



AFRICAN JOURNAL OF BUSINESS AND MANAGEMENT

(AJBUMA)

ISSN 2079-410X



**PERFORMANCE OF STRATEGICALLY ALLIED ENTERPRISES IN KENYA: THE
JOINT INFLUENCE OF STRATEGIC ALLIANCES, ORGANIZATIONAL
CHARACTERISTICS AND COMPETITIVE ADVANTAGE**

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Date Received | Date Accepted
23/09/2022 | 11/02/2023

Abstract

Researchers and practitioners in strategic management are increasingly trying to figure out why some businesses perform better than others even when they are in the same or similar business conditions. With the ever changing business environment strategic alliances are seen as the best strategies to enhance organizations innovative capabilities as a means to stay current in their field and enhance performance. The objective of this study was to determine the joint effect of strategic alliances, organizational characteristics and competitive advantage on performance of strategically allied enterprises in Kenya. The relevant theories reviewed for this study are network theory, Resource Dependency Theory, Resource Based View theory and Market Based View Theory. The study applied positivism research philosophy and descriptive cross-sectional design with target population constituted of the executives of the 40 strategically allied enterprises. With the aid of semi-structured questionnaires, primary data was gathered. Both descriptive and inferential statistics were used to analyze the data. Based on the goals of the study, the hypotheses were created and evaluated. The findings of the study showed that strategic alliances, organizational characteristics and competitive advantage have a significant and positive joint influence on enterprise performance. The results contributes to policymakers as the insights gained aid them in improving their policymaking abilities, as well as using invention in strategy employment in zones of aptitude creation, alliance building by strategically allied companies, and the overall benefits accrued by companies in alliances. Thus, policymakers and practitioners operating in the strategically allied enterprises should take advantage of the findings of this research and benefit from the implementation of the right kind of strategies like strategic alliance together with putting in place the right organizational characteristics and competitive advantage to maximize on their performance.

Key words: *Strategic alliances, Organizational characteristics, Competitive advantage, Performance, Strategically allied enterprises*

Introduction

Researchers and practitioners of strategic management generally aim to understand why some organizations perform better and grow at a faster rate than others, although operating in a similar market conditions (Hahn, Howard, Lyon, Russo & Walls, 2021). Rapid changes in globalization and technology necessitate organizations to constantly examine their strategies to enhance their innovative capabilities as a means to stay current in their field and enhance performance (Hayfa, Abraddous, Abdullah, Sokkar, Blaquees, 2018). In an effort to identify sources of heterogeneous enterprise performance, strategy scholars have researched on various factors. Among the factors which have been linked to enterprise performance are strategic alliances. Organizations use strategic alliances as road map to acquire valuable resources necessary for successful performance (Das & Teng, 2000). Even though strategic alliances have been found to influence enterprise performance, they cannot be the only factor. Other factors include organizational characteristics and competitive advantage.

Organizational characteristics are specific features inherent in a company which are categorized in different indicators that gives a firm a different and distinct form from other firms; the inner variables considered as capabilities influencing day to day operations and the overall enterprise competitive advantage and performance (Favaro, 2015; Mitchell & Singh, 2011; Badriyah, Sari, & Basri, 2015). From the practical point of view, organizational characteristics are applicable in improving enterprise competitive advantage and helping administrators well understand on raising profitability. Conversant about features influencing strategy choice to be employed at any given time, administrators of

organizations regulate the most vital guidelines for upgrading to increase their competitive edge and consequently performance (Krishnan et al., 1999).

O'Sullivan et al (2009), argue that a firm's characteristics include age of the firm (measured by number of years in operation), size of the firm (measured by the number of employees), ownership structure, management, customers and markets and sources of capital. Hoang, Igel, and Laosirihongthong (2010) suggest that firm characteristics like its age, size, industry type, technology adoption and degree of a firm's innovativeness do influence enterprise performance. The study conceptualizes organizational characteristics based on Kisengo and Kombo (2012) as size, age and ownership structure.

