FIRM CHARACTERISTICS, INDUSTRY STRUCTURE, STRATEGY AND PERFORMANCE OF LAW FIRMS IN KENYA

NYABERI JUSTRY P. LUMUMBA

A PhD THESIS SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF THE DEGREE OF DOCTOR OF PHILOSOPHY IN BUSINESS ADMINISTRATION, SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI

2019

DECLARATION

This thesis is original work and has not been submitted for a degree course in any other University.

Signed …………………………..   Date………………………………

Nyaberi, Justry P. Lumumba

D80/P/8703/2006

This thesis has been submitted for examination with our approval as University supervisors

Signature……………………….   Date…………………………………..

Dr. Machuki Vincent N. PhD
Senior Lecturer
Department of Business Administration
School of Business,
University of Nairobi

Signature…………………………….   Date………………………………

Prof. Martin Ogutu, PhD
Associate Professor
Department of Business Administration
School of Business
University of Nairobi.

Signature…………………………….   Date………………………………

Prof. Njihia James Muranga, PhD.
Associate Professor
Department of Management Science
School of Business
University of Nairobi

COPYRIGHT

DEDICATION

I dedicate this Thesis to my family.

ACKNOWLEDGEMENT

The completion of this thesis was facilitated by the support of many people. I would like to appreciate all those who helped me in one way or another in the course of this study. First and foremost, I wish to thank GOD, for this far HE has brought me. Secondly, I am grateful to my academic advisors: Dr. Machuki Vincent, Prof. Martin Ogutu and Prof. Njihia James Muranga for their valuable insights, guidance and overall support during the whole process of proposal formulation, Departmental and open forum defense as well as during data collection and analysis.

I also thank university dons who participated in my defense committees and facilitated the invaluable feedback which went into improving the quality of the thesis. I also acknowledge the contributions from the various discussants for their insightful comments.

I acknowledge the support from my family who always kept me in their prayers. My appreciation goes to Walter Ongeti, Nicholas Waiti and George Odeny Okelo who assisted in data collection and extremely patient through data analysis. Thank you for the professionalism you exhibited during this process.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

ABBREVIATIONS AND ACRONYMS

BLUE   Best Linear Unbiased Estimator

CVs   Coefficient of Variations

ESP   Environment Strategy Performance

GoK   Government of Kenya

LSK   Law Society of Kenya (years vary from 2014 to 2015 depending on the document on the web page

RBV   Resource Based View

SCP   Structure Conduct Performance

TBL   Triple Bottom Line

USA   United States of America

VIF   Variance Inflation Factor

VRIN   Valuable, Rare, Inimitable and Non-Substitutable

ABSTRACT

Explaining and often predicting organizational performance is a primary research objective in the field of strategic management that need to be addressed because performance improvement is at the heart of strategic management. The study conceptualized a relationship between firm characteristics, industry structure, strategy and performance of law firms in Kenya. Firm characteristics have been posited to influence performance. However, there is observed lack of consensus with regard to this position, hence the need for more empirical explanation. The role of industry structure and strategy in the relationship between firm characteristics and performance has not received conclusive empirical backing. The study was contextualized in law firms in Kenya in which these variables have not been empirically tested. The main objective of this study was to determine the influence of firm characteristics, industry structure and strategy on the performance of law firms in Kenya. To achieve this objective, four specific objectives were set and corresponding hypotheses were formulated and tested at 95 percent confidence level. The study was guided by resource based theory, the institutional theory and industrial organizational economics theory. Through a cross-sectional descriptive survey, data was obtained using a semi-structured questionnaire. The questionnaire was administered to a sample of 379 law firms spread across the country. Hypotheses were tested using both simple and multivariate regression analysis as well as hierarchical analysis for moderating effects and path analysis for the intervening effect. The findings show that firm characteristics have a statistically significant influence on performance of law firms in Kenya. Industry structure and strategy were both found to have statistically significant moderating and intervening effect respectively on the relationship between firm characteristics and performance. Results of each of the variables independently on performance were statistically significant. The results support the Resource Based Theory, Institutional Theory as well as Industrial Organization Economics Theory. The study contributes to knowledge in the field of strategic management by establishing effects of industry structure and strategy through moderating and intervening on the relationship between firm characteristics and performance. Managers will use the findings of this study to monitor the crucial performance drivers in their law firms with regard to firm characteristics, industry structure and strategy. The study has offered direction for policy makers and the owners of the law firms in Kenya. Based on the limitations of the study, areas for further research have been suggested. Future research can be undertaken in SMEs and large firms in manufacturing and other service sectors using the same conceptualization as the current study. Methodologically, a longitudinal survey can be undertaken in the same context on the same variables to assess the impact of time over their influence on performance.

CHAPTER ONE

INTRODUCTION

1.1 Background of Study

Organizational performance is the primary concern in practice and research of strategic management (Ombaka, Muindi & Machuki, 2015; Kasera, 2017). Organizations in a competitive environment work to outwit, outsmart, outmaneuver as well as outperform their rivals (Lefort, McMurray & Tesvic, 2015). This means an organization which sets out unique features, characteristics, patterns and processes may outperform others. Firms' characteristics influence on organizational performance may be subject to the industry in which the organization operates (Kamasak, 2011; Abubakar, Sulaiman & Haruna, 2018).

Kamasak (2011) argues that, choice of strategy may be made as a result of specific firm characteristics and this would eventually influence organizational performance. Industry structure has a strong influence in determining the competitive rules of the game as well as strategies potentially available to the firm (Coelho, Aguiar & Lopes, 2011). The combined effect of firm characteristics, strategy and industry structure on organizational performance is the main focus of this study.

