

**EFFECT OF COMPETITIVE ENVIRONMENT RESPONSES ON ORGANIZATIONAL  
PERFORMANCE A COMPARATIVE RESPONSE ON KENYA POWER COMPANY IN  
KISII AND NYAMIRA COUNTIES, KENYA**

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**ABSTRACT**

*The Kenya power company has been operating in vibrant and turbulent environment responses which call for active response to customers. Several complaints have been raised but none the company had addressed regarding their performance in its operations in both short-term and long term actions. The competitive environmental responses brought by anxieties and threats created by new entrants, technological advancement, social reforms, legislative changes, government policy changes, regionalization and economic changes. The study aims to assess the effect of social competitive responses on organizational performance, to determine the effect of technological response on organizational performance. The study adopted a comparative study design. The study targeted a population of 218 respondents who were employees of Kenya Power company were 65 respondents sampled. The research questionnaire was used to collect data. Data collected was analyzed using descriptive statistics. Multiple regression technique was used in determining the simultaneous effect of the independent and dependent variable. Findings from the study concluded that respondents agreed that employees are encouraged to use brand image value for competitive response in improving performance, efficiency power transmission improve efficiency in operations. Adequate social response use low cost to ensure quality of service, power distributions is the best route to high performance, and engage customers to enables more uptake in case of performance and finally just about same number of respondents were neutral that engage customers to enables more uptake. The study established that there is weak relationship between competitive environment responses and organizational performance.*

**Keywords:** *competitive environment responses, organizational performance*

**INTRODUCTION**

The highly turbulent competitive environment coupled with most insatiable customer demands for tailored services and products has forced organizations to over time evaluate, improve and reengineer their operations. Customer response influences strategies created by the firm for its survival and growth. It also affects management practices of the firm (Basim, 2016). In Turkey, company needs to achieve their performance through social competitive response, but they must ensure that its overall CER is superior to other companies.

The modern competitive environment for KPC is characterized by performance and achieved growth in its operations especially in electric metering, licensing, billing, and emergency electricity service and customer relations. However its performance is still demanding, for instance KPC inflates power bills to its customers,

postpaid meters are not read they do estimates that lead to illegal connections, the electronic payment system normally breaks making hard for payment of top up tokens on prepaid meters, customers often encounter delays when buying tokens through the pay bills assigned this contributes to power outages, there is exploitation by third party vendors who charge prepaid customers and there is pressure on the payment channel and delayed in installation of prepaid paid meters hence turning away customers. Mwende (2013) analyzed strategic issues management employed by KPC. The study adopted case study design with 10 respondents to gauge strategic issue management. The study indicated that the company has clear vision and strategy that communicated, but failed to analyze technology in its operations which has not been developed to its performance, thus sample size of the population was too small to respond to competitive environment.

### **1.1 Statement of the problem**

Kenya Power Company has failed to respond to customers demands and hence their performance has declined with other competitors. This can only be achieved by adopting competitive environment response at technical level and social competitive level. A study analyzed by Mwikali (2012) showed that the response strategies were adopted by Kenya Pipeline Company but it was limited to handle the challenges affecting oil Distribution Company in Kenya. The changes in competitive response in strategic management were never evidenced to be active, however, with long process of clearing capacity constraints to analyze competitive environment on the performance. Thus, this study intended to evaluate the effect of competitive environment response on organizational performance of Kenya Power Company in Kisii and Nyamira counties.

### **1.2 Objectives of the Study**

- i. To assess the effect of social competitive response on organizational performance of Kenya Power Company in Kisii and Nyamira County
- ii. To determine the effect of technological response on organizational performance of Kenya Power Company in Kisii and Nyamira County

## **2.0 Literature Review**

### **2.1 Theoretical Framework**

The Resource-Based View Theory was proposed by Wernerfelt in 1984. This theory states that the ability of organization to achieve its objectives depends on attained value. Harry and Yarger (2006) posited that Resource-based view theory is a strategic management change included high competition, advancement in technology, need for financial and financial measures, board members expectation, statutory and regulatory bodies requirement and availability resources. This theory is applied that staff turnover, inadequate staffs, poor communication with line managers, strict government and regulatory bodies' requirements and difficulties in accessing strategic information about competitors as the main factors that hinders organizational performance (Alberts 2017). Nonetheless, the application of this theory is limited in practice, there sources that gives an exhausted competitive advantages. Accordingly the firm must look for alternatives mechanism of remaining in the industry. It must utilize the most recent technology to exploit and create value out of the available resources. Physical capital, human capital and organization capital must be given the necessary ingredients for them to deliver expected results (Pearce, 2017).

