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Role of Product Development Strategy on Performance of Tea Factories in Kenya

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Received: 8 January 2022 Accepted: 28 January 2022 Published: 12 February 2022

6 Abstract

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Tea factories especially those managed by Kenya Tea Development Agency are faced with 7 challenges of implementing business growth strategies. This has resulted to poor performance 8 leading to public outcry. The study sought to establish the effect of market development 9 strategy and performance of selected tea factories in Kenya. This study was anchored on the 10 Ansoff Matrix theory and Agency theories. A descriptive research design was adopted and 11 used in this study. KTDA has seven regions comprising of 69 factories with 1506 management 12 staff. This study purposively selected Kisii and Kericho Highlands regions. The population of 13 this study was 701 with a sample size of 364 obtained using Yamane?s (1967) formula. Simple 14 random sampling was used to get specific respondents. A selfconstructed questionnaire was 15 used to collect data from respondents. A pilot study was conducted at Kagwe and Theta Tea 16 Factories in Aberdare Ranges region to test reliability of the data collection instruments. 17 Cronbach?s Alpha coefficient was used to test reliability which had an overall coefficient of 0. 18 903. The study tested face validity through peer reviews and content validity by opinions of 19 research expert and supervisors. 20

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Index terms— product development, kenya tea development authority, tea board of kenya, tea research foundation of kenya, confirmatory factor analysis

24 1 Introduction

hompson and Strickland (2018) noted that organizational structure influences the choice of a strategy. Growth of 25 organizations is determined by three major factors -resources of the industrialist, the nature of an organization 26 27 and the strategic directions taken by the manager. Storey (2014) indicated that the growth of an organization is strong-minded by the environment of the firm resources of the entrepreneur and the strategic decision taken by the 28 owner. The entrepreneur therefore needs to employ both strategic Author ?: e-mail: wycliffeotera@gmail.com and 29 tactical skills to improve firm performance (Kuratko et al, 2011). Carland et al, 2014) indicated that entrepreneurs 30 need to plan how to handle uncertainties that are expected to distress the performance of their business ventures. 31 It is therefore important for small organizations to establish the fundamental set of relationships with the 32 environment (Murray, 2011). 33 34 The influence of product innovation in enabling firms retain and grow competitive position is incontestable

35 in product innovation strategy. Products have to be restructured and absolutely rehabilitated for retaining 36 sturdy market incidence. The practice of pricing strategy can accomplish mutually short-run and long-run goals 37 (Fraccastoro, Burton & Biswas, 2014). Short-run ends include: reducing inventory, mounting store traffic and sales, creating product awareness and interest and enhancing perception of savings and value. Marketers develop 38 strategies to ensure that their products are not only available in required quantities but also at the right place 39 and time. Distribution decisions involve, inventory control, warehousing, order processing, transportation modes 40 and selecting of marketing channel. Promotion strategy includes the various ways an organization employs to 41 inform and to persuade target customers to buy their products (Foss, 2014). 42

⁴³ 2 a) Statement of the Problem

Successful implementation of business growth strategies in a firm leads to peak performance (Kagwiria, 2014, Hrebiniak & Joyce 2016). Business growth strategies have a positive and significant effect on organizational performance of a firm (Ojwaka & Deya, 2018). Product development strategies provide a plan of action for improving a firm's sales, profits, output and efficiency (Matthews and Scot, 2015). Product development strategies provide a vision of where a business seeks to go and how it expects to get there. It is the form by which a business

49 communicates its goals and works towards attaining them (Pearlson and Saunders, 2016).

Tea sector is a key player in the agricultural development in Kenya. However, Kenya Tea Development Authority managed factories have been performing poorly in bonus payment for the last five years **??**KTDA, 2020)

⁵³ 3 Literature Review a) Ansoff Matrix/ Model

Ansoff (1957) is the proponent of the Ansoff Matrix, a model that states that for an organization to grow its 54 presentation, it is essential to realize products and market growth through four different strategies which be 55 contingent on whether or not a company or product is previously or current in the market. He measured two 56 scopes; one measurement is based on the product being either new or current while the other measurement 57 considers market as new or existing. Market penetration which involves selling more of existing products in 58 already exiting market possess the lowest risk (Schroder, 2015), this strategy is aimed at achieving market 59 dominance through gaining competitor's customers, attracting non-users and having the current users buy more 60 61 ??Gardetti, 2015).