This study was anchored on the Resource Based theory (Wernerfelt & Montgomery, 1988) institutional theory (North, 1991; Scott, 2004), and the Industrial organizations economics theory (Bain, 1951). Institutional theorists postulate that structures, schemes, rules, norms and routines become established as authoritative guidelines for social behavior and combined in particular patterns may lead to performance. Further, Budiman, Lin, & Singham (2009) theorize that if an organization is to perform well, its structures,

strategies, systems, shared values, skills, staff as well as styles need to be aligned and mutually reinforcing. The industrial organization economics theory which informs the structure-conduct-performance (SCP) paradigm, (Mason, 1939; Bain, 1951) suggests that the industry structure in which an organization operates influences the conduct of the firms which in turn influences performance. The SCP paradigm has an equivalent of the Environment-Strategy-Performance (ESP) paradigm which as such is anchored in the organization strategy theory.

The competitive environment for law firms globally has been in a state of flux in recent years largely informed by the choice of strategy, partner versus firm interests as well as firm size in terms of the number of lawyers (Henderson, 2014). In Kenya, the legal profession has seen an increase in law firms in the recent past (LSK, 2015). The law firms exhibit different characteristics such as shared values, norms, systems and structures which are likely to have an influence on their performance. Further, the legal profession industry has been rife with stiff competition. This has necessitated the continued crafting of strategies to enable each of them survive or thrive (LSK, 2015).

1.1.1 Firm Characteristics

Firm characteristics are internal features and attributes that can be associated to a specific organization (Ongeti, 2014). The focus on the internal side of the organization's influence on organizational performance in strategic management research was informed by the failure by the external environment research's to fully explain variations in organizational performance. Vij and Farooq (2016) indicate that firms must have accurate and sufficient combination of characteristics and resources in order to design and implement strategies

that lead to better performance. According to Xu, Zhan, Huang, Xin and Xu (2016) a firm's ability to achieve and sustain competitive advantage is directly related to the specific resources, characteristics and institutions.

Firm characteristics include but are not limited to the size, ownership structure, financial resources, product or service lines and age of the organization (Kiganane, Bwisa & Kihoro, 2012). Firm characteristics include firm-specific resources; tangible and intangible, knowledge, capabilities as well as human capital (Favaro, 2015). Firms are heterogonous in characteristics. Other characteristics comprise of firm size and age. Chu (2011) argues that larger firms are more likely to have output levels close to their industry minimum efficient scale, and thus, less likely to be vulnerable than smaller firms that produce at a lower scale. Further Wolff and Pett (2016) argue that older firms are highly inertial and tend to become increasingly ill-suited to cope with changing competitive environment.

Different firm characteristics have been found to have varied impact on performance. This notwithstanding, crafting the right strategy is important in maximizing the combination of the characteristics. Nonetheless, occurrences with the industry in which an organization operates could have a bearing on the relationship between the firm characteristics and the strategy which would eventually influence organizational performance (Arosa, Iturralde & Maseda, 2010).

1.1.2 Industry Structure
The industry structure is the set of factors that directly influences a firm and its competitive actions as well as responses. Porter (1998) postulates that these factors are

threat for new entrants, customers, power of suppliers, the threat of product substitutes and the intensity of rivalry among competitors. In total, the interaction among these factors determines an industry's potential. Typically, industries include a rich mix of competitive strategies that companies use in pursuing above average returns (Ortega, 2010). An industry has a direct effect on the firm's strategic competitiveness and ability to earn above average returns (Grant & Jordan, 2012).

Porter (2007) suggests that industry structure is manifested in the strength of five competitive forces which include threat of new entrants, threat of substitute goods, bargaining power of suppliers as well as customers and rivalry among existing competitors. These forces determine an industry's long-run profit potential because the forces shape the division of value among industry actors—whether profit is constrained by substitutes or new entrants, bargained away by customers or suppliers, or competed away by rivals. By studying these forces, a firm finds a position in an industry where it can influence the forces in its favor or buffer itself from the power of the forces (Hitt, Ireland & Hoskisson, 2011).

The arena in which competition takes place is the industry in which a company and its rivals vie for business. Each industry has a distinctive structure that shapes the nature of competitive interaction that unfolds there. Understanding the underlying structure of a company's industry, now and in the future, is a core discipline in strategy formation (Ortega, 2010).

1.1.3 Firm Strategy

Strategy has been defined differently by various scholars. Lechner and Gudmundsson (2014) define strategy as the direction and scope of an organization over the long term, which achieves advantage for the organization through its configuration of resources within a changing environment to meet the needs of markets and fulfill stakeholders' expectations. Bracker (1980) observes that strategic management is believed to have originated from ancient Greeks. He argues that the word strategy comes from the Greek stratego, meaning to plan the destruction of one's enemies through the effective use of resources. However, the development of the concept was purely in relation to the successful pursuit of victory in war. The concept remained a military one until the nineteenth century when it began to be applied to the business world.

There are different strategies at corporate, business and functional levels of organizations. These strategies include at strategic alliances, diversification, differentiation, cost leadership and market penetration among others. A strategic alliance is corporate level strategy where two or more parties agree to pursue a set of agreed upon objectives needed while remaining independent organizations. Differentiation strategy involves differentiating oneself from competitors, by offering something unique and of value to customers to permit the firm to charge premium prices (Porter, 1998; Amit & Schoemaker, 1993). Cost leadership is achieved through a consistent emphasis on efficient production of goods and services or low cost production. The strategy is ideal for firms with high volume production facilities in terms of high technology and efficient machinery and a relatively high market shares in their industries (Porter, 2007).

