

**INFLUENCE OF STRATEGIC ORIENTATION ON
PERFORMANCE OF FINTECH COMPANIES IN KENYA**

BY

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UNITED STATES INTERNATIONAL UNIVERSITY – AFRICA

SPRING 2019

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**A Research Project Report Submitted to the School of Business in
Partial Fulfillment of the Requirement for the Degree of Masters in
Business Administration (MBA)**

UNITED STATES INTERNATIONAL UNIVERSITY – AFRICA

SPRING 2019

STUDENT'S DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the United States International University in Nairobi for academic credit.

Signed: _____

Date: _____

Roy Muthamia (ID 623335)

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

Signed: _____

Date: _____

Dr. Paul Katuse

Signed: _____

Date: _____

Dean, School of Business

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ABSTRACT

The main objective of the study was to examine the influence of strategic orientation on performance of FinTech Companies in Kenya. This study's main objective was to answer the following questions; to what extent does ethnocentric orientation influence performance of FinTech companies in Nairobi County? To what extent does polycentric orientation influence performance of FinTech companies in Nairobi County? To what extent does geocentric orientation influence performance of FinTech companies in Nairobi County? To what extent does regiocentric orientation influence performance of FinTech companies in Nairobi County?

A descriptive research design was utilized for this research project. This is where the data that was analyzed was obtained from the sample population, analyzed and conclusions are drawn without any external influence on the sample population. The target population for this study was 76 senior managers of FinTech Companies in Nairobi County, Kenya. The sampling frame for the study was the number of FinTech companies that are registered with the Central Bank of Kenya (CBK). The study used purposive and census survey to select respondents for this study. The sample size for the study was therefore 76 senior managers from 38 Fintech firms that are registered with the CBK. A questionnaire was sent to the sample population to collect the data. Cronbach's Alpha was used to find the dependability of the structured questionnaire. SPSS software was used to analyze the data which was then presented in tables and charts. The researcher's interpretation complemented the tables and charts. Descriptive statistical analysis, correlation analysis and regression were used to analyze the data.

The descriptive findings indicate that respondents moderately agreed that firms used ethnocentric orientation and regiocentric orientation. The findings also revealed respondent's agreement that their organization adopted a polycentric and geocentric orientation. The findings show negative and insignificant correlation between ethnocentric, geocentric, and polycentric orientations with Fintech company performances. The findings showed positive and significant association and causal-effect of regiocentric orientation and FinTech company performance. The study therefore concludes that ethnocentric, polycentric, and geocentric orientations do not influence performance of FinTech firms. However, the study concludes that regiocentric orientation influences the performance of FinTech companies.

The study recommends that FinTech companies should tap into the regional or international market as a means of improving their market share and thus improve on their performance; that FinTech companies should take advantage of the growing market of digital financial platforms and venture into other global markets to increase their customer portfolio; that FinTech companies should employ both local and foreign companies in order to tap into quality human resource which will in turn enhance their competitive advantage in the region; and that FinTech companies should enhance their product portfolio by marketing their products to the regional market as a means of improving their performance.

The study recommends for a future studies that will use financial/objective measures of company performance. The study recommends for future research to involve other stakeholders in their investigation. These stakeholders should include staff from Central Bank of Kenya and Consumers of FinTech Companies.

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DEDICATION

I would like to dedicate this research project to my loving family who has been my constant support system throughout my studies.

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ABBREVIATIONS AND ACRONYMS

CBK	Central Bank of Kenya
KCB	Kenya Commercial Bank
CEO	Chief Executive Officer
GTMT	Global Top Management Team
MNE	Multinational Enterprise
HCN	Host Country Nation
TCN	Third Country National
PCN	Parent Country National
SEM	Single European Market
NAFTA	North America Free Trade Agreement
EPRG	Ethnocentric, Polycentric, Geocentric, and Regiocentric
MNC	Multinational Corporation

CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Problem

Strategic orientation is a concept widely used in the research field of strategic management, entrepreneurship and marketing. A firm's strategic orientation reflects the strategic directions implemented by a firm to create the proper behaviors for the continuous superior performance of the business. Strategic orientation is the philosophy of enterprises which represents their attempts to reach higher performance and shows how a job may be performed with a set of values and beliefs (Tutar, Nart, & Bingöl, 2015). A firm's strategic orientation reflects the strategic directions implemented by a firm to create the proper behaviors for the continuous superior performance of the business (Avci et al., 2011).

No universally accepted meaning of strategic orientation exists. The very nature of orientation is a matter of debate, and different streams of literature have developed diverse concepts. Orientation refers to the general or lasting direction of thought, inclination, or interest. Strategic orientation refers to the way a firm adapts to its external environment. Strategic orientation refers to the pattern of responses that an organization makes to its operating environment to enhance performance and gain competitive advantage. Strategic orientation manifests in the firm's culture and serves as antecedents to organizational practices and decisions associated with resources allocation and pursuing opportunities (Kumar et al., 2012).

Orientations in business strategy concerning internationalization can be ethnocentric, polycentric, regiocentric or geocentric (Djordjević, 2014). Companies need to design separate strategy in order to expand internationally and to create competitiveness in the global market. The international strategy that the firm adopts must be aligned with the company's overall strategic orientation (Shahid, Siddiqi, & Shafi, 2015). There are different various classifications and typologies of international strategies in the literature (Daszkiewicz & Wach 2012). Scholars proposed the stages concept of a step-wise, incremental process of international expansion. Tookey (1969) considered 3 steps to global business through export and international marketing.

Wind, Douglas and Perlmutter (1973) defined the stages by attitude in their Ethnocentric, Polycentric, Geocentric, and Regiocentric (EPRG) framework, the four attitude stages being ethnocentric, polycentric, regiocentric and geocentric, with corresponding strategies and policies in a firm to match this development until the final global orientation of geocentrism is reached. The EPRG paradigm is a robust diagnostic tool which provides a measure of clarity as to how a business school can position itself internationally. It addresses questions such as where, when, how and why a school should internationalize. EPRG has mainly been used in international marketing, global human resource staffing, and international strategic management, and designing of tertiary institutions curriculum (Moses, Moore, Pleasant, & Vest, 2011).

Perlmutter's (1969) classic study has described three different approaches, ethnocentric, polycentric and geocentric. The model was then expanded four dimensions to its present form of ethnocentric, polycentric, regiocentric and geocentric (Wind, Douglas, & Perlmutter, 1973). Perlmutter (1969) was one of the first to publish research about global mindset, on a macro-level perspective. His research was divided into three orientations; ethnocentric, polycentric, and geocentric with the purpose of managing MNCs. It can be described as home-country orientated, host-country oriented, and world-oriented. According to Perlmutter (1969) the three orientations are present in all companies, but the degree of each orientation varies. The EPRG model was developed in which the MNEs are divided into the strategic groups based on orientation level. These orientation levels include ethnocentric orientation, polycentric orientation, regiocentric orientation and geocentric orientation.

Ethnocentric, polycentric, regiocentric and geocentric (EPRG) orientations describe a development and operation process for firms that operate in multiple markets. This is the process by which businesses move from the home country to other markets. MNEs begin by focusing on the home markets for making decisions and as their initial markets (Ethnocentric). As they develop their markets further, they become Polycentric in nature as they make the host market the center point in decision making. As the firms' exports increase, the company begins to become more Regiocentric. This involves making different centers in their different regions responsible for decisions – e.g. Offices in Kenya may be made responsible for decisions made on Africa and Germany offices responsible for decisions made on Europe. Finally, Geocentric firms focus on both the host markets as well as the home country for decisions making, whichever is better.

A Multi-National Enterprise (MNE) with an ethnocentric approach would pursue strategies that view the world from the home country's perspective and would be likely to market products abroad that are produced in and developed for the home market without cultural adaptation. An MNE with a polycentric approach would be organized into separate divisions in different countries or regions, each using local resources and production, and marketing adapted to its own cultural environment. A geocentric approach would imply that MNEs have a global strategy for its worldwide operations, with international resourcing and production, and products designed for the global market, often with local adaptations (Wen & Thill, 2016).

Firm performance is measured by business efficiency: it can be improved either by increasing the output for the same input or by decreasing the input required to produce a given output. However, in marketing for the purpose of performance or efficiency measures can take different forms, such as objective measurement and subjective measurement. The term "subjective" is used to mean that the company's performance score is derived using a scale with anchors such as "very poor" to "very good", or "much lower" to "much higher" as compared to that of competitors. The term "objective" measure is based on the actual percentage figure for sales or profit or other financial activities. One common feature of research into the effect of market orientation on company performance is that studies generally incorporate subjective measures of performance as the dependent variables (Oberidat, 2016).

Company performance could be evaluated in both subjective and objective methods. Three types of indicators have been generally adopted in organizational performance studies: Growth, profitability and market share expressed by either financial or non-financial indicators. Since financial indicators of performance measurement are even less accurate, especially in the changing competitive environment, non-financial performance should be considered in order to fill the gap in case of insufficient information (Liu & Fu, 2011). The Kenyan FinTech sector is among the fastest growing in Africa, with technology increasingly defining the day-to-day running of businesses in the country. Many start-ups are driving innovations, especially in mobile money. These businesses include mobile banking and savings, alternative funding and mobile payments (Deloitte, 2017). FinTech enterprises choose to locate or launch their operations in Nairobi it is not without its challenges (Aglionby, 2016).

The predominant growth barriers facing FinTech enterprises are: insufficient access to data and information; regulatory challenges; a lack of credit and investment; shortages of both managerial and software-development talent; and the size and maturity of the Kenyan market (Blythin & Van Cooten, 2017). Most of the challenges facing the growth and performance of FinTech firms can be attributed to their external environment. To overcome these challenges, a strategic approach is required. Firms use strategy to identify actions that they need to undertake to match their internal environment to their external environment and strategic orientation can have a positive impact on their growth and performance.

1.2 Statement of the Problem

FinTech companies face several different obstacles and these are dependent on their size, age, function and target customer. No individual barrier can be considered as the most prominent. We found that although there have historically been barriers to entry into the FinTech market, these have been vastly reduced in recent years and this has contributed to the 92 percent failure rate of FinTech startups in Nairobi (Blythin & Van Cooten, 2017). Fintech companies are operating in an environment that is continuously changing with the evolution of technologies, changing customer needs and demands, and regulatory framework.

In order to survive in this environment, FinTech firms must come up with strategies that will match their internal environment to their external environment. The EPRG framework can assist FinTech firms to learn from their past experience, become more entrepreneurial in their sector, and identify emerging market trends for their business. Several international studies have been conducted on the EPRG and performance firms. There is evidence of studies on the EPRG framework in Kenya. Kuina (2013) study on the EPRG model applied to KCB bank group as a multinational corporation. Maina, Kibera, and Munyoki (2015) investigated the influence of perceived value on the relationship between consumer national ethnocentrism and willingness to buy commercial banking services in Kenya. Ayetamasinde (2012) studied approaches for recruiting senior personnel by multinational corporations in Kenya and found out that the MNC's have adopted varied human resource management approaches with polycentric being the most preferred. However, there is no evidence on the influence of the ethnocentric, polycentric, geocentric, and regiocentric orientations on performance of FinTech Companies in Kenya, a gap that this study intends to fill.

1.3 Purpose of the Study

The main purpose of the study was to examine the influence of strategic orientation on performance of FinTech Companies in Nairobi County, Kenya.