On product development, strategy organizations try to vary products for similar current markets, for instance, a company may try to alter package sizes or new recipes of similar products of the present market. Development of goods is seen as one of the types of strategy growth, because the aim of businesses is to present fresh products in markets existing now. A strategy like this might need developing of different competencies and requires development of modified products, which could be presented to markets existing at any one time (Jain, 2017). Adopting a strategy like this might require attention on the following: market inquiry, developing and innovating in product design and their manufacture techniques and detailed attention on clients' desires and needs, and to

⁶⁹ follow changing in the same, through continuous market research that is consistent with customer preferences.

⁷⁰ 4 b) Agency Theory

It was proposed by Jensen and Mackling in 1976. It states that departure between the owner and manager(s) of 71 a firm/company will always be shadowed by the rise of costs because of lack of interest's arrangement between 72 the owner(s) and the manager(s). The costs are referred to as agency costs and these might include costs to 73 observe managers' activities, spending to create a firm's structure to reduce undesirable manager actions and the 74 cost coming from the condition in which managers cannot make decisions without shareholders' approval. One 75 vital suggestion of the agency problem is related to a company's investment policy (Jeen, 2016). Investors prefer 76 high risk-high returns profiles, while managers prefer low risklow return profiles. This happens because they 77 have a personal fear of losing their jobs. Expanding can provide inspirations for managers through ownership 78 79 and investment. Hence, the emphasis is not based on performance evaluation of financial outcomes, but more 80 emphasis on optimizing behavior ??Jensen & Meckling, 1976; ??ensen, 1986).

The Agency theory is viewed as one of the oldest theories in economics and management literature (Daily, Dalton & Rajagopalan, 2013; Wasserman, 2016). It discusses difficulties that come up in firms due to separation of managers and owners and emphasizes the reduction of this difficulty. It contributes to applying the various governance mechanisms to control agents' actions in companies held jointly.

Critics of this theory questioned the impartial of economic relationship between the principal and agent. 85 This theory adopts a contractual agreement between the principal(s) and agent(s) for a limited/unlimited future 86 period, in which the future is unknown. It further assumes that contracting might eliminate the problem of 87 agency, but in practical terms, it faces a number of hindrances like transaction cost, fraud, rationality, and 88 information asymmetry (Jean, 2015). Shareholders' interest in the industry/firm is only meant to maximize 89 returns, but their role is a small one in the firm. Roles of directors are limited only to monitor managers and 90 their further roles are not defined clearly. This theory considers managers as opportunistic hence ignoring their 91 competencies. 92

This study is based on the proposition that the tea owners [principals] have in good faith given management of their tea factories to KTDA [agents] to process and market the tea products. KTDA has various

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Volume XXII Issue II Version I Year 2022 () employees who have various skills that if well-harnessed results in
optimal performance of the tea sector ultimately benefiting the tea farmer [the principal]. This theory relates to
both organizational resources variable and performance of the factory variable of this study.

⁹⁹ 6 c) Empirical Literature Review

Geroski (2015) carried a study on the effects of product development of various company performance procedures such as stock market rates of return, corporate growth, and secretarial effectiveness. In the study, descriptive research design was adopted and used. The research was anchored on RBV theory. An assessment of 21 service industry firms in India was included in the study. The study noted direct significances of developments on company/firm presentation are relatively small and the benefits from expansions are most likely indirect.

Kilika and Koks (2016) conducted a study to suggest a theoretical model related to product development 105 strategies; firm performance, and market adoption in Kenya. It relied on Igor Ansoff's Matrix Model, Resource-106 based view of the firm, and Diffusion of Innovation Theory were used. The study identified weaknesses in 107 existing literature and provided an integrated approach to market adoption characteristics and its influence 108 on product development strategies. The study identified the need for investigations, as this relationship is 109 not direct, evaluating the moderating consequence of market adoption features, which might not only improve 110 conceptual but also improve appreciating of the connection in a more relevant style. The research indicates 111 that subsequent research needs to adopt such an integrated approach to conduct research in less researched 112 environments to establish the link between development of product approaches and adoption of market features 113 and ultimately its effect on corporation performance. This, in itself, is thought to create a future empirical 114 study agenda item, which aims at responding to some key questions, for instance, the effect of market adoption 115 characteristics on development of product strategies and the relationship between product development strategies 116 and a corporation's performance. 117