Gathongo and Ragui (2014) assert that a good physical location is essential for an organization's image. Organizations are therefore willing to spend heavily for a location that is right for their image. Kiganane, Bwisa and Kihoro (2012) suggest that characteristics such as age and ownership structure make it more likely for large organizations to invest more in technology, research and development (R&D) and innovation related activities. Similarly, Anderson and Loof (2009) contend that financial resource; physical and human capital, size, corporate ownership and organization sector are important for innovation and influence enterprise performance.

The resource-based view fundamentally clarifies the impact of organizational characteristics on performance and strategies consequences within an industry. The main dimensions of variances in strategy and performances among competing firms within an industry are the presence of distinctive organizational characteristics

capable of generating core resources that are hard to imitate (Peteraf, 1993; Wernerfelt, 1984). These essential resources are made internally through continued investments in hard-to-copy characteristics and organisational dedication to specific strategic actions. These exclusive organizational characteristics, combined with causal uncertainty, create segregating mechanisms that shield the competitive positions of companies against imitation (Okondo, 2017; Wernerfelt, 1984). This heterogeneity consecutively creates systematic variances in the performance of firms within the same industry.

Previous studies (Kale, Dyer & Singh, 2009; Jonsson, 2007) indicate that as organizations develop mature; acquaintance allows them execute well than earlier. Meaning, with time, more operative and proficient administrative competences and processes will be deciphered to advanced earnings on reserves, triggering advanced performance. The size of an organization is the amount and variety of operational aptitude and capability an organization owns or the quantity plus range of facilities an organization provides simultaneously to the clientele (Jonsson, 2007). Ownership affects a firm's posture toward diversification.

Porter (1985) defines competitive advantage as an advantage over competitors gained by offering consumers greater value either by means of lower prices or by providing products that give the consumer greater benefits and services that justify a higher price. Competitive advantage denotes a firm's ability to achieve market superiority and its pursuit is the root of enterprise performance (Dirisu et al., 2013). Dirisu et al., (2013) explains competitive advantage as the degree to which an organisation is capable of gaining and retaining a dominant position over the competition through value

creation for its customers Competitive advantage signifies a firm's capability of achieving market supremacy and its pursuit is the root of enterprise performance. This concept is the core of strategic management as every organization searches for an advantage point that could deliver a competitive edge against its rivals.

Awwad et al. (2013) express competitive advantage as the scope a firm is creating and maintaining creating better customer worth and achieving greater performance through price/cost, quality, speed, dependability and flexibility. Production at low cost assures low product pricing relative to the competition whereas a high-quality product is one produced according to specification with no defects. Speed on the hand refers to reduced lead times while dependability is product delivery the way a customer was promised. Finally, flexibility is the ability of a firm to respond to changes in the volume of production, time taken to make, the product mix and invent and introduce novel services or products at short notice. In this study competitive advantage indicators are taken as cost, quality, speed, dependability and flexibility.

Campbell et al., (2012) state that possessions and proficiencies are facts and abilities rooted in humans. Therefore, mortal wealth is the central of a competitive advantage if valued, erratic and is reserved from opponents. Information technology, which was a main basis of competitive advantage, is freely accessible at exponentially declining costs. Aftermaths of pioneering technology may be reverse-engineered, then in months introduced to competitors at a lower cost. The notion is fundamental in strategic management as each association pursuit for an advantage brim delivering a competitive brink alongside its opponents. These include better cost advantage, product differentiation, and resources which are

difficult for competitor to imitate (Porter, 1985). Competitive advantage is also resulting from wealth challenging contestants imitating (Barney, 1991).

Campbell et al., (2012) state that resources and capabilities may take the form of knowledge and skills that are embedded in people. Therefore human capital can be at the core of a competitive advantage if valuable, rare and can be kept from rivals. Information technology, which was a primary source of competitive advantage, is now readily available at exponentially decreasing costs. Outcomes of cutting-edge technology can be reverse-engineered, and within months introduced to competitors at a lower cost. One way of gaining competitive advantage over rivals has been identified as achieving a better cost advantage. Product differentiation to accommodate the needs and wants of customers in the business process can also be a source of competitive advantage (Porter, 1985).

Competitive advantage is also derived from resources that are difficult for competitors to imitate (Barney, 1991). Such resources are beyond competitors' financial or strategic means. They are specific to or tightly intertwined with the organization's history, culture, structure, and processes. Successful firms are argued to achieve a competitive position by the creation and exploitation of their distinctive competences (Barney, 1991; Wernefelt, 1984).

