The Relationship between Competitive Strategies and Organization Performance in Manufacturing Sector in Kenya: A Case Study of Megvel Cartons Limited , Nairobi, Kenya.

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Abstract

The business environment that an organization operates in is not only dynamic and tumultuous but also continually changing, sometimes at a mind-boggling pace. Turmoil connected with changing customer behaviour, globalization, investor demands, deregulation of markets, and increased competition are some of the market characteristics, and the study aim was to determine the relationship between competitive strategies and organization performance in the manufacturing sector in Kenya. The main anchor theory was the resource-based view, and it's reinforced by configuration theory and goal-setting theory. The study adopted a descriptive research design with a target population of 135 respondents. The study adopted the census method as the sampling technique. This research study used questionnaires as the main data collection tool. Analysis of data was done using descriptive statistics. Specifically, mean, averages, and percentages. The data analysis tools were simple tabulations and presentations of the report using spreadsheets and the use of SPSS version 24.0. This study used inferential statistics to show the relationship that exists between the study variables. Data were analysed using quantitative methods, and presentation of data was in the form of tables and figures. The inferential results on the effect of cost leadership strategy on organization performance show $R = 0.632$ indicating a strong positive correlation and $R2 = 0.399$ and there was a significant effect between Cost leadership strategy and organization performance ($t = 8.668$, $p<0.05$). The inferential results on the effect of Differentiation strategy on organization performance show $R = 0.575$ indicating a strong positive correlation and $R2 = 0.331$ and there was a significant effect between Differentiation strategy and organization performance ($t = 7.480$, $p<0.05$). The study further established that among the competitive strategies included in the study, cost leadership strategy had the most influence on performance and differentiation strategy also had a significant effect on performance. The research recommends the management of Megvel Cartons Limited ; should choose to adopt a cost leadership strategy and should put more emphasis on gaining competitive advantage by having the lowest cost in the sector.

Keywords: ***Competitive Strategies, Organization Performance, Manufacturing Sector**, **Cost Leadership Strategy, Differentiation Strategy***

1.0 Introduction

1.1 Background of the Study

The business environment that an organization operates in is not only dynamic and tumultuous but also continually changing, sometimes at a mind-boggling pace. Turmoil connected with changing customer behaviour, globalization, investor demands, deregulation of markets, and increased competition is some of the market characteristics (Bragg, 2015). There is a prerequisite for an organization to move beyond solving the existing problems and improve changing conditions that it faces that the changing business environment continuously brings about. However, the environment poses challenges that cannot be quickly resolved due to its complexities. This has made organizations to develop and adopt strategic approaches to deal with changing needs (Bragg, 2015). According to Thomas, Hunger, Hoffman, and Bamford (2014), the intensity in global competition, the profitability and the market share of manufacturing organizations are under precarious situation and organizations are called upon to assess the environment in a contemplative manner that is an inevitable fact that consolidate the proactive action that helps in strategy formulation that increase the competitiveness of the market share.

Organization competitive strategy is the foundation that accelerates organization performance and also the growth of market share; the strategy comprises all the moves that an organization has and is taking to retain and attract new customers, withstand competitive pressure that improves firm market position (Thomas, Hunger, Hoffman, & Bamford, 2014). According to Shinkle, Kriauciunas, and Hundley (2013), competitive organization strategy indeed yields better and improved organization performance in a business environment that is full of turbulence and uncertainty. The study findings by Michael Porter established that a mix of three business strategies leads to a situation that is known as 'stuck in the middle' that is having no solid strategy and therefore achieving dismal organization performance. However, according to Shinkle, Kriauciunas, and Hundley (2013), school of thought disapproves of this notion arguing that these strategies complement and help improve the quality of organization products and services. In that, better quality products and services presumably lead to higher market demand allowing the organization to adopt a low-cost strategy through higher market demand, allowing the organization to choose a low-cost policy through the attainment of more top market shares and increased production and the conflict between the school of thought forms the basis of the current study that aims to establish the relationship between competitive strategies and organization performance.