Maina, Mugambi, and Waiganjo (2018) studied the influence of strategic product development practices on 118 competitiveness of Kenyan tea in the world market. The research adopted a cross-sectional survey design in which 119 the population targeted comprised of all 189 members of the East African Tea Association, who participated in the 120 tea auction at Mombasa. Stratified sampling technique was used to select the study sample; purposive sampling 121 technique was used to select managers who represented the small-scale and large-scale producers. Structured and 122 unstructured questionnaires were used to collect primary data from the respondents. Collected data were analyzed 123 using SPSS version 24. The research findings indicated a weak positive relationship between competitiveness and 124 strategic product development practices. It was concluded that the competitiveness of Kenyan tea in the world 125 market was influenced by other extraneous factors other than strategic product development practices. 126

¹²⁷ 7 d) Research Design

This study used a descriptive research design. Sekaran (2013) asserts that research design is used equally for 128 the overall process and also, more precisely, for the research design structure. The latter is to do with how data 129 collection is structured. Kothari (2014), descriptive research studies are designed to obtain relevant and precise 130 information concerning the current status of a problem or phenomenon and whenever possible to draw effective 131 conclusions from the facts exposed. The descriptive research design was used because data and information 132 can be obtained using the technique without shifting the environment (Deyrup, 2013). Scholars who have used 133 descriptive research design before are Kimei (2017); Geroski (2015) Cherotich (2018) and Ojwaka and Deva 134 (2018)135

¹³⁶ 8 e) Study Area

The study was conducted in two main regions under the KTDA managed factories that is Kisii Highlands, and Kericho Highlands. These include region 5 and 6. All the 28 KTDA managed tea-processing factories were included in the study. Kericho highlands is to the west of Mau forest and it boarders the Kisii Highlands. Decimal latitude and longitude coordinates for Kericho highlands are -0.36774 and 35.28314 respectively. The two regions were chosen because they were found to be applying various business growth strategies and geographically, the tea factories were closely and highly concentrated. Therefore, sufficient requisite data as per the variables of this study could be obtained from the respondents since they were considered to have relevant practical knowledge.

¹⁴⁴ 9 f) Target Population

Population is a cluster of items, persons or items from which a sample was taken for measurement (Sekaran, 2013). 145 Oso & Onen, (2015) argues that population consists the objects of a study comprising of individuals, organizations, 146 events and products. KTDA has seven regions in Kenya with 69 factories. The total number of management staff 147 in Kenya (top managers (Unit Manager, Production Manager, Factory Accountant, Field/Research Manager and 148 Field Service Administrator), section heads (Production Assistant, Assistant Factory Accountant and Assistant 149 150 Field Service Administrator) and supervisors (Factory Supervisor I, Senior Factory Mechanic, Clerk II Green 151 leaf, Tea Extension Service Assistant, Boil Attendant, Plant Technicians, Stores Clerk I)) is 1506 (KTDA, 2018). Kisii and Kericho highlands regions were purposively selected. The study population for this study comprised 152 of 701 managers of Kisii and Kericho highlands regions' KTDA managed tea processing firms in Kenya. There 153 were 140 top level managers, 179 section heads and 382 Supervisors=701 (KTDA, 2018). The unit of analysis 154 for this study was therefore the 701 management staff of the 28 KTDA managed factories in the two regions as 155 tabulated below. 156

¹⁵⁷ 10 g) Sampling Procedure and Sample Size

The study categorized the study population into strata, which included the 28 tea processing firms and further into cadres of management. The sample size is symbolic of the large population (Bryman, 2012). The sample size was developed using Yamane's (1967) formula, which provides a simplified formula to calculate sample sizes for proportions or finite populations as indicated below.?? = ?? 1 + ???? 2

162 Where;

N is the size of the population is the size of the sample and e is the level of precision or the level of statistical significance set. The degree of precision desired, generally set at 0.05 levels. At 95% confidence level, therefore level of precision = 5% (0.05) Hence given the population as ?? = 701 1 + 701(0.05)2 701 1 + 701(0.0025)n = 255 respondents

The study had a 30% provision for nonresponse. Cheung (2017), Berg (2018) and Yangon (2015) in their studies proposed that to cover for nonresponse bias there is need to create a provision of between 10-30% of the sampled population. Therefore, the total sample size will be 255 + 109 = 364 respondents.

The sample size was then proportionately apportioned to each factory and employee strata based on the percentage of the sample to the target population. The study strata included top level managers, section heads and supervisors. Proportions apportioning was done using stratification method. Parson (2014) opined that stratification is used to increase efficiency of a sample design with respect to survey costs and estimator precision.