1.1.4 Organizational Performance

Performance is the major focus of any firm that intends to grow and survive in a market that is competitive (Kakanda, Bello & Abba, 2016). The definition of performance thus follows Whitmore (1997) arguments that it entails the achievement of targets that were set by the firm in question in the spirit of maximizing the wealth for stakeholders. It is also conceptualized to mean how resources within a firm's disposal can be put in to their use effectively and efficiently with the aim of achieving the objectives of the firm depending on the arising present or future opportunities (Marn & Romuald, 2012; Yasser, Entebang & Abu Mansor, 2011).

Organizational performance is widely recognized as an important – if not the most important – construct in strategic management research. Researchers and practitioners also agree that organizational performance is a multidimensional and multifaceted construct so much so that performance indicators and measurements differ from an organization to another and industry to industry depending on their application (Pekuri, Haapasalo & Herrala, 2011; Bastian & Muchlish, 2012). Strategic management research core purpose is to increase understanding about the determinants of organizational performance and explain how managers can create superior performance (Porter, 2007). However, consensus among researchers on the best measurement tools or aspects still remains elusive.

Currently, the strength of a stakeholder in organizational matters determines the focus of performance measurement. Measurement of performance has evolved over time from traditional lens of profits, sales, market share, productivity, debt ratios and stock prices (March & Sutton, 1997) whose interest was only shareholder approaches such the

sustainable balanced score card (Kaplan & Norton, 1992) and TBL (Elkington, 1997), due to the increasing influence of other stakeholders in organizations performance such as customers, environmentalists and social justice activists.

1.1.5 Link among the Study Variables

Different organizations possess different unique features or characteristics that could be firm specific. Such characteristics include size, ownership structure, age, norms, and style among others. Firm characteristics have been established to influence organizational performance (Ongeti, 2014; Barakova, 2010). According to Galbreath and Galvin (2008) the quest to understand the determinants of performance has created a bifurcated view. On one side of the debate are the structural characteristics of industries. On the other side of the debate are firm-specific resources.

Organizations operate in different industries. The structure in which an organization operates can influence its conduct and eventually organizational performance (Ogollah, Bolo & Ogutu, 2011). Additionally, the industry structure can influence the relationship between firm characteristics and performance. Further, the choice of strategy of an organization is dependent on the specific characteristics of firms. Strategy is therefore an outcome of a conglomerate of firm characteristics. It can thus be postulated that firm characteristics have an influence on organizational performance. However, this relationship is subject to various factors such as the industry in which the firm operates and the strategic choices the firm makes.

1.1.6 Law Firms in Kenya

Globally law firms must be understood within the larger context of the growth of the law firm as a business organization (Henderson, 2014). Law firms do not have outside investors. Rather, the employees are also the owners of the firm. The practice of law is regarded as one of the oldest professions in the world and its origins are traced back to the Roman Empire Age (GoK, 2014). The legal profession in Kenya is a broad one. It encompasses the entire judicial arm of government.

This arm is categorized into the bar and the bench. The bench consists of the judges and magistrates while the bar is composed of the advocates (GoK, 2014). The management of advocates is guided by two legal instruments; the Advocates Act and the Law Society of Kenya (LSK) Act (GoK, 2012). The general legal practices undertaken by advocates are guided by the Advocates Act (1961), while the LSK Act (2015) constitutes a body which oversees the general practice of those advocates. Advocates are free to practice the legal profession through law firms (GoK, 2012).

A law firm is a business entity formed by one or more lawyers to engage in the practice of law. The primary service rendered by a law firm is to advise clients (individuals or corporations) about their legal rights and responsibilities, and to represent clients in civil or criminal cases, business transactions, and other matters in which legal advice and other assistance are sought. Law firms in Kenya are mainly sole Proprietorships or Partnerships (LSK, 2015). Some firms are split into departments with department's heads so as to cover all the bases. These are usually large law firms with many associates. The advantage of this is that it brings in more income to the firm and deals with many clients. However, the down side of such a big law firm is that coordination and decision making is more complicated.

While some law firms have been performing well, others have found it difficult to operate in the industry leading to their dissolution and in some cases debarment (LSK, 2014). The law firms are faced with a myriad of challenges, key among them are the emergence and the entry of foreign law firms necessitating adoption of strategic management practices within the industry (Henderson, 2014). There is evidence of crafting and implementing of strategies such as mergers and acquisitions, outsourcing, diversification and marketing strategies that have also been employed by various law firms.

1.2 Research Problem

Strategic management studies have ascertained a strong positive link between firm characteristics and firm performance (Abubakar, Sulaiman & Haruna, 2018; Kamasak, 2011; Badriyah, Sari and Basri, 2015). Firms need effective characteristics to enable them overcome the competitive challenges they experience in the industry in order to realize superior performance (Badriyah, Sari & Basri, 2015). Lefort et al, (2015) affirm that firm characteristics provide a basis of how effective strategy is formulated and adopted leading to improved performance. However, Njeru (2013) established lack of direct relationship between firm characteristics and performance. The industry in which an organization operates has also been found to determine the choice of strategy and subsequently influence performance (Ogbo, Chibueze, Christopher & Anthony, 2015). However, debate that firm specific characteristics have an influence on organizational performance than the industry in which the firms compete is unresolved which leads to the current study to establish the role of industry structure and strategy in the relationship between firm characteristics and performance.