Research Problem

The pursuit of strategic alliances is arguably the central theme of the academic field of strategic management (Lefort, McMurray & Tesvic, 2015). For any organization to succeed in a competitive market, entering strategic alliances with other organizations with superior and unique resources and capabilities is inevitable (Mitchell & Singh, 2011). For the organizations to attain

performance targets, they must craft various strategies including forming strategic alliances in line with the key organizational characteristics to achieve and attain superior performance. Attaining and sustaining a competitive advantage has been and remain being a major pre-occupation of managers in organizations. Gulati (2013) acknowledges that managers no longer believe in unhealthy competition but have become more concerned that organizations need to access unique resources and distinctive competencies through forming strategic alliances to enable them attain a sustainable competitive advantage.

Participation in global value chains (GVCs), global manufacturing networks (GMNs), joint ventures and various kinds of alliances have been the movers of technological progress, economic growth and success in international markets for many developing countries. Ideally, several companies have been established to increase export promotion, diversify the domestic industry base and increase employment opportunities within the countries of operation through various foreign market entry strategies of foreign direct investment, joint ventures, franchising and exporting in order to increase their customer base and profits (Mwangi, 2016). The country has witnessed high fluctuations in foreign currency with the exchange rate for the USD ranging from Ksh 80-104 (Njunge, 2015). This exchange rate is the greatest headache for any "export" processing zone enterprise. This has prompted the EPZ enterprises in Kenya to venture into a number of strategic alliances aimed at reversing the competitive challenges in international market in the wake of high fluctuations in the foreign exchange rates.

Through equity alliances such as supplier-buyer contracts, and even in cases of minority ownership (which are more usual), Strategic alliance enterprises seek a certain

measure of control of companies that are important to them for such purposes as sharing designs; engineering and parts; ease of market entry; and development of new products and systems. These are characterized with intra-firm cooperative arrangements described as alliance capitalism which includes different types of cooperative arrangement such as joint ventures, strategic alliances, co-production and marketing, joint R&D, contract design and manufacturing with equity and nonequity modalities (Njunge, 2015 and Mwangi, 2016). This has brought about many challenges in managing the strategic alliances between the firms within the country and those alliances with manufacturing firms outside Kenya.

Sarkar et al. (2001) established a positive relationship between strategic alliance and enterprise performance. The positive correlation enables cost cutting and value creation. Brandenburger and Stuart (2005) presented an unbiased sense to competitive advantage concept thru value addition measure. Arasa and Gathinji (2014), in a study of mobile telecommunication companies in Kenya found that product differentiation and cost leadership as a result of strategic alliances contribute most to performance of the firms.

Firms possess different characteristics in terms of age, size and ownership structure. Ongeti (2014) found out that firm characteristics influences enterprise performance. Galbreath and Galvin (2008) found out that enterprise performance depends on both firm specific resources and structural characteristics of the industry. Thus, it is hypothesized that strategy alliances influence organization performance. This relationship is subject to other factors such as competitive advantage and firm characteristics. Ongore and K'Obonyo (2011) posit that organizational

characteristics particularly ownership structure leads to improved enterprise performance depending on the influence or autonomy the managers enjoy.

Organizations need effective strategic alliances to enable them gain competitive advantage in order to realize superior performance (Kim, 2015). Camison, Navarro and Villar (2010) affirm that strategic alliances do not solely provide a source of competitive advantage leading to enterprise performance but requires other factors such as organizational characteristics. Awino, Mutoria and Oeba (2012) posit that the outcomes of any organization are achieved when strategies are well planned and executed. Their study did not take cognizant about the part played by strategic alliances plus also whether the unique characteristics possessed by the firm influence's performance. Makau (2012) indicated that competitiveness of firms is achieved when strategic alliances with similar objectives and line of business are created within a portion of unique organizational characteristics.

