STRATEGIC ALLIANCE PRACTICES AND ORGANIZATION PERFORMANCE OF SELECTED COMPANIES IN THE ENERGY SECTOR IN KENYA

MEDFORTH KAMAU JOHN

D53/OL/CTY/24909/2014

A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF BUSINESS IN THE PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER IN BUSINESS ADMINISTRATION (STRATEGIC MANAGEMENT) OF KENYATTA UNIVERSITY.

OCTOBER, 2020
Declaration

Student Declaration

This research project is my original work and has not been presented for a degree or other award in any university. No part of this research project should be reproduced without authority of the author or/and Kenyatta University.

Signature ……………………………………… Date ……………………………

Medforth Kamau John

Reg No: D53/OL/CTY/24909/2014

This research project has been submitted to the university with my approval as the university supervisor.

Signature ……………………………………… Date ……………………………

Dr. Samuel Maina

School of Business

Kenyatta University
DEDICATION

I dedicate this study to my family; my mother Jane Wacera, brother Philip, wife Ann and son Roman Kamau who have all lent a helping hand during my studies.
ACKNOWLEDGMENT

I am very grateful for all the effort that my supervisor put into assisting me to compile this research project. I appreciate my family who spent their time and money into making this project a success. Furthermore, I would like to express my gratitude to all my MBA colleagues at Kenyatta University who guided me through this research project.
TABLE OF CONTENTS

Declaration.................................................................................................................. ii

Dedication .................................................................................................................. iii

Acknowledgment......................................................................................................... iv

Abbreviations and acronyms........................................................................................ v

Operational definition of terms .................................................................................... vi

Abstract....................................................................................................................... vii

CHAPTER ONE: INTRODUCTION.............................................................................. 1

1.1 Background of the study....................................................................................... 1

1.1.1 Organization Performance ............................................................................ 2

1.1.2 Strategic Alliance Practices .......................................................................... 3

1.1.3 Companies in the energy sector in Kenya....................................................... 4

1.2 Statement of the problem ................................................................................... 5

1.3 General Objective ............................................................................................... 7

1.3.1 Specific Objectives ....................................................................................... 7

1.4 Research hypothesis............................................................................................. 7

1.5 Significance of the study ................................................................................... 8

1.6 Scope of the Study ............................................................................................. 8

1.7 Limitations of the study..................................................................................... 9

1.8 Organization of the Study.................................................................................. 9
CHAPTER TWO: LITERATURE REVIEW .........................................................10

2.1 Introduction..........................................................................................10

2.2 Theoretical review of the study.............................................................10

2.2.1 Balance Scorecard (BSC).................................................................10

2.2.2 Resource-based view........................................................................11

2.2.3 Social exchange theory and Knowledge sharing...............................12

2.2.4 Transaction cost/transaction cost economics theory..........................13

2.3 Empirical Review..................................................................................13

2.3.1 Knowledge transfer and performance ..............................................14

2.3.2 Market Development and performance...........................................15

2.3.3 Operational efficiency and performance.........................................16

2.3.4 Technological advancement and performance..................................17

2.4 Summary of research gaps.....................................................................18

2.5 Conceptual Framework.........................................................................20

CHAPTER THREE: RESEARCH METHODOLOGY .......................................21

3.1 Introduction..........................................................................................21

3.2 Research Design...................................................................................21

3.3 Target Population................................................................................21

3.4 Sample technique..................................................................................22

3.5 Data collection procedures...................................................................22
3.6.1 Pilot Testing .................................................................22
3.6.2 Validity of research instrument........................................23
3.6.3 Reliability of research Instrument........................................23
3.7 Data Collection Techniques.................................................24
3.8 Ethical considerations.........................................................25

CHAPTER FOUR: DATA ANALYSIS, INTERPRETATION AND
DISCUSSIONS........................................................................27

4.1 Introduction........................................................................27
4.2 Response rate......................................................................27
4.3 Demographic Characteristics.................................................28
4.3.1 Distribution by Position in the Company..............................28
4.3.2 Distribution by level of education.......................................29
4.3.3 Distribution by gender.....................................................29
4.3.4 Distribution by age..........................................................30
4.3.5 Distribution by years worked in the organization..................31
4.4 Descriptive Statistics. ........................................................32
4.4.1 Knowledge transfer and organization performance...............32
4.4.2 Market development and organization performance...............34
4.4.3 Operational efficiency and organization performance.............35
4.4.4 Technological advancement and organization performance........37
4.5 Correlation analysis..........................................................42
4.6 Inferential statistics .................................................................43

CHAPTER FIVE: DISCUSSION, CONCLUSIONS, RECOMMENDATIONS AND FURTHER STUDIES .................................................................48

5.1 Introduction .............................................................................48
5.2 Summary ................................................................................48
5.3 Conclusion ..............................................................................50
5.4 Recommendation .................................................................51
5.5 Further research .......................................................................51

REFERENCES ..................................................................................53

APPENDICES ..................................................................................57

APPENDIX I: INTRODUCTION LETTER ..............................................57

APPENDIX II: LIST OF COMPANIES IN THE ENERGY SECTOR IN KENYA .........................................................................................62

APPENDIX III: BUDGET .................................................................63

APPENDIX IV: RESEARCH AUTHORIZATION LETTER ......................64

APPENDIX V: NACOSTI LETTER ....................................................65

APPENDIX V: SIGNED DECLARATION ..............................................66
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANOVA</td>
<td>Analysis of Variance</td>
</tr>
<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>AC</td>
<td>Alternating current</td>
</tr>
<tr>
<td>CO₂</td>
<td>Carbon dioxide</td>
</tr>
<tr>
<td>CBK</td>
<td>Central bank of Kenya</td>
</tr>
<tr>
<td>ERC</td>
<td>Energy Regulatory Commission</td>
</tr>
<tr>
<td>GOK</td>
<td>Government of Kenya</td>
</tr>
<tr>
<td>ICT</td>
<td>Information Communication Technology</td>
</tr>
<tr>
<td>KW</td>
<td>Kilowatt</td>
</tr>
<tr>
<td>KWH</td>
<td>Kilowatts per hour</td>
</tr>
<tr>
<td>LTD</td>
<td>Limited</td>
</tr>
<tr>
<td>MW</td>
<td>Megawatts</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Governmental Organizations</td>
</tr>
<tr>
<td>PM</td>
<td>Performance management</td>
</tr>
<tr>
<td>PV</td>
<td>Photovoltaic</td>
</tr>
<tr>
<td>ROA</td>
<td>Return on Assets</td>
</tr>
<tr>
<td>ROI</td>
<td>Return on investments</td>
</tr>
<tr>
<td>SPSS</td>
<td></td>
</tr>
<tr>
<td>VAT</td>
<td>Value added Tax</td>
</tr>
</tbody>
</table>
OPERATIONAL DEFINITION OF TERMS

Efficiency: It is the quality of completing a task successfully without wasting energy, time and resources.

Knowledge transfer: Is the process in which experience, knowledge and ideas is moved from the knowledge source to the recipient. Also referred to as knowledge sharing.

Market development: This is the expansion in the overall market for a product, mostly occurs when companies enter new segments of the market, increasing use per users and converting potential users into real-time users.

Organization performance: Organization performance is the extent of how well an organization can use resources from its essential method of business and create incomes.

Strategic Alliance practices: A strategic alliance is an understanding between at least two organizations in which the two of them contribute abilities, assets or mastery to a joint endeavor, as a rule with its very own character, with every association surrendering in general control as an end-result of the possibility to take part in and advantage from the joint endeavor relationship.

Technological advancement: Refers to the generation of information or discovery of knowledge which advances the understanding of technology.
ABSTRACT

Stiff competition in the energy sector in Kenya has made it crucial for organizations to seek ways of improving their organization performance. Due to changes in both external and internal environmental factors, organizations have been compelled to adjust to new procedures so as to endure and prosper in the global market place that has seen an increase in innovation and technology use. This had led organizations to focus on relentless improvement of its goods and services and to seek out strategic partnerships with other companies. As more companies strive to improve the quality of their goods and services others also need to keep up so as to maintain a competitive advantage and remain profitable. The study sought to investigate the effects of the strategic alliance practices on organization performance of selected energy companies in Kenya. The specific objectives were to: to assess the effect of knowledge transfer on the performance of selected companies in the energy sector in Kenya, to examine the effect of market development on the performance of selected companies in the energy sector in Kenya, to investigate the effect of efficiency on the performance of selected companies in the energy sector in Kenya and to evaluate the effect of technological advancement on the performance of selected companies in the energy sector in Kenya. The study adopted the balance score card (BSC) model, resource-based theory, knowledge and social exchange theory and transaction theory. The study used descriptive research design and conducted a cross sectional survey of employees in selected energy companies in Kenya. The target population of the study was 22 energy companies in which 88 respondents were selected through a sample. There were four groups of respondents picked namely; Finance manager, Marketing manager, Customer experience manager and Production manager. The respondents’ views were presented using measures of central tendency. The study adopted regression analysis to observe the relationship between the independent and dependent variables. The study was based on primary data, which was collected with the help of questionnaires that were administered by the researcher. The validity of the content was tested using expert opinions. The results of the study were presented with the help of charts, tables and bar graphs. The results highlight that there was a positive relationship between the independent variables (knowledge transfer, market development, operational efficiency, technological advancement) and the dependent variable (organization performance). This is shown by values of $p = 0.002$, $p = 0.001$, $p = 0.003$ and $p = 0.002$ respectively. Additionally, R square test results show $r$ square as 0.742 which indicates an existing variation of 74.2% on organization performance as a result in a change in the independent variables namely knowledge transfer, market development, operational efficiency and technological advancement. The study established that strategic alliance practices have an influence on the overall organization performance of selected energy companies in Kenya. It recommends that energy companies should have a careful assessment and selection of partners before entering into an alliance in order to ensure that the relationship is mutually beneficial for all the parties involved. The findings also recommend that energy companies should make an effort of entering into various strategic alliance, this ensures diversity and
expansion of their products and services as long as they ensure that their financial leverage is kept low.
CHAPTER ONE
INTRODUCTION

1.1 Background to the Study

The success potential of most organizations depends on their organization performance, basically, its ability to effectively implement strategies which leads to attaining their objectives (Randeree and Al Youha, 2010). Today’s economic environment is characterized by globalization and dynamism which sets up a very competitive environment (Auilino Felizardo, 2017). The bid to gain competitive advantage has made strategic alliances to become increasing common in the current business world, this happens by organizations combining their assets. Meaningful alliances are the base for this success and improved organization performance (Nyakango, 2013). Mike Nevin, (2014) further stated that strategic alliances were no longer a peripheral activity on the outskirts of marketing, corporate planning and sale; they have become a vital necessity in creating explosive business growth and delivering world-class products and services to an ever more demanding set of global customers. The need for product market performance (sales and market share), financial performance (return on assets, profits and return on investments) and shareholder return (economic value added) are some of the factors that make companies pay more attention to organization performance in the energy sector in Kenya.