174 11 h) Data Collection

The researcher used primary data which was collected using self-administered questionnaires from 28 Kericho and Kisii Highlands regions KTDA managed factories. The researcher used simple random sampling to obtain data from the respondents.

¹⁷⁸ 12 i) Instrumentation

The study used primary data. Primary data involves collection of information for the first time and it will be done 179 with self-structured questionnaires. A questionnaire is a pre-constructed set of questions to which the respondents 180 respond to (Mugenda & Mugenda, 2013). Use of questionnaire is one of the most common data collection tools 181 employed in research (Kothari, 2014). Questionnaires are used extensively to gather data on current issues, 182 practices, attitudes, opinions and conditions speedily and in a precise way ??Orodho, 2018). Questionnaires give 183 a comparatively cheap way of getting information. Structured questions were used to capture the opinion of the 184 respondents. Open-ended questions will be used to gather information about the subject from the respondents. 185 The questionnaires were administered through drop and pick technique. 186

¹⁸⁷ 13 j) Data Analysis and Presentation

Once the questionnaires were collected by the researcher, they were coded and keyed into SPSS V.24computer software and analyzed. The data analysis tools included descriptive statistics that is means and standard deviation. Regression analysis was done using simple regressions. The simple regressions was as follows;

Where Y-Performance of Tea Processing Firms in Kenya B 0 -intercept coefficient ? i -error term (extraneous variables) X 1 -product development strategy ? 1 -regression coefficients III.

¹⁹⁴ 14 Data Analysis, Presentation and Discussions

The researcher distributed three hundred and sixty-four (364) questionnaires to the factory management 195 personnel. A total number of three hundred and nineteen (319) questionnaires were filled and returned which 196 represents 87.64 % response rate. This was considered sufficient for the study according to (Saunders et al., 197 2011). Forty-five (45) questionnaires were not returned while three (3) of the returned questionnaires were 198 unusable because they were not fully filled. Therefore, 316 questionnaires from the respondents were sufficiently 199 completed. Thus, the response rate of this study was 86.8 %. A study by Holbrook (2009) which sought to 200 establish the acceptable response rate in social sciences surveys revealed that a rate above 50% is representative 201 202 and is within the desirable response rate.

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²⁰⁵ 16 A a) Product Development Strategy

The study sought to assess the product development strategies employed by the tea factories. The study results were presented in table 4.1.

²⁰⁸ 17 Table 1.1: Descriptive Statistics Results on Product Devel-²⁰⁹ opment Strategy

The study findings indicated that majority of the respondents were of the opinion that there is a defined policy 210 governing product development process (mean=3.76, SD=1.146). Further, the respondents agreed that processes 211 in product development are adopted from industry practices (mean=3.89, SD=0.929). Most respondents were 212 of the opinion that there is a minimum of five processes that a new product has to go through before it is 213 developed (mean=3.56, SD=1.129). Majority of respondents also were of the opinion that management defines 214 the processes a new product will go through before development (Mean=3.72, SD=1.058). In addition, most 215 respondents agreed that the firm's level of innovativeness in new product development has been recognized in 216 the past (mean=3.59, SD=1.052). Most respondents were of the opinion that the firm new products are received 217 well in the market due to high level of innovation (mean=3.65, SD =0.996). In the same breath, respondents 218 expressed mixed reactions to the statement that intrapreneurship in the organization has led to the development 219 of new products (mean =3.43, SD=1.098). 220

Most of the respondents were of the opinion that the firm promotes creativity among various developments by investing in their ideas, (mean =3.75, SD= 1.051). Many respondents agreed that the firm has a research and development department (mean=3.49, SD=1.153). Majority of the respondents disagreed that the research and development department has been sufficiently funded (mean=3.22, SD=1.44). The study further revealed that most respondents were of the opinion that the R&D department activities have been recognized by industry players (mean =3.55, SD=1.087).