Contextually, many strategic alliances studies and enterprise performance exist in different context like large manufacturing firms in the developed economies (Flatten, Greve & Brettel, 2011; Jiang, Tao & Santoro, 2010). No study has been done for strategically allied organizations in Kenya, though the enterprises plays a vital part in achievement of Kenya's vision 2030. The study seeks determining the joint effect of strategic alliances, organizational characteristics and competitive advantage on performance of strategically allied enterprises.

Objectives of the Study

The general objective of this study was to determine the joint effect of strategic alliances, organizational characteristics and

competitive advantage on performance of strategically allied enterprises.

Theoretical And Empirical Review

The segment sketches and discusses theories underneath the research in line with the relationship in the study variables strategic alliances, organizational characteristics, competitive advantage and performance. The relevant theories reviewed for this study are network theory, Resource Dependency Theory, Resource Based View theory and Market Based View theory. Network theory (Laumann et al. 1978) serves as a foundation for this study. This theory compound both theory of tie formation and theory of social capital. Musarra et al. (2016), stated that strategic alliances add up to the firms' competitive advantage via evaluating performance results. The nature of the fit between strategic alliance and organization performance states that strategic alliances stock up social, communal plus ethnic wealth inside firms via periphery with the marketplace on their private relations, nonetheless government strategies and interrelated communal barricades. The theory stands on the universal impression that financial activities get impact from the societal environment embedding them plus activities may be impacted by actors' position in social networks.

Resource Dependence Theory originates from authority and interchange-founded theories of bring together plus open systems perspective (Pfeffer & Salancik, 1978, Shun & Lewin, 2007). Resource dependence argues that firms rely on properties of other firms; interfirm relations institute a tactical reaction for monitoring this dependence and uncertainty theory (Pfeffer & Salancik, 1978). Organizations face multifaceted environment originating on their diverse relations thru other objects having varied programs and welfares (Wry et al. 2013).

According to Heilde, (1994), RDT interpret interfirm authority equally tactical reaction to situations of indecision besides dependence. Resource dependency theory advocates that organizations ought to depend on their association with competitors, creditors, suppliers, customers and government in order to acquire resources (Barringer & Harrison, 2000). RDT aims at minimizing inter firm dependencies and conserving the firm's autonomy meanwhile distinguishing that interfirm relations are essential in acquiring resources (Gray & wood, 1991).

The Resource-Based View theory as progressed by Wernerfelt (1984). It proposes that the resource contour of the firm drives performance whereas the foundation of greater performance is rooted in the ownership and utilizing distinct resources tough imitating. RBV recommends that firms accomplish sustainable competitive advantage by possessing various key resources and successfully deploying the resources in marketplaces of choice (Barney, 1991). O'Cass et al., (2004) says precise features of a company have the capability to produce problematic in imitating central resources determining the performance disparity amongst contestants. Resource based view looks at tactic and resolution making behavior as rooted in a broader societal construction established steadily with time. It offers barricade to imitations (Moroz et al. 2014). Resource based view highlight exactly how firms attain competitive advantage thru collaboration with outside organizations, explain strategic alliances in form of social networks and interenterprise relationships. Resource based view highlight the manner firms obtain competitive advantage thru collaboration with outside establishments; explain strategic alliances in form of social networks and inter enterprise relationships.

The Market-Based View (MBV) of strategy advanced by Peteraf and Bergen (2003) argues that industry factors and external market orientation are the primary determinants of firm competitive advantage. The theory argues that the sources of value for the firm are embedded in the competitive situation characterizing its end-product strategic position. The strategic position is a firm's unique set of activities that are different from their rivals. Alternatively, the strategic position of a firm is defined by how it performs similar activities to other firms, but in very different ways. In this perspective, a firm's profitability or performance are determined solely by the structure and competitive dynamics of the industry within which it operates (Schendel 1994).

Musarra et al. (2016), stated that strategic alliances add up to the firms' competitive advantage via evaluating performance results. The nature of the fit between strategic alliance and organization performance states that strategic alliances stock up social, communal plus ethnic wealth inside firms via periphery with the marketplace on their private relations, nonetheless government strategies and interrelated strategies.