Law firms in Kenya operate in the legal profession which is a service industry constituted as a sole proprietorship or partnership. This industry is guided by rules and regulations that inform their conduct. However, different firms which can be pure partnership or limited partnership are characterized by different attributes including size, ownership structure, age and resources. There is variation in organizational performance across the industry. While some law firms have been performing well, others have found it difficult to operate in the industry leading to their dissolution and in some cases debarment (LSK, 2015). The law firms are faced with a myriad of challenges, key among them are the emergence and the entry of foreign law firms necessitating adoption of strategic management practices within the industry (Brock, Yaffe & Dembovsky, 2006). There is evidence of crafting and implementing of strategies such as mergers and acquisitions, outsourcing, diversification and marketing strategies that have also been employed by various law firms.

Several past studies (Badriyah, Sari and Basri, 2015; Masika & Simiyu, 2019; Kaguri, 2012; Kisengo. & Kombo, 2012) have been done along varied conceptualization of the variables in the current study, but there are still several conceptual, contextual and methodological gaps that this study seeks to address. Conceptually, the debate on the influence of firms characteristics on organizational performance is inconclusive given that empirical studies have yielded inconsistent results ranging from negative (Njeru, 2013) to positive (Badriyah, Sari & Basri, 2015; Lefort et al, 2015). For instance a study by Badriyah, Sari and Basri (2015) established that age and size moderately influence firm performance whereas firm resources and ownership structure strongly and significantly influence firm performance. However, this contradicted the finding of a

similar study by Njeru (2013) who showed that firm characteristics do not influence firm performance nor moderate the relationship between market orientation and marketing practices. None of the above studies sought to establish the joint influence of firm characteristics, industry structure and organizational strategy on performance yet the conceptual literature supports the need for establishing such a relationship (Ojienda & Katarina, 2011).

Contextually, several studies of how firm characteristics influence organizational performance have been done. While the study by Kaguri (2012) was on the influence of firm characteristics on performance of insurance industry in Kenya, Umukoro (2009) sought to establish influence of management characteristics of the banking industry in Nigeria. Additionally, the study by Kiganane, Bwisa and Kihoro (2012) sought to establish how firm characteristics influence financial performance of mobile phone service firms in Kenya. Globally, strategic management research in the legal profession is rare. Few of these studies (Henderson, 2014) are conceptual reviews of literature on globalization of the legal profession. The legal profession in Kenya continues to grow and the industry faces a myriad of managerial challenges. However, very little strategic management research is documented in the industry.

Additionally, strategy has been found to have a positive influence on organizational performance (Ogollah, Bolo & Ogutu, 2011). According to Porter, (1998) the industry in which an organization operates has a bearing on the performance of that organization. Further, the industry in which organizations operate have been posited to influence the strategy they choose and eventually impact on their performance (Galbreath & Galvin,

2008; Hitt, Ireland & Hoskisson, 2011). However, the debate on the influence of firm characteristics on performance is inconclusive. Similarly, the moderating role of industry structure on the relationship between firm characteristics and performance is yet to receive much empirical attention. Moreover, the combined influence of firm characteristics, industry structure and organizational strategy on performance still requires empirical strength. Contextually, the law firms in Kenya have received little empirical studies in the area of strategic management. Methodologically different measures of research designs like a review of literature and different analytical techniques like structural equation modeling came up with conclusions which were applied by various previous studies (Henderson, 2014; Badriyah, Sari & Basri, 2015; Njeru, 2013). This study deviates from these reviewed studies by adopting purely quantitative data and a regression analysis to test the significance levels along the stated hypotheses. These are the gaps that this study sought to address by answering the question as to what is the influence of industry structure and strategy on the relationship between firm characteristics and organizational performance of Law firms in Kenya.

1.3 Research Objectives

The main objective of this study was to determine the influence of firm characteristics, industry structure and strategy on performance of law firms in Kenya. The specific objectives were:

i.   To determine the influence of firm characteristics on performance of law firms in Kenya;

ii. To establish the effect of industry structure on the relationship between firm characteristics and performance of law firms in Kenya;

iii. To determine the effect of strategy on the relationship between firm characteristics and performance of Law Firms in Kenya; and

iv. To establish the joint effect of firm characteristics, industry structure and organizational strategy on performance of law firms in Kenya.

1.4 Value of the Study

The study is expected to make significant contributions to theory testing in the ever growing field of strategic management. Performance, being at the heart of strategic management continues to draw the interest of researchers and practitioners as they seek to clarify what influences it and to what extent. The resource based theory would likely benefit from this study especially in confirming the role of firm characteristics on organizational performance.

The influence of various firm characteristics in combination with other factors role on organizational performance can help explain this theory further. Institutional as well as industrial organization economics theory will also benefit from the findings of this study. The study will further make recommendations that could guide policy formulation within the law society of Kenya thus informing regulation and practice by law firms. Such policy as training members on strategic planning, development of strong firms with particular success features will emerge from this study. The study will also likely make contributions to the practice of strategic management especially in the law firms of Kenya. The findings of this study could be beneficial to entrepreneur lawyers, equipping them with much needed knowledge on embracing strategic management in running of law firms. Additionally, this study has adopted the use of sustainable balanced score card as a measure of performance within the law firms. This may be a relevant aspect for managerial practice within these organizations.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter lays focus on the theoretical underpinnings that will guide this study before undertaking a variable pairwise review of literature. The chapter later discusses the various gaps identified in literature then a conceptual framework is developed forming a basis for formulating various hypotheses that will be tested by the study.