One important reason for participating in strategic alliances is to improve organization performance. Among other performance indicators, most authors emphasize the importance of profitability as the key indicator of performance and competitiveness (Stojcic and Vojvodic, 2012). Most manufacturing companies in Netherlands that have formed strategic alliances experience better organization performance as compared to ones that failed to implement any form of partnerships (Collins, 2014). Ketchen and
Palmer, (2013) carried out a study on effectiveness of strategic alliances on the performance of Textile industries. He used a longitudinal research design while interviewing 300 managers in different regions that had textile industries. The results showed that textile companies that engaged in strategic alliances had better performance as compared to companies that had not taken up any form of strategic alliance. The results of this study found strategic alliances led to the growth of the organization performance.

1.1.1 Organization Performance

Organization performance is the extent of how well an organization can use resources from its essential method of business and create incomes, Olubukunola (2011). Richard et al. (2009) classified performance into three parts namely; financial performance (profits, return on investment, etc.), product market performance (sales, market share, etc.) and shareholder return (total shareholder return, economic value added, etc.) Organization performance can be measured using a number of methods namely; balance score card, bench marking, key performance indicators, performance appraisals, management by objectives and personal development plans, R.S & Norton (2009).

According to Richard et al. (2008). Organization performance is the most significant variable for researchers concerned with almost all areas of amendment and many financial and non-financial factors have been used to measure it which include; gross profit, profitability, ROA, ROI and revenue growth. The company’s performance may be looked at from the financial statement as reported by the company. Good performing companies will reinforce management for quality disclosure, Herly & Sisnuhadi (2011).

A lot of attention has been paid to examining organization effectiveness through different measures of performance, one that is related to the production process, namely
technical efficiency, Lin et al. (2009) and Garcia, (2010). In addition to this, the organization’s value can be defined as the benefits originating from the organizations’ shares by the shareholders, Rouf (2011).

1.1.2 Strategic alliance practices

A strategic alliance is an understanding between at least two organizations in which the two of them contribute abilities, assets or mastery to a joint endeavor, as a rule with its very own character, with every association surrendering in general control as an end-result of the possibility to take part in and advantage from the joint endeavor relationship, Amita, Richard & Robinson, (2011). Strategic alliance practices are factors that decide the result of strategic alliances. In this study they include; knowledge transfer, market development, efficiency and technological advancement.

Relationships have been crucial to business activity and monetary trades for many years. However, the advancement of a worldwide aggressive scene has considerably improved the significance of associations between financial institutions. These associations, alluded to as key alliances give access to assets and capacities that enable companies to pick up economies of extension and to expand their efficiency and development, Das et. al (2011). Amita, Richard and Robinson, (2011) characterized strategic alliance as an agreement between multiple organizations to contribute assets, skills or abilities to a joint objective, with every organization giving up control with the purpose of getting a competitive advantage on its competitors, Das et.al (2013).

Alliances have become very important for most organization’s growth strategies, and they enable them to fortify their focused position, enter new markets and to get to basic assets and capacities, Rothaermel & Boeket (2008). To form alliances and even to collaborate with competitors can be an important strategy to develop for acquiring
resources as well as a strategy to survive, Gnyawali & Park (2009). Strategic alliances have different types namely; technology transfer and improvement, joint research and development effort, licensing, franchising, marketing agreements and joint ventures, Lee, Cho (2013)

1.1.3 Companies in the energy sector in Kenya

The world bank classified Kenya as a low-income developing country. Its capacity to generate power is 1,690MW, Kenya Power (2012). The Kenyan government uses imported fossil fuels and renewable energy such as hydro, biomass, geothermal and solar as its main source of energy, IRENA (2010). Currently the renewable energy power generation is at 5% of its potential, WHO, UNDP (2009). According to Kiplagat et al, (2011) Kenya’s power supply rate to its population is 18% with most of the connections in in middle- and upper-class-income groups.

Kenya’s insolation rate stands at an average of 5peak sun shine hours. Energy ranges from 700kWh experienced in mountainous regions to 2650kWh in arid and semi-arid areas annually. Despite this abundance of sunshine only a small portion is harnessed through solar energy solutions such as solar thermal (solar water heating) and photovoltaic (PV) commonly used for lighting Kiplagat et al, (2011). According to Mutua et al. (2012) the percentage of renewable energy index as of 2010 stood at 58.1% of the total electricity capacity and 69.5% of overall electricity generation. Kenya’s Solar PV market was established in 1970 with most of its uses then being donor investors who still contribute significantly to the development of the renewable energy sector Bawakyillenuo, 2012).

This being the case Kenya’s Ministry of Energy and Petroleum under its regulation body the Energy Regulatory Commission (ERC) enacted the first major renewable energy act
in 2006. The act seemed to expand the local manufacturing companies an offer incentive to already existing renewable sources such as solar, IEA (2016). The act also offered incentives in a view of increasing the use of renewable energy, an example being the decision to authorize 4MW capacity renewable energy systems that produce energy without licenses. Furthermore, the act offered tax exemptions for any equipment meant to be use for energy production, IEA (2016). The government even went further by establishing the Rural Electrification program meant to promote off grid renewable energy production in mostly rural Kenya, Boampong (2016).

1.2 Statement of the problem

Organizations have become less self-sufficient with their survival hugely depending on successful alliances with other organizations, Kinyenye (2016). With strategic alliances, organizations have a higher success ratio of attracting new customers, retaining them as well as improve their organization performance, Ndiku (2009). In order to achieve optimal performance and retain profitability, many organizations in Kenya have formed strategic alliance with other companies in Kenya. The choice to form strategic alliances with one another can determine the survival and overall performance of an organization (CA, 2013).

While several studies have been done on the effects of strategic alliances and partnerships on organization performance, not much has focused on strategic alliance practices and organization perform of energy companies in Kenya. More studies have been carried out on strategic alliance practices and organization performance with different authors having divergent views on strategic alliance practices and organization performance. Omwoyo (2013) carried out a study on the role of strategic alliances on the competitiveness of Barclays bank of Kenya. The study showed that strategic alliance practices has a huge part to play in the competitiveness of the bank. However, the study
only focused on the banking sector as opposed to the energy sector. Agare (2012) investigated the factors that influence the success of NGOs strategic alliances Marsabit, Kenya. The study found that planning and implementation, financial capacity, senior management commitment and technical capacity of partners had an influence on success of strategic alliances in the NGO sector in Marsabit, Kenya. This study however only used descriptive statistics to analyse data, this alone is not sufficient to give wholesome results. However, the current study uses both descriptive and inferential statistics to analyse data.

The study conducted by Muthoni (2015) on determinants of strategic alliances on organization performance in Kenya found that organizations grew quickly due to their capability to establish numerous strategic partnerships. This study however had no case study, it generalized the findings of a sample of organizations none of which were energy companies.

The study carried out by Ferdinand (2012) examined the impact of strategic alliances on the organization performance of Tesco Company in the United Kingdom. The research surveyed 230 employees in numerous company departments, the findings concluded that adoption of strategic alliances had a role in enhancing performance. It also found that strategic alliances contributed to the reduction of costs while increasing value. However, there is a knowledge gap in this study as the majority of the sampled population were not key decision makers in the respective organization hence information given might have been bias.

The study carried out by Camison et al. (2011) examined the impact of investment in technological strategic alliances on organization performance using a sample of Spanish companies, the findings suggested that organization’s in strategic alliances witnessed growth. However, the growth depends on how the company creates and adopts
innovative competencies. This means that companies have to enhance the development of competencies so as to achieve maximum performance.

None of the studies carried out previously focused on strategic alliance practices and performance of selected energy companies in Kenya. The purpose of this research is to bridge this gap. This study seeks to establish the strategic alliance practices and organization performance of selected companies in the energy sector in Kenya.

1.3 General Objective

The main objective of this study was to investigate the effect of strategic alliance practices on performance of selected companies in the energy sector in Kenya.

1.3.1 Specific Objective

(i) To assess the effect of knowledge transfer on the performance of selected companies in the energy sector in Kenya.

(ii) To examine the effect of market development on the performance of selected companies in the energy sector in Kenya.

(iii) To investigate the effect of efficiency on the performance of selected companies in the energy sector in Kenya.

(iv) To evaluate the effect of technological advancement on the performance of selected companies in the energy sector in Kenya.

1.4 Research Hypothesis

i. $H_{01}$: Knowledge transfer has no significant effect on the performance of selected companies in the energy sector in Kenya.

ii. $H_{02}$: Market development has no significant effect on the performance of selected companies in the energy sector in Kenya.

iii. $H_{03}$: Operational efficiency has no significant effect on the performance of selected companies in the energy sector in Kenya.
iv. $H_{04}$: Technological advancement has no significant effect on the performance of selected companies in the energy sector in Kenya.