According to Porter (1998) as cited by Hansen, Nybakk and Panwar (2015) there are several competitive strategies that an organization can adopt, cost leadership strategy that involves cutting down cost throughout the value chain to try and achieve the minimum cost structure possible where the products are made of high value, but with limited standard features to advance competitive advantage that increases market share and differentiation strategy that involves organization innovation that considers sales, marketing techniques as well as advertising activities that are adopted by the organization while at the same time the business innovation is focused partly on features of manufacturing products, firm performance and quality (Hansen, Nybakk, & Panwar, 2015).

1.1.1 Cost Leadership Strategy

Cost leadership strategy is a strategy that allows the organization to adopt lower cost in production, and thus it helps the organization make more profits than rivals companies due to the low cost of production and economies of scale (Candido & Santos, 2019). Cost leadership strategy occurs in an organization through the use of experience curve as a result of investing in production and conservation as well as monitoring operating costs to heighten organization performance. According to Sumer and Bayraktar (2012), cost leadership targets to minimize and eliminate costs in fields, including expenditure in research and development and, additionally, advertising. Hansen, Nybakk, and Panwar (2015) stress that this strategy tends to follow certain concepts, namely economies of scale, cost-saving efforts through the experience curve, strict control over costs, and overhead costs, in this regard, a firm adopting the cost leadership strategy through the creation of a low-cost position relative to its competitors.

1.1.2 Differentiation Strategy

This is a strategy that the organization adopts to increase the perceived value of its products or services as compared to that of their rival to create a customer preference due to its distinct features. The presence of product differentiation is permanently a matter of customer insight, but an organization can take a variety of actions to influence these perceptions. This implies that differentiation can be done specifically for a product to make them attractive, or for a service through the utilization of after-sales services like consideration of quality, incentive programs, increased operating hours and so on

(Kamau, 2013). Olegube (2014) describes the differentiation strategy to include organization physical aspects that cover location, layout, and office design, among others. Through this, Allen and Helms (2010) hope that companies develop personalized products. All this confirms the statement made by Thomson, William, Gamble, and Strickland (2017) that there are numerous ways and dimensions by which firms can differentiate. Today's cut-throat competition is the driving force describing why most companies are putting a lot of effort to strategize on differentiation.

1.2 Statement of the Problem

The manufacturing sector in Kenya is constantly affected by changes in the external environment that include government regulations, trade blocs, increasing cost of inputs, increased competition, improved customer awareness and organization competitive strategies can be proven by the number of new products released in the market every time, improvement of existing products, improved marketing strategies and also improved management tactics employed. The motive behind these numerous innovation activities is to improve the firm's performance in various aspects like the increase in profits, increase market share, and reduce production cost. (Bowen, Morara & Mureithi, 2009). Competitive strategy is evident in nearly all organizations, and the manufacturing sector, especially cartons manufacturing companies, is not an exception. Megvel Cartons Limited is under considerable pressure to deliver positive results to investors and shareholders, and competitive strategies are viewed as a strategic function that management can adopt to increase profitability.

In Kenya, the manufacturing sector, especially the packaging industry, is expanding at a rapid rate since the Kenya Government burn on plastic bags in 2017. Due to fierce competition in the sector, Megvel Cartons Limited as one of the players in the industry has the propensity to enhance its market competitiveness, and the organization is trying to adopt different competitive strategies to improve its performance. In this competitive environment, Megvel Cartons Limited should endeavour to develop strategies to compete successfully in the market place for it to enhance its chances of growth and therefore perform far above the sector average. In a Kenyan perspective, studies on competitive strategies are noted to have been given more attention to other contexts and less focus has been given to the manufacturing sector. Local studies include a survey by Murage (2011) whose study aimed to establish a competitive advantage in the petroleum industry in Kenya. Another study conducted by Karanja (2002) focused on competitive advantage with reference to real estate firms in Kenya. Therefore this study aims to fill the existing information gap in the manufacturing sector in Kenya with reference to Megvel Cartons Limited as a case study and specifically the study is set to establish the relationship between cost leadership strategy, differentiation strategy, focus strategy and organization growth strategy with organization performance to identify competitive strategies adopted by Megvel Cartons Limited .