1.4 Research Questions

This study aimed to answer the following research questions;

1.4.1 To what extent does ethnocentric orientation influence performance of FinTech companies in Nairobi County?

1.4.2 To what extent does polycentric orientation influence performance of FinTech companies in Nairobi County?

1.4.3 To what extent does geocentric orientation influence performance of FinTech companies in Nairobi County?

1.4.4 To what extent does regiocentric orientation influence performance of FinTech companies in Nairobi County?

1.5 Justification of the Study

1.5.1 Policy and Decision Makers

The study will be of importance to decision and policy makers in the financial, communication, and labor sectors in developing a complementary regulatory framework that will strengthen existing FinTech firms and services while also promoting the growth of FinTech services. The study will show the importance of regulations and provisions in each of these sectors which play a significant role in performance of FinTech companies. This study will give recommendations for government officers and stakeholders which implemented will boost growth of FinTech firms in Kenya.

1.5.2 FinTech Companies Management

The management of FinTech firms will benefit from this study as it will provide an avenue through which they can point out the regulatory provisions or requirements that affect the performance of FinTech firms. This information will be useful and provided for the public, stakeholders, and government officers and will contribute to the current discussion in developing a supporting regulatory environment for FinTech firms in Kenya.

1.5.3 FinTech Customers

The study is of consequence to customers of FinTech Services and the general public. This study explores the influence of the changing regulatory framework on FinTech services performance and this information will be of importance to persons that wish to invest in FinTech services and for consumers to be able to comprehend the practice of FinTech services and thus enjoy the advantages that come with using FinTech services.

1.5.4 Scholars and Researchers

This study hopes to be of significance to scholars and researchers as it contributes to the scarce knowledge and academic work on FinTech services in Kenya. The study will also be a source of citation for future researchers while also making suggestions for future research on FinTech services sector in the country.

1.6 Scope of the Study

There are several Fintech Firms operating in Kenya. This study limited its investigation to Fintech Firms that have operations around the world and are present in Kenya. The study investigates the influence of geocentric, polycentric, ethnocentric, and regiocentric orientations and their effect on Fintech Companies performance. The study is limited to Senior managers of the sampled Fintech Companies and was carried out between the months of October 2018 and December 2018.

1.7 Definitions of Terms

1.7.1 FinTech

Fintech is a combination of two words, finance and technology. It is a service sector that makes use of mobile technology to provide financial services. These financial services include lending, trading and savings.

1.7.2 Company Performance

Defined as the extent to which a company, as a social system with certain resources, can fulfil its goals without being obliged to incapacitate its resources and means or putting excessive strain on its employees (Eshlaghy & Maatofi, 2011). It is the objectives that the company intends to achieve within a certain time frame. This company goals should be SMART in nature (Specific, Measurable, Attainable, Realistic and Time bound). The performance of the company is then evaluated in comparison to the goals set.

1.7.3 Ethnocentric Orientation

Ethnocentric orientation looks at a global firm from the perspective of the home-country. This is where the firm believes that the values of the firm from the home-country are superior than those of the subsidiaries in host countries. (Kucza & Gebauer, 2011). Due to this, all decisions and strategies adopted by the firm are made in the home country and believe that these strategies and products that have succeeded in the home country will have similar success in the host markets. The firm does not consider the uniqueness of different host countries. This strategy works best when the sales in the overseas markets constitute a small percentage of the firm's overall sales and therefore if these strategies fail the firm can easily absorb these losses.

1.7.4 Polycentric Orientation

Refers to a host-country mindset where the manager develops a greater affinity with the country in which she or he conducts business (Geetha, 2016). The firm considers the uniqueness of the different markets that it operates in and the fact that strategies that may work at home may not necessary work in other markets due to several reasons including differences in culture, economics, values and religion. Different strategies and practices in the host countries are adopted into the strategies for the company for each host market. The firm comes up with locally developed strategies for the different subsidiaries as they consider the subsidiaries markets to be unique.

1.7.5 Geocentric Orientation

Refers to a global mindset where the manager can understand a business or market without regard to country boundaries (Kraft, Dowling, & Helm, 2012). In this approach it's the best and most suitable strategy that is adopted regardless of the market it originates. The major advantage of this is that the firm will be able to utilize the best possible strategy or approach. All the firm's markets are treated the same. Ideas and strategies can come from any market and adopted throughout the firm. This allows the firm to utilize the best strategies and ideas and not narrowing down their source of ideas to one market therefore missing out on potential opportunities elsewhere.

1.7.6 Regiocentric Orientation

Regiocentric orientation appreciates the unique characteristics of the different foreign markets, but also perceives some similarities of these foreign markets to the home

country. (Geetha, 2016). This classifies the firm's worldwide market into regions with similar characteristics e.g. religion, language, continent. With this strategy the firm has regional centers that come up with strategies to be used within the different regions. For example, Nairobi may be picked as the regional center for a firm with operations in Kenya, Tanzania and Uganda and the Nairobi office would then be responsible for coming up with strategies that affect the three countries.

1.7.7 Strategic Orientation

Refers to a strategic direction implemented by an organization to create the proper behaviors for the continuous superior performance of the business (Obeidat, 2016). It includes the plans and procedures the firm intends to utilize to obtain acquire a competitive advantage over its competitors.

1.8 Chapter Summary

This chapter offered the study's background and the statement of the problem. In addition, the research questions that the study aims to answer, the reason for the study as well as boundaries within which the study takes place are presented. Finally, there is a definition of the noteworthy terms. The literature review of this research is contained in the second chapter. Chapter three presents, discusses, and rationalizes the research strategies that the study aims to adopt for this research. The study findings and interpretations are contained in the fourth chapter while the discussion of findings, conclusions and recommendations are presented in the fifth chapter.

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This chapter presents a part of the available literature. The chapter is presented in line with each of the study research question variables. These sections also contain sub-sections which review literature for each sub-variable.

2.2 Ethnocentric Orientation

The term ethnocentrism is derived from the Greek word “ethnos” meaning “nation” or “people”, and the English word center or centrism. Ethnocentrism is the perception that the values, traditions and culture of one’s ethnic group are far better than those of others. Ethnocentric behavior is more observed in marketplaces or companies where people of many nationalities and culture groups work together. Ethnocentrism is based on past experiences and learned behaviors and norms (Geetha, 2016). Ethnocentric orientation looks at a global firm from the perspective of the home-country. This is where the firm believes that the values of the firm from the home-country are superior than those of the subsidiaries in host countries. (Kucza & Gebauer, 2011).

Ethnocentrism is where a person views their culture and values as the center and other people’s culture and traditions from a reference point of their own. This is where one belief that one’s own country or culture is superior that another person’s nation or culture. Employees with an ethnocentric orientation assume that products that succeed in the home markets will also succeed in the host markets and that strategies that have worked well in the home markets will work in the host markets as they believe that these strategies are superior to those that may be in use in other markets. Therefore, these products and strategies are adopted throughout the firm in all their markets. This may lead to a close mindedness where the firm may miss out on opportunities in the host countries. Firms that use this orientation are referred to as international companies.

2.2.1 Ethnocentric Orientation and Products

The ethnocentric firm also conducts little or no systematic marketing research outside the home country and no major modifications are made to products, even if customer needs or wants to differ from those of customers in the home country. The ethnocentric orientation occurs mainly in the early stages of internationalization of the firm. The

business activities are primarily subordinated to maintain the position in the domestic market, but also utilize the possibility of concluding effective international transactions. This strategy is based on an analysis of foreign markets, such a selection, and the choice of market segments to enter the market gaps. A typological feature of this marketing strategy is a limited possibility of including, by a company, specific characteristics of different foreign markets (Daszkiewicz & Wach, 2013).

Ethnocentric orientation works well when the firm's home market sales eclipse the sales in host countries. This is where the host countries sales constitute a very small percentage of the firm entire sales as compared to the home country sales. The volume of sales may not be sufficient to justify the investment needed for detailed marketing research and other activities aimed at tailoring the marketing policies to suit the overseas market. Due to this the firm faces very little risk as they do not investment much outside the home country and therefore a failure in any of the host markets minimally affect the firm and can be absorbed easily.

The drawback in this approach is that this type of attitude may mean possibility of lost opportunities to the firm. This strategy is best for firms that are not large enough to invest a large amount of money and time outside the home markets and those that are just starting to test out markets outside the home market. Such firm should evaluate host markets and start operations or exporting to the markets that have more similarities with the home market. This orientation results in lack of attention to customers and minimum degree of marketing orientation (Conrad & Meyer-Ohle, 2017).

2.2.2 Ethnocentric Orientation and Staffing Practices

The ethnocentric staffing approach selects employees who are selected by the firm to fill the key positions in subsidiary operation are the nationals of parent country or where the headquarters is located. When the organization expects to maintain the same policies and procedures in subsidiaries, ethnocentric staffing is being the choice for the organizations. The multinationals select ethnocentric staffing because the employees from the parent company will have strong knowledge of company's policies and procedures and ensure that the guidelines are followed.

Organization move abroad/expand their operations, they prefer to adapt ethnocentric staffing because of the unfamiliar culture, different managerial style, difference in the procedures, and skill level of subsidiary employees (Tiwari, 2013). Firms using the ethnocentric strategy neither make large benefits from local activities, nor achieve benefits from a standardization or global strategy. Its concept is to reach abroad the competitive advantage, previously gained on the domestic market. Firms are focused on maintaining the national market position and trying to gain foreign markets following the same. As already mentioned most often in the form of a simple export (Witek-Hajduk, 2010).

According to Hjartardóttir and Lundeberg (2017), the ethnocentric strategy is about keeping the company control at headquarters and in the parent country. Managers with rare technical skills and branch specific knowledge is sent from headquarter to the host-country to work. In addition, the expatriate managers are supposed to transfer and influence the parent-country culture and values to the host-country nationals. Often an ethnocentric strategy is used for start-ups or companies that are in the beginning of their life cycle meaning that the headquarter staff oversees the subsidiaries. Then the MNCs move to a polycentric strategy and use exclusively host country nationals for the management positions and at last the MNCs end with a geocentric strategy. Additionally, an ethnocentric orientated company may not have as much focus on the marketing or operations of the international branch of the business (Keegan & Green, 2012).

The general belief of the organization's leadership is that the home country's employees are more capable of driving international activities than non-native employees working at its subsidiaries. Ethnocentric orientation has advantages. First, it overcomes a potential shortage of qualified managers in the subsidiary countries by expatriating managers from the home to host country. Secondly, it unifies corporate culture and helps transfer core competences easily by positioning nationals throughout the organization. The main disadvantage is that an ethnocentric orientation can result in cultural myopia and a lack of emphasis to promote the best within the organization. (Conrad & Meyer-Ohle, 2017).

2.2.3 Ethnocentric Orientation and Marketing Strategies

By viewing the foreign markets as subordinate to the domestic ones, the company is neglecting an important aspect of its business. This disregard negatively affects the amount of business they get in this new market, therefore negatively affecting their

bottom line. Clearly, it is important to focus on foreign markets of new entrance if the endeavor is to go well. Ethnocentrism and its affects can be detrimental to a company trying to enter a new, foreign market or could prevent the company from trying the international market at all. For firms to be able to operate globally and have markets outside the home market they have to overcome the ethnocentrism in their culture and be able to identify opportunities in other markets. Through this they can diversify their markets and learn and adopt too many other different markets (Keegan & Green, 2012).

2.2.4 Ethnocentric Orientation and Management

Ethnocentric organizations are less likely to have accumulated the knowledge, capability and preferences to be able to handle difficult markets, and should therefore concentrate on low cultural distance, low competition, and not very different markets. They typically use a standardized marketing mix, irrespective of the desirability of doing so (Gould, 2002). Seifzadeh (2016) investigated the effect of centricity on mode of choice of entry to international markets by Iranian firms. The research explored the effects of centricity on the internationalization decisions made by managers in a different geographic context in Iran, between 1995 and 2006. The sample was chosen from 109 executives that had taken part in a series of management training programs. The comprehensiveness of the different industries that take part in such seminars allows for a good distribution of industries.