1.5 Significance of the Study

Findings of the study will aid decision making in evaluating and implementing strategic alliances that will lead to improved organization performance. It will help in efforts to get ideas and crucial information on what steps to take and how to manage their respective alliances in order to get the best outcome that is in line with their overall objectives.

The findings of the study may be taken up by management of companies that will want to; build abilities in all aspects of strategic alliances, develop a positive mentality/attitude towards strategic alliances and improve the level of cooperation between partners engaging in strategic alliances. The knowledge of strategic alliance practices and its impact on organization performance of selected energy companies in Kenya will lead to embracing of strategic alliances by organizations.

The study will also help enrich the literature on organization performance in the energy sector in Kenya and why organizations engage in strategic alliances. The study will offer a good reference base for further studies on strategic alliances practices and organization performance in the energy sector in Kenya.

1.6 Scope of the Study

The study evaluated the strategic alliance practices and performance of selected energy companies in Kenya using the balance score card (BSC) method. The date required for this study was collected between of August – October 2019. During this study several

1.7 Limitations of the study

The variables studied in this research project have dynamic characteristics hence the need to interpret them with caution. On the other hand, only self-reporting tools were used which may have biased the observed observation due to the use of common method variance and response consistency effects. Furthermore, there were limited resources to carry out this study hence only a snapshot approach is used as opposed a lengthier observation that would have yielded better results. Additionally, some of the respondents may not have substantial information about the organization hence affecting the results of the study.

1.8 Organization of the Study

This study had three chapters, mainly: Chapter one, which provides the conceptual background on strategic alliance practices and performance in selected companies in energy sector in Kenya, statement of the problem, research questions and objectives, scope and significance of the study. Chapter two comprises of review of literature, theoretical, empirical and conceptual framework. Finally, Chapter three covers research
methodology, research design, target population studied, sampling procedure, data description, data analysis tools and collection methods.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section of the research project sought to outline the empirical review and theoretical framework of the main variables in this study. It also looks at the conceptual framework and knowledge gaps identified in this research.

2.2 Theoretical review of the study

This chapter outlines the main theories on which the proposed study was based on. The different variables used in the study were also be discussed in this section.

2.2.1 Balance Scorecard (BSC)

The Balance Scorecard (BSC) was first developed by Robert Kaplan & David Norton, (1992) as they attempted to assist organizations measure their organization performance while focusing on both financial and non-financial aspects. All through the way towards making the BSC, they understood an association should initially start with objectives that can be separated into four particular points of view that were exceptionally associated, Jackson (2018). These are; Financial, Customer/Stakeholder, Internal process and Organization capacity. The BSC clearly defines the approach that organizations
should use to executive organization performance by measuring the profitability, Customer retention, Market share and New products.

This study adopted the BSC model for two major reasons. The first reason is because BSC captures both leading (customer and innovation perspective) and lagging performance measures (financial perspective), thereby providing a more ‘balanced’ view of performance, Christian (2012). BSC is context specific since the performance objectives between organizations vary and are dictated by the priorities of the organization at the moment hence a good platform to measure the effects of strategic alliance and performance, Mutonga, (2013).

The four key indicators on the BSC also relate to the strategic alliance practices. Here, the financial aspect of BSC model represents how effective the company operates in terms of saving costs and maximizing results (efficiency). The customer aspect of the BSC model represents the customer base, customer service, new markets and opportunities (Market development). Internal process focuses more the different strategies that the organization intends to formulate and implement (knowledge transfer). Organization capacity focuses on the capability of the organization to stay in business by adapting to different factors such as emerging trends (Technological advancement).

2.2.2 Resource-based view

The resource-based view approach (RBV) views the organizations resources as the fundamental determinant of performance and competitive advantage. RBV is anchored on two major assumptions. One, it assumes that companies in a strategic alliance were heterogenous in nature with regards to the resources they manage. Two, that the heterogenic resources may exists for a period of time because these resources may not necessarily be perfectly mobile between the organizations in the strategic alliance, for
example, some resources may not be able to trade in factor markets. Resource heterogeneity is a positive factor for organizations as it means that the resource is unique to the organization hence a crucial determinant of competitive advantage. The argument being that if all the organizations in the market are equally stocked, then all the organizations will have access to almost similar resources Cool, Améa Costa & Dierickx (2002). Resources in this approach have minimal value outside of the strategic alliance, but when combined they may help both organizations gain a competitive advantage over their competitors.

In this study the RBV focuses on resource utilization of the organization with an effort of improving its organization performance through competitive advantage. The theory further suggest that in order to gain competitive advantage through resources then proper strategies need to be in place to maximize utilization of resources which eventually lead to improved organization performance.

2.2.3 Social exchange theory and Knowledge sharing

George Homans (1958) social exchange theory is based on the assumption that relationships formed between two parties is created by a cost-benefit analysis. It determines the effort put in by each party in the alliance. This theory suggests that individuals that exist in an alliance is strengthened if both parties are willing to fulfill the needs or desires of the other. Fundamentally, the rule of information sharing is a procedure intended to get understanding from others. Social exchange entails knowledge sharing of technical know-how, tasks preparations, problem solving, policy implementation and generating or developing new ideas, Kinabalu (2014). Knowledge sharing is the practice of disseminating or exchanging ideas, experiences and knowledge with the others to ensure the knowledge is continuing. Knowledge held by employees in
an organization should be shared with other employees for its value to be seen and appreciated, Razak (2014).

This theory was useful in this project as organizations in strategic alliances exchange not only material goods but also non-material goods and services such as prestige or symbols of approval. In a typical strategic alliance, organizations that provide much to others automatically expect the same from their partners. Organizations may incur certain costs when sharing their goods or services and may deem the exchange a reward if it gives them an advantage or eventually leads to increased profits. This theory is best suited as a framework for explaining the movement of resources, in imperfect market conditions, between organizations via social process, Essays UK. (2018).

2.2.4 Transaction cost/transaction cost economics theory

Ronald Coase (1937) transaction cost theory states organizations do not necessarily have to manufacture/produce goods or services on their own but rather have other entities in the market produce the same for them. This theory seeks to address how organizations organize their activities and transactions with their alliances partners and where they draw the line in the partnership activities and decision making. This theory seeks to answer why companies organize some transactions within the company while it outsources other transactions, in short it seeks to explain why companies operate the way that they do.

Transaction cost theory answers the question of the economics in an organization by paying attention to the transactions as the main unit analysis. This theory suggests that organizations that weighing the idea of forming alliances base their decision on two aspects; the transaction cost that is experienced with partnering with the other organization or the ability to control the other partner’s actions. This means that the best
partner for strategic alliance is one who’s cost of transacting with is the lowest and who’s actions you can control or influence. This theory will be crucial in this study as it will examine how companies can reduce their costs and its effect on the organization performance.

2.3 Empirical Review

This section outlines the empirical review based on the study topic. It is anchored on the research objectives.

2.3.1 Knowledge transfer and organization performance

According to Smith et al. (2009), knowledge transfer is the process in which one organization learns from another organization with experience in a particular field. Companies enter into alliances because there is knowledge required to create something new. For it to create value, knowledge transfer it needs to add value to the recipient organization and eventually lead to increase accumulation of new knowledge, Park et al. (2011). All organizations have two major types of resources; material and people also referred to as human capital. Without a work force the organization material are deemed useless, Adeyemi (2013).

The study carried out by Siachou & Ioannidis (2009) in Athens University of Economics and Business, Greece scrutinizing the positive effect of knowledge transfer on organizations found that the transfer that is derived externally provides organizations with the ability to redefine their existing product and services, thus knowledge transfer positively affects the performance of organizations. Muhoya (2016) did a study at the University of Nairobi seeking to measure the influence of knowledge management practices on performance of selected global audit companies in Kenya, the study found
that knowledge sharing/transfer increases continuous organization performance improvement of the organization.

Evidence suggests that reputation and trustworthiness of the knowledge source can signal the use fullness, validity and value of the source of the knowledge. This means that a credible knowledge source is more likely to be accepted and affect the organization performance or behavior of the recipient of the knowledge, Chen, Hsiao & Chu (2014).

A study carried out by Mundia and Iravo (2014) on the role of employee performance in organizations in Kenya stated that knowledge transfer improves skills that impact on performance. Ofobruku & Yusuf (2016) in the study of strategic synergies organizational performance in electrical generating companies in Kenya found that knowledge transfer has a vast effect on performance as it plays a crucial role in improving employee skills and also in strengthening company capabilities.

2.3.2 Market development and organization performance

Market development are strategies employed by companies that make them plan in order to achieve their goals which is to expand/increase in volume, turnover and size, Westerlund & Leminen (2012). The commonly used methods for market development are; market niche. Market challenger and market leader strategy, Boone (2008). The study carried out by Benson (2015) at Jomo Kenyatta University on the effect of market development on performance in the sugar industry in Kenya found that market development can influence the organizations’ performance. The study found that opening up more distribution channels proved to be the approach that most organizations use for market development and that it had direct effect on sales and performance of organizations.
The study done by Muga (2016) at the University of Nairobi seeking to explore the market development strategies and performance of major pharmaceutical companies in Kenya found that to further boost their performance, pharmaceutical organizations were found to be actively involved in market development. It further found that both base of the pyramid and blue ocean market development strategies implemented by the pharmaceutical organizations have considerable impact on their organization performance with the likelihood of the base of the pyramid strategy positively affecting profitability while reducing employee motivation and blue ocean strategy having positive influence on the sales of the company.

The study conducted by Sulong, Saleem & Zeeshan (2018) at the University of Sarawak in Malaysia on the role of market development in influencing organization performance found that an increase of stock market development results to an increase of organization performance. The study went further to find that companies operating in developed markets were resourceful in their operations, had a stream Sluing of income and had better investment opportunities that and had better overall organization performance.

2.3.3 Operational efficiency and organization performance

The term operational efficiency is viewed in both the industrial organization and strategic management literature as the product of business-specific factors such as management skills, innovation, cost control and market share as determinants of current organization performance and its stability, Abuzayed & Molyneux (2009). According to Simoons (2012) alliances are formed to have a focus on cost reduction and at the same time increase efficiencies.