1.3 General objective of the Study

The main objective of the study was to determine the relationship between competitive strategies and organization performance in the manufacturing sector in Kenya, a case study of Megvel Cartons Limited , Nairobi, Kenya.

1.4 Hypotheses of the Study

HO_1: There is no significant relationship between cost leadership strategy and organization performance.

HO_2: There is no significant relationship between differentiation strategy and organization performance.

2.0 Theoretical Foundations

2.1 Resource-Based View

The resource-based approach was adopted as the study's leading anchor theory. This theory was developed in 1930 by scholar Wernerfelt's. B. Resource-based method has been applied from early 1930 but is still valuable, and it came back to light in 1990 when Jay Barney re-engineered it with his study on "firm resources and sustained advantages," and this has been seen as pivotal in the emergence of the resource-based view. This theory throws light on how an organization in the same sector performs better than others. The theory emphasizes the internal resources of the organization in developing its strategy to achieve a sustainable competitive advantage in the market. According to the theory, not all resources of the organization are important to enable it to generate a competitive advantage. For an organization to achieve the position of its ability to create above-normal profits, the resources must be inimitable, valuable, non-substitutable, and non-transferable (Kraaijenbrink, Spende, & Groen, 2010). This shows that different organization performances are attributed to distinct resources and capabilities.

According to Fahy (2009), elements of Resource-based theory are strategic choices by management, the characteristics and kind of advantage generating resources, superior performance, and competitive advantage. Business enterprises combine different sets of resources to achieve a competitive advantage. According to Shook (2009), each organization poses different capabilities and resources, and the way an organization maintains, acquires, bundles, develops, and applies the funds will lead to superior performance and having a competitive advantage within a given period. Resources of an organization constitute tangible assets, external assets, and intangible assets (Hunt & Derozier, 2004).

The theory has been criticized by several scholars such as Barney (1991), Priem and Butler (2001) and Sanchez (2008). Barney (1991) indicated that the theory does not provide adequate conceptual basis for identifying valuable resources; that constitutes the greatest stumbling block in the development of theory as a scientific theory. While Priem and Butler (2001) and Sanchez (2008) in their respective criticism they describe the theory to be profound logical problem, that the theory only suggest what additional characteristics that the organization resources must have if they are to generate sustained competitive advantage according to Sanchez (2008) the failure of the theory to provide a conceptual basis as in effect, the value conundrum is a symptom of failure of the theory to meet a basic first basis of building a scientific theory about resources. The theory fails to provide a systematic basis for describing resources that would lead to consistent characterization of the functional and behavioural properties of resources and there by support the generation of hypotheses about the cause and effect relationship among resources that enable them to create strategic value. This theory indicates that cost leadership strategy, and differentiation strategy are strategic and affects organization performance; it shows the relationship between competitive strategy and organizational performance that why the study adopted this theory.

2.2 Configuration Theory

The theory was developed in the 1960 and early 1970s from a school of thought which perceived strategy formulation that was developed by Chandler in 1962, was latter developed by Mintzberg and Miller in 1970 and was further improved by Miles and Snow in 1987. The concept of configuration theory postulates that the performance of an organization depends on the fit of the environment and organization design. The theory has the basic assumption that an organization's best performance can be achieved when the organization structure matches an external contingency factor. And only those organizations that align their operations with the prevailing environment achieve maximum output. The theory assumes that for an organization to be effective there must be an appropriate fit between strategy, structure, and environmental context (Fincham & Rhodes, 2010).