The study found empirical evidence supporting lower performance of ethnocentric firms compared to other orientations. Ethnocentrically oriented firms apply the same operations everywhere as for the home market, ignoring any specific needs of any foreign market. Polycentrically oriented firms recognize the differences in markets and identify the needs of each market a design their operations properly for each market (Tantong et al., 2010).Minor (2017) research sought to determine if nationally diverse, geocentric global corporations where non-nationals are well represented on boards and in global top management teams (GTMT) perform better financially than homogeneous, ethnocentric multinational corporations having little foreign representations in their upper echelons. The study examined national cultural diversity on boards and in GTMTs of 46 global corporations. The study findings revealed that ethnocentric orientation may hurt the financial performance of the largest global corporations.

Onodugo, Adeleke, and Ike (2017) assessed the effects of ethnocentric behaviors on the performance of MNEs in the South West of Nigeria. Adopting a survey design, the study made use of primary data collected mainly through administering a set of questionnaires to 207 management staff of selected MNEs from Oyo, Lagos and Ogun states respectively. Findings *inter alia* revealed that: engaging expatriates in strategic positions by MNE's leads to increased operating costs; foreign culture of MNE's home country negatively affects the local acceptance of management techniques by employees in host countries and MNE's standardized marketing strategies encouraged customers' loyalty and patronage in the Nigeria business environments.

2.3 Polycentric Orientation

Polycentric orientation allows the organization's subsidiaries to have some degree of autonomy in certain areas of decision making and values. Most major decisions are made at the home country but some decisions e.g. hiring of entry level staff, localization of products as well as some marketing activities may be decided upon by host countries. This approach requires the firm to be operating in a few foreign markets. Several activities in these foreign markets are individualized and management is given some autonomy to make independent decisions on issues affecting these markets. Polycentric orientation describes a style where the leadership assumes that every host country that the firm operates or exports its products to is unique and therefore each subsidiary is given authority to develop its own strategies that will work in their markets. (Djordjević, 2014). Organizations that utilize polycentric approach are independent and varied in character. There's relatively low influence in decision making of subsidiaries by the headquarters. It gives the subsidiaries some level of independence. The levels of control and evaluations are majorly determined locally. Staff is hired locally and is developed for key positions in their own nations. This improves acceptability and responsiveness of the organization by the local communities. The local staff can develop own marketing strategies that can work in their locality rather than applying strategies applied in the headquarters.

2.3.1 Polycentric Orientation and Production

In a polycentric organization, separate product lines are created for each locality or each firm in a different nation. The subsidiaries main role is to bring in profits. Hence the only control the parent firm exercises is financial control. The management that practices polycentric approach believes each country is unique and should be allowed to come up with own strategies that will work in that specific country. Local managers are given

complete control since they are well informed about their countries and their local business environment (Wach & Wojciechowski, 2014). Often an ethnocentric strategy is used for start-ups or companies that are in the beginning of their life cycle meaning that the headquarter staff oversees the subsidiaries. Then the MNCs move to a polycentric strategy and use exclusively host country nationals for the management positions and at last the MNCs end with a geocentric strategy (Hjartardóttir & Lundeborg, 2017).

Polycentric orientation allows the firm to consider the specific features of other national or local markets (Daszkiewicz & Wach 2013). One of the basic characteristics of a polycentric strategy is the decentralization being manifested in the creation of their overseas subsidiaries, production plants and the creation of joint ventures. This strategy takes account of specific features of host or local markets. Therefore, it uses benefits of their local activities. Polycentric strategy aims to ensure success in many regional markets with regional subsidiaries (Daszkiewicz & Wach 2012).

The polycentric orientation has developed strongly in recent years due to the rise of multinational enterprises (MNEs), which focus their strategic activity on many host markets. The independent goals and strategies as well as developed specific individualized marketing programs are formulated separately for each national market. This orientation uses not high degree of standardization level marketing concept, in turn, the degree of differentiation between different markets is very high (Rymarczyk, 2012). Polycentric orientation is typical of the companies that have some experience in doing business on international markets. It recognizes the specific features of foreign markets where the company appears and includes maximum adaptation to specific demands and needs of these markets (Čivić & Sinanagić, 2014).

2.3.1 Polycentric Orientation and Management

In a polycentric approach, the host country operation is allowed more decision-making autonomy, and will be staffed primarily by host-country nationals (HCNs). By hiring locals, the firm can avoid some problems that they have encountered if they expatriated employees. These problems include language barriers and the need for costly cultural awareness training. Hiring of locals is also less costly than expatriating and the firm can also avoid sensitive political situations with Governments that may not be comfortable with hiring of expatriates over locals. Such Governments may forcefully require the firm to hire locals by making it difficult for the firm to expatriate home country employees.

This also leads to better continuous improvement and to maintaining a high morale of employees as they feel that there is an opportunity for them to grow within the firm, which leads to low turnover as HCNs can see a career path within the organization.

Some of its disadvantages consist of control and coordination can be problematic. Limited opportunities for parent country nationals (PCNs) as they will have limited exposure to international operations; and over time this will constrain strategic decision making and resource allocation, and it prevents a global approach (Crawshaw, Budhwar & Davis, 2017).

Polycentric organizations have high motivation but only moderate accumulated knowledge that equips them to handle intermediate levels of market difficulty. They typically aid the process by using a highly adapted marketing mix (Gould, 2002). According to Oyasumi (2007), if the exporting departments are becoming successful but the costs of doing business from headquarters plus time differences, language barriers, and cultural ignorance are hindering the company's competitiveness in the foreign market, then offices could be built in the foreign countries. Sometimes companies buy firms in the foreign countries to take advantage of relationships, storefronts, factories, and personnel already in place. These offices still report to headquarters in the home market but most of the marketing mix decisions are made in the individual countries since that staff is the most knowledgeable about the target markets. Local product development is based on the needs of local customers. These marketers are considered polycentric because they acknowledge that each market/country has different needs.

2.3.2 Polycentric Orientation and Staffing Practices

In the polycentric orientation, employees in host countries are hired locally to manage the subsidiaries while parent country nationals occupy key positions at corporate headquarters. This addresses the shortcomings of the ethnocentric approach. Advantages associated with this practice are that the firm is less likely to suffer from cultural myopia, and again it is less expensive to implement. Its draw backs include limited opportunities to gain experience outside their own country, and a strong feeling of nationalism in the home country with host managers at the subsidiary can make the company seem less foreign. However, polycentric staffing patterns restrict individuals' upward mobility to the respective entity, not only concerning foreign operations but also with respect to staff at the parent company (Mbabazi, 2012).

A polycentric design of international staffing seems more favorable as host country nationals are entitled to fill key management positions at the local unit which entails more extensive career paths and development opportunities. A polycentric approach is more favorable as it gives host country nationals the opportunity to manage the subsidiary on their own. In a polycentric staffing approach, local managers, referred to as host country nationals are hired to fill key positions in their own country. These managers are naturally familiar with the local culture, language and way of doing business and they already have so many contacts in place. In addition, host country nationals are more likely to be accepted by all people both inside and outside the subsidiary, and they provide role models for other upwardly mobile personnel (Reiche, 2007).

The polycentric approach allows for more local responsiveness and is premised on the view that the MNC should respond to prevailing local conditions where practicable. Hence, in this orientation local people know best and organizations thus seek to pursue an approach of localizing operations as quickly as possible. Local staff is employed in core positions in the host country and enjoy high levels of autonomy and local opportunities for further promotion. D'Annunzio-Green (2008) study within five international tourism and hospitality organizations – representing the airline, fast food and hotel sectors – suggested that her case study organizations were largely pursuing a polycentric approach to staffing (Sekiguchi, Bebenroth, & Li, 2011).

2.3.3 Polycentric Orientation and Marketing Strategies

This strategy works best for firms that want to have operations outside their home country and are willing to invest in the overseas operations. Adopting this strategy is a good way of motivating the management as the managers are given some level of autonomy in the operations, policies and strategies of the subsidiaries. This strategy also allows the different subsidiaries to better understand their customers as they will have to develop strategies that will work for them in their markets. The polycentric approach may not also be free from problems. Treating each overseas country as a separate identity may give rise to problems of coordination and control (Meyer & Bernier, 2010).

In some cases, it may result in too much autonomy to national organizations leading to avoidable duplication and overlapping of the firm's activities and wastage of funds. In fact, there may be competition between two national organizations of the same firm for sales in a third country. Some of the problems associated with polycentrism may, perhaps,

be reduced by centralization and coordination of certain activities in the home office. Polycentrism may be an ideal approach if there are significant differences between countries. But the growth of cross-cultural communications and the emergence of regional and sub-regional groupings across national boundaries may severely limit the scope of adaptation of polycentric approach (Pentz, 2011).

2.4 Geocentric Orientation

Geocentric orientation balances integration and differentiation among cultural and structural dimensions. In this approach the home country and the host countries are considered “partners”. A company that has adopted a geocentric orientation is sometimes known as a global transnational company (Djordjević, 2014). The desire to gain a competitive advantage on a global scale by minimizing the unit cost of production is a feature of this orientation. A specific region of the world or the world is treated as essentially a single, identical market (Daszkiewicz & Wach, 2012). The aim of such a strategy is to improve international competitiveness, thanks to making the uniform system of all business activities (Rymarczyk, 2012).

The geocentric strategy is described by as a balanced management strategy between the parent-country and the host-country. MNCs with a geocentric strategy are for example hiring worldwide for vacancies regardless of the nationality of the candidates which provides them with a competitive advantage. MNCs with a geocentric mindset and strategy are complexed to its structure. The geocentric orientation strategy is the most successful because of its ability to balance both “global integration” and “local responsiveness”. This means the MNCs can both balance their corporate structure worldwide whilst attending to the needs to the host countries (Hjartardóttir & Lundeborg, 2017). Companies with geocentric orientation see the world as potential market, recognizing regional differences without taking into consideration national boundaries, normally they offer their product universally with only some superficial adaptations (Tantong et al., 2010).

2.4.1 Geocentric Orientation and Production

The desire to obtain a competitive advantage on a global scale by minimizing the unit cost of production is fundamental for this strategy. Mass production of standardized products enables to achieve economies of scale. The geocentric orientation is to use a standardized marketing concept in all countries, and marks a new direction of the

competitive struggle, which aims to strengthen the international competitive activity, primarily by large corporations (Witek-Hajduk, 2010; Rymarczyk, 2012). This orientation is characterized by high standardization and very low differentiation at all levels of the marketing concept (Wach, 2013).

Geocentric orientation cuts down on costs of localized products and marketing yet still does not treat the world as lesser than the domestic country of the company. While global companies typically maintain association with headquarters in a specific country, the national identity is blurred due to the used or global supply chains, manufacturing in multiple countries or a country other than its headquarters, or the fact that they serve the global market and have a good amount of sales outside of the home country. Therefore, a company that is truly “transnational would be characterized as ‘stateless (Keegan & Green, 2012).

In geocentric orientation, the firm adopts a worldwide approach to marketing and its operations become truly global in character. In a global enterprise, the management establishes manufacturing and processing activities at specific points around the world in order to serve the various national or regional markets through a complicated but well-coordinated system of productive and distributive network. There are close similarities between regiocentric and geocentric approaches to international marketing, except perhaps that the geocentric orientation calls for a much greater scale of operation, coordination and organizational set-up in order to cater to markets of heterogeneous characteristics which are usually more pronounced in geocentrism compared with regiocentrism (Hartman & Elahee, 2013).