A study done by Amarjit, Singh and Harvinder (2014) at the University of Saskatchewan in Canada examined the effect of operational effectiveness on the future execution of
Indian assembling companies. The findings of the study showed that changes in operational efficiency cause changes in performance of Indian manufacturing companies. The study carried out by Lausa at Northern Negors State College of science and technology on the influence operational efficiency on organizational performance of state universities in Philippines found that there was a substantial relationship between operation efficiency and the organization performance of state universities.

The study carried out by Bok Baik, (2013) at Seoul National University on the changes in operational efficiency and organization performance found an association between operational efficiency and organizational performance. The study provides robust evidence that operational efficiency changes measures based on frontier analysis are clearly related with future and current profitability and organization performance.

2.3.4 Technological advancement and organization performance

Organizations that embrace technological advancements tend to have higher productivity in the long run Mairesse and Mohnen, (2010). Innovations which come as a result of technological advancement are today forming the foundation of new jobs, competitiveness and productivity. A well-developed ICT infrastructure, skilled human resources, facilitation of business creation and collaborations between business partners are crucial factors towards innovations and enhancing competitiveness.

In a recent study carried out by Adeyeyetolulope Charles, (2014) at Ajayi Crowther University in Nigeria on the influence of technological innovation on company performance found a positive interaction between technological advancement and organization performance. Another study done by Muhammad Shaukat (2009) at Bahauddin Zakariya University in Pakistan on the impact of technology on organization performance found that organizations are using technology to improve organization
performance. This as the use of technology has grown fast over the past three decades as competition has become intense and organizations are looking for competitive advantage in technological advancement.

The study carried out by Ali Akbar Farhanghi (2013) Tehran University in Iran on the effect of technology on company performance investigated the relationship between technology and organization performance. The findings are clearly in favor of the view that technology is a driver of organization performance. It also revealed that technology helps companies to be progressively adaptable in unclear situations and open to new trends in the market. A study done by Cemal Zeiron, (2010) at Gebze Institute of technology in Turkey on the influence of technology investments on company performance in national and multinational companies revealed a correlation between technology and organization performance. The study found that technology had a clear effect on organization performance and success. A study carried out by Nabeel Rehman, Mohammad Nazri Mohd Nor & Azni Zarina Taha (2018) at the University of Malaya in Malaysia on the impact of technology capabilities on company performance found that technology has a significantly positive impact in enhancing company performance. The findings revealed that technology enables innovation that have a significant impact of the company performance when empirically tested using both direct and indirect paths.

2.4 Summary of research gaps

Earlier review of the literature in the study suggests that strategic alliances and performance in the energy sector in Kenya has not been comprehensively covered. The literature reveals that most of the studies done only concentrated on a few variables. Therefore, this study seeks to fill these knowledge gaps by comprehensively studying strategic alliances and organization performance in the energy sector in Kenya.
<table>
<thead>
<tr>
<th>Study</th>
<th>Focus</th>
<th>Findings</th>
<th>Rese Gaps</th>
<th>Focus of the current study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ngamau (2015)</td>
<td>Influence of strategic partnerships on the organization performance of insurance companies</td>
<td>Strategic alliances resulted into higher profits, higher retention rates of customers and wider distribution of products.</td>
<td>There was a methodological gap because the researcher measured organization performance using a few factors that did not take a holistic view rather a shallow approach i.e.; the study concentrated on profits, retention of customers and product distribution.</td>
<td>To employ the BSC which looks at the major indicators of organization performance such as financial, stakeholders, internal process and organization capacity.</td>
</tr>
<tr>
<td>Muiruri (2015)</td>
<td>Strategic alliances and performance of Equity bank in Kenya</td>
<td>Strategic alliances improve capacity and enables organizations to be well equipped to handle challenges and eventually improves service delivery. Strategic partnerships enhance new customer acquisition.</td>
<td>There was a contextual gap as the study focused mainly on the financial valuation of organizations.</td>
<td>To integrate both financial and non-financial as important components of organization performance.</td>
</tr>
</tbody>
</table>
2.5 Conceptual Framework

The conceptual framework in figure 2.2 shows the independent variables and their relationship with dependent variables based on the mentioned theoretical and empirical gaps.

**Independent Variable**

Strategic alliance practices
Organization Performance

**Dependent Variable**

- **Knowledge Transfer**
  - New Product Development
  - In-source Innovation
  - Access to expertise

- **Market Development**
  - Spread out into new markets
  - Geographic expansion
  - Brand building

- **Organization Performance**
  - Profitability
  - Customer retention
  - Market share
  - New products
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter sought to answer the research questions posed in this study by providing the methodology that the research study adopted. They include study population, research design, data analysis procedures, description of sample and sampling procedures, description of data collection procedures and research instruments.

3.2 Research Design

A descriptive research design was adopted in this study. The total number of respondents was 88 of which the four in each organization comprised of; Finance/Accounts manager, Marketing/Sales manager, Customer experience manager and Production/Factory manager all of who were senior managers in their respective organizations. According Creswell (2012) descriptive research design is suitable for
identifying association types and explaining difficult relationships that eventually explains and predicts outcomes. Descriptive design aids the researcher get better understanding of the impact strategic alliances on organization performance in different institutions.

3.3 Target Population

The target population of the study were 22 energy companies with 4 people per company being picked. The total number of respondents was be 88 of which the four in each organization comprised of; Finance manager, Marketing manager, Customer experience manager and Production manager. Middle and senior level managers were preferred due to their vast knowledge of the companies as they are involved in key decision-making processes. The study adopted the census method of sampling because it is associated with high degree of accuracy as each item is carefully investigated. This method is useful in examining characters that are heterogenous in nature which are the subject of this study.

3.4 Sampling technique

The study adopted census technique, there was no need of sampling as the population was small and heterogenous in nature. The study was based on the perception of the respondents, this means selecting employees with more than one-year experience in the sample companies; census techniques was used to get these employees. A census technique was used so as to get enough respondents for the study that would in return yield a high degree in the statistical confidence when presenting the results.

3.5 Data collection procedures

Primary data was employed in this study. Data collection was done with the aid of questionnaires which were given to the members of staff of the sampled population. The
questionnaires contained structured and unstructured questions. It also contains closed ended question that seek to let the respondent best describe their answers from a list of alternatives. On the other hand, open ended questions were administered to ensure that respondents gave in-depth answers to the questions. The study further utilized the five-point Likert scale which contained responses such as; strongly agree, agree, undecided, disagree and strongly disagree. Furthermore, the study questionnaire had three parts, mainly; description of respondent, strategic alliances and organization performance.

3.6.1 Pilot Testing

Before actual data was collected, a pilot study was done to assess the validity and reliability of the questionnaire. The pilot study was done at Chloride Exide Kenya and Davis and Shirtliff limited. This acted as the pre-test of the questionnaires. Pre-testing revealed possible errors in the questionnaire and provided the space for the tools to be refined accordingly, it also analyzed in general how the questionnaire would perform if subjected to actual conditions Churchill and Iacobucci (2012). The pre-test used 10 respondents who were picked from the same sample frame that the actual study was to be based on.

3.6.2 Validity of research instrument

Validity refers to the degree in which the sample items highlight the content that the test is designed to gauge, Borg and Bell (2012). The questionnaires were subjected to numerous validity checks to ensure that they were efficient in measuring the tests. The research project supervisor subjected the questionnaires to content validity with guidelines from the literature review. It was be formulated on the basis of the variables being measured so that each variable was carefully measured and tested. Before the
instruments were put to task in the final data collection process they were adjusted appropriately on the basis of the evaluation.

3.6.3 Reliability of research instrument

The study adopted Cronbach’s alpha measure of consistency to measure the internal consistency reliability. Festinger and Dematteo (2011) claimed that to ensure reliability, a pre-determined value of 0.7 is needed for the study. This means that values above 0.7 suggest presence of reliability with values below 0.7 indicating the lack of reliability.

All the questionnaires in the study were administered in English as all the respondents were conversant with the language. Research assistants were identified and trained on how to handle the questionnaires, consent taking and rephrasing questions that the participants failed to comprehend. All questionnaires were checked for anomalies and incompleteness. The questionnaires were all captured in the reliability check using Likert 5 scale model.

**Table 3.1 Reliability test results**

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Cronbach's Alpha Based on Standardized Items</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technological advancement</td>
<td>0.810</td>
<td>Reliable</td>
</tr>
<tr>
<td>Market Development</td>
<td>0.82</td>
<td>Reliable</td>
</tr>
<tr>
<td>Operational efficiency</td>
<td>0.857</td>
<td>Reliable</td>
</tr>
<tr>
<td>Knowledge transfer</td>
<td>0.825</td>
<td>Reliable</td>
</tr>
</tbody>
</table>

Source: Author (2020)

Table 3.1 highlights that the data obtained is reliable since all the components were between 0.810 and 0.857 which is above 0.7 satisfying Festinger and Dematteo (2011)
claim that in order to ensure reliability, a pre-determined value of 0.7 and above is needed for the study.

3.7 Data collection techniques

Data collection was done through quantitative techniques. In order to answer research questions, the study adopted descriptive data collection analysis techniques which include; percentages and frequencies, regression and correlation models that directly link dependent to independent variables. The main techniques used in this study were multiple regression analysis together with a variety of data regressions that depict the relationship between strategic alliances and organization performance. Presentation of the data was done using a number of tools such as pie charts, bar graphs, frequency distribution tables and measures of central tendency. The below regression model helped in determining the coefficient of the independent variable to the dependent variable.

Overall regression model

\[ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon \]

Where:

\( Y \) = organization performance

\( \beta_0 \) = intercept constant

\( \beta_1 - 3 \) = regression coefficients

\( X_1 \) = Technological advancement
X2= market development
X3= knowledge transfer
X4= efficiency
\( \hat{\epsilon} \) = Error term

The results from the regression calculations imply that when all the strategic alliance practices variables were equated at \( \beta \) zero then the contact for organization performance of selected energy companies in Kenya was 8.709 units.