This theory has faced its better share of criticism by other scholars such as Smith and Lewis (2011), who have indicated that configuration theory is not able to fully capture organization dynamics or is able to change their adherent complexity. Ployhart and Vendenberg (2010) have also criticize the theory indicating that it need to consider time and change in developing models that consider the inherent effect of change over time on causal relationship between two constructs. In the context of this study, the theory brings out the link between competitive strategies and the competitive intensity as an aspect of the external environment which determines organization performance on the choice of competitive strategy based on the changes in the background as well the basis of describing the necessity to have a fit between competitive strategy and organization performance. The study adopts this theory because it works along and supports study variables that are cost leadership strategy, and differentiation strategy.

2.2 Empirical Literature Review

2.2.1 Cost Leadership Strategy and Organization Performance

Kharub, Mor, and Sharma (2019) examined the relationship between cost leadership strategy and organization performance regarding the mediating role of quality management in the context of MSMEs. The study collected data from 245 ISO 9000 certified MSMEs that represented over 65% response rate using questionnaires. The data adequacy test was conducted to check the validity and reliability of the study questionnaires, the partial mediating model, along with a structural equation modelling approach to test the study hypotheses. The study results showed that there is no direct relationship that exists between cost leadership strategy and organization performance; however, quality management practices entirely mediated their relationship and among the 8 model parameters with highest total effect on product quality improvement; process improvement; the continuous improvement was ranked number one, followed by information and analysis and supplier management (Kharub, Mor, & Sharma, 2019). The study concluded that continuous improvement through proper information and data analysis is the key to achieve the cost leadership strategy's goal in SMEs. The study implies that the study findings will assist managers in implementing cost leadership strategy at an organization level, and the successful implementation will facilitate a competitive advantage in the local market and will motivate the organization to think globally. The findings of the study have contributed to strategic management in manufacturing industries, and it confirms the existence of strategic management in MSMEs in emerging economies (Kharub, Mor, & Sharma, 2019).

Chepchirchir, Omillo, and Munyua, (2018) examined the effects of cost leadership strategy on the organization performance of logistics firms. The study examined how logistics firms operating from international use cost leadership strategy to drive organization performance; the study looked at the application of the cost leadership strategy as guided by Porter's five forces theory. The authors adopted an explanatory research design, and the study targeted a population of 151 respondents in which a sample size of 110 top and middle-level managers formed the study population that was selected through random sampling. The study used questionnaires to collect the required information that was analysed using descriptive and inferential statistics and the research established that cost leadership strategy had a significant positive effect on the performance of logistics firms and the study also confirmed that as result of utilizing the approach there was increased sales volumes as well as profits. Further, there was a significant reduction in cost associated with operations that resulted in the growth of profit margins. The study recommended that there is a need for all logistics companies to consider integrating cost leadership aspects in the organization sections and departments (Chepchirchir, Omillo, & Munyua, 2018).

2.2.2 Differentiation Strategy and Organization Performance

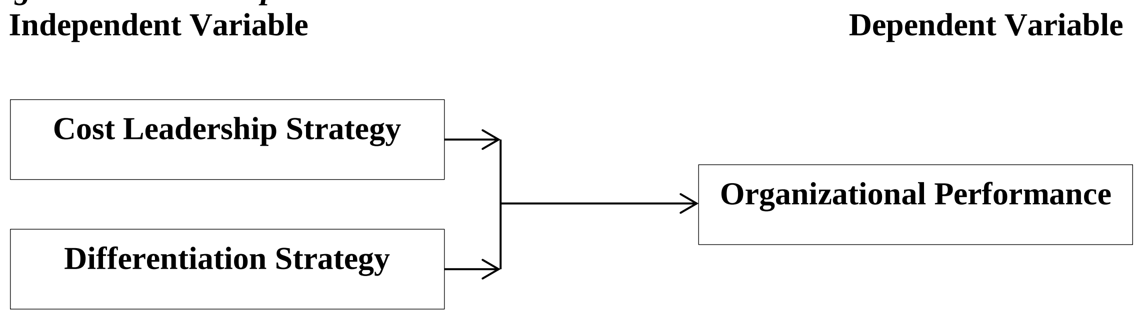
Klinger, Silveira-Martins, Castro, and Rossetto (2019) examined strategic positioning, differentiation, and performance of Brazilian wineries. The study's main aim was to verify whether organization supervisors' and managers' decisive orientation influences decision making concerning differentiation and whether these two factors impact the performance of the companies in the wine industry in Brazil. The study targeted 123 firms that participated in the survey, and the data that was collected was analysed using multivariate statistical techniques resulting in a structural equation model of the contracts. The study established that there is a positive association between prospector orientation and differentiation. Analyst positioning was negatively associated with differentiation of the firms, and also it was possible to establish that distinction has a positive relationship with organization performance. The value of the study findings is that results contribute to the expansion of the scientific debate by filling a gap in the existing theory and it has provided information that may be used by decision-makers, demonstrating which approaches improve differentiation and hence positive performance (Klinger, Silveira-Martins, Castro, & Rossetto, 2019).