2.4.2 Geocentric Orientation and Management

Geocentric firms view themselves as global companies with no geographic center in which no nationalities dominate the firm. Geocentric firms try to achieve flexibility at every level of the firm by having the subsidiaries integrated globally (Fatehi, & Ghadar, 2014).

Gupta (2013) identifies some of the disadvantages of adopting the geocentric orientation. One, host governments may require the organization’s headquarters to employ host country citizens and may use immigration controls to enforce this policy. A geocentric approach is costly to achieve due to the cost involved including relocation and training cost. Also, a standardized pay structure for the firm may make compensation expensive as

many host country employees may be paid above what they would have without the pay structure or as compared with locals doing similar duties as their pay would be matched to that in the home country. Gupta concludes that implementing a geocentric staffing policy successfully, therefore, requires a longer lead time and more centralized control of the staffing process.

2.4.3 Geocentric Orientation and Staffing Practices

Plakhotnik (2011), investigated employee experiences in a geocentric firm and found that employees felt connected to the companies via business goals of achieving high profits and attracting more customers. In the geocentric organizational culture, the participants felt valued by the company because the participants' creativity was welcomed, and they could share their creativity with others. In a geocentric organizational culture, the participants felt that they are growing personally and professionally through the professional development opportunities provided by their companies, cross-cultural awareness, and perspective consciousness.

Seifzadeh (2016) investigated the effect of centricity on mode of choice of entry to international markets by Iranian firms. The research explored the effects of centricity on the internationalization decisions made by managers in a different geographic context in Iran, between 1995 and 2006. The sample was chosen from 109 executives that had taken part in a series of management training programs. The comprehensiveness of the different industries that take part in such seminars allows for a good distribution of industries. The study found evidence supporting higher performance of geocentric firms compared to other orientations.

Geocentric MNCs aim to staff positions worldwide with the best recruits regardless of nationality. Organizations can ignore the geographic location of the individual by taking a geocentric approach, where the best person for the job is selected regardless of their country of origin. The geocentric staffing policy is adopted by MNCs when they appoint the best qualified candidate for international assignments, regardless of his or her nationality and this could include those from the third country nationals (TCNs). In this case, both employees of PCN and HCN have equal chance for career advancements and promotions (Thoo & Kaliannan, 2013).

The main advantages of such an approach are that it enables an MNE to develop an international executive team, drawing talent from wherever it is found. The firm can have

a global pool of labor that can be deployed to any of the firm's markets whenever the need arises. This approach overcomes the limitations of both ethnocentric and polycentric approaches by providing pragmatism between the approaches.

2.4.4 Geocentric Orientation and Marketing Strategies

In geocentric orientation, the firm adopts a worldwide approach to marketing and its operations become truly global in character. In a global enterprise, the management establishes manufacturing and processing activities at specific points around the world in order to serve the various national or regional markets through a complicated but well-coordinated system of productive and distributive network. The geocentric orientation calls for a much greater scale of operation, coordination and organizational set-up in order to cater to markets of heterogeneous characteristics which are usually more pronounced in geocentrism compared with regiocentrism (Stelter, 2015). To implement the geocentric orientations, experienced international management and a great deal of commitment are required.

Companies with limited experience may opt adopt a centralized or a decentralized strategy and wait until experience accumulates before attempting to design and implement integrated marketing programs (Kotabe & Helsen, 2008). The standardization of different international marketing strategies unveils the concept of similarity of product strategies, distribution strategies and the similarity of the promotional strategies (Shahid, Siddiqi, & Shafi, 2015). The geocentric concept follows the standardization approach. Geocentric orientation represents the last stage in the evolution from an ethnocentric attitude. Kaczmarek (2009) found that geocentric firms exhibit better performance than those that are not geocentric, and state that the most critical factors in the development of the firm towards a geocentric organization are international assignments and training for managers.

Kraft, Dowling, and Helm (2012) conducted an empirical study of the impact of international orientation and marketing mix on the performance of the German 'mittelstand' that operate internationally. The study examines the relationship between international orientation and marketing, and its effects on performance. The sample consisted of 259 internationally operating small and medium-sized businesses based in Germany. The results show that the companies in the study are predominantly geocentrically-oriented, and that a company's coordination of its international orientation

and marketing mix has a substantial impact on company performance (Dowling, Festing, & Engle, 2013).

2.5 Regiocentric Orientation

Regiocentrism is a transitional phase between polycentric and geocentric orientation. The company views the similarities and differences between regions. Regiocentric companies' marketing strategy will be homogeneous intra-regionally but will differ between regions (inter-regionally). Regiocentric firms view and recognize the need to be culturally sensitive when imposing a business strategy across all markets (Mbabazi, 2012).

Regiocentric approach is an extension of polycentric approach and may likely to fall between polycentric and geocentric orientation. Regiocentric firms are more pragmatic and will cope with such environments as long as they remain profitable. They will continue to put their focus on the home country, while allowing for higher autonomy in their operations in foreign markets. However, this autonomy, does not translate into full autonomy and significant leverage, thus remains in the hands of the home country office. Therefore, poly/regiocentric firms will be more willing to establish partnerships with local investors or provide them with licenses or patents (Seifzadeh, 2016).

The regiocentric orientation is based on the combination of foreign homogenous groups of countries and treating them as a single market. A very specific form of the regiocentric strategy is the Eurocentric Orientation such an approach is tailored to the Single European market (SEM). Nevertheless, two specific forms of regiocentric business activity, namely the European Business and the Transatlantic Company which use the concept of locking the markets in the given region, may be observed as a result of this orientation. Striving to achieve benefits from global integration and the need to adapt to local conditions is fundamental to the regiocentric strategy. The compulsion of local adaptation is most often the result of protectionist measures taken by host countries (Wach, & Wojciechowski, 2014).

2.5.1 Regiocentric Orientation and Production

Product developed to suit regional standards with local adaptation. Marketing programmes and activities are developed and organized by regional office. A regiocentric firm makes adaptations of standards and values to suit the local market, following certain regional and corporate requirements at the same time. A regiocentric firm marketing activities are benchmarked against regional competition.

The regiocentric approach reflects the belief of top management that people in the same region have something in common so people from the region can best solve problems occurring in the region. With this practice, staff can move within the geographic operation of a multinational organization, which provides opportunities to move to higher administrative positions. The key positions in Regiocentric practice are filled by former host-country nationals who develop themselves and become more qualified (Gupta, 2013).

Regiocentric product advantage is a series of great value proposals from the company to the mind of the region-oriented prospect by using the uniqueness of the region, the uniqueness of the product and the irreplaceable product as a regional icon. Regiocentric product advantage is expected to improve marketing performance. It can be formulated that regiocentric product advantage is the superiority of the company's products in placing the product to the mind of the region-oriented prospect by using the uniqueness of the region, the uniqueness of the product and the irreplaceable product as the regional icon (Hanfan & Setiawan, 2018).

2.5.2 Regiocentric Orientation and Staffing Practices

In a regiocentric approach, the manager views the markets outside his home country with an ethnocentric or a polycentric orientation, or both. Regiocentric organizations have a high level of accumulated international markets knowledge which (subject to continued motivation, resources and demand) equips them with the competence to handle the economic, cultural, and political dimensions of difficult markets. Cost and organizational pressures will abate their earlier desires to adapt their marketing mix and cause them to introduce standardized, international marketing mixes wherever possible (Gould, 2002).

There are several advantages of such an approach. The MNE would reflect sensitivity to local conditions, since local sub-units are staffed almost totally by HCNs, thus recognizing the need for differentiation globally. And lastly, it can be a way for the MNE to gradually move towards a purely ethnocentric or geocentric approach, depending on its experiences (Dowling et al., 2013).

2.5.3 Regiocentric Orientation and Management

Dowling et al. (2013) categorize managerial attitudes that reflect the socio-cultural environment in which the internationalizing is embedded within three staffing categories. However, the nature of international business often forces MNEs to implement these

options upon host adaptation with respect to staffing of its employees. There are also some disadvantages of a regiocentric approach. These include: It can constrain the MNE from taking a global stance by creating a sort of federalism at the regional rather than the country level and/or also moving career prospects from national to regional level; however, it still limits movement to the parent headquarters.

Regiocentric-oriented business is organized by regions in which each regional center has considerable autonomy and directs all subsidiaries within it. When it comes to human resource issues, the empirical data show that each region is managed by the pool of managers who come from parent country, but also from countries within the region, or even from countries outside the region. Such orientation in staffing policy represents the regiocentric approach. The regiocentric approach tries to reconcile the homogeneity of regional markets and the differences between regions. Marketing is standardized in countries within one region but at the same time adjusted regionally (Kiuna, 2013).

2.5.4 Regiocentric Orientation and Marketing Strategies

In global marketing, a regiocentric firm sees similarities and differences in a world Region; is ethnocentric or polycentric in its view of the rest of the world. This means that a regiocentric firm will use the same advertisement for a region or use a marketing strategy that is separate and distinct strategy for each region – group of similar countries. This results in more control and coordination of strategies within the regions. But the very fact that policies are to be administered on a regional or worldwide basis means that these policies entail high cost (Akaka & Alden, 2010).

This orientation recognizes a region as a relevant geographic unit, marketing to the region cohesively as one, yet differently compared to marketing strategies of other regional geographic units. An example of a region may be the countries of NAFTA (United States, Mexico, and Canada). Many international companies focus on the countries of Europe together as one region. This strategy allows an adaptation approach to market to different areas individually yet cuts down the work of creating new advertisement strategies for every single country in which they choose to do business. Therefore, regiocentric orientation combines adaptation and standardization to reap from the benefits of both while cutting back on some of the main problems (Stelter, 2015).

In both cases, national environmental constraints may limit the success of the approach. Certain business units may better adopt a geocentric approach than others e.g research and production where this may reduce the costs involved and increase efficiency of such activities. Moreover, the role of information in successfully implementing global or regional strategies is crucial. After the information is gathered, appropriate strategies are then developed for the different regions. The regiocentric orientation company, as the term implies, organizes its marketing strategies and systems around specific regions, often geographical, but often political or economic, such as the European Union (Guo, 2013). In regiocentric market orientation, advertising, promotional, and distribution costs may also be shared by subsidiaries in the region. For the company to develop its regional image in the marketplace, it may develop and acquire new regional brands to increase up its regional operations (Kotabe & Helsen, 2008).

2.6 Chapter Summary

This chapter of the study presented the review of literature on strategic orientation and firm performance. The literature is presented in line with the study independent variables and their subsequent sub variables. Each section of the chapter includes a description of the independent variable and its dimensions are introduced and explained in sub-sections. The next chapter of the study presented the research methods that the study proposes to use in conducting this study.

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This chapter seeks to justify a selection of research techniques that the researcher chooses to use to conduct this study. The design of the research is contained in this chapter. This is in addition to the sampling and population design and the methods that will be used to collect the study's data. The steps that will be used to analyze this data are also contained in this chapter.

3.2 Research Design

A research design refers to the plan and procedures for collecting information from the questions contained in the research questionnaire Ogula (2005). A research design enables a researcher to be able to justify the means with which data is required for the study, how this data is going to be collected, from whom, and the means that this information will be analyzed to make references.

This research project utilized a descriptive research design. Descriptive research is also known as statistical research, this describes phenomena as they exist. It is used to identify and obtain information on characteristic of an issue like community, group or people (Gupta & Gupta, 2011). This design was appropriate for this research as it seeks to describe the changing regulatory framework of FinTech companies and how this affects their performance.