### 3.8 Ethical considerations

Some of the questions posed by the researcher may be sensitive hence confidentiality was crucial. On this note, the researcher requested for a study license from Kenyatta University as well as permission from the respective CEOs of the selected organizations. In addition to this, the researcher obtained consent from all the respondents in the sampled institutions. The names of the respondents were omitted from the study while their answers not shown to the rest of the respondents or anyone in the organization. No respondent was coerced into giving answers and the main reason for the study clarified to them. Finally, privacy was guaranteed as only those interviewed has access to the data obtained in the study.
CHAPTER FOUR

DATA ANALYSIS, INTERPRETATION AND DISCUSSIONS

4.1 Introduction

This section presents the research findings in this study and seeks to interpret the research findings done on the strategic alliance practices and organization performance of selected companies in the energy sector in Kenya.

4.2 Response rate
A total of 88 questionnaires were administered to different employees of the sample organizations. 75 questionnaires were returned out the 88 therefore representing an 85% return rate. All the questionnaires that were returned were checked for filling errors, completion, consistency and to assess whether the instructions that were set were followed. Four questionnaires were discarded as they failed to meet the threshold due to incompleteness. This means that only 71 questionnaires were complete and analyzed therefore representing an 80.6% response rate. According to Barbie (2013) a response rate of 80% is deemed acceptable to the study hence 80.6% response rate is deemed acceptable for this study.

**Table 4.1: The response rate**

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responded</td>
<td>71</td>
<td>81%</td>
</tr>
<tr>
<td>Not – responded</td>
<td>17</td>
<td>19%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>88</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

4.3 Demographic Characteristics

The study examined the respondents using characteristics such as gender, position held in the company, experience level accrued over the years in the company and the nature of the organization.

4.3.1 Distribution by Position in the company
Figure 4.1 shows the respondents based on the distribution by position held in the company.

![Bar chart showing distribution by position](chart.png)

**Figure 4.1 Distribution by Position in the company**

Figure 4.1 shows the overall number of key decision makers response with the finance managers at 21%, Marketing manager at 17%, Customer experience manager 14% and Production manager accounted for 19%. These four positions in a company are crucial as the Finance manager and Production manager are in a better position to answer questions regarding profit and loss while the Customer experience manager and Marketing manager are best suited to answer questions related to technological advancement, knowledge transfer operational efficiency.

**4.3.2 Distribution by level of education**

Figure 4.2 shows the distribution by level of education.
The findings in figure 4.2 indicate that majority of the respondents were graduates (65%) while those with post graduate education stood at 35%. The findings indicate that academic qualification was an important aspect in the energy sector. It implies that good academic qualifications are crucial in the implementation of strategic alliance practices and organization performance of energy companies.

### 4.3.3 Distribution by gender

Data presented in figure 4.3 shows the distribution by gender.
Figure 4.3 Distribution by gender

The findings in figure 4.3 indicate that majority of the respondents were male (56%) while female respondents accounted for 44%. This indicates that an overwhelming number of work-force in the energy sector were dominated by males. Data shows that 44% of respondents were females which implies that more females were taking up responsibilities in the energy sector work force in the implementation of strategic alliance practices.

4.3.4 Distribution by age

Data from figure 4.4 highlights the respondents by distribution by age.

Figure 4.4 Distribution by age

The findings in figure 4.4 indicates that majority (51%) of respondents were 35 years and above. The results showed that respondents between the age of 30-35, 25-30 and 18-25 accounted for 31%, 11% and 7% respectively. The findings show that there was diversity of ages in the energy sector workforce in Kenya. This data indicates that diversity of age groups is important in the implementation of strategic alliance practices in the energy sector in Kenya.
4.3.5 Distribution by Years worked in the organization

Figure 4.5 highlights the distribution by years worked by the respondents in the organization.

![Figure 4.5 Distribution by years worked in the organization](image)

The findings in figure 4.5 indicated that a higher percentage of the participants (38%) had 6-10 years experience in the organization. Followed by 26% that have an experience of 11-15 years, 21% had experience of above 15 years and 16% have experience of 0-5 years. The findings indicate that there was diversity in experience levels of the participants in this study. It implies that diversity in working experience of a work force is important in implementing strategic alliance practices and organization performance in the energy sector in Kenya. This data implies that experience working in the same organization is crucial to the study as it provides more accurate and reliable data.

4.4 Descriptive Statistics.

The participants of the study were examined mainly in two subsections; strategic alliance practices and organization performance. The role of strategic alliance practices
on the performance of selected energy companies in Kenya was examined using knowledge transfer, market development, operational efficiency and technological advancement

4.4.1 Knowledge transfer and organization performance

The study attempted to examine the influence of strategic alliance practices on the organization performance of selected companies in the energy sector in Kenya by examining the main determinants of strategic alliance practices. The first component being knowledge transfer. The data shown in table 4.1 highlights the effect of knowledge transfer on organization performance of energy companies in Kenya presented using mean and standard deviation.

<table>
<thead>
<tr>
<th>Knowledge transfer</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The organization stimulates innovation and growth</td>
<td>3.50</td>
<td>1.04004</td>
</tr>
<tr>
<td>The organization identifies and fills knowledge gaps</td>
<td>3.6338</td>
<td>0.98908</td>
</tr>
<tr>
<td>The organization nurtures a learning culture</td>
<td>3.6338</td>
<td>0.98908</td>
</tr>
<tr>
<td></td>
<td>Mean</td>
<td>Standard Deviation</td>
</tr>
<tr>
<td>---------------------------------------------------------------------------------------</td>
<td>-------</td>
<td>-------------------</td>
</tr>
<tr>
<td>The organization provides employees with internal knowledge base</td>
<td>3.50</td>
<td>1.04004</td>
</tr>
<tr>
<td>The organization enable faster and better decision making</td>
<td>3.6338</td>
<td>0.98908</td>
</tr>
<tr>
<td><strong>Aggregate mean score and standard deviation</strong></td>
<td>3.57184</td>
<td>0.84122</td>
</tr>
</tbody>
</table>

Table 4.1 highlights the respondents view of the effect of knowledge transfer on the organization performance of selected companies in the energy sector in Kenya. A scale of 1-5 was used to highlight the level to which the respondents agree with the statements relating to knowledge transfer. Where 1 = Strongly disagree, 2 = Disagree, 3 = Uncertain, 4 = Agree and 5 = Strongly agree. The participants agree that the organization stimulates innovation and growth with a mean of 3.50 (Standard Dev 1.04004). The respondents agreed that the organization identifies and fills knowledge gaps with a mean of 3.6338 (Standard Dev 0.989). The study findings show that the participants agreed to a larger extent that the organization nurtures a learning culture with a mean of 3.6338 (Standard Dev 0.98908). The respondents agree that the organization provides employees with internal knowledge base with a mean of 3.5 (Standard Dev 0.989). The findings highlight that the participants agree that the organization enable faster and better decision making with a mean of 3.6338 (Standard Dev 0.98908).

The study findings conclude that the respondents agree that knowledge transfer has an influence on the organization performance of selected energy companies in Kenya supported by the aggregate mean score of 3.57184. The findings were supported by conclusions made by Mohammad Ali Kohansal (2013) who did a study on the impact of knowledge sharing mechanics on employee performance found that as knowledge transfer increases through a group of people so does their performance.
The findings of the study are in agreement with Rohan Ngah and Abdul Razak (2010) who concluded that knowledge transfer is significant and influential effect in organization performance. The findings are similar by a study done by Munshi Muhammad Abdul (2020) who concluded that knowledge transfer stimulates organization performance,

4.4.2 Market development and organization performance

The second objective of the study was to examine the influence of market development on the organization performance of selected companies in the energy sector in Kenya. The data shown in table 4.2 highlights the effect of market development on organization performance presented in mean and standard deviation.

**Table 4.2 Market development**

<table>
<thead>
<tr>
<th>Market development</th>
<th>Mean</th>
<th>Std deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The organization has ventured into new geographical markets</td>
<td>3.6901</td>
<td>0.9195</td>
</tr>
<tr>
<td>The organization has formed new distribution channels</td>
<td>3.50</td>
<td>1.04004</td>
</tr>
<tr>
<td>The organization has put in place different pricing policies</td>
<td>3.6338</td>
<td>0.98908</td>
</tr>
<tr>
<td>The organization has introduced new product dimensions</td>
<td>3.6901</td>
<td>0.9195</td>
</tr>
<tr>
<td>The organization has diversified by introducing new products</td>
<td>3.50</td>
<td>1.04004</td>
</tr>
<tr>
<td>The organization is constantly searching for mutually beneficial partnerships</td>
<td>3.6338</td>
<td>0.98908</td>
</tr>
<tr>
<td><strong>Aggregate mean score and standard deviation</strong></td>
<td>3.60093</td>
<td>0.98287</td>
</tr>
</tbody>
</table>

Table 4.2 shows the respondents perspective on the influence of market development on the organization performance of selected companies in the energy sector in Kenya. A scale of 1-5 was used to highlight the extent to which the respondents agree with the statements relating to market development. Where 1 = Strongly disagree, 2 = Disagree, 3
= Uncertain, 4 = Agree and 5 = Strongly agree. The participants agree that the organization has ventured into new geographical markets with a mean of 3.6901 (Standard Dev 0.9195). The respondents agreed that the organization has formed new distribution channels with a mean of 3.5 (Standard Dev 1.04004). The study findings show that the participants agreed to a larger extent that the organization has put in place different pricing policies with a mean of 3.6338 (Standard Dev 0.98908). The respondents agree that the organization has introduced new product dimensions with a mean of 3.6901 (Standard Dev 0.9195). The respondents agree that the organization has introduced new product dimensions with a mean of 3.6901 (Standard Dev 0.9195). The findings highlight that the participants agree that the organization has diversified by introducing new products with a mean of 3.5 (Standard Dev 1.04004). The study findings show that the participants agreed to a larger extent that the organization is constantly searching for mutually beneficial partnerships with a mean of 3.6338 (Standard Dev 0.98908).