Adimo (2018) examined the influence of product differentiation and organization performance. The study targeted 112 employees comprising of senior managers, heads of departments, and 90 dealers based in Nairobi, and a sample of 134 respondents was selected using stratified random sampling. The study was anchored on strategic balance theory, and data were collected using self-administered questionnaires; descriptive and inferential statistics were used for data analysis in the form of Pearson collection, and regression analysis and data were presented in tables and figures. The study established that product differentiation had a positive relationship with organization performance. The study concluded that integrating product differentiation strategies through specific product attributes relevant to competitors and a variety of product pertinent attributes to competitor and range of products to match customers' demands that would result to improved performance. The study recommends that product differentiation should be adopted because they have the highest relationship with organization performance (Adimo, 2018).

2.3 Conceptual Framework

The research study was guided by a theoretical structure. The conceptual model that is presented and adopted for this research has been derived from the literature review, the study variables on the framework have been used to develop research questions that were tested during the study. The conceptual framework showing the study variables will guide the study.

Figure 1: The Conceptual Framework



3.0 Research Design and Methodology

3.1 Research Design

The study employed a descriptive research design. This design is the most appropriate since it ensures that the data obtained give appropriate answers to the research questions. The descriptive study was used to describe the characteristics of a population or phenomenon under study. Semi-structured questionnaires were used to collect primary data. Kothari and Garg (2014), research design can be referred to as a plan, which gives guidance on any given research and aids in data collection, analysis as well as interpretation of observations. Researchers can also use it as a blueprint, which helps one to decide on methods and tools to use in a collection of information as well as its evaluation to be able to answer the questions guiding the research (Cooper & Schindler, 2014). The research employed a descriptive survey design whereby access to the widest possible amount of data from the targeted employees of Megvel Cartons Limited . This design is the most appropriate since it ensures that the data obtained give appropriate answers to the research questions. A descriptive study was used to describe the characteristics of a population or phenomenon under study. Descriptive research can only describe a set of observations or the data collected (Zikmund, 2010).

3.2 Target Population

The target population consists of a group of entities or elements which might be huge than or distinct from the sampled group from which the researcher will draw conclusions about the interested population. The target populations of this study were 135 employees of Megvel Cartons Limited , that comprised of senior management, middle level management, and non-management staff . The researcher adopted census method for the study. Census is a way of gathering information from each and every member of the group. The researcher used both content and facial observation to ascertain the validity of the questionnaire. Validity is the correctness and capacity of interpretations founded on the study results. Before using the questionnaires for generating data for the study, a pilot study was conducted on 10 employees who were not considered in the final study.

3.3 Research Instruments

Data gathering includes a procedure that is exact and involves deliberate social event of data applicable to the exploration sub-issues. The researcher utilized questionnaire as the essential instrument for information gathering. Questionnaires were formatted to contain sections reflecting the study variables. Closed questions were employed in each section for collection of respondents' views, opinion and attitude. The questionnaires which were distributed via email due to Covid-19 pandemic as per Ministry of health recommendations (online questionnaires). The study used both primary and secondary data sources primary data was obtained from the selected respondents using a questionnaire, and secondary data was obtained from published annual performance reports.