3.3 Population and Sampling Design

3.3.1 Population

Population of a research is defined as the people whom appeal to the interest of the researchers in generalizing the outcomes of the research (Trochim, 2004). Population may be also defined as the total number of units (individuals, organizations, events, objects, or items) from which samples are selected for measurement (Parahoo, 2014). A population thus refers to the units of observation and unit of analysis that a study is interested in. The target population for this study is the 76 senior managers of FinTech Companies in Kenya.

3.3.2 Sampling Design

3.3.2.1 Sampling Frame

Sampling frame refers to the units from where the sample can be picked. The sampling frame for this study was the number of FinTech companies that are registered with the Central Bank of Kenya (CBK).

3.3.2.2 Sampling Technique

Sampling is the process of picking units – sample, from the population. There are two main approaches used in selecting a sample, these are non-probability techniques and probability techniques. In probability sampling, the chance for inclusion of each unit is known. On the other hand, the chance of inclusion in the sample for each of the units is not known. Non-probability sampling allows researchers to select a sample based on preferences whereas probability sampling requires researchers to use statistical and mathematical formulas to select their sample (Saunders, Lewis, & Thornhill, 2012).

This study used non-probability sampling methods. Specifically, the study used the purposive/judgmental sampling methods to select the sample for the study. A purposive sample, also referred to as a judgmental or expert sample, is a type of non-probability sample. The main objective of a purposive sample is to produce a sample that can be logically assumed to be representative of the population (Palys, 2008). This technique was preferred for this research as the Senior managers of FinTech companies have the experience and knowledge of the effects of changing regulatory framework on performance of these companies.

3.3.2.3 Sample Size

A sample refers to a set of respondents (people) selected as representative individuals from a large population (Bordens & Abbott, 2002). This research project utilized a census method of sampling also referred to as a complete enumeration survey. This is where the entire population is selected as the sample. A census is an attempt to list all elements in a group and to measure one or more characteristics of those elements. In a census, data are collected through complete enumeration, hence the sample size is equal to the population size. A census eliminates sampling error and provides data on all the individuals in the population (Singh & Masuku, 2014). The sample size for the study was 76 senior managers of FinTech Companies in Kenya from 38 Fintech firms registered with the CBK. Two senior managers were selected from each Fintech firm.

3.4 Data Collection Methods

The study adopted quantitative methods to collect the data. A survey instrument was designed to gather primary data from respondents. The strengths of surveys include their accuracy, generalizability, and convenience. Accuracy in measurement is enhanced by quantification, replicability, and control over observer effects. The results from a survey can be generalized to a larger population within known limits of error. Surveys are amenable to rapid statistical analysis and are comparatively easy to administer and manage (Mertens, 2005). The designed questionnaire consisted of five sections: respondents' profile, polycentric, ethnocentric, geocentric, regiocentric orientations, and company performance.

3.5 Data Collection Procedures

The study applied for an authorization letter from the university to introduce the researcher to the respondents. A pre-test was conducted to determine its reliability. The constructs used in the instrument have been used in past studies and their reliability has been established. However, this exercise aimed to measure the appropriateness of the instrument among FinTech companies. The pilot was conducted among 5 senior staff of FinTech firms that would not be involved in the final study. These staff were not included in the final study sample. Cronbach Alpha was used to determine the reliability of the instrument using the Statistical Package for the Social Sciences (SPSS) Version 22.

An instrument is deemed reliable if it has a Cronbach Alpha value of more than 0.5. Taber (2017) alpha values were described as excellent (0.93–0.94), strong (0.91–0.93), reliable (0.84–0.90), robust (0.81), fairly high (0.76–0.95), high (0.73–0.95), good (0.71–0.91), relatively high (0.70–0.77), slightly low (0.68), reasonable (0.67–0.87), adequate (0.64–0.85), moderate (0.61–0.65), satisfactory (0.58–0.97), acceptable (0.45–0.98), sufficient (0.45–0.96), not satisfactory (0.4–0.55) and low (0.11).

For this study we got a Cronbach Alpha value of 0.84 which falls within the reliable range.

3.6 Data Analysis Methods

According to Pal (2017), analysis of survey data takes the form of quantitative analysis that relies mainly on either descriptive or inferential statistics. Statistical analysis is the manipulation, summarization, and interpretation of quantitative data. The data collected from the questionnaire will be analyzed using SPSS (Statistical Package for the Social

Sciences). The researcher precoded the survey prior to data collection to ease data entry. The descriptive statistical tools used to analyze the collected data include mean, frequencies and standard deviation. Inferential statistics can be used to understand the association between variables if they exist. The association and effects of the independent variable on the dependent variable was analyzed using regression and correlation. The researcher's interpretation complemented the tables and the charts. The proposed regression model for the study is thus presented as:

$$Y = a + bX_1 + cX_2 + dX_3 + eX_4 + \varepsilon_j$$

Where:

Y = Company performance

a = constant, b, c, and d, coefficients of X₁, X₂, and X₃ respectively.

X₁ = Ethnocentric orientation

X₂ = Polycentric orientation

X₃ = Geocentric orientation

X₄ = Regiocentric orientation

ε_j = Error term

3.7 Chapter Summary

This chapter presented the research methods that will be adopted in this study. A descriptive research survey was proposed, the target population is 38 FinTech companies and the sample size is two senior managers in each of the firms thus a sample size of 76 respondents. SPSS was used to analyze the collected data. This data was interpreted and conclusions drawn by using descriptive and inferential statistics.

CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

This chapter contains the research findings of the study. It also presents the results of the analysis of the data collected from the questionnaire. Several sections are included herein: reliability findings of the instrument, response rate, demographic information, descriptive statistics, inferential statistics, and chapter summary. The descriptive statistics section is presented in line with the study research objectives. Pearson (r) correlation and multiple regression analysis are used to show association and effects between variables.

4.2 Demographic Information and Rate of Response

4.2.1 Gender Representation

Figure 4.1 shows the gender distribution of respondents where the majority were male and consisted of 73.0 % of the sample compared to 27.0 % who were female.

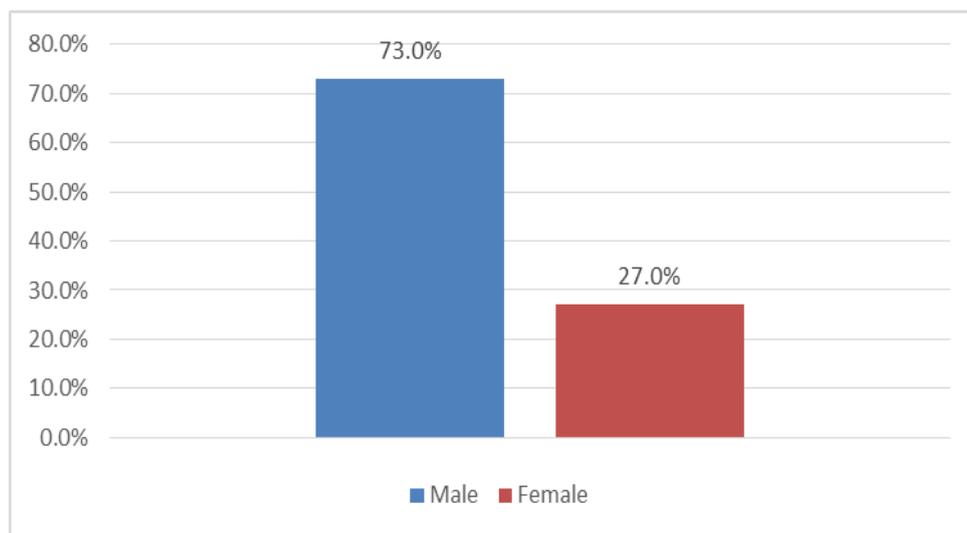


Figure 4.1: Gender Distribution of Respondents

4.2.2 Age Distribution

The age distribution of the participants shows that 37.8 % were in the 26-34 years age group, 32.4 % were in the 35-44 years age groups, and 29.7 % were in the 45-54 years age group as depicted in Figure 4.2.

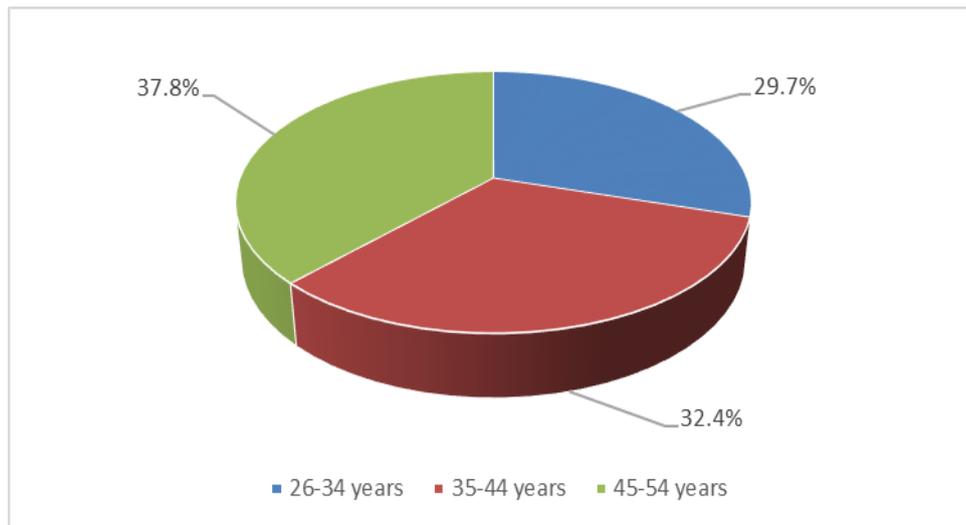


Figure 4.2: Age Distribution of Respondents

4.2.3 Education Representation

Figure 4.3 illustrates the education level of the respondents. The findings show that respondents had a minimum of an undergraduate degree and a post graduate degree. Fifty seven percent had a bachelor’s degree and 43.2 % percent had a Master’s level of education.

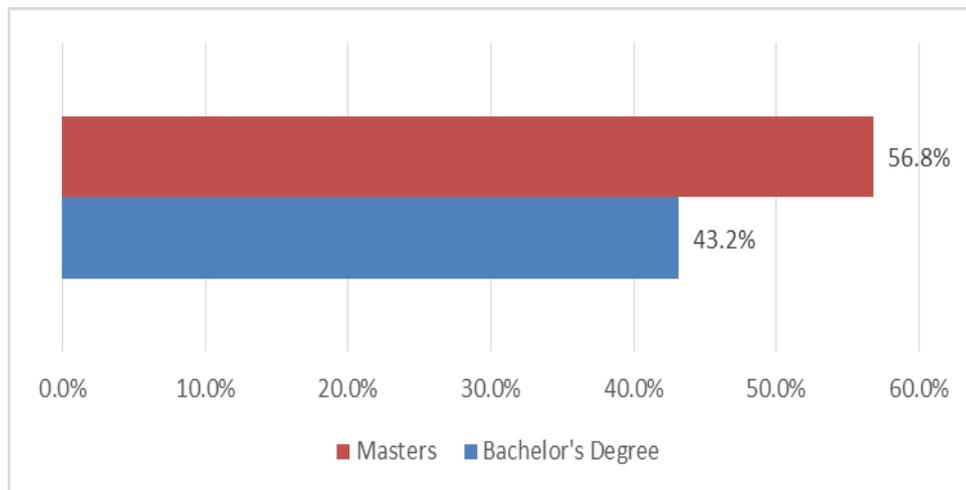


Figure 4.3: Respondents’ Level of Education

4.2.4 Experience in FinTech Sector

The findings indicate that most of the respondents had been in the FinTech sector for 5-7 years and they accounted for 59.5 % of the sample, 21.6 % were in the sector for 2-5 years, and 18.9 % had been in the sector for less than 1 year as shown in Figure 4.4. The FinTech sector in Kenya is still in its formative years and thus these findings can be attributed to the entry of new firms in the sector.