With an average standard deviation of 1.082, it shows that all the items were of close range and were not 227 widely dispersed apart thus an indication that they had high level of internal consistency and therefore would 228 measure the same concept of product development. The overall results of findings on product development 229 strategy indicated an aggregate mean of 3.588 and standard deviation of 1.082. This connotes the importance 230 that management of the KTDA managed factories attach to product development as a business growth strategy. 231 The study findings that various processes are needed for product development which can be adopted from 232 industry practices are interpreted to mean that there is a need for technology adoption in order to ??2019) who 233 notes that in order to target new markets in the Far East, the Kenya Tea Development Agency Ltd (KTDA), a 234 private company providing management services to small-scale tea farmers for the production, processing, and 235 marketing of teas in Kenya, has introduced processing of orthodox teas. Orthodox teas are "whole leaf teas 236 manufactured using the traditional process", and generally fetch higher prices than those manufactured by the 237 "crush, tear and curl" (CTC) process. KTDA's target level of production for orthodox teas is 60 million tonnes 238 per annum, with at least one factory in each production zone manufacturing the product.

per annum, with at least one factory in each production zone manufacturing the product.
Further, Van Lelyveld & De Rooster, (2016) found that the range of tea products is increasing with there
being a lot of process and product development. With there being an increase in the industry, the manufacturers
who do not conform to the market demands cannot survive. They can borrow best manufacturing practices from
other industries to succeed in their operational performance depending on the market requirements.

²⁴⁴ 18 b) Descriptive Statistics Results on Firm Performance

The study sought to assess performance of tea factories managed by Kenya Tea Development Authority. The study results were presented in table 4.2.

Table 1.2: Descriptive Statistics Results on Firms Perfor mance. (N=316)

The study findings indicated that tea factories were cost leaders in the market (mean = 4.27; SD = .851). Majority 249 were of the opinion that the company pricing of its products is the best for its suppliers (mean=4.14; SD=0.835). 250 That firm market share has improved as a result of business growth strategies and stands as the best in the industry 251 (mean=4.07; SD=0.857). Most respondents agreed that firm market share has improved with business growth 252 diversification (mean=4.02; SD=0.822). However, respondents had divergent opinion regarding the statement 253 that bonus payments by the factories are among the highest (mean=3.64; SD=1.090). Respondents also varied in 254 opinion regarding the statement that factory farmers are paid in time and at a high rate (mean=3.60; SD=1.078). 255 Others were of the opinion that surveys have indicated that customers are satisfied with the factory's products 256 257 (mean= 4.13; SD=0.824). Majority of respondents were of the opinion that there are high levels of referrals by the 258 company (mean=4.09; SD=.910). The study findings indicated that respondents were of the opinion that level 259 of customer retention is high (mean=4.31; SD=0.734). Overall, the study items on firm performance objective 260 posted an aggregate mean of 4.03 and a standard deviation of .889 this implies that business growth strategies have an influence in firm performance. 261

The study findings are supported by Namu et al, (2014) who argued that the production of tea in Africa is on a minimal scale and with small-scale farmers. The region has the task of competing with large producers who have been able to provide their product at lower prices with their ability to produce at lower costs with advancements in operations. The R&D department activities have been recognized by industry players .838

²⁶⁶ 20 Global Journal of Management and

²⁶⁷ The research and development department has been sufficiently funded .816

- ²⁶⁸ The firm has a research and development department .793
- The firm promotes creativity among various developments by investing in their ideas .494
- 270 Processes in product development are adopted from industry practises .855
- There is a defined policy governing product development process .828
- 272 Management defines the processes a new product will go through before development .629
- 273 There is a minimum of five processes that a new product has to through it is developed .595
- The firm new products are received well in the market due to high level of innovation .755
- 275 The

²⁷⁶ 21 Source: Field Data, (2020)

The 12 items for product diversification were subjected to principal components analysis using SPSS version 24. Prior to performing PCA, the suitability of data for factor analysis was assessed. Factors with factor loadings of above 0.5 and above were retained for further data analysis. All items met this criterion and none was dropped. Therefore, the 12 items were retained for further analysis. The Kaiser-Meyer-Olkin Measure value was 0.847exceeding the recommended value of 0.6 ??Kaiser 1970 ??Kaiser , 1974) and Bartlett's Test of Sphericity (Bartlett 1954) was significant with p value less than 0.000 (Bartlett's test=1412.944, p<.05) indicating the manifestation of factorization of 3 factors for product diversification.

Principal components analysis revealed the presence of two components with Eigen Values exceeding 1, explaining 36.576, 17.656 and 8.558 of the variance respectively. An item is considered to belong to a factor component if its factor loading corresponds to that particular component and is relatively higher than its factor loadings in the other factor components. The two components explained a total of 62.79% of the variance.

²⁸⁸ 22 b) Correlation Analysis

Results indicates that Product development strategy had a strong, positive and significant relationship (r=.716, n=316, p<0.05) with firm performance.