3.4 Data Analysis and Presentation

The quantitative data was analyzed using statistical package for social sciences (SPSS) and the use of inferential statistics. The researcher applied analytical models to interpret the data. The linear regression and multiple regression analysis were used to establish the relationship between cost leadership strategy, differentiation strategy and organization performance. This provided estimates of the magnitude and the significance of the hypotheses' causal connections between the variables. All this was achieved through conducting a series of regression and analyzing their influence on the dependent variable. For testing various hypotheses, linear regression was used to determine the influence of the predictor/independent variables on the predicted/dependent variables.

3.5 Ethical Consideration

The research was guided by the following ethics during the period of the study; Research authorization permit was obtained from the participating institutions. The researcher strived for honesty in all communications. Through the whole study period, this research was guided by the following ethical guidelines: informed consent, voluntary participation, confidentiality, privacy and anonymity.

4.0 Findings and Discussions

4.1 Presentation of the Findings

The study conducted a pilot study to test the validity and reliability of the research instrument using Cronbach's Alpha values for each variable and finally the overall items were used in the questionnaire. The reliability results shows that cost leadership strategy had a Cronbach's Alpha Coefficient (α) of 0.889; differentiation strategy had Cronbach's Alpha Coefficient (α) of 0.915; Since the reliability results exceeds 0.7 lower level of acceptability, internal consistency reliability measures used were considered high and adequately measuring the study variables hence considered reliable for analysis and generalization on the population. Validity was tested through carrying out a pilot study. Construct validity was also ensured by anchoring the constructs to the theory and empirical review of data from which they were derived.

4.2 Demographic Characteristics

The attributes included; gender, age group, education level, years in service, position held in the organisation and the name of the organisation that the respondents worked for. Out of the 115 responses that were adopted for analysis, most employees who participated in the research were males representing 63% of the respondents and 37% were female. Respondents were required to indicate their age bracket and the responses show that the majority at 33% captured respondents aged between 31 and 35, 13% of the respondents indicated their ages were between 40 and 45 as well as 36-39, 21% of the respondents indicated their age bracket between 26 and 30 years while 10% of respondents represented employees aged between 18 and 25 as well as the respondents aged 46 and above. Respondents were required to indicate their highest level of education and the data showed that the majority had attained diploma level of education at 51% that was closely followed by respondents with Bachelor's degree at 35% of the respondents, 8% of the respondents indicated post-graduate degree (masters) while 2% had PhDs and only 4% indicated secondary level of education and none primary level. Respondents were asked to indicate the number of years they have worked in the organisation and 48% of the respondents, who are the majority, indicated that they had worked at the organisation for between six and 10 years, 37% had worked for between one and five years and 15% had worked for between 11 and 15 years. And finally the respondents were asked to indicate position held in the organisation by the respondents and the study findings showed that 14% were senior managers, 30% indicated they were middle-level managers and 56% of the respondents that were the majority in the study indicated that they were non-management.

4.3 Inferential Statistics

Correlation analysis using Pearson's Product Moment technique was used to establish the relationship between the main variables of the study. Correlation analysis is a measure of linear association between two variables. The test was done to identify the strength and direction of the associations among the variables of the study. The variables in the study were cost leadership strategy, differentiation strategy, and organization performance of Megvel cartons Limited . Values of correlation coefficient range from -1 and +1. A correlation coefficient of +1 indicates that two variables are perfectly and positively related in a linear sense.

Effect of Cost leadership strategy and Organization Performance

Table 1: Model Summary for Cost Leadership Strategy

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.632 [a]	.399	.394	.60908

a. Predictors: (Constant), Cost leadership strategy

The study sought to investigate the relationship between cost leadership strategy and organization performance. Regression analysis was done with organization performance as the dependent variable and cost leadership strategy as the predictor factor. The regression analysis revealed a relationship R = 0.632 which showed a strong positive correlation and revealed that cost leadership strategy and organization performance are fundamentally related, and $R^2 = 0.399$ which meant that 39.9% of variation in organization performance can be explained by a unit change in cost leadership strategy. The results were enumerated as seen in Table 1.