The findings of conclude that the respondents agree that market development has an influence on the organization performance of selected energy companies in Kenya represented by an aggregate mean score of 3.60093. The findings agree with Tonny Muga Samuel (2016) who concluded that companies who embrace market development experienced a boost in organization performance. The findings of the study are similar to Ojwaka and Deya (2018) that market development has a positive significant relationship with organization performance.

4.4.3 Operational efficiency and organization performance
The third objective of the study was to examine the influence of operational efficiency on the organization performance of selected companies in the energy sector in Kenya. The data shown in table 4.3 highlights the effect of operational efficiency on organization performance presented in mean and standard deviation.

**Table 4.3 Operational efficiency**

<table>
<thead>
<tr>
<th>Operational efficiency</th>
<th>mean</th>
<th>Std deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The organization has experienced increased productivity</td>
<td>3.6338</td>
<td>0.98908</td>
</tr>
<tr>
<td>The organization has experienced increased automation of it processes</td>
<td>3.5</td>
<td>1.04004</td>
</tr>
<tr>
<td>Errors have significantly reduced</td>
<td>3.6338</td>
<td>0.98908</td>
</tr>
<tr>
<td>The organization operating costs have reduced</td>
<td>3.5</td>
<td>1.04004</td>
</tr>
<tr>
<td>The quality of goods and services on offer has improved</td>
<td>3.589</td>
<td>1.00</td>
</tr>
<tr>
<td><strong>Aggregate mean score and standard deviation</strong></td>
<td>3.56</td>
<td>1.011</td>
</tr>
</tbody>
</table>

Table 4.3 highlights the respondents view of the effect of operational efficiency on the organization performance of selected companies in the energy sector in Kenya. A scale of 1-5 was used to highlight the extent to which the respondents agree with the statements relating to operational efficiency. Where 1 = Strongly disagree, 2 = Disagree, 3 = Uncertain, 4 = Agree and 5 = Strongly agree. The participants agree that the organization has experienced increased productivity with a mean of 3.6338 (Standard Dev 0.98908). The respondents agreed that the organization has experienced increased automation of it processes with a mean of 3.5 (Standard Dev 1.04004). The study findings show that the participants agreed to a larger extent that errors have significantly reduced with a mean of 3.6338 (Standard Dev 0.98908). The respondents agree that the organization operating costs have reduced with a mean of 3.5 (Standard Dev 1.04004).
The findings highlight that the participants agree that the quality of goods and services on offer has improved with a mean of 3.589 (Standard Dev 1).

The study findings conclude that the respondents agree to a larger extent that operational efficiency has an impact on the organization performance of selected energy companies in Kenya represented by an aggregate mean score of 3.56. The study findings were similar to Amarjit Gill et al (2014) concluded that any changes to operational efficiency has an impact to organization performance. The findings agree with Ngunyu Philip Itumo (2013) that operational efficiency has a huge influence on the ROA (return on assets) and organization performance, companies with better operational efficiencies experience improved organization performance. The findings are similar to Addis Alemayehu and Alubel Kassaw (2019) that operational efficiency improves competitive advantage and boosts organization performance.

4.4.4 Technological advancement and organization performance

The fourth objective of the study was to examine the influence of technological advancement on the organization performance of selected companies in the energy sector in Kenya. The data shown in table 4.4 highlights the effect of technological advancement on organization performance presented in mean and standard deviation.
Table 4.4 Technological advancement

<table>
<thead>
<tr>
<th>Technological advancement</th>
<th>mean</th>
<th>Std deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The organization has fast and easy access to information</td>
<td>3.6901</td>
<td>0.9195</td>
</tr>
<tr>
<td>The organization has experienced increased innovation and creativity</td>
<td>3.5</td>
<td>1.04004</td>
</tr>
<tr>
<td>The organization has seen improved communication and improved social networking</td>
<td>3.5</td>
<td>1.04004</td>
</tr>
<tr>
<td>The organization has experienced increased productivity and efficiency</td>
<td>3.6</td>
<td>0.9195</td>
</tr>
<tr>
<td>The organization has experienced improved automation of its business processes with the</td>
<td>3.5</td>
<td>1.04004</td>
</tr>
<tr>
<td>assistance of software and apps</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Aggregate mean score and standard deviation</strong></td>
<td>3.56338</td>
<td>0.99</td>
</tr>
</tbody>
</table>

Table 4.4 shows the respondents perspective on the influence of technological advancement on the organization performance of selected companies in the energy sector in Kenya. A scale of 1-5 was used to highlight the extent to which the respondents agree with the statements relating to technological advancement. Where 1 = Strongly disagree, 2 = Disagree, 3 = Uncertain, 4 = Agree and 5 = Strongly agree. The participants agree that the organization has fast and easy access to information with a mean of 3.6901 (Standard Dev 0.9195). The respondents agreed that has experienced increased innovation and creativity with a mean of 3.5 (Standard Dev 1.04004). The study findings show that the participants agreed to a larger extent that the organization has seen improved communication and improved social networking with a mean of 3.5 (Standard Dev 1.04004). The respondents agree that the organization has experienced increased productivity and efficiency with a mean of 3.6 (Standard Dev 0.9195). The respondents agree that the organization has experienced improved automation of its business processes with the assistance of software and apps with a mean of 3.5 (Standard Dev 1.04004).
The findings conclude that the respondents agree that technological advancement has an impact on the organization performance of selected energy companies in Kenya, this was supported by the aggregate mean score of 3.56338. The findings are consistent with Waidi Adeniyi (2011) that technological advancement has an effect on organization performance. The study findings agree with Ifieanyi Okoli (2015) that technological advancement is a critical success factor behind organization performance. The findings of the study are similar to Muhammad Imran (2014) that technological advancement improves employee skills and has a significant impact on organization performance.
Table 4.5 Correlation analysis between strategic alliance practices and organization performance

<table>
<thead>
<tr>
<th>Correlation</th>
<th>Knowledge transfer</th>
<th>Market Development</th>
<th>Operational efficiency</th>
<th>Technological advancement</th>
<th>Organization performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge transfer</td>
<td>Pearson Correlation: 0.164</td>
<td>0.128</td>
<td>0.077</td>
<td>1</td>
<td>.454**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed): 0.172</td>
<td>0.288</td>
<td>0.526</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>N: 71</td>
<td>71</td>
<td>71</td>
<td>71</td>
<td>71</td>
</tr>
<tr>
<td>Market Development</td>
<td>Pearson Correlation: 0.091</td>
<td>1</td>
<td>0.098</td>
<td>0.128</td>
<td>.320**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed): 0.45</td>
<td>0.418</td>
<td>0.288</td>
<td>0.006</td>
<td></td>
</tr>
<tr>
<td></td>
<td>N: 71</td>
<td>71</td>
<td>71</td>
<td>71</td>
<td>71</td>
</tr>
<tr>
<td>Operational efficiency</td>
<td>Pearson Correlation: 0.043</td>
<td>0.098</td>
<td>1</td>
<td>0.077</td>
<td>.383**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed): 0.72</td>
<td>0.418</td>
<td>0.526</td>
<td>0.001</td>
<td></td>
</tr>
<tr>
<td></td>
<td>N: 71</td>
<td>71</td>
<td>71</td>
<td>71</td>
<td>71</td>
</tr>
<tr>
<td>Technological advancement</td>
<td>Pearson Correlation: 1</td>
<td>0.091</td>
<td>0.043</td>
<td>0.164</td>
<td>.554**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed): 0.45</td>
<td>0.72</td>
<td>0.172</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>N: 71</td>
<td>71</td>
<td>71</td>
<td>71</td>
<td>71</td>
</tr>
<tr>
<td>Organization performance</td>
<td>Pearson Correlation: .554**</td>
<td>.320**</td>
<td>.383**</td>
<td>.454**</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed): 0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>N: 71</td>
<td>71</td>
<td>71</td>
<td>71</td>
<td>71</td>
</tr>
</tbody>
</table>

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

The findings in table 4.5 indicate that the r-value presented for the study was 0.554 at significant level of 0.000. This indicates that there was a strong positive correlation...
between knowledge transfer and the organization performance of energy companies in Kenya. The p-value presented in figure 4.5 was 0.000 hence p-value is deemed to be below significance (p=0.000, p<0.01. This means that the correlation was significant and can be used in a larger study scope.

Table 4.5 shows the findings indicating that the r-value presented for the study was 0.320 at significant level of 0.000. This indicates that there was a strong positive correlation between market development and the organization performance of energy companies in Kenya. The p-value presented in figure 4.5 is 0.000 hence p-value was deemed to be below significance (p=0.000, p<0.01. This means that the correlation was significant and can be used in a bigger study scope.

Table 4.5 represents the correlation test for the study with r-value deduced as 0.383 with the significance level performed being 0.01. This shows that there was a strong positive correlation between operational efficiency and the organization performance of energy companies in Kenya. The p-value presented in figure 4.5 is 0.000 hence p-value was deemed to be below significance (p=0.000, p<0.01. This means that the correlation was significant and can be used in a bigger scope.

Table 4.5 represents the correlation test for the study with r-value deduced as 0.454 with the significance level performed being 0.01. This shows that there was a strong positive correlation between technological advancement and the organization performance of energy companies in Kenya. The p-value presented in figure 4.5 is 0.000 hence p-value was deemed to be below significance (p=0.000, p<0.01. This means that the correlation was significant and can be used in a larger study scope.
4.5 Correlation analysis

The study sought to determine the relationship between the independent variables (Knowledge transfer, Market development, Operational efficiency, Technological advancement) and the dependent variable (Organization performance). Table 4.6 highlights the study findings.