2.2 Theoretical Foundation

There are several theories that guide the conceptualization of this study. They include; the resource based theory (Penrose, 1959; Wernerfelt, 1988), the institutional theory (Zucker, 1987; North, 1992) and industrial organizational economics theory (Bain, 1951). The resource based theory is the anchoring theory of the study. The theory's key postulation is that organizations with a unique bundle of resources that exhibit particular strategic characteristics achieve sustainable competitive advantage, hence sustained performance.

The theory links with institutional theory to concretize the influence of an organization's internal characteristics which can enhance or prohibit an organization from achieving its performance goals. Critical in this linkage is the industrial organization economics theory which depicts performance as an outcome that is contingent upon the strategic choices made by an organization given particular industry and overall business environment conditions. These three theories jointly provide anchorage to performance implications of the linkages among firm characteristics, industry structure and strategy.

2.2.1 The Resource Based Theory

The resource based theory posits that if a firm acquires valuable, rare, inimitable and non-substitutable resources it can have superior performance (Teece, Pisano & Shuen, 1997; Penrose, 1959; Grant & Jordan, 2012). Such resources can be tangible, intangible and capabilities. This theory informs the conceptual relationship between firm characteristics and performance within this study.

Firm characteristics unique to an organization are part and parcel of firm resources and largely the internal side of the firm (Yasuda, 2005). This theory implies that firm specific characteristics have a bearing on organizational performance. The theory informs the operationalization of the firm characteristics. The essence of the RBV lies in the emphasis of resources and capabilities as the genesis of competitive advantage: resources are heterogeneously distributed across competing firms, and are imperfectly mobile which, in turn, makes this heterogeneity persist over time (Mahoney & Pandian, 1992).

According to Resource Based Theory resources are inputs into a firm's production process; can be classified into three categories as; physical capital, human capital and organizational capital (Crook, 2008). A capability is a capacity for a set of resources to perform a stretch task of an activity. Each organization is a collection of unique resources and capabilities that provides the basis for its strategy and the primary source of its returns.

The critiques of this theory argue that it assumes resources are heterogeneously distributed across organizations and that this can be sustained over time. It presents different resource variables leaving out other factors, for example the notion of variables

co-alignment; a capability that could boost performance (Kuo, 2011). In this study the theory conceptualizes the argument that organizational performance is enhanced when organizations use unique resources that they own and configure the same to enable the firm attain a competitive advantage position.

2.2.2 The Institutional Theory

Organizational change often occurs as the result of processes that make organizations more similar without necessarily making them more efficient through a process called Isomorphism (DiMaggio & Powell, 1991). This theory considers the process by which structures including schemas, norms and routines become established as authoritative guidelines for social behavior (North, 1991). Institutional theorists postulate that the institutional environment can strongly from a basis upon which structures or firm level characteristics are created within the organization.

Organizational values which are engraved in institutions are transmitted through various mechanisms, including symbolic systems, relational systems, and routines. Institutions are structures based on more or less taken for granted, formal or informal, rules that guide social behavior (Johnson, 1999). The firm characteristics and strategy emerge out of such norms and institutional values as well as systems, meaning that this theory is relevant to the postulation of the two variables. The theory falls short of indicating which institutions or characteristics are more relevant to organizational performance than others.

Institutional theory posits that the primary objective of organizational change is formal legitimacy. In other words, organizations adapt their internal characteristics in order to conform with the expectations of the key stakeholders in their environment. Institutional theory suggests that organizations are likely to 'conform' with isomorphic pressures, the

16

meaning of conformity has not been clearly articulated (Frumkin & Galaskiewicz, 2004). Institutional pressures may influence some organizational characteristics more strongly than others. Hannan and Freeman (1984) argue that changes in the institutional and task environment may alter the organizational 'periphery' while leaving the 'core' intact.

The theory however has been critiqued by Cohen et al., (2007) who argues that the theory emphasizing on rules and other beliefs that should be rewarded in well-coordinated economic transactions based on strict adherence to the set structures is a concern that should be relooked since it is not about the rules and beliefs but how the structure is developed and structured in a way that facilitates the strategy implementation process is what is key for any organization with proper plans in place.

2.2.3 Industrial Organization Economics Theory

The industrial organization economics theory (Bain, 1951) which informs the industry structure, strategy and performance relationships in this conceptualization and more specifically the structure conduct performance paradigm postulates that the industry in which a firm operates dictates the strategy to be chosen by a firm thus influencing performance (Barney, 1991). This theory has received a lot of criticism especially when the industry alone or the external side of the organization could not explain variations in organizational performance.

This theory has received a lot of criticism especially when the industry structure alone or the external side of the organization could not explain variations in organizational performance. The theory therefore sheds light in the current study in the sense that performance of the firms cannot be realized without first looking at the industry, it's

17

well-developed and organized structure which will fosters the application of the necessary strategy depending on the laid down goals and objectives to be achieved in the industry. In the case of law firms in Kenya, a well-organized structure will needed to be crafted in relation to the industry, that will enable the owners or managers come up with best combination of strategies that are competitive on the market to foster their performance.