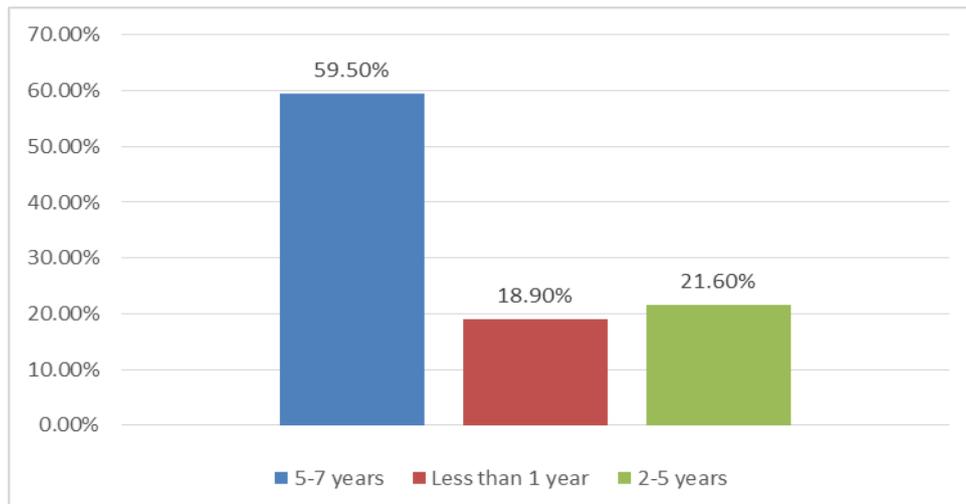


Figure 4.4: Respondents' Experience in the Fintech Sector

4.2.5 Reliability Findings

A pilot study was conducted among three members from the sample whom were not included in the final sample. The sample for the pilot study was done with three senior personnel from three of the FinTech firms each in the sample. The Statistical Package for Social Sciences was used to determine the reliability of the instrument using Cronbach Alpha. The results show that each of the variables' scales had a Cronbach Alpha value of more than 0.7 which is acceptable. The overall reliability of the instrument is 0.840 which is reliable as shown in

Table 4.1: Reliability Scores

Scale	Cronbach's Alpha	N of Items
Ethnocentric Orientation	.881	10
Polycentric Orientation	.815	10
Geocentric Orientation	.771	10
Regiocentric Orientation	.807	10
Company performance	.925	5
Overall reliability	.840	45

4.2.6 Response Rate

The study targeted 76 FinTech companies' senior managers based in Nairobi County. The study adopted a purposive and census approaches to select this sample. Out of the 76, the researcher was able to receive back 72 questionnaires that were used in the analysis. This

represents a response rate of 94.7%. This was achieved due to the proximity and accessibility of the sample through online means.

4.3 Ethnocentric Orientation

4.3.1 Descriptive Analysis

The respondents were asked to pick the level at which they agree with ten statements. These ten statements describe the level of ethnocentrism within the operations of their firms. A mean score of more than 4 means agreement and a score of less than 2 means disagreement. The findings indicate an overall mean score of 3.92 which means that respondents moderately agreed with ethnocentrism as an orientation of their organization as presented in Table 4.2.

Table 4.2: Descriptive Analysis for Ethnocentric Orientation

Ethnocentric Orientation statements	N	Mean	Std. Deviation
The firm compensates foreign employees more generously than the those from the host country	67	3.70	0.777
The firm's headquarters decision-making authority is relatively high	67	3.84	0.764
The firm is predisposed to values and interests of the parent company	67	3.62	0.982
The firm places people from the home country in key positions	67	4.32	0.818
The firm's attitude contains cautiousness towards any alien culture	67	3.73	0.693
The firm's policies and rules are made at the headquarters and communicated with the subsidiaries	67	3.92	0.829
Advice or orders is one-way and directed from the headquarters at the home country	67	3.92	0.722
The firm's top management lacks confidence in the loyalty and capabilities of the employees at the host country	67	4.03	0.763
The firm tends to minimize their interaction with an alien environment	67	4.14	1.004
The firm perceives international customer's needs as being homogenous across nationalities and markets	67	3.97	0.897
Overall mean score		3.92	0.825

4.3.2 Correlation Analysis

The aim of correlation analysis is to assist a researcher draw the conclusion that a relationship between two variables does or does not exist. The most common statistic

used to describe the relationship (the correlation) between two variables is the Pearson product-moment correlation. A Pearson (r) correlation was conducted to determine the relationship between the strategic orientations and company performance of Fintech Firms. The correlation results indicate that there was an insignificant negative correlation between Ethnocentric orientation ($r = -.369, p = 0.870$), and company performance. This implies that an increase in Ethnocentric orientation results in a decrease of company performance of Fintech companies as shown in Table 4.3

Table 4.3: Pearson (r) Correlation Results

		Polycentric orientation	Geocentric orientation	Ethnocentric orientation	Regiocentric orientation
Polycentric orientation		1			
	Sig. (2-tailed)				
Geocentric orientation		0.183	1		
	Sig. (2-tailed)	0.278			
Ethnocentric orientation		-0.239	0.034	1	
	Sig. (2-tailed)	0.155	0.842		
Regiocentric orientation		-0.044	0.099	-0.283	1
	Sig. (2-tailed)	0.798	0.561	0.09	
Company performance		-0.028	-0.055	-.369*	.573**
	Sig. (2-tailed)	0.870	0.745	0.025	0.000

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

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

4.3.3 Model Summary

Multiple regression analysis was used to analyze the effects of the independent variable on the dependent variable. Table 4.4 shows the model summary which indicates that the coefficient of determination (R^2) is 0.386 meaning that the model explains 38.6 % of variation in Fintech Firms performance.

Table 4.4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.621 ^a	.386	.309	.54458

a. Predictors: (Constant), Regiocentric_orientation, Polycentric_orientation, Geocentric_orientation, Ethnocentric_orientation

Table 4.5 shows the results of the ANOVA which indicate an F value of 5.027 and a significant value of 0.003 which is less than 0.05 which implies that the model is statistically significant in explaining effect of the independent variables on the dependent variable.

Table 4.5: ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.963	4	1.491	5.027	.003 ^b
	Residual	9.490	32	.297		
	Total	15.453	36			

a. Dependent Variable: Company_performance

b. Predictors: (Constant), Regiocentric_orientation, Polycentric_orientation, Geocentric_orientation, Ethnocentric_orientation

The results from the regression analysis indicate that there was a negative coefficient values for ethnocentric orientation and company performance. This means that an increase in ethnocentric orientation leads to a -.320 decrease in company performance of FinTech Firms as shown in Table 4.6.

Table 4.6: Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
(Constant)	3.616	1.699		2.128	.041
Polycentric_orientation	-.050	.167	-.044	-.299	.767
Geocentric_orientation	-.128	.203	-.090	-.632	.532
Ethnocentric_orientation	-.320	.209	-.231	-1.530	.136
Regiocentric_orientation	.693	.198	.514	3.501	.001

a. Dependent Variable: Company_performance

4.4 Polycentric Orientation

4.4.1 Descriptive Analysis

The study asked the respondents the level of agreement on the operations of the firm in relation to polycentrism. A mean score of more than 4 means agreement and a score of less than 2 means disagreement. The findings revealed a mean score of 4.34 which means that respondents agreed that their firm adopted a polycentric orientation as shown in Table 4.7.

Table 4.7: Descriptive Analysis for Polycentric Orientation

Polycentric orientation statements	N	Mean	Std. Deviation
The firm's management looks at opportunities on a global scale	67	4.16	0.727
The firm is interested in how to conduct business globally	67	4.19	0.776
The firm recruits employees from different background based on their skills	67	4.32	0.747
The firm believes that the entire world is a potential market and strives to develop strategies that will work in every market	67	4.57	0.555
The firm looks for universal as well as local best practices to help a company thrive in all markets	67	3.95	0.911
The firm distributes authority between headquarters and with subsidiaries abroad so that a collaboration is formed	67	4.49	0.768
The firm finds a compromise between allowing headquarters to do things its way and allowing local managers to do it theirs	67	4.54	0.650
The firm practices a collaborative effort between subsidiaries and headquarters to establish universal standards and permissible local variations	67	4.51	0.692
The firm puts the best people in your offices regardless of where they come from	67	4.43	0.867
The firm makes no special distinction between the domestic and foreign markets	67	4.24	0.760
Overall mean score		4.34	0.745

4.4.2 Correlation analysis

The correlation results for Polycentric orientation indicate that there is an insignificant negative correlation between Polycentric orientation ($r = -.028$, $p = 0.870$), and company performance. This implies that an increase in Polycentric orientation results in a decrease of company performance of Fintech companies.

4.4.3 Model Summary

The results from the regression analysis indicate that there was a negative coefficient values for Polycentric orientation. This means that an increase in polycentric orientation leads to a -.050, decrease in company performance of FinTech Firms as shown in Table 4.8.

4.5 Geocentric Orientation

4.5.1 Descriptive Analysis

The respondents were asked to indicate their level of agreement with ten statements on polycentrism in their firm operations. A mean score of more than 4 means agreement and a score of less than 2 means disagreement. The findings show a mean score of 4.23 which means that respondents agreed that their firm adopted a geocentric orientation as shown in Table 4.8.

Table 4.8: Descriptive Analysis for Geocentric Orientation

Geocentric Orientation statements	N	Mean	Std. Deviation
The firm's management looks at opportunities on a global scale	67	4.68	0.626
The firm is interested in how to conduct business globally	67	4.62	0.681
The firm recruits employees from different background based on their skills	67	4.70	0.777
The firm believes that the entire world is a potential market and strives to develop strategies that will work in every market	67	3.73	1.045
The firm looks for universal as well as local best practices to help a company thrive in all markets	67	3.81	0.877
The firm distributes authority between headquarters and with subsidiaries abroad so that a collaboration is formed	67	4.11	0.774
The firm finds a compromise between allowing headquarters to do things its way and allowing local managers to do it theirs	67	4.32	0.784
The firm practices a collaborative effort between subsidiaries and headquarters to establish universal standards and permissible local variations	67	4.32	0.747
The firm puts the best people in your offices regardless of where they come from	67	4.27	0.902
The firm makes no special distinction between the domestic and foreign markets	67	3.86	0.948
Overall mean score		4.23	8.160

4.5.2 Correlation analysis

The correlation results for Geometric orientation indicate that there is an insignificant negative correlation between Geometric orientation ($r = -0.055$, $p = .745$). This implies that an increase in Geocentric orientation results in a decrease of company performance of Fintech companies.

4.5.3 Model Summary

The regression analysis indicated that there was a negative coefficient values geocentric orientation and company performance. This means that an increase in geocentric orientation leads to a -0.128 decrease in company performance of FinTech Firms as shown in Table 4.6.

4.6 Regiocentric Orientation

4.6.1 Descriptive Analysis

The respondents were asked to indicate their level of agreement with ten statements on regiocentrism in their firm operations. A mean score of more than 4 means agreement and a score of less than 2 means disagreement. The findings show a mean score of 3.93 which means that respondents moderately agreed that their firm adopted a regiocentric orientation as shown in Table 4.9.

