INFLUENCE OF INNOVATION STRATEGIES ON THE PERFORMANCE OF FIRM’S LISTED IN NAIROBI SECURITIES EXCHANGE, KENYA

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A Research Project Submitted to the Graduate School in Partial Fulfillment for the Requirements of the Award of the Degree of Masters in Business Administration of Egerton University

EGERTON UNIVERSITY

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DECLARATION

This project is my original work and has not been presented for a degree in this or any other university for examination.

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CM16/0274/12

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APPROVAL

This project has been submitted for examination with my approval as university supervisors.

SUPERVISOR

Sign: ................................................... Date-----------------------------

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LECTURER: EGERTON UNIVERSITY NAIROBI CAMPUS
DEDICATION

I dedicate this work to my family for their understanding and support during the study period.
ACKNOWLEDGEMENT

Most important of all I extend my gratitude to the Almighty God for the strength, knowledge and vitality that helped make this project a reality.

I would wish to thank my family for their support and encouragement and understanding.

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ABSTRACT

Strategy is the direction and scope of an organization over the long term which achieves advantage in a changing environment through its configuration of resources and competences with the aim of fulfilling stakeholders’ expectations. However, research on predictive power of innovative strategies on the performance of firms listed in the NSE is inadequate. This study aimed at exploring this area in the hope of providing important answers to how innovation can be used to leverage performance of organizations in Kenya. The general objective of the study was to investigate effects of various innovation strategies on the performance of firms listed in the NSE. The study adopted a descriptive and inferential research design; the target population for the study was the 61 organizations, where a sample of 53 respondents were selected using simple random sampling technique. In order to collect the relevant data, a semi-structured questionnaire was used. To ascertain the validity and reliability of questionnaire, a pilot survey was conducted. The questionnaires were administered to the sampled respondents. Statistical analyses were conducted using statistical package for social sciences (SPSS) to calculate descriptive statistics, analysis and regression. The Model summary of the regression analysis showed that all the independent variables accounted for 72.4% of the variance in firm performance. Technological strategies, Product development strategies, market strategies and Process strategies were found to have a positive correlation with the performance of firms in NSE. The study recommended that Firms in service industry could make significant gains by pursuing product and process innovations. This is because the impact on performance is much more significant given the nature of the industry. Technological innovations rank higher probably because the market has matured and hence cost savings derived from innovative processes become more attractive for growth.
## TABLE OF CONTENTS

**ECLARATION** .................................................................................................................................................. 1

**OPYRIGHT** .................................................................................................................................................. 1

**EDICATION** .................................................................................................................................................. 1

**CKNOWLEDGEMENT** ................................................................................................................................. 1

**BSTRACT** ..................................................................................................................................................... 1

**IST OF FIGURES** .......................................................................................................................................... 1

**APTER ONE** ................................................................................................................................................ 1

**NTRODUCTION** ......................................................................................................................................... 1

1.1 Background of the Study .......................................................................................................................... 2
1.1.1 Innovation Strategy ............................................................................................................................. 2
1.1.2 Firm Performance ............................................................................................................................... 2
1.1.3 Nairobi Securities Exchange ............................................................................................................ 2
1.2 Statement of the Problem ....................................................................................................................... 2
1.3 Objectives of the Study ........................................................................................................................... 2
1.4 Research Hypothesis ............................................................................................................................... 2
1.5 Significance of the study ......................................................................................................................... 2
1.6 Scope of the Study .................................................................................................................................. 2
1.7 Limitations of the Study .......................................................................................................................... 2
1.8 Operational Definition of Terms ............................................................................................................ 2

**APTER TWO: LITERATURE REVIEW** ......................................................................................................... 2

2.1 Introduction ............................................................................................................................................... 3
2.2 Organizational Performance ..................................................................................................................... 3
2.3 Innovation Strategies ............................................................................................................................... 3
2.3.1 Technological Strategies ..................................................................................................................... 3
2.3.2 Product Development Strategies ....................................................................................................... 3
2.3.3 Marketing Strategies ............................................................................................................................ 3
2.3.4 Process Strategies ............................................................................................................................... 3
2.4 Theoretical Framework ........................................................................................................................... 3
2.5 Conceptual Framework ........................................................................................................................... 3

**APTER THREE: RESEARCH METHODOLOGY** ............................................................................................... 3

3.1 Introduction ............................................................................................................................................... 4
3.2 Research Design ..................................................................................................................................... 4
3.3 Target Population .................................................................................................................................. 4
3.4 Sampling Procedure and Sample Size ..................................................................................................... 4
3.5 Data Collection ....................................................................................................................................... 4
3.6 Validity and Reliability ............................................................................................................................ 4
3.7 Data Analysis .......................................................................................................................................... 4

**APTER FOUR: RESULTS AND DISCUSSIONS** ............................................................................................ 4

4.1 Introduction ............................................................................................................................................... 5
4.2 Response Rate
4.3 Descriptive analysis of the responses on innovation strategies and performance
4.4. Hypotheses Testing
4.4.1. Effect of innovation strategies on firms’ performance

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Introduction
5.2 Summary of the findings
5.3 Recommendations and Policy Implication
5.4 Implications of the Findings to the Management
5.5 Suggestion for Further Studies

REFERENCES

APPENDICES

Appendix I: Questionnaire
Appendix II: List of Firms in the NSE
Appendix III: Reliability of Research Instruments

LIST OF TABLES

Table 4.1: Results of descriptive statistics of responses on Technological Innovations
Table 4.2: Results of descriptive statistics of responses on Market Innovations
Table 4.3: Results of descriptive statistics of responses on Product Innovations
Table 4.4: Results of descriptive statistics of responses on Product Innovations
Table 4.5: Firms’ Performance over the last five years
Table 4.6: Pearson’s Correlation Analysis exploring the relationship among innovation strategies and performance
Table 4.7: Results of multiple regression analysis establishing the combined effects of innovation strategies and performance
Table 4.8: Regression Analysis Results
Table 4.9: Model Summary
Table 4.10: ANOVA Results
LIST OF FIGURES

Figure 2. 1: Relationship between independent variables and the dependent variable ....18
Figure 4. 1: Gender Distribution of the Respondents ........................................................ 23
Figure 4. 2: Higher Education Level of Respondents ........................................................ 24
Figure 4. 3: Length of Continuous Service ....................................................................... 25
Figure 4. 4: Distribution of respondents by departments ................................................. 26
<table>
<thead>
<tr>
<th>ACRONYM</th>
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</tr>
</thead>
<tbody>
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