Table 2 ANOVA[a] Results for Cost Leadership Strategy

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	27.875	1	27.875	75.141	.000 [b]
	Residual	41.920	113	.371		
	Total	69.796	114			

a. Dependent Variable: Organization performance
b. Predictors: (Constant), Cost leadership strategy

The values of F = 75.141 show that cost leadership strategy statistically and significantly affects organization performance which means the regression model is a good fit of the data and that cost leadership strategy significantly influences the performance of Megvel Cartons Limited . The level of significance is 0.000 which is less than 0.05 hence the regression model significantly predicts the dependent variable. The results were enumerated as seen in Table 2.

Table 3 Regression Coefficients[a] for Cost Leadership Strategy

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		Std. Error	Beta			Lower Bound	Upper Bound
(Constant)	1.095	.331		3.309	.001	.439	1.751
Cost leadership strategy	.688	.079	.632	8.668	.000	.531	.845

a. Dependent Variable: Organization performance;
b. Organization Performance = 1.095 + .688 (Cost leadership strategy)

The study findings indicated that the addition of a cost leadership strategy to Megvel Cartons Limited has a significant positive impact on organization performance. The results indicate that there is a significant relationship between cost leadership strategy and organization performance; $p < 0.05$ ($P = 0.01$). Thus, the values of cost leadership strategy are statistically significant ($t = 8.668$, $p < .05$) which means an increase in the mean index of cost leadership strategy should increase organization performance by a positive unit mean index value of .688 (68.8%). The regression model explaining the results enumerated in Table 3 is given by Organization Performance = 1.095 + 0.688 (Cost leadership strategy). The model shows that Cost leadership strategy positively affects organization performance at Megvel Cartons Limited .

Effect of Differentiation Strategy and Organization Performance of Megvel Cartons Limited

Table 4 Model Summary for Differentiation Strategy

Model	R	Square	Adjusted R Square	Std. Error of the Estimate
1	.575 [a]	.331	.325	.64274

a. Predictors: (Constant), Differentiation strategy

The study sought to investigate the relationship between differentiation strategy and organization performance. Regression analysis was done with organization performance as the dependent variable and differentiation strategy as the predictor factor. The regression analysis revealed a relationship R = 0.575 which showed a strong positive correlation and revealed that differentiation strategy and organization performance are fundamentally related, and R^2 = 0.331 which meant that 33.1% of variation in organization performance can be explained by a unit change in differentiation strategy. The results were enumerated as seen in Table 4.

Table 5 ANOVA[a] Results for Differentiation Strategy

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	23.114	1	23.114	55.950	.000 [b]
1	Residual	46.682	114	.431		
	Total	69.796	115			

a. Dependent Variable: Organization Performance

b. Predictors: (Constant), Differentiation Strategy

The values of F = 55.950 show that differentiation strategy statistically and significantly affects organization performance which means the regression model is a good fit of the data and that differentiation strategy significantly influences the organization performance at Megvel Cartons Limited . The level of significance is 0.000 which is less than 0.05 hence the regression model significantly predicts the dependent variable. The results were enumerated as seen in Table 5

Table 6: Regression Coefficientsa for Differentiation Strategy

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
(Constant)	1.379	.345		3.993	.000	.695	2.063
Differentiation strategy	.644	.086	.575	7.480	.000	.473	.814

a. Dependent Variable: Organization performance

b. Organization Performance = 1.379 + .644 (Differentiation strategy)

The study findings indicated that addition of differentiation strategy to Megvel Cartons Ltd has a significant positive impact on organization performance. The results indicate that there is a significant relationship between differentiation strategy and organization performance; p <0.05 (P = 0.01). Thus, the values of Cost leadership strategy are statistically significant (t = 7.480, p < .05) which means an increase in mean index of Differentiation strategy should increase organization performance by a positive unit mean index value of .644 (64.4 %). The regression model explaining the results enumerated in Table 6 is given by: Organization Performance = 1.379 + 0.644 (Differentiation strategy). The model shows that differentiation strategy positively affects organization performance at Megvel Cartons Ltd.

