENDIX 1: LETTER OF INTRODUCTION

Dear Sir/Madam;

REQUEST TO COLLECT DATA

I am a Master’s student at United States International University-Africa completing my degree of Masters in Business Administration (MBA)-Strategic Management. As part of my course requirements, I am conducting a research on the Impact of Strategic Management on Organizational Performance: A Case Study of Weston Group.

It is to this effect am seeking assistance from you in completing this questionnaire. Information given in response to this questionnaire will be treated in confidence and will not be used for any purpose other than for this research.

Thank you very much for taking time off your busy schedule. Do not hesitate to contact me if you have any questions.

Regards;

Anoke Christian
APPENDIX 11: RESEARCH QUESTIONNAIRE
PART 1: GENERAL INFORMATION (Please Tick appropriately for each question and Specify where necessary).

1. Gender           Male [   ]           Female [   ]

2. Age group    21 - 30 [   ]     31 – 40 [   ]     41– 50 [   ]
      51 and above [   ]

3. What is your position at Weston Group?
   Top level management (Divisional Heads)
   Middle level (Heads of department and Section heads)
   Lower level (Management trainees and Supervisors)
   Subordinate (Administration and clerks)
   Others (Specify)…………………………………………………

4. How long have you worked at Weston Group?
   Less than a year
   Between 1-2 years
   3-4 years
   5years and above
PART 2: IMPACT OF COST LEADERSHIP STRATEGY ON CORPORATE REPUTATION AND IMAGE

Kindly indicate if the following factors of cost leadership Strategies have impacted on corporate reputation and image at Weston Group. Please (✓) tick appropriately on a scale of 1–5. 1–Strongly Disagree, 2–Disagree, 3–Uncertain, 4–Agree, 5–Strongly Agree

<table>
<thead>
<tr>
<th>Factors of Cost Leadership Strategy</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Uncertain</th>
<th>Agree</th>
<th>Strongly Agree</th>
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<tbody>
<tr>
<td>1 Cost leadership strategy has enabled Weston to developed winning reputation in the industry</td>
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<td>2 Due to cost leadership, Weston has set of skills recognized as unique by competitors</td>
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<td>3 The strategy has enabled the company to provide goods and services at the lowest relative to its competitors</td>
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<td>4 The cost leadership has enabled the company to achieve efficiency in it operations</td>
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<td>5 The company enjoys high price earnings than competitors</td>
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<td>6 Competitive advantage has been achieved in the company due to cost leadership strategy</td>
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<td>7 Reduction in the cost of operations has made the company to outperform its competitors in the market</td>
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<td>8 Cost leadership strategy has enabled the company to maintain the quality of its offerings despite its expansion</td>
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<td>9 The company has maintained its customer base due to the quality of its products and services.</td>
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PART 3: IMPACT OF DIFFERENTIATION STRATEGY ON CREATIVITY AND INNOVATION OF WESTCON GROUP.

Kindly indicate if the following factors of differentiation strategy have impacted on creativity and innovation at Weston Group. Please (√) tick appropriately on a scale of 1–5. 1–Strongly Disagree, 2–Disagree, 3–Uncertain, 4–Agree, 5–Strongly Agree

<table>
<thead>
<tr>
<th>Factors of Differentiation Strategies</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Uncertain</th>
<th>Agree</th>
<th>Strongly Agree</th>
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<tr>
<td>1 Differentiation has led to creation of new products and services</td>
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<td>2 Differentiation strategies allow Weston employees to make operational decisions</td>
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<td>3 Due to differentiation strategies in the company, the leadership of Weston encourages innovation and creativity</td>
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<td>4 Value is delivered to Weston customers due proper differentiation strategies in the company</td>
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<td>5 Differentiation strategies have made the company to accepts responsibilities for improvement of the organization</td>
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<td>6 The strategy has made the company to offer new products and services regularly</td>
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<td>7 The company responds to market changes quickly due to differentiation strategy</td>
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<td>8 The differentiation strategy make the company to create business vision and carry it to completion</td>
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PART 4: IMPACT OF FOCUS STRATEGY ON FIRM PERFORMANCE OF WESTCON GROUP.

Kindly indicate if the following factors of Focus strategy have impacted on firm performance at Weston Group. Please (✓) tick appropriately on a scale of 1–5. 1—Strongly Disagree, 2–Disagree, 3–Uncertain, 4–Agree, 5–Strongly Agree

<table>
<thead>
<tr>
<th>Factors of Focus Strategy</th>
<th>Strongly Disagree</th>
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<tr>
<td>1  The company has achieved return on investment through the adoption of focus strategy</td>
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<td>2  Focus strategy has enabled the company to enjoy high degree of customer loyalty</td>
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<td>3  Focus strategy has made the company to focus on serving a narrow market segment</td>
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<td>4  The company has achieved great sales through use of focus strategy</td>
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<td>5  Focus strategy has made Weston employees to work together to deliver results</td>
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<td>6  Due to focus strategy, employees at Weston have been equipped with the right skills to achieve the organizational objectives</td>
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<td>7  Learning is shared all through the organization</td>
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<td>8  Focus strategy has made internal and external communication at the organization efficient</td>
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</table>
‘THANK YOU FOR YOUR TIME’