Njoroge and Mbugua (2017) did a research on upshot of tactical alliances on financial performance of Postbank financial partners in Kenya. The examination was evocative design targeting Postbank's ten financial partners. Data was collected using document analysis of bank declaration of economic performance plus declarations of complete revenue all through phase 2000-2016. The study found out those strategic alliances leads competitive advantage and has an affirmative upshot on returns plus success plus no upshot on cost proficiency of Postbank financial partners. Demirbag and Mirza (2014) did an experiential

examination of extraneous-native partner dealings, firm characteristics plus performance in mutual endeavors in Turkey. Management directors were interrogated unswervingly in numerous republics: in the UK, Germany, France and Belgium for external parentages; and in Turkey for native parentages plus combined schemes. The enquiry verdicts obtainable in this paper approve the opinion that there is a robust association amongst the nature of relations (encounter, obligation, collaboration, hope) plus performance (demarcated mutually in terms of financial magnitudes and gratification. Macharia (2018) steered training on sway of strategic alliances on effectiveness of intercontinentally graded law firms in Kenya. Quantitative research design was used thru a questionnaire. The work got law companies in Kenya are inflowing to Ad Hoc Referral, Greatest Associates plus Swiss Verein customs of tactical alliances with overseas law companies. Amongst the three tactical alliance models, the Swiss Verein model partake utmost sway to bring about an affirmative upsurge in competitiveness plus entrance to fresh marketplaces plus prospects is key resource motivating competitiveness.

Methodology

The study applied positivism research philosophy and descriptive cross-sectional design with target population constituted of the executives of the 40 strategically allied enterprises. With the aid of semi-structured questionnaires, primary data was gathered. Both descriptive and inferential statistics were used to analyze the data at a 95% confidence interval in order to examine significance of the relationships between the variables and to test the hypotheses. Analyzed data was presented using tables and figures for ease of interpretation.

Results

In this section, results and findings of the regression analysis are documented and presented. The study objective was to assess the joint effect of strategic alliances, organization characteristics and competitive advantage on enterprise performance. The hypothesis tested was:

H₀₄: There is no significant joint effect of strategic alliances, organizational characteristics and competitive advantage on enterprise performance.

The hypothesis was tested using multiple regression analysis. In the regression model, enterprise performance was the dependent variable, while strategic alliances, organizational characteristics, and competitive advantage were predictor variables. The analysis was in two levels; Variable measurement model and indicator measurement model and Results are presented in Table 1 (a), (b) and (c).

Table 1 (a): Model Goodness of Fit on the Joint Effect of Strategic Alliances, Organizational characteristics, Competitive Advantage and Enterprise Performance (Variable measurement Model)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.867 ^a	.751	.727	.40051

a. Predictors: (Constant), Organizational characteristics, Strategic alliances, Competitive advantage

As presented in table 1 (a) above, 72.7% (Adjusted R² = 0.727) of variations in the enterprise performance are explained jointly

by strategic alliances, organizational characteristics and competitive advantage.

Table 1 (b): Model Overall Significance on the Joint Effect of Strategic Alliances, Organizational characteristics, Competitive Advantage and Enterprise Performance (Variable measurement Model)

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15.034	3	5.011	31.242	.000 ^b
	Residual	4.973	31	.160		
	Total	20.007	34			

a. Dependent Variable: Enterprise performance

b. Predictors: (Constant), Organizational characteristics, Strategic alliances, Competitive advantage

Source: Author, 2021

Table 1 (b) presents that the model is statistically significant in explaining the joint effect of strategic alliances, organizational characteristics and competitive advantage on enterprise performance specifically in strategically

allied enterprises in Kenya, F = 31.242, P<0.05).

Table 1 (c): Regression Coefficients on the Joint Effect of Strategic Alliances, Organizational characteristics, Competitive Advantage and Enterprise Performance (Variable measurement Model)

Model		Coefficients ^a			t	Sig.
		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta		
1	(Constant)	.188	.730		.258	.798
	Strategic alliances	1.314	.204	1.048	6.434	.000
	Competitive advantage	.259	.203	.214	1.273	.0213
	Organizational characteristics	.089	.203	.042	.438	.0365

a. Dependent Variable: Enterprise performance

As presented in Table 1 (c), using standardized coefficients: Strategic alliances have a positive effect on joint effect of organizational characteristics and competitive advantage on enterprise performance ($\beta = 1.048$, $t = 6.434$, $P < 0.05$); competitive advantage has a positive effect on joint effect of strategic alliances and organizational characteristics on enterprise performance ($\beta = 0.214$, $t = 1.273$, $P < 0.05$); organizational characteristics has a positive effect on joint effect of strategic alliances and competitive advantage on enterprise performance ($\beta = 0.042$, $t = .438$, $P < 0.05$).