²⁹¹ 23 c) Regression Analysis

292 Product Development Strategy and Firm Performance.

The objective of this study was to establish the role of product development strategy on performance of tea factories in Kenya. The study predicted that product development had no significant statistical effect on firm The ANOVA model showed model fitness for influence of product development strategy on firm performance was statistically significant (F = 330.640, ?<0.05). Given that the calculated F = 330.640, while the F critical = 3.94 (1, ??14). Then F calc ? F critical ? 0.05. This finding indicated that product development is a significant predictor on firm performance, hence the null hypothesis was rejected and it was concluded that product development strategy had a significant effect on firm performance.

300 The findings were in agreement with those of Maurice and Scholastica (2016), who found that creativity of the innovation procedure exert a positive influence on product development and on an organization's performance. In 301 the same way, McAdam and Keogli (2016) found out that the company's/firms' inclination to development was of 302 important in the competitive environments in order to obtain bigger competitive advantages. Further findings by 303 Mbithi, Rambo, and Muturi (2015) indicated that introduction of newer products has been, to a significant degree, 304 negligible, while improving of existing products has adapted through rebranding and repackaging. Resulting 305 performance was seen as positive in output turnover and sale quantities; capacity utilization was found to be 306 moderate, while profitability after tax indicated fluctuating results. Performance was found to be responsive to 307 improvement of product procedures, but poor in introduction of new products since maximization is yet to be 308 actualized. Kinyanjui (2015) also alluded that most of the firms that have diversified in production processes, 309 310 products and market, were found to be coming with new products, improving on existing ones or adopting new 311 technology to enhance efficiency. These findings undoubtedly indicated that product development is key in tea 312 factory performance.

The regression coefficients in table 1.4c below established the mean change in firm performance for each unit change in the product development Strategy. Findings showed that product development strategy had coefficient of estimate which was significant basing on ? 1 = 0.716 (p < 0.05). The effect of product development strategy was more than 18 times the effect attributed to the error; this was indicated by the t-test value = 18.184 Based on the above results, the following simple linear regression model was derived. Y = 0.401 + .910x 1 V. Summary of Findings, Conclusions and Recommendations

³¹⁹ 24 a) Product Development Strategy and Performance of Se ³²⁰ lected Tea Factories

The study findings indicated that various processes are needed for product development which can be adopted from industry practices. This is interpreted to mean that there is a need for technology adoption in order to enhance product development.

The study results indicated that there was a significant relationship between product developments of firms and performance. The study finding noted that advertising is important in market development. This is interpreted to mean that the tea marketing farms are keen to tap into new markets where they can sell various tea products so as to fight emerging competitions through advertising campaigns on the products on offer.

328 25 b) Conclusions

Product development strategy in tea factories has significant effect on performance of these factories however various processes are needed for product development which can be adopted from industry practices. These processes are often dictated by research and development, levels of innovation and creativity, intra-preneural initiative as well as having favourable policy frame work. Most factories had little to show in terms of their product development processes other than depending on the experience of some employees though the respondents affirmed the essence product development strategies.

³³⁵ 26 c) Recommendations of the Study

The researcher further recommended that the management need to promote creativity among various product

development processes by investing in new and viable ideas, putting more funds to the research and development

department so as to enable it come up with new products that can cope with the global market. Factories which have put resources in research and development have often improved their innovative skills as well as creativity

- in product development processes and this has made their products more appealing to the target clientele and
- minimized production costs.¹

Previous empirical studies demonstrate the positive relationship between business growth strategies and firm performance (Kagwiria, 2014, Hrebiniak & Joyce 2016, Ojwaka & Deya, 2018, Matthews & Scot 2015 and Pearlson & Saunders, 2016). Furthermore, most of the recent research took place in European, American, Asia and China contexts and consequently there is little understanding as to how business growth strategies affects performance in KTDA managed factories in Kenya. The existing studies related to the study include (Maina, Mugambi & Waiganjo, 2018; Muriuki, 2016 & Gesimba, 2015) who agree that Product development strategy has a positive relationship on organizational performance. II.

Figure 1:

13

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Figure 2: Table $1 \cdot 3$:

1

	Unstandardized Coefficients Standardized Coefficients				
	Model	В	Std.	Beta	t Sig.
			Error		
	(Constant)	.40	1.189		2.120.035
1	Product Development .910		.050	.716	18.184
					.000
	a. Dependent Variable: Firm Performance				

Source: Field Data (2020)

Figure 3: Table 1 .

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