## **2.2 Empirical Literature**

Ketchen (2011) examined the relationship between technology adoptions on organizational performance. The study aims to establish the relationship between role of technology adoptions and competitive advantages. The sample population was 34 respondents comprised of employees and management staff. The study used descriptive statistics with frequency, mean analysis. Moreover, the sample size was too small to attain performance in most favourable conditions. However, technology response was not sufficiently analyzed due to lack of correlation analysis which will be adopted in this current study.

Munyasya (2014) conducted a study on social competitive on performance of Private operated firms in Nairobi. The study aims to investigate the effect of social competitive to performance of Private operated firms in Nairobi. The study used case study design to describe the effect of social competitive response on performance of private operated firms in Nairobi. The study used 5 privately operated firms in Nairobi in which data was collected through document analysis using secondary sources of information. The study adopted factor analysis. The study indicated that social competitive affect performance, however failed to adopt descriptive statistics analysis using only 5 firms which was not adequate to analyze competitive environment in the current study.

From the above studies, most researchers have researched strategic responses without comparing its effects to competitive environment in which organization operate within targeted population. Moreover the sample size had 34 responds and the other study was 5 respondents that never provided sufficient information as opposed to this study that will have enough sample size of 65 responds providing sufficient data. The two studies never analyzed data sufficiently due to lack of correlation analysis which will be adopted in this current study. Thus, this study will attempt to evaluate the effect of competitive environment response which has not been articulated previously to achieve organizational performance. However, the study did not analyze competitive environment response in relations to technology and how it affects organizational performance.

## **3.0 RESEARCH METHODOLOGY**

The study adopted a comparative study design to the examination of a singly social element, organization, family, social group, or an entire community and takes on depth rather than breadth of the study. The study used stratified random sampling to categorize 65 respondents. Data collected was analyzed using descriptive statistics. Linear Multiple Regression technique was used in determining the simultaneous effect of the independent and dependent variable

## **4.0 Results and Findings**

### **4.1 Social competitive responses**

The study sought to find out the extent to which the respondents level of agreement with the statements regarding effect of Social competitive responses on performance. The study used a five point Likert type scale in finding out the level of agreement from the respondents on Social competitive responses. 5 represented strongly agree, 4 represented agree, 3 represented undecided 2 represented disagree and 1 represented strongly disagree. Table 4.1 presents the Technological Response.

**Table 4.1 Social competitive responses**

<b>Social competitive responses</b>	<b>Mean</b>	<b>Std. Deviation</b>
Brand image value for competitive response	4.49	.539
Engaging customers enables more uptake	3.79	1.130
Adequate social response use low cost to ensure quality of service	4.09	1.184
Efficiency power transmission improve efficiency in operations	4.41	.590
Power distribution is the best route to reduce disruption	4.06	1.025
Valid N (listwise)		

Findings from the study were clear that respondents agreed that employees are encouraged to use brand image value for competitive response with a mean of 4.49 and standard deviation of 0.539, followed by respondents agreeing that efficiency power transmission improve efficiency in operations with a mean of 4.41 and standard deviation of .590. Adequate social response use low cost to ensure quality of service with mean of 4.09 and standard deviation of 1.184, Power distribution is the best route to reduce disruption with mean of 4.06 and standard deviation of 1.025, and engage customers to enables more uptake with mean of 3.79 and standard deviation of 1.130, and finally just about same number of respondents were neutral that engage customers to enables more uptake.

From the results, it was indicated that brand image value for competitive response had the highest mean of 4.49 with a standard deviations of .539 while engagement of customers to enable more uptake had the lowest mean of 3.79 with a standard deviations of 1.130.

#### 4.2 Technological response

The respondents were asked to indicate the extent to which they agree or disagree with the statements regarding the technological response on organization performance of Kenya Power Company. The results were presented in table 4.2.

**Table 4.2 Technological Response**

<b>Technological Response</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
Adequate customer accessibility to serve from disruptions	57	4.56	.663
Adequate accessibility to innovations improves response	57	3.98	.657
As customer responds to technology to gain efficiency	57	4.32	.827
Technology adoption reaches competitive advantage	57	4.48	.599
It offers effective and efficient service delivery	57	4.04	1.017
There are programmes used to ensure no power interruptions	57	3.98	.695
Valid N (listwise)	57		

From the data on Table 4.3 majority of the respondents agreed that adequate customer accessibility to serve from disruptions with the highest mean of 4.56 with a standard deviations of 0.663; Technology adoption reaches competitive advantage at a mean of 4.48 with a standard deviations of .599, customer responds to technology improves response at a mean of 4.32 with a standard deviations of 0.827, It offers effective and efficient service delivery at a mean of 4.04 with a standard deviations of 1.017 and adequate accessibility to innovations improves response at a mean of 3.98 with a standard deviations of .657 and there were programmes used to ensure no power interruptions at a mean of 3.98 with a standard deviations of .657.