The relationship derived on the joint effect of strategic alliances, organizational characteristics and competitive advantage on enterprise performance is statistically significant. The regression equation derived was thus as follows:

$$\text{Enterprise performance } (Y) = 1.048 \text{ Strategic alliances} + .214 \text{ Competitive advantage} + 0.042 \text{ organizational characteristics}$$

The results of the beta coefficient showed that a unit increase in strategic alliances will

cause 1.048 positive effect on enterprise performance ($\beta = 1.048$, $t = 6.434$, $P < 0.05$); a unit increase in competitive advantage will cause 0.214 positive effect on enterprise performance ($\beta = 0.214$, $t = 1.273$, $P < 0.05$). A unit increase in organizational characteristics will cause a 0.042 effect on enterprise performance ($\beta = 0.042$, $t = .438$, $P < 0.05$).

The findings therefore rejects null hypothesis H_{04} that there is no significant joint effect of strategic alliances, organizational characteristics and competitive advantage on performance of strategically allied firms in Kenya.

Further indicator measurement model was used in testing the joint effect of strategic alliances, organizational characteristics and competitive advantage on enterprise performance. This is because the independent, intervening and the moderator variables are not single-indicator variables where the variable is set to be equal to its single indicator.

Table 1 (d): Model Goodness of Fit on the Joint Effect of Strategic Alliances, Organizational characteristics, Competitive Advantage and Enterprise Performance (Indicator measurement Model)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.844 ^a	.712	.575	.50033

a. Predictors: (Constant), Management skills, Ownership structure, Equity alliances, Flexibility, Price/cost, Firm age, Joint ventures, Dependability, Non-Equity alliances, Speed, Quantity

As coefficients for indicator measurement model: presented in table 5.8 (d) above, 71.2% (Adjusted $R^2 = 0.712$) of variations in the enterprise performance are explained jointly by Management skills, Ownership

structure, Equity alliances, Flexibility, Price/cost, Firm age, Joint ventures, Dependability, Non-Equity alliances, Speed and Quantity.

Table 1 (e): Model Overall Significance on the Joint Effect of Strategic Alliances, Organizational characteristics, Competitive Advantage and Enterprise Performance (Indicator Measurement Model)

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	14.249	11	1.295	5.175	.000 ^b
1 Residual	5.758	23	.250		
Total	20.007	34			

a. Dependent Variable: Enterprise performance

b. Predictors: (Constant), Management skills, Ownership structure, Equity alliances, Flexibility, Price/cost, Firm age, Joint ventures, Dependability, Non-Equity alliances, Speed, Quantity

Table 1 (e) presents the indicator measurement model which implies, that the model is statistically significant in

explaining the joint effect of strategic alliances, organizational characteristics and competitive advantage on enterprise performance, $F=5.175$, $P<0.000$.

Table 1 (f): Regression Coefficients on the Joint Effect of Strategic Alliances, Organizational characteristics, Competitive Advantage and Enterprise Performance (Indicator Measurement Model)

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.565	1.093		1.432	.0166
Joint ventures	.233	.237	.239	.981	.0337
Equity alliances	.240	.308	.241	.701	.0499
Non-Equity alliances	.754	.293	.667	.575	.017
Price/cost	.170	.290	.107	.586	.0464
Quantity	2.054	1.827	1.350	1.124	.0273
Speed	.435	.605	.242	.719	.0479
Dependability	.186	.399	.124	.466	.0345
Flexibility	.027	.362	.013	.075	.0241
Firm age	2.019	1.752	1.327	1.152	.0261
Ownership structure	.349	.371	.232	.941	.0356
Management skills	.231	.531	.152	.435	.018