2.3 Empirical Literature Review

Empirical evidence has been sought from previous works on the key research variables. The independent variable in this study was firm characteristics which are presumed to influence performance. Further the study reviews literature on the possibility of industry structure and strategy influencing the relationship that might exist between firm characteristics and firm performance and also indicates how the joint effect of the study variables affects performance. The review of empirical literature is outlined and discussed in the subsections herein.

2.3.1 Firm Characteristics and Performance

There is a relationship between internal firm factors and performance (Abubakar, Sulaiman & Haruna 2018). Firm size is one of the most acknowledged determinants of a firm's profits (Kamasak, 2011). However, other studies established inconsistent findings. For instance a study by Njeru (2013) on market orientation, marketing practices, firm characteristics, external environment and performance of tour firms in Kenya showed that firm characteristics do not influence firm performance nor moderate the relationship between market orientation and marketing practices; Lefort et al, (2015) suggested a

positive relationship exists. Bigger firms are presumed to be more efficient. Firm age is another important characteristic with impact on organizational performance.

Badriyah, Sari and Basri (2015) studying the effect of corporate governance and firm characteristics on firm performance and risk management as an intervening variable found that age and size moderately influence firm performance whereas firm resources and ownership structure strongly and significantly influence firm performance. Another study by Masika and Simiyu (2019) on effect of Firm Characteristics on Financial Performance concluded a strong influence between firm characteristics constructs and firm performance and that firm size and leverage have a more significant effect on firm performance as opposed to age of the firm.

Further Charles, Ahmed and Joshua (2018) studying the effect of firm characteristics on profitability found that firm size and sales growth have significant effects on firm but firm age and liquidity are not significantly affecting firm performance. Other studies (Hosny, 2017; Abubakar, Sulaiman & Haruna 2018) revealed that liquidity and Age have significant negative impact on firm performance but ownership structure and firm resources are significantly related to firm performance.

Mukhopadhyay and Amrikhalikhali, (2010) contend that the characteristics of firm have a direct bearing on its organizational performance and vice versa. While firm characteristics may have a direct influence on performance, they also would impact on the choice of strategy employed by the organization. This notwithstanding, the industry in which an organization operates could influence the relationship between firm characteristics and the strategy chosen and thus performance. Research is equally

inconclusive on which characteristics of firms lead to superior performance. It could thus be postulated that firm characteristics have an influence on organizational performance.

2.3.2 Firm Characteristics, Industry Structure and Organizational Performance

Understanding the forces that shape competition in an industry is the starting point for developing strategy. It reveals the most salient aspects of the competitive environment and the crucial constraints to overall profitability. It highlights the industry changes that pose the greatest threats and opportunities. Industry structure also provides a baseline for sizing up a company's strengths and weaknesses (Ogollah et al., 2011): where does the company stand versus buyers, suppliers, entrants, rivals, and substitutes? A study of Ogbo, Chibueze, Christopher and Anthony (2015) argues that age and size of the firm depend on industry structure to significantly influence firm performance in an industry dominated by competitors.

Owich (2018) affirms that industry structure in strategic management literature is the precursor upon which performance is anchored with further conclusion that the structure in which an industry operates dictates which resources are key to be considered for an organization to thrive. Another study by Oyewobi, Windapo, Cattell and Rotimi (2013) indicated that regulated industry structure gives organization a fair play ground to do businesses with a conclusion that the firm characteristics considered viable by a firm are as a result of proper scan of the structure an industry is anchored for.

Awino (2015) also asserts that the structure in which an organization operates determines the firm characteristics to integrate for performance to be realized with an argument that well developed structure significantly influence firm performance. Organizational internal competences, resources, shared values, skills, knowledge and structures will play

a pivotal role in crafting strategy that enables organizations perform better than competition. It can thus be argued that industry structure has a moderating role on the relationship between firm characteristics and strategy.

2.3.3 Firm Characteristics, Strategy and Performance

According to Favaro (2015) strategy is important if not fundamental, for long term success and development of any organization. However, not all strategies are applicable across all organizations. Choice of strategy is much more hinged on a firm's distinctive characteristics. Variations in organizational performance have been partly attributed to the relationship between the organization and choice of strategy. Dean, Menguç and Myers (2014) in a study on firm characteristics and export performance with the role of strategy reveals that strategy in place dictates which firm characteristics to employ for performance to be realized with conclusion that strategy significantly determines the magnitude of firm characteristics and performance relationship.

Kaynak and Kuan (2015) strategy and environment coalignment in determining performance asserts that the kind of environmental forces in an industry determines strategies to be developed to cushion the firm stability which in turn results to enhanced performance. If this goal is achieved, performance advantages are subsequently built and sustained. Thus, in attempting to explain performance variation, researchers should directly investigate a firm's characteristics as well as the structural characteristics of an industry. It is therefore likely that strategy has an intervening role on the relationship between firm characteristics and performance.

2.3.4 Firm Characteristics, Industry Structure, Strategy and Performance

The quest to understand the determinants of performance has created a bifurcated view. On one side of the debate are the structural characteristics of industries. On the other side of the debate are firm-specific resources. However, in recent years, the nature of competition and the shifting of economic conditions have led to increased challenges of the assumptions upon which industry structure theories have been built. In today's business environment, arguments suggest that structural characteristics of industries are becoming less relevant determinants of performance while firm resources are becoming the basis upon which firms compete (Hajipour, Talari & Shahin, 2011).