Table 4.9: Descriptive Analysis for Regiocentric Orientation

	N	Mean	Std. Deviation
The firm adopts strategy that allows it to address both local and regional needs	67	3.41	0.896
The firm is less focused on particular country than on a geographic region	67	3.65	0.789
The firm assumes that all countries of the region can be regarded as a single market	67	3.00	1.130
The firm is interested in interested in obtaining both profit and public acceptance	67	4.30	0.777
The firm perceives some similarities of foreign markets	67	4.30	0.702
The firm uses similarities between the countries' markets to develop an integrated regional strategy	67	4.32	0.626
The firm puts focus on the home country, while allowing for higher autonomy in their operations in foreign markets	67	4.08	0.682
The firm's communication and integration systems are highly sophisticated for headquarters to maintain control over the region	67	4.14	0.787
There is a fair amount of decentralization and collaboration between headquarters and subsidiaries	67	4.14	0.631
The firm adopts strategy that allows it to address both local and regional needs	67	3.97	0.897
Overall mean score		3.93	0.792

4.6.2 Correlation analysis

The correlation results for regiocentric orientation indicate that there is a positive and statistically significant association between regiocentric orientation and company performance of Fintech Firms with an r value of 0.573 and a p value of 0.001. This implies that an increase in regiocentric orientation contributes to improved performance of Fintech companies.

4.6.3 Model Summary

The results from the regression analysis indicate that there was a positive and significant ($p = 0.001$) effect of regiocentric orientation and company performance. This means that an increase in regiocentric orientation in FinTech firms results to a 0.693 increase in company performance as shown in Table 4.6.

4.7 Chapter Summary

This chapter has several sections included herein: reliability findings of the instrument, response rate, demographic information, descriptive statistics, inferential statistics, and chapter summary. The descriptive statistics was presented in line with the study research objectives. Pearson (r) correlation and multiple regression analysis were used to show association and effects between variables.

CHAPTER FIVE

5.0 DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The discussion, conclusion and recommendations are presented in the fifth chapter of this study. This will be in line with the study's objectives. This chapter will also present a summary of the five chapters of the study. Recommended improvements and for further research that can be undertaken are also presented as per the objectives.

5.2 Summary of the Study

The main objective of the study was to examine the influence of strategic orientation on performance of FinTech Companies in Kenya. The purpose of this research was to answer the following; to what extent does ethnocentric orientation influence performance of FinTech companies in Nairobi County? To what extent does polycentric orientation influence performance of FinTech companies in Nairobi County? To what extent does geocentric orientation influence performance of FinTech companies in Nairobi County? To what extent does regiocentric orientation influence performance of FinTech companies in Nairobi County?

A descriptive research design was utilized for this study. The Target Population for This Study Was 76 senior managers of FinTech Companies in Nairobi County, Kenya. The sampling frame for the study was the number of FinTech companies that are registered with the Central Bank of Kenya (CBK). The study used purposive and census survey to select respondents for this study. The sample size for the study was 76 senior managers. Two managers were selected from each firm registered with the Central Bank of Kenya. Data was collected using a structured questionnaire and its reliability was determined using Cronbach's Alpha. SPSS software was used to analyze the collected data. Tables and charts were used to present the data. This was complemented by researcher's interpretation.

Nominal data was summarized using frequencies and percentages while the interval data was summarized using mean and standard deviation for each of the variables. A Pearson (r) correlation was conducted to determine the relationship between the strategic orientations and performance of the Fintech firms.

The overall mean score for Ethnocentric orientation was 3.92 and the standard deviation was 0.82. This indicated that the respondents moderately agreed with ethnocentrism as an orientation of their organization. The polycentric orientation mean was 4.34 with a standard deviation of 0.745. This indicated that the respondents agreed that their firms' adopted a polycentric orientation. Geocentric orientation mean was 4.23 with a standard deviation of 0.8160. This indicated that the respondents agreed that their firm adopted a geocentric orientation. Regiocentric orientation overall mean was 3.93 with a standard deviation of 0.792. This indicated that the respondents moderately agreed that their firm adopted a regiocentric orientation.

The correlation findings show negative and insignificant correlation between ethnocentric orientation ($r = -0.369$, $p = 0.870$), geocentric ($r = -0.055$, $p = 0.745$), and polycentric orientation ($r = -0.028$, $p = 0.870$) with Fintech company performances. The findings showed positive and significant association and causal-effect of regiocentric orientation ($r = 0.573$, $p = 0.0001$) and FinTech company performance.

The multiple regression analysis indicated that the coefficient of determination (R^2) is 0.386 meaning that the model explains 38.6% of variation in Fintech Firms performance. The ANOVA results which indicate an F value of 5.027 and a significant value of 0.003 which is less than 0.05 implies that the model is statistically significant in explaining the effect of the independent variables on the dependent variables. The regression analysis indicated there was a negative coefficient value for ethnocentric orientation and company performance showing that a unit increase in ethnocentric orientation leads to a -0.320 decrease in company performance. A unit increase in polycentric orientation leads to a -0.050 decrease in company performance. A unit increase in geocentric orientation leads to a -0.128 decrease in company performance. A unit increase in regiocentric orientation results in a 0.693 increase in company performance.

5.3 Discussion

5.3.1 Ethnocentric Orientation and Performance of FinTech Companies

The study sought to answer the question to what extent ethnocentric orientation influence performance of FinTech companies in Nairobi County. Ten statements on ethnocentric orientation were presented to the respondents and they were asked to indicate their level of agreement with their firm's adoption of ethnocentric orientation. The findings showed that respondents moderately agreed that ethnocentric orientation was practiced in their

organization. The correlation analysis indicated that there was a negative but insignificant association between Ethnocentric Orientation and Performance of FinTech Companies. This finding was also confirmed by the linear regression which showed that increase in ethnocentric orientation resulted to low performance of Fintech firms.

This finding reflect the local nature of Fintech Firms in Kenya. The FinTech sector is relatively new in the country and so most of the local firms haven't extended their operations into the foreign or neighboring markets. The ethnocentric orientation occurs mainly in the early stages of internationalization of the firm (Daszkiewicz & Wach, 2013). The business activities are primarily subordinated to maintain the position in the domestic market, but also utilize the possibility of concluding effective international transactions. This strategy is based on an analysis of foreign markets, such a select ion, and the choice of market segments to enter the market gaps.

According to Witek-Hajduk (2010), ethnocentrically oriented firms are not able to adjust their marketing activities to specific foreign markets, the primary market for the firms using this strategy is a national or regional market. An ethnocentric firm views foreign markets as subordinate to the domestic ones, the company is thus neglecting an important aspect of its business. This disregard negatively affects the amount of business they get in this new market, therefore negatively affecting their bottom line. This finding supports Seifzadeh (2016) study on the effect of centricity on mode of choice of entry to international markets by Iranian firms which found empirical evidence supporting lower performance of ethnocentric firms compared to other orientations.

The literature review on the FinTech companies and industry in Kenya indicate that these firms have motivations for taking on the regional and global market. However, most of the FinTech companies' operations are still limited to Kenya. The findings indicated that respondents agreed that the firm tends to minimize their interaction with an alien environment. This means that FinTech companies were not interested in exploring into the regional or global markets. This could be attributed to the indigenous market which is continually growing owing to other mobile money and digital financial platforms that are being introduced in the county. The revolution of digital financial platforms is accredited to Kenya and many start-up companies see the market as satisfactory for their operations as other markets are yet to be as open and versatile as compared to Kenya's financial technology industry. This finding agrees with Drachal (2014) point that firms adopting an

ethnocentric orientation minimize interactions with external (regional/global) environments.

5.3.2 Polycentric Orientation and Performance of FinTech Companies

The study sought to answer the question to what extent polycentric orientation influence performance of FinTech companies in Nairobi County. Ten statements on polycentric orientation were presented to the respondents and they were asked to indicate their level of agreement with their firm's adoption of polycentric orientation. The findings showed that respondents agreed that polycentric orientation was practiced in their organization. The correlation analysis indicated that there was a negative but insignificant association between polycentric orientation and performance of FinTech companies. This finding was also confirmed by the linear regression which showed that increase in polycentric orientation resulted to a decrease in performance of Fintech firms.

The polycentric orientation recognizes that subsidiaries are developing towards maturity, and therefore, are permitted to exercise some level of autonomy in certain areas of decision-making and values. Polycentrism relates to specialization depending on the specific host country (Geetha, 2016). This supports the assumption that the different subsidiaries should develop independent business strategies that are best suited for their markets for them to succeed (Djordjević, 2014).

The polycentric orientation allows to take into account the specific features of other national or local markets (Daszkiewicz & Wach 2013). Therefore, it uses the benefits from their local activities. One of the basic characteristics of a polycentric strategy is the decentralization being manifested in the creation of their overseas subsidiaries, production plants and the creation of joint ventures. This strategy takes account of specific features of host or local markets. Therefore, it uses benefits of their local activities. Polycentric strategy aims to ensure success in many regional markets with regional subsidiaries (Daszkiewicz & Wach 2012). This finding support Blythin and Cooten (2017) study which found that many FinTech companies that we spoke to emphasized their plans to scale to other countries within the East Africa region, or indeed, to other parts of the world.

The polycentric approach by Kenyan Fintech companies has been restricted by the infancy of the sector in the country. Fintech companies in Kenya are unable to evolve to the polycentric orientation despite their eagerness to venture in the international market.

Kenyan FinTech firms are limited in their ability to develop markets and products for the international market. The infancy of the sector coupled with the challenging business environment of the industry make it difficult for Fintech Firms to contend with the developing products for the international market. Nzioka (2017) noted that FinTech companies are facing competition from other global companies that have joined the financial services sector in a global scale. These challenges have limited the ability of Kenyan FinTech firms to be able to compete with other countries that have established firms. According to Drachal (2014) the different subsidiaries should concentrate on the uniqueness of their local markets that differentiate them from the home market. Firms that adopt a polycentric strategy should use locally developed solutions for local problems they encounter and not necessarily forced upon by the home market. Each subsidiary will likely have different strategies as they all face different problems.

5.3.3 Geocentric Orientation and Performance of FinTech Companies

The study sought to answer the question to what extent geocentric orientation influence performance of FinTech companies in Nairobi County. Ten statements on geocentric orientation were presented to the respondents and they were asked to indicate their level of agreement with their firm's adoption of geocentric orientation. The findings showed that respondents agreed that ethnocentric orientation was practiced in their organization. The correlation analysis indicated that there was a negative but insignificant association between geocentric orientation and performance of FinTech companies. This finding was also confirmed by the linear regression which showed that increase in geocentric orientation resulted to decrease in performance of Fintech firms.

In geocentric orientation, the firm adopts a worldwide approach to marketing and its operations become truly global in character. In a global enterprise, the management establishes manufacturing and processing activities at specific points around the world in order to serve the various national or regional markets through a complicated but well-coordinated system of productive and distributive network. There are close similarities between regiocentric and geocentric approaches to international marketing, except perhaps that the geocentric orientation calls for a much greater scale of operation, coordination and organizational set-up in order to cater to markets of heterogeneous characteristics which are usually more pronounced in geocentrism compared with regiocentrism (Hartman & Elahee, 2013).

The findings of this study go against those of Seifzadeh (2016) research on the effect of centricity on mode of choice of entry to international markets by Iranian firms which found evidence supporting higher performance of geocentric firms compared to other orientations. The results of this study also do not support that of Kraft et al. (2012) empirical study of the impact of international orientation and marketing mix on the performance of the German international firms which revealed that companies in the study are predominantly geocentrically-oriented, and that a company's coordination of its international orientation and marketing mix has a substantial impact on company performance. The findings also validate Shoham (2015) study on the influence of the EPRG Framework on the managerial perceptions of export success which found that a firm's orientation does not have an impact on their performance.

The Fintech industry in Kenya is relatively new but is enjoying a rather fast growth in the financial services sector. According to Nzioka (2017), the Fintech firms in Kenya are experiencing political, regulatory, economic, and technological challenges to their growth and in achieving a competitive advantage in the global FinTech industry. Nzioka agrees that FinTech companies are facing competition from other global companies that have joined the financial services sector. These challenges have limited the ability of Kenyan FinTech firms to be able to compete with other countries that have established firms.