a. Dependent Variable: Enterprise performance

The results of the beta coefficient from indicator measurement model showed that: Joint ventures, Equity alliances, Non-Equity alliances, Price/cost, Quantity, Ownership structure and Management skills have positive and significant effect on joint effect of strategic alliances, organizational characteristics and competitive advantage on enterprise performance ($P < 0.05$). Quantity have a strong positive effect on joint effect of strategic alliances, organizational characteristics and competitive advantage on enterprise performance ($\beta = 1.350$, $t = 1.124$, $P < 0.05$). This was followed by firm age ($\beta = 1.327$, $t = 1.152$, $P < 0.05$) and Non-Equity alliances ($\beta = .667$, $t = .575$, $P < 0.05$). Furthermore speed was also positive and significant ($\beta = .242$, $t = .719$, $P < 0.05$). The findings also shows Ownership structure,

Management skills, Joint ventures and Equity alliances having significant effect on the joint effect of strategic alliances, organizational characteristics and competitive advantage on enterprise performance with ($\beta = .232$, $t = .941$, $P < 0.05$) ($\beta = .152$, $t = .435$, $P < 0.05$) ($\beta = .239$, $t = .981$, $P < 0.05$) and ($\beta = .241$, $t = .701$, $P < 0.05$) respectively.

At variable level strategic alliances had coefficient of 1.048 which was the most significant compared to competitive advantage ($\beta = .214$) and 0.042 organizational characteristics ($\beta = .042$). This is in line with indicator level where strategic alliances indicators are the most positive and significant Non-Equity alliances ($\beta = .667$, $t = .575$, $P < 0.05$); Joint ventures ($\beta = .239$,

t=.981, $P<0.05$) and equity alliances ($\beta=.241$, $t=.701$, $P<0.05$) followed by competitive advantage indicators Quantity ($\beta=1.350$, $t=1.124$, $P<0.05$); speed ($\beta=.242$, $t=.719$, $P<0.05$) and management skills ($\beta=.152$, $t=.435$, $P<0.05$) and finally organizational characteristics indicators firm age ($\beta=1.327$, $t=1.152$, $P<0.05$)

Ownership structure and ($\beta=.232$, $t=.941$, $P<0.05$). Jointly therefore, strategic alliances, organizational characteristics and competitive advantage are good predictors of enterprise performance.

The regression equation derived was thus as follows:

$$\text{Enterprise Performance (Y)} = 0.239 X_1 + 0.241 X_2 + 0.667 X_3 + 0.107 X_4 + 1.350 X_5 + 0.242 X_6 + .124 X_7 + 0.013 X_8 + 1.327 X_9 + 0.232 X_{10} + 0.152 X_{11}$$

Where:

X_1 = Joint ventures

X_2 = Equity alliances

X_3 = Non-Equity alliances

X_4 = Price/cost

X_5 = Quantity

X_6 = Speed

X_7 = Dependability

X_8 = Flexibility

X_9 = Firm age

X_{10} = Ownership structure

X_{11} = Management skills

The joint effect of strategic alliances, organizational characteristics and competitive advantage on performance of strategically allied enterprises was statistically significant. This implies, overall, strategic alliances, organizational characteristics and competitive advantage are good predictors of enterprise performance. The findings therefore rejects

null hypothesis that there is no significant joint effect of strategic alliances, organizational characteristics and competitive advantage on performance of strategically allied enterprises in Kenya.

Conclusions And Recommendations Of The Study

The objective was to assess how much change in enterprise performance would be jointly explained by the changes in strategic alliance, organizational characteristics and competitive advantage. The results reveal that the joint effect of strategic alliance, organizational characteristics and competitive advantage on enterprise performance was statistically significant. The results show that jointly the variables explain 67.8% of the variations in enterprise performance ($R^2 = .678$). Therefore, the hypothesis was supported by the results of the study. Running a successful business is not merely about having a high quality product or picking a suitable strategic alliance. It is also about leveraging the right kind of strategies like strategic alliance to reach out to the target audience and convert them into leads or customers. Thus, policymakers and practitioners operating in the strategically allied enterprises should take advantage of the findings of this research and benefit from the implementation of the right kind of strategies like strategic alliance together with putting in place the right organizational characteristics and competitive advantage to maximize on their performance.

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