Industry structure was thought to be the main determinant of both a firm's strategy and its performance (Kariuki, 2015). The findings of later studies, however, demonstrate that industry characteristics alone cannot explain a large variance in firm performance. These findings lead to the query why some firms within the same industry perform better than others (Hitt et al., 2011). Stimulated by research on firm resources (Penrose, 1959) and competitive strategy (Porter, 1980), a multitude of studies have analyzed the impact of industry structure versus firm resources (Shanmin & Xiaochun, 2009; Kamasak, 2011). Industry structure can therefore be managed when the firm is able to organize its firm characteristics to achieve its desired objectives.

2.4 Summary of Knowledge Gaps

Literature has exposed various conceptual gaps among the relationship of firm characteristics, industry structure, strategy and organizational performance. Key among them is the contradicting and inconsistent results on the relationship between firm characteristics and firm performance. Further most past studies have not studied the four variables in one conceptual framework, hence the need to test the joint effect of firm

22

characteristics, strategy and industry structure on firm performance (Lefort et al, 2015; Abubakar, Sulaiman & Haruna 2018; Hosny, 2017; Abubakar, Sulaiman & Haruna, 2018; Ogbo, Chibueze, Christopher & Anthony, 2015; Dean, Menguç and Myers, 2014). The contextual gaps relate to the law firms in Kenya. The contextual gaps emanates from failure to test on the research variables within an industry whose players are either sole proprietorship or partnerships (pure and limited) since most past studies have been done within limited corporations like banks, mobile phone companies and insurance firms (Kaguri, 2012; Ogollah et al 2011**;** Lucy, Kiganane Bwisa & Kihoro, 2012; Lauterbach and Vaninsky, 1999; Umokaro, 2009). The gaps identified in literature are summarized in Table 2.1.

Table 2.1: Summary of Knowledge Gaps

Researchers	Focus	Methodology	Findings	Knowledge Gaps And How Current Study Will Address.
Badriyah, Sari and Basri (2015)	Corporate governance and firm characteristics on firm performance and risk management as an intervening variable	Review of literature	Age and size moderately influence firm performance whereas firm resources and ownership structure strongly and significantly influence firm performance	The study was a review of literature. The current study focused on law firms in Kenya and was quantitative where law firms were surveyed using a structured questionnaire.
Masika & Simiyu (2019)	Firm Characteristics on Financial Performance	Quantitative, cross sectional survey	Firm size and leverage have a more significant effect on firm performance as opposed to age of the firm	Study focused on Deposit Taking Saccos Licensed By Sasrai Nairobi.

Role of strategy was assessed in this study. Study was within law firms Kenya for better inference. |
| Kaguri, (2012) | Relationship between firm characteristics and financial performance of life insurance companies in Kenya | Quantitative, cross sectional survey | Firm characteristics had strong positive relationship on financial performance of life insurance companies in Kenya | Industry structure role is not reviewed.

The current study will bring in the role of the industry structure. |
| Kamasak (2011) | Firm-specific versus industry structure factors in explaining performance variation: Empirical evidence from Turkey | Quantitative, cross sectional survey | firm-level resources had a greater effect in explaining performance variation than industry structure in the Turkish business context | Study focused in Turkey. Findings may not be inferred.

Role of strategy will be studied. Study will focus in Kenya |
| Kisengo. and Kombo, (2012) | Effect of Firm Characteristics on Performance of the Microfinance Sector in Nakuru, Kenya | Quantitative, cross sectional survey. | The findings revealed that firm characteristics have a significant positive effect on performance of MFIs | Industry structure role is not reviewed.

The current study will bring in the role of the industry structure. |
| Lucy , Kiganane Bwisa and Kihoro (2012) | Assessing influence of firm characteristics on the effect of mobile phone services on firm performance: A case study of Thika town in Kenya | Quantitative, cross sectional survey. | Results revealed that firm characteristics have no statistical significant influence on the effect of Mobile phone services on firm performance. | Industry structure role is not reviewed.

The current study will bring in the role of the industry structure. |
| Ogollah et al (2011) | Strategy, structure environment linkage and corporate performance | Conceptual review of literature | There is linkage in literature between strategy, structure and performance | Industry structure role is not reviewed.

The current study will bring in the role of the industry structure. |

2.5 Conceptual Framework

A conceptual framework explains inter linkage among concepts and the variables under study (Ravitch & Riggan, 2012). The conceptual framework for this study has been developed after a meticulous literature and empirical reviews. It provides a link between the variables. In this framework, firm characteristics which include firm size, age, ownership structure and firm resources have been conceptualized as the independent variable. The dependent variable is organizational performance which will be analyzed using the sustainable balance scorecard model (financial perspective in terms of net profits and fees turnover, customer perspective, learning growth perspective, internal processes perspective, corporate social responsibility perspective and environmental impact perspective). Industry structure plays a moderating role between firm characteristics and performance. In this case we will look at the five forces of industry namely new entrants, suppliers, customers, competitors and substitutes. On the other hand, strategy is an intervening variable on the relationship between firm characteristics and organizational performance. This will cover corporate strategy (diversification and integration), business strategy (differentiation, focus and cost) and lastly functional strategy (financial, operations and marketing) Kaplan, et al., (1992). The schematized relationship is presented in Figure 2.1.