Nzioka (2017) noted that these environmental challenges are a constant barrier to the motivations of Kenyan FinTech firms exploring the global market. This has led to international firms that have a supportive business environment in their home countries to enter into the local market. Melia, Perez and Dobon (2010) recommended that high tech firms should consider the innovation and global commercialization process as a single core process that should be managed from a geocentric perspective, including a global value chain with a global network of partners, advisors, investors, suppliers and customers.

5.3.4 Regiocentric Orientation and Performance of FinTech Companies

The study sought to answer the question to what extent regiocentric orientation influence performance of FinTech companies in Nairobi County. Ten statements on regiocentric orientation were presented to the respondents and they were asked to indicate their level of agreement with their firm's adoption of regiocentric orientation. The findings showed that respondents moderately agreed that regiocentric orientation was practiced in their

organization. This finding was also confirmed by linear regression analysis which showed that increase in regiocentric orientation resulted to higher performance of Fintech firms. Regiocentric orientation is an extension of polycentric orientation and may likely to fall between polycentric and geocentric approach. Regiocentric firms are more pragmatic and will cope with such environments if they remain profitable. They will continue to put their focus on the home country, while allowing for higher autonomy in their operations in foreign markets. However, this autonomy, does not translate into full autonomy and significant leverage, thus remains in the hands of the home country office. Therefore, poly/regiocentric firms will be more willing to establish partnerships with local investors or provide them with licenses or patents (Seifzadeh, 2016).

This study finds evidence that corroborates future studies that have found a positive link between regiocentric approach and improved performance of firms that adopt this approach. For instance, Hanfan and Setiawan (2018) study on exploiting regiocentric product advantage to increase SMEs marketing performance found that there was a positive and significant correlation between regiocentric orientation and marketing performance. The findings showed that respondents agreed that the firm uses similarities between the countries' markets to develop an integrated regional strategy. This finding supports Stelter (2015) view that firms that adopt the regiocentric orientation recognizes a region as a relevant geographic unit, marketing to the region cohesively as one, yet differently compared to marketing strategies of other regional geographic units.

The Fintech sector on Kenya has been influenced by the growth in usage of smartphones and the global popularity of mobile money led by Safaricom's M-Pesa. In the East African region has also seen the increased use of mobile money technology to send and receive money. Fintech companies are thus not looking to have operations in the country but are extending to the larger east African region. Kenya is the leading country in terms of FinTech industry in the region and thus most of the established companies are moving operation into the region due to similarities in consumers and market opportunities (Blythin & Cooten, 2017).

Blythin and Cooten (2017) study found FinTech companies emphasized their plans to scale to other countries within the East Africa region, or indeed, to other parts of the world. Many international companies focus on the countries of Europe or in this case, East Africa together as one region. This strategy allows an adaptation approach to market

to different areas individually yet cuts down the work of creating new advertisement strategies for every single country in which they choose to do business. Therefore, regiocentric orientation combines adaptation and standardization to reap from the benefits of both while cutting back on some of the main problems (Stelter, 2015).

5.4 Conclusion

5.4.1 Ethnocentric orientation and performance of FinTech companies

The study sought to determine the influence of ethnocentric orientation on the performance of FinTech companies. The findings show that Fintech companies minimized their interaction with the international environment. A negative and insignificant association between ethnocentrism was found which mean there was no relationship between ethnocentrism and FinTech companies' performance. The study therefore concludes that ethnocentric does not influence performance of FinTech firms.

5.4.2 Polycentric orientation and performance of FinTech companies

The study sought to determine the influence of Polycentric orientation on the performance of FinTech companies. A negative and insignificant association between polycentric orientation and FinTech companies' performance was found which mean there was no relationship between polycentric orientation and FinTech companies' performance. The study therefore concludes that there is no relationship between polycentric orientation and performance of FinTech companies.

5.4.3 Geocentric orientation and performance of FinTech companies

The study sought to determine the influence of geocentric orientation on the performance of FinTech companies. A negative and insignificant association between geocentric orientation and FinTech companies' performance was found which mean there was no relationship between geocentrism and FinTech companies' performance. The study therefore concludes that there is no relationship between geocentric orientation and performance of FinTech companies.

5.4.4 Regiocentric orientation and performance of FinTech companies

The study sought to determine the influence of regiocentric orientation on the performance of FinTech companies. A positive and significant association between regiocentric orientation and FinTech companies' performance was established which

suggests a relationship between regiocentric orientation and FinTech companies' performance. The study therefore concludes that polycentric orientation has a positive effect on the performance of FinTech companies.

5.5 Recommendations

5.5.1 Recommendations For Improvements

5.5.1.1 Ethnocentric orientation and performance of FinTech companies

The study findings revealed that there was no effect of ethnocentric orientation on the performance of FinTech Companies. The findings further showed that FinTech Companies did not interact with international environment. The study recommends that FinTech companies should tap into the regional or international market as a means of improving their market share and thus improve on their performance.

5.5.2.1 Polycentric orientation and performance of FinTech companies

The findings found no influence of the polycentric orientation on performance of FinTech companies. The study recommends that FinTech companies should take advantage of the growing market of digital financial platforms and venture into other global markets to increase their customer portfolio.

5.5.2.3 Geocentric orientation and performance of FinTech companies

The study established that there was no relationship between geocentric orientation and performance of FinTech companies. The respondents agreed that firms recruited employees from different background based on their skills. The study therefore recommends that FinTech companies should employ both local and foreign companies in order to tap into quality human resource which will in turn enhance their competitive advantage in the region.

5.5.2.4 Regiocentric orientation and performance of FinTech companies

The study found that the regiocentric orientation influenced the performance of Fintech companies. The descriptive findings show respondents' agreement that firms used similarities between the countries' markets to develop an integrated regional strategy. The study therefore recommends that FinTech companies should enhance their product portfolio by marketing their products to the regional market as a means of improving their performance.

5.5.2 Recommendations for Further Research

This study assessed the influence of strategic orientation on performance of FinTech companies in Kenya. The study measured the concept of company performance using subjective or non-financial means of measuring performance. The study recommends for a future studies that will use financial/objective measures of company performance. The information of this study was sought from Chief Executive Officers of the 38 FinTech Firms in Nairobi County. The study recommends for future research to involve other stakeholders in their investigation. These stakeholders should include staff from Central Bank of Kenya and Consumers of FinTech Companies.

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APPENDICES

APPENDIX 1: COVER LETTER

Dear Respondent,

I am a Masters student at the United States International University - Africa pursuing a Master's in Business Administration (MBA). I have designed a questionnaire to gather information on INFLUENCE OF STRATEGIC ORIENTATION ON PERFORMANCE OF FINTECH COMPANIES IN KENYA. As part of the senior management team at your organization, kindly assist me by answering the questions in the questionnaire as accurately as you can.

Kindly note that any information provided will be treated with utmost confidentiality and at no time will it be used for any other purpose other than for this project. Your name will also not be used in this research but rather the research number given to you by the researcher. Your assistance is highly appreciated. I look forward to your favorable response. Please tick as appropriate.

Yours Faithfully,

Roy Muthamia

Email:roymuthamia@gmail.com

Phone No: 0724058950

ID: 26181360

APPENDIX 2: QUESTIONNAIRE FOR FINTECH FIRM SENIOR MANAGER

Section One: Respondent Profile

What is your gender?

1=Male

2=Female

Which age bracket do you belong to?

1=18-25 years

2=26-34 years

3=35-44 years

4=45-54 years

5= above 55 years

What is your educational level?

1=Certificate

2=Diploma

3=Bachelor's degree

4=Masters

5=PhD degree

How many years have you worked in the FinTech sector?

1=Less than 1 years

2=2-5 years

3=5-7 years

4=Over 8 years

Section Two: Ethnocentric Orientation

The following statements refer to the concept of ethnocentric orientation. Please indicate the level at which you agree with the following statements in relation to your organization. Where 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree

Ethnocentrism statement	1	2	3	4	5
The firm compensates foreign employees more generously than the those from the host country					
The firm's headquarters decision-making authority is relatively high					
The firm is predisposed to values and interests of the parent company					
The firm places people from the home country in key positions					
The firm's attitude contains cautiousness towards any alien culture					
The firm's policies and rules are made at the headquarters and communicated with the subsidiaries					
Advice or orders is one-way and directed from the headquarters at the home country					
The firm's top management lacks confidence in the loyalty and capabilities of the employees at the host country					
The firm tends to minimize their interaction with an alien environment					
The firm perceives international customer's needs as being homogenous across nationalities and markets					

Section Three: Polycentric Orientation

The following statements refer to the concept polycentric orientation. Please indicate the level at which you agree with the following statements in relation to your organization.

Where 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree

Polycentrism statements	1	2	3	4	5
The firm studies the specifics of each of the foreign market where it is present					
This firm is represented in activities in several foreign markets					
The firm focuses on individualities of foreign markets and all their local specificities					
The firm uses local methods to cope with local problems, rather than force alien solutions					
The firm allows its subsidiaries to have more control in developing strategies					
The firm's prospective customers often identify the products as local, not foreign					
The firm is able to reduce or eliminate marketing embarrassments that arise from cultural misunderstandings					
The firm's manager has complete control of the company in different countries					
The firm's management would allow full reign over decision making to take place at the local level					
The firm benefits from its responsiveness to the local environment					

Section Four: Geocentric Orientation

The following statements refer to the concept of geocentric orientation. Please indicate the level at which you agree with the following statements in relation to your organization. Where 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree

Geocentrism statement	1	2	3	4	5
The firm's management looks at opportunities on a global scale					
The firm is interested in how to conduct business globally					
The firm recruits employees from different background based on their skills					
The firm believes that the entire world is a potential market and strives to develop strategies that will work in every market					
The firm looks for universal as well as local best practices to help a company thrive in all markets					
The firm distributes authority between headquarters and with subsidiaries abroad so that a collaboration is formed					
The firm finds a compromise between allowing headquarters to do things its way and allowing local managers to do it theirs					
The firm practices a collaborative effort between subsidiaries and headquarters to establish universal standards and permissible local variations					
The firm puts the best people in your offices regardless of where they come from					
The firm makes no special distinction between the domestic and foreign markets					

Section Five: Regiocentric Orientation

The following statements refer to the concept of regiocentric orientation. Please indicate the level at which you agree with the following statements in relation to your organization. Where 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree

Regiocentric statements	1	2	3	4	5
The firm adopts strategy that allows it to address both local and regional needs					
The firm is less focused on particular country than on a geographic region					
The firm assumes that all countries of the region can be regarded as a single market					
The firm is interested in obtaining both profit and public acceptance					
The firm perceives some similarities of foreign markets					
The firm uses similarities between the countries' markets to develop an integrated regional strategy					
The firm puts focus on the home country, while allowing for higher autonomy in their operations in foreign markets					
The firm's communication and integration systems are highly sophisticated for headquarters to maintain control over the region					
There is a fair amount of decentralization and collaboration between headquarters and subsidiaries					
The firm adopts strategy that allows it to address both local and regional needs					

Section Six: Company Performance

The following statements refer to the concept of firm performance. Please indicate the level at which you agree with the following statements in relation to your organization.

Where 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree, 5=Strongly Agree

Company performance	1	2	3	4	5
The firm has increased its profitability in the past year					
The firm's sales have increased in the past year					
The firm has realized its return on investment in the past year					
The firm has been able to increase its market share in the past year					
The firm has been able to increase its product portfolio in the past year					