4.4 Multivariate Analysis

Table 7 Model Summary Multivariate Analysis

Model	R	R Square	justed R Square	Std. Error of the Estimate
1	.684[a]	.468	.449	.58089

a. Predictors: (Constant), Cost Leadership Strategy, Differentiation Strategy.

The study applied regression with organization performance as the dependent variable and competitive strategies as the predictor factor. Data from 115 respondents were tested. The regression analysis shows an overall relationship of R = 0.684 and R2 = 0.468 which meant that 46.8% of the variation in organization performance can be explained by a change in all the predictor factors. The results were enumerated as seen in Table 7.

Table 8 ANOVA[a] Results for Model Summary

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	32.678	4	8.169	24.210	.000[b]
	Residual	37.118	110	.337		
	Total	69.796	114			

a. Dependent Variable: Organization Performance

b. Predictors: (Constant), Cost Leadership Strategy, Differentiation Strategy.

The values of F = 24.210 show that all the predictor factors statistically and significantly affect organization performance which means the regression model is a good fit of the data and competitive strategies significantly influences the performance of Megvel Cartons Limited The level of significance is 0.000 which is less than 0.05 hence the overall regression model significantly predicts the dependent variable. The results were enumerated as seen in Table 8.

Table 9: Regression Coefficients[a] for Multivariate Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
(Constant)	.552	.367		1.504	.136	-.176	1.281
Cost leadership strategy	.358	.118	.329	3.027	.003	.123	.592
Differentiation strategy	.307	.114	.274	2.697	.008	.081	.532

a. Dependent Variable: Organization performance

The study findings indicated that the predictor variables have a significant positive impact on organization performance at Megvel Cartons Limited . The results indicate that there is a significant relationship between competitive strategies and organization performance; p < 0.05 (P = 0.01). Thus, the values of predictor variables are statistically significant with p < .05 which means an increase in the mean index of predictor variables should increase organization performance. The results were enumerated as seen in Table 9. Therefore, the optimal regression model for the study is: Y= β0 + β1X1 + β2X2 Organization Performance = .552 + .358 (Cost leadership strategy) + .307 (Differentiation strategy). The model shows that cost leadership strategy is the predictor variable that highly affected organization performance at Megvel Cartons Limited , followed by differentiation strategy.

5.0 Conclusion and Recommendations

The study findings indicated that the predictor variables have a significant positive impact on organization performance at Megvel Cartons Limited . The results indicate that there is a significant relationship between competitive strategies and organization performance. Thus, the values of predictor variables are statistically significant with $p < .05$ which means an increase in mean index of predictor variables should increase organization performance. The regression analysis revealed a relationship which showed a strong positive correlation and revealed that cost leadership strategy and organization performance are fundamentally related, and the variation in organization performance can be explained by a unit change in cost leadership strategy. The study concludes that that cost leadership strategy statistically and significantly affects organization performance which means the regression model is a good fit of the data and that cost leadership strategy significantly influences the performance of Megvel Cartons Limited . The research study suggests the following recommendations for improvement by the Megvel Cartons Limited Management and Board of Directors. The management of Megvel Cartons Limited should chose to adopt a cost leadership strategy and should put more emphasis on gaining competitive advantage by having the lowest cost in the sector. The management of Megvel Cartons Limited should consider integrating cost leadership aspects in the organization sections and departments and this will assist the organization in meeting the overall objective. The study recommends that product differentiation should be adopted because they have the highest relationship with organization performance, in this regard Megvel Cartons Limited Management should strive to selling their products either at average price to make more profit than of the competitors, or below average industry prices to gain market share.

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