Table 4.6 Bivariate correlation analysis

<table>
<thead>
<tr>
<th>Correlations</th>
<th>Organization performance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Knowledge transfer</strong></td>
<td>Pearson Correlation .536**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed) .002</td>
</tr>
<tr>
<td></td>
<td>N 71</td>
</tr>
<tr>
<td><strong>Market development</strong></td>
<td>Pearson Correlation .631**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed) .001</td>
</tr>
<tr>
<td></td>
<td>N 71</td>
</tr>
<tr>
<td><strong>Operational efficiency</strong></td>
<td>Pearson Correlation .578**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed) .003</td>
</tr>
<tr>
<td></td>
<td>N 71</td>
</tr>
<tr>
<td><strong>Technological advancement</strong></td>
<td>Pearson Correlation .682**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed) .002</td>
</tr>
<tr>
<td></td>
<td>N 71</td>
</tr>
</tbody>
</table>

The results for the bivariate correlation analysis highlights that there was a positive correlation between the independent variables (knowledge transfer, market development, operational efficiency, technological advancement) and the dependent variable (organization performance). This is shown by values of (r = 0.536; p = 0.002), (r = 0.631; p = 0.001), (r = 0.578; p = 0.003) and (r = 0.682; p = 0.002) which is represented by knowledge transfer, market development, operational efficiency and technological advancement respectively.
4.6 Inferential statistics

Tests were done on the different models to determine the best model for use in the study. The tests consisted of multicollinearity and normality prior to determining the reliable regression model for the study. Shapiro Wilk test is utilized in this study to test the normality in the frequencies. The test results are highlighted in table 4.7

**Table 4.7 Shapiro Wilk test on organization performance**

<table>
<thead>
<tr>
<th>Tests of Normality</th>
<th>Kolmogorov-Smirnov(^a)</th>
<th>Shapiro Wilk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statistic</td>
<td>Df</td>
<td>Sig.</td>
</tr>
<tr>
<td>Organization performance</td>
<td>0.213</td>
<td>71</td>
</tr>
</tbody>
</table>

The results for the test are presented in table 4.7 which shows both tests; Kolmogorov-Smirnov and Shapiro Wilk. The latter test was used in the study which comprised of 71 elements. The table shows p-value of 0.781>0.05. The study rejected the alternative hypothesis and concluded that the data was of normal distribution.

**Table 4.8 Multicollinearity test**

<table>
<thead>
<tr>
<th>Model</th>
<th>Tolerance</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge transfer</td>
<td>0.568</td>
<td>1.216</td>
</tr>
<tr>
<td>Market development</td>
<td>0.332</td>
<td>2.962</td>
</tr>
<tr>
<td>Operational efficiency</td>
<td>0.301</td>
<td>4.384</td>
</tr>
<tr>
<td>Technological advancement</td>
<td>0.166</td>
<td>5.021</td>
</tr>
</tbody>
</table>

Table 4.8 presents the findings of a multicollinearity test. The tolerance was 0.568, 0.332, 0.301 and 0.166 for knowledge transfer, market development, operational...
efficiency and technological advancement respectively. While the VIF results are 1.216, 2.962, 4.384 and 5.021 for knowledge transfer, market development, operational efficiency and technological advancement respectively. The results highlight that variance factors were below 5 while tolerance levels were above 0.1 meaning the independent variables are minimally correlated. The test results conclude that there was no multicollinearity.

A linear regression testing the relationship between the independent variables (knowledge transfer, market development, operational efficiency, technological advancement) and the dependent variable (organization performance) was done. The results for the test are presented in table 4.9.

**Table 4.9 Model Summary**

<table>
<thead>
<tr>
<th>Model summary</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.785&lt;sup&gt;a&lt;/sup&gt;</td>
<td>0.742</td>
<td>0.596</td>
<td>0.165</td>
</tr>
</tbody>
</table>

<sup>a</sup> Predictors: (Constant), knowledge transfer, market development, operational efficiency, technological advancement

Table 4.9 highlights the model summary with adjusted R square a the coefficient in determining the variation of the dependent variable as the independent variable changes. The test results show r square as 0.742 which indicates an existing variation, of 74.2% on organization performance as a result in a change in the independent variables namely knowledge transfer, market development, operational efficiency and technological advancement. It shows that 74.2% change in organization performance can be accounted for with knowledge transfer, market development, operational efficiency and technological advancement by 95% confidence interval. R represents
the correlation coefficient that highlights the relationship between the study variables, the test results in table 4.9 show R as 0.785 which means that there was a strong positive correlation between the variables.

**Table 4.10 Analysis of variance**

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>17.620</td>
<td>1</td>
<td>1.602</td>
<td>31.28</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>30.211</td>
<td>59</td>
<td>.512</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>47.831</td>
<td>70</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent variable: Organization performance  
b. Predictors: knowledge transfer, market development, operational efficiency and technological advancement

Table 4.10 shows the ANOVA analysis of variance test results. The F statistic was 31.28 with a significance level of 0.000 which was below 0.05. This means that the study rejected the null hypothesis while concluding that was a reliable influence of the combined independent variables on the dependent variable. Hence the model used was reliable for the variables being tested. The study findings conclude that the determinants of strategic alliance practices in Kenya (the independent variables) namely knowledge transfer, market development, operational efficiency and technological advancement had a direct impact on the organization performance (dependent variable) of selected energy companies in Kenya.
Table 4.11 The combined coefficient for strategic alliance practices and organization performance

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>1.709</td>
<td>3.638</td>
<td>2.394</td>
<td>0.000</td>
</tr>
<tr>
<td>Knowledge transfer</td>
<td>0.427</td>
<td>1.013</td>
<td>0.576</td>
<td>1.409</td>
</tr>
<tr>
<td>Market development</td>
<td>0.864</td>
<td>0.341</td>
<td>0.964</td>
<td>2.746</td>
</tr>
<tr>
<td>Operational efficiency</td>
<td>0.85</td>
<td>0.331</td>
<td>0.91</td>
<td>1.81</td>
</tr>
<tr>
<td>Technological advancement</td>
<td>0.632</td>
<td>0.176</td>
<td>0.764</td>
<td>2.12</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Organization performance

The findings in table 4.11 shows the coefficient table for a regression test that examines the relationship between the dependent and independent variables. It highlights all the p-values which are; p = 0.001, p = 0.003, p = 0.001, p = 0.000 for the independent variables; knowledge transfer, market development, operational efficiency and technological advancement respectively. The results indicate that all the results are significant at 0.01 significance level. The study adopted the regression equation of, \( Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e \)

Where \( Y \) = organization performance, \( \beta_0 \) = constant, \( X_1 \) = Knowledge transfer, \( X_2 \) = Market development, \( X_3 \) = Operational efficiency and \( X_4 \) = Technological advancement. While \( \beta_{1234} \) represents the beta values for independent variables; knowledge transfer, market development, operational efficiency and technological advancement formulated as
\[ Y = 1.709 + 0.427X_1 + 0.864X_2 + 0.85X_3 + 0.632X_4 \]

The formulated equation implies that when all the strategic alliance practices are equated at beta value of zero, the change in the organization performance is 1.709 units. The findings show that for each change in unit for knowledge transfer there is a contribution of 0.427 units change in the organization performance, for each unit change of market development there is a contribution of 0.864 units change in the organization performance, for each change in unit for operational efficiency there is a contribution of 0.85 units change in the organization performance and for each unit change of technological advancement there is a contribution of 0.632 units change in the organization performance of energy companies in Kenya.
CHAPTER FIVE
SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction
The main objective of this study was to investigate the effect of strategic alliance practices on organization performance of selected companies in the energy sector in Kenya. The study investigated four major components of strategic alliance practices namely; knowledge transfer, market development, operational efficiency and technological advancement. This chapter highlights the summary of the findings of study, conclusion and recommendations of the study.

5.2 Summary
The study found that that there exists a strong variance in mean for knowledge transfer and organization performance of energy companies in Kenya. The test results conclude that there was a significant statistical association between knowledge transfer and the organization performance of energy companies in Kenya. The findings highlight that for each unit change of knowledge transfer there was a change in the organization performance of energy companies in Kenya. The study shows that knowledge transfer helps organization improve on their performance as they developed new skills that help them gain competitive advantage.

The study indicates that there exists a strong variance in mean for market development and organization performance of energy companies in Kenya. The findings conclude that there was a significant statistical association between market development and organization performance of energy companies in Kenya. The findings highlight that
each unit change of market development contributes to a change in the organization performance of energy companies in Kenya. The findings of the study indicate that market development helps organizations venture into new geographical markets, form new distribution channels, acquire better pricing policies, introduce new product dimensions and diversify by introducing new products.

The study found that there exists a strong variance in mean for operational efficiency and organization performance of energy companies in Kenya. The test results conclude that there was a significant statistical association between operational efficiency and organization performance of energy companies in Kenya. The findings imply that for each change in unit for operational efficiency there was a change in the organization performance of energy companies in Kenya. The study indicates that operational efficiency helps increase productivity, automation, operating while reducing costs and improving the quality of goods and services.

The study findings highlight that there exists a strong variance in mean for technological advancement and organization performance of energy companies in Kenya. The findings conclude that there was a significant statistical association between technological advancement and organization performance of energy companies in Kenya. The findings highlight that each unit change of technological advancement contributes a change in the organization performance of energy companies in Kenya. The study found that technological advancement helps energy companies attain innovation and creativity, improved communication and improved social networking, increased productivity and efficiency and improved automation of its business processes with the assistance of software and apps.
5.2 Conclusion

The study findings conclude that knowledge transfer has a significant influence on the organization performance of energy companies in Kenya. Knowledge transfer stimulates innovation and growth and provide employees with internal knowledge base. The findings indicate that knowledge transfer can be used to identify and fill knowledge gaps, to nurture a learning culture and to enable faster and better decision making by energy companies in Kenya.