From the results, it was shown that majority of the respondents agreed that they is adequate customer accessibility to improves response from power disruptions with the highest mean of 4.56 with a standard deviations of 0.663 while majority of the respondents were neutral to customer response to programmes used to ensure no power interruptions which showed lowest mean of 3.98 with a standard deviations of .657.

However, standard deviations are decreasing among statements of technological response to new employees indicated that it has no influence to strategic competitive in most organizations. These findings did not agree with the findings of Salkic, (2014) who established that strategic Technological Response in public organizations enables more rational, efficient and effective management of organizational resources which is same as the study at hand. This showed clearly that technologic response is taken into consideration.

### 4.3 Regression analysis

The study employed regression analysis to investigate the relationship between competitive environment responses and organizational performance. Table 4.3 shows regression model.

**Table 4.3 Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.402 <sup>a</sup>	.162	.115	.987

a. Predictors: (Constant), Technological Response, Social Competitive Responses

From the regression model, R Square .402 implies that a change in dependent variable (organizational performance) by 40.2% can be resulted by variations of the independent variables that are technological response, and social competitive responses. R square and adjusted R are .162 and .115 respectively, hence they are good in making predictions because the model can explain positive variation. Thus, the results agreed with Ketchen (2011) who examined the relationship between technology doptions on competitive advantages and found that responses to technology had different dimensions, like efficiency and effectiveness and it shows the need of the firm’s trend to find out, create and control set of responses suitable to the business environment. Moreover, technology responses involve the adoption of new trends of doing the firms’ activities to embed behaviour that attain performance in most favourable conditions. However, technology response lacks significant results on performance. The study confirmed that competitive environment responses had statistical influence on organization performance.

To test the goodness of fit, the study determined ANOVA as presented in table 4.4.

**Table 4.4 ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	9.973	3	3.324	3.414	.024 <sup>b</sup>
1	Residual	51.606	53	.974		
	Total	61.579	56			

a. dependent variable: organizational performance

b. predictors: (constant), technological response, social competitive responses

Table 4.4 show that the calculated  $F= 3.414$ , with  $P=0.024^b < 0.05$ , thus, there is a positive relationship between competitive environment responses and organizational performance statistically significant; hence the model is fit to predicting the relationships between variables. This concurred with Hult (2015) who concluded that competitive environment responses had a significant influence on organizational performance. The study also indicated that employees use of technology for value maximization. Further organization follows customer responses to technology strategy create customer value difficult to response; it can be sustainable source of organizational performance which allows organizations to enhance less customer oriented idea. Despite, the idea of technology has gained considerable awareness of technology in the organization can enhance greater competitive response which had gained little attention to technology responses.

#### 4.5 Regression Coefficient

The regression coefficient is to establish the regression equation as presented in table 4.5.

**Table 4.5 Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.728	.914		1.891	.064
1 Social competitive responses	-.125	.122	-.142	-1.021	.312
Technological response	.480	.180	.344	2.667	.010

a. Dependent Variable: Organizational Performance

Linear regression model becomes now linear equation as in;

$$Y = 1.728 - 0.125 X_1 + 0.480 X_2$$

$X_1$ -Social competitive responses,  $X_2$ -Technological response, and  $Y$  = organizational performance

The regression equation indicated that Social competitive responses,  $r=-.125$ ,  $p=.312$  more than 0.05, implies that a change in one independent variable of Social competitive responses, causes a decrease in organizational performance by 12.5% but not statistically significant, Technological response  $r= 0.480$  indicating 48.0% and statistically significant at .010 less than 0.05, however, not statistically significant since the calculated  $p=0.387 > 0.05$  the p value for level of significance. Thus, the competitive environment response had a positive significant effect on organizational performance

## 5 CONCLUSION AND RECOMMENDATION

### 5.1 CONCLUSION

Findings from the study it was concluded that respondents agreed that employees are encouraged to use Brand image value for competitive response in improving performance, Efficiency power transmission improve efficiency in operations. Adequate social response use low cost to ensure quality of service, Power distributions

is the best route to high performance, and engage customers to enables more uptake in case of performance, and finally just about same number of respondents were neutral that engage customers to enables more uptake.

## 5.2 Recommendation

Further it was also recommended that majority of the respondents to knowledge about adequate customer accessibility to serve from disruptions; Technology adoption should reach competitive advantage, as customer responds to technology in improving performance, offers effective and efficient service delivery and Adequate accessibility to innovations improves performance and there were programmes used to ensure no power interruptions.

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