The study concludes that market development plays a significant role in assisting the organization assess new distribution channels that are essential in the organization performance of energy companies in Kenya. The study indicates that new distribution channels helps the organizations diversify by introducing new products, acquiring different pricing policies, constantly searching for mutually beneficial partnerships, venturing into new geographical markets and introducing new product dimensions.

The study findings conclude that operational efficiency is an important component in the automation of operational processes that have a significant effect on the organization performance of energy companies in Kenya. The findings show that operational efficiency reduces operating costs, improves the quality of goods and services on offer, increases productivity and helps reduce operational errors.

The study concludes that technological advancement is a critical aspect of strategic alliance practices that sees companies get a competitive advantage which creates a significant influence on the organization performance of energy companies in Kenya. The findings indicate that technological advancement encourages innovation and
creativity, improves communication and social networking, improves automation of its business processes with the assistance of software and apps, aids in fast and easy access to information and to increases productivity and efficiency.

5.3 Recommendation

The study established that strategic alliance practices have an influence on the overall organization performance of selected energy companies in Kenya. It recommends that energy companies should have a careful assessment and selection of partners before entering into an alliance in order to ensure that the relationship is mutually beneficial for all the parties involved. The findings also recommend that energy companies should make an effort of entering into various strategic alliance, this ensures diversity and expansion of their products and services as long as they ensure that their financial leverage is kept low.

The study further recommends that the Energy Regulatory Commission of Kenya (ERC) should seek ways in which to provide a conducive environment for energy companies to form strategic alliances which include mergers and acquisitions. This helps in risk reduction, attracting new customers and produce better quality of products and services. As a result, these partnerships and mergers promote a healthy competition of energy companies as the smaller companies can partner with big organization which make them compete better with their rivals.

5.4 Further Research

The study recommends further studies to be done in order to incorporate other strategic practices such as downsizing, product innovation and divesting so as to establish their influence on organization performance of energy companies. The study recommends that more studies to be done on the challenges faced by energy companies that have formed strategic alliances. This way organizations seeking strategic alliances have a
better understanding on what to do and expect therefore increasing their competitive advantage. Further research should be carried out a large-scale area for a longer duration of time, this should be sector specific so that the influence of strategic alliance can be analysed whether it works on some sectors or the economy or only specific sectors.
REFERENCES

Adero, B. (2011). Maintaining Competitiveness through Strategic Alliances; Master of business Administration Degree Dissertation; Linköping University, Sweden.


Creswell (2012). Qualitative inquiry & research design: Choosing among five approaches.

Camison et al. (2011). Non-technical innovation: Organizational memory and learning capabilities as antecedent factors with effects on sustained competitive advantage.


Peat Marwick Geordeler (KPMG), Retrieved from www.kpmg.de


APPENDICES

Appendix I: Introduction letter

I am a post-graduate student at Kenyatta University undertaking a Master of Business Administration Degree. I am carrying out a study on the “Strategic alliance practices and Performance of selected companies in the Energy sector in Kenya”.

I hereby humbly request for your participation in this study by filling in this questionnaire. Please note that all your responses to the highlighted questions are strictly be confidential hence will not be shared to any other respondents or management of the organization, the responses will be used exclusively for the purpose of this study. At no time will your name appear in any of the documents.

Thank you for taking your time to participate in this research.

Yours faithfully,

Medforth Kamau John.
Part I: Background information

Please tick appropriately.

1. Your position in the organization?
   Officer/Assistant [ ] Supervisor [ ] Manager [ ]

2. Indicate your education level.
   Secondary [ ] Graduate [ ] Post Graduate [ ]

3. Gender
   Male [ ] Female [ ]


5. Years worked in the organization 0 - 5 [ ] 6 – 10 [ ] 11 – 15 [ ] Above 15
Part II: Strategic alliance practices

This sector seeks to understand the strategic alliance practices in your organization. For each of the items stated below, please tick appropriately to an answer you agree with.

**A= Agree SA= Strongly Agreed D= Disagree SD= Strongly Disagree U= Uncertain**

<table>
<thead>
<tr>
<th>Description</th>
<th>SD</th>
<th>D</th>
<th>U</th>
<th>A</th>
<th>SA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Knowledge transfer</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 The organization stimulates innovation and growth</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 The organization identifies and fills knowledge gaps</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 The organization nurtures a learning culture</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 The organization provides employees with internal knowledge base</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 The organization enable faster and better decision making</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Market development</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 The organization has ventured into new geographical markets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7 The organization has formed new distribution channels</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8 The organization has put in place different pricing policies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9 The organization has introduced new product dimensions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 The organization has diversified by introducing new products</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11 The organization is constantly searching for mutually beneficial partnerships</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operational efficiency</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12 The organization has experienced increased productivity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>------------------------------------------------------------------------------------------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>The organization has experienced increased automation of its processes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Errors have significantly reduced</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>The organization operating costs have reduced</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>The quality of goods and services on offer has improved</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17</td>
<td><strong>Technological advancement</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>The organization has fast and easy access to information</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>The organization encourages has experienced innovation and creativity</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>The organization has seen improved communication and improved social networking</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>The organization has experienced increased productivity and efficiency</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>The organization has experienced improved automation of its business processes with the assistance of software and apps</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

31. Any other feedback about strategic alliance practices and performance in Kenya
Part III: Organization performance

Please tick on the level of agreement or disagreement with the statements below

<table>
<thead>
<tr>
<th>Description</th>
<th>SD</th>
<th>D</th>
<th>U</th>
<th>A</th>
<th>SA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 The organization has seen more consumption of goods and services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 The organization has realized higher profits for the organization</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 The organization has experienced higher customer retention in the company</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 The organization has seen increased product range and diversification</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 The organization has experienced increased market share for goods and services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 The organization has experienced new technological advances of good and service</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SD= Strongly Disagree

<table>
<thead>
<tr>
<th>Description</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>7 How has the organization seen increased consumption of goods and services?</td>
<td></td>
</tr>
<tr>
<td>8 In what way has the organization realized higher profits?</td>
<td></td>
</tr>
<tr>
<td>9 In what manner has the organization experienced higher customer retention in the company?</td>
<td></td>
</tr>
<tr>
<td>10 Which new product range and diversification has the organization experienced?</td>
<td></td>
</tr>
<tr>
<td>11 How has organization experienced increased market share for goods and services?</td>
<td></td>
</tr>
<tr>
<td>12 In what way has the organization experienced new technological advances of good and service?</td>
<td></td>
</tr>
</tbody>
</table>
Appendix II: List of energy companies in Kenya

1. Chloride Exide Kenya ltd
2. Davis and Shirtliff
3. Ofgen
4. Solargen Technologies
5. Kenya Solar Energy
6. PowerPoint Systems (E.A) ltd
7. Go Solar Systems ltd
8. Mercury Engineering Services
9. EOS Solar ltd
10. Sun Transfer
11. Solar Kenya
12. Suncity Energy Solutions
13. Renewable Solar Energy ltd
15. Kenital Solar
16. Center for Alternative Technologies ltd (CAT)
17. Biopane Energy Company
18. Orb Energy Kenya
19. Suntech Power ltd
20. M-Kopa Solar
21. Carbon Track Kenya ltd
22. InnoTech Kenya

### Appendix IV: Budget

<table>
<thead>
<tr>
<th>Item</th>
<th>Quantity</th>
<th>Unit cost (ksh)</th>
<th>Total Cost (ksh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Printing</td>
<td>100</td>
<td>20</td>
<td>2000</td>
</tr>
<tr>
<td>Stationery</td>
<td>N/A</td>
<td>1000</td>
<td>1000</td>
</tr>
<tr>
<td>Photocopying</td>
<td>600</td>
<td>5</td>
<td>3000</td>
</tr>
<tr>
<td>Transport</td>
<td>N/A</td>
<td>20000</td>
<td>20000</td>
</tr>
<tr>
<td>Flash disks</td>
<td>2</td>
<td>800</td>
<td>1600</td>
</tr>
<tr>
<td>Binding</td>
<td>6 copies</td>
<td>700</td>
<td>4200</td>
</tr>
<tr>
<td>Writing material</td>
<td>10 writing pads</td>
<td>100</td>
<td>1000</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td></td>
<td></td>
<td>10000</td>
</tr>
<tr>
<td><strong>Total.</strong></td>
<td></td>
<td></td>
<td><strong>42800</strong></td>
</tr>
</tbody>
</table>
Our Ref: DS3/OL/CTY/24909/2014

Director General,
National Commission for Science, Technology
and Innovation
P.O. Box 30625-00100
NAIROBI

Dear Sir/Madam,

DATE: 10th September, 2019


I write to introduce Medforth Kamau John who is a Postgraduate Student of this University. He is registered for M.B.A degree programme in the Department of Business Administration.

Medforth intends to conduct research for a M.B.A Project Proposal entitled, "Strategic alliance practices and organization performance of selected companies in the energy sector in Kenya".

Any assistance given will be highly appreciated.

Yours faithfully,

PROF. ELISHIBA KIMANI
AG: DEAN, GRADUATE SCHOOL
This is to Certify that Mr. Medforth Kamau of Kenyatta University, has been licensed to conduct research in Nairobi on the topic: STRATEGIC ALLIANCE PRACTICES AND ORGANIZATION PERFORMANCE OF SELECTED COMPANIES IN THE ENERGY SECTOR IN KENYA for the period ending: 30/November/2021.

License No: BAHAMAS ABS/P/20/7961

Applicant Identification Number: 310444
Declaration

Student Declaration

This research project is my original work and has not been presented for a degree or other award in any university. No part of this research project should be reproduced without authority of the author or/and Kenyatta University.

Signature .................................. Date 20/11/2020

Medforth Kamau John

Reg No: D53/OL/CTY/24909/2014

This research project has been submitted to the university with my approval as the university supervisor.

Signature .................................. Date 20/11/2020

Dr. Samuel Maina

School of Business

Kenyatta University