Figure 2.1: Conceptual Model

H₁

H2

Industrial Structure
- New entrants
- Suppliers
- Customers
- Competitors
- Substitutes

Moderating Variable

Firm Characteristics
- Ownership structure
- Size
- Age of firm
- Firm resources

Independent Variable

H4

Organizational Performance
- Financial
- Internal processes
- Customer
- Learning and Growth
- Corporate Social Responsibility
- Environmental Impact

Dependent Variable

Firm Strategy

Corporate level
- Diversification
- Integration

Business level
- Differentiation
- Focus
- Cost

Functional strategy
- Financial
- Operations
- Marketing

Intervening Variable

H3

Source: Researcher, (2019)

2.6 Research Hypotheses

Based on the conceptual model above, the following research hypotheses guided this study;

Ho_1:   There is no statistically significant relationship between firm characteristics and performance of Law Firms in Kenya;

H_1:   There is a statistically significant relationship between firm characteristics and performance of Law Firms in Kenya;

Ho_2:   There is no statistically significant moderating effect of industry structure on the relationship between firm characteristics and performance of Law Firms in Kenya;

H_2:   There is a statistically significant moderating effect of industry structure on the relationship between firm characteristics and performance of Law Firms in Kenya;

Ho_3:   There is no statistically significant intervening effect of firm strategy on the relationship between firm characteristics and performance of Law Firms in Kenya

H_3:   There is a statistically significant intervening effect of firm strategy on the relationship between firm characteristics and performance of Law Firms in Kenya; and

Ho_4:   There is no statistically significant joint effect of firm characteristics, industry structure and firm strategy on the performance of law firms in Kenya.

H_4:   There is a statistically significant joint influence of firm characteristics, industry structure and firm strategy on performance of law firms in Kenya.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presented the methodology proposed for the study. The key highlights include research philosophy, research design and target population. Additionally, data collection methods, reliability and validity of measurement together with operationalization of research variables are also discussed. Finally, the analytical models for analysis are described and summarized.

3.2 Research Philosophy

A philosophical orientation in research is the founding principle on how data about a phenomenon is gathered, analyzed and used (Saunders et al., 2007). Kuhn (1974) came up with the concept of paradigm shift by arguing that scientific fields undergo periodic paradigm shifts rather than solely progressing on a linear and continuous ways. These paradigms shifts open up new approaches to understanding knew approaches which scientists could have not considered before. Besides the objective criteria, subjective conditioning can lead to the establishment of new scientific truth. Further Popper (1972) held that scientific theories are abstract in nature and can be tested only indirectly by reference to implications

There are two main approaches that is, ontology and epistemology. Ontology is what constitutes reality whereas epistemology is how we get to know what we know about reality through the methods of generating knowledge. From these two broad research paradigms namely positivism also referred to as quantitative and phenomenology also referred to as qualitative research is emerges (Nachmias & Nachmias, 2004).

Phenomenological philosophy concerns the researchers' subjective perceptions and relies on experience and avoids generalizations based on existing theory (Saunders et al., 2007). Phenomenology is perceptional as it looks at the qualities and phenomena that are subjective. It focuses on the immediate experience and starts from the known to the unknown (Nachmias & Nachmias, 2004; Saunders et al., 2007; Mugenda, 2008). Conversely, positivism is based on the assumption that the observer is independent of what is being observed and measurement should be through objective criterion rather than being inferred subjectively (Zikmund et al., 2010). However, this philosophy has its weaknesses. Inaccuracy in scientific data resulting from the respondents is likely to alter the end-results of the hypothesis testing. The researcher has to abide by the findings since he is detached from the research and has to remain objective (Johnson, 2014). Proponents of the philosophy also hold that everything can be measured and calculated, which is not true and also makes them inflexible. This makes them to disregard unexplained phenomenon (Zucker, 1987).

Despite the weaknesses, this study was anchored in the positivistic philosophy. This is because it was largely involved in theory testing. Additionally, it seeks to answer research questions by empirically establishing relationships among variables (Cooper & Schindler, 2006). Positivism is based on the assumption that the observer is independent of what is being observed and measurement should be through objective criterion rather than being inferred subjectively. It is based on observed events, neutrality, measurement and validity of results (Saunders et al., 2007). Positivists use existing theory to develop hypotheses which are tested and confirmed whole or part or refuted, thus informing and guiding further development of theory which may be tested by further research.

3.3 Research Design

The study was a descriptive cross sectional survey. Descriptive cross sectional surveys are types of research designs where data is be collected across a number of organizations at one point in time. These studies are carried out once and represent a snap shot of one point in time. These types of research designs help researchers to establish whether significant associations exist among variables at some point in time (Cooper & Schindler, 2006; Nachmias & Nachmias, 2004).

This design is relevant to this study because the researcher sought to establish the relationship among various variables namely firm characteristics, industry structure, strategy and performance within a large number of Law firms in Kenya at one point in time. Other researchers (Newbert, 2008; Ongeti, 2014) successfully used the same design for similar studies.

3.4 Population of the Study

The target population of this study consisted of all Law firms in Kenya as at 30th December 2015. According to the Law Society of Kenya (2015) there were 7132 law firms in Kenya, practicing in various counties. These law firms practice in different areas of law.

Law firms in Kenya are mainly sole Proprietorships or Partnerships (LSK, 2015). Law Firm sizes vary from one law firm to the other. There are other law firms with more than one office while some firms are split into departments with department's heads so as to cover all the bases. These are usually large law firms with many associates.

3.5 Sample and Sampling Techniques

Cooper and Schindler (2006) suggest that a sample must be large enough to represent the salient characteristics of the accessible population and hence the target population. The sample size depends on factors such as the number of variables in the study, the type of research design, the method of data analysis and the size of accessible population (Cooper & Schindler, 2006).

Gay (1987) suggests that for correlational research, 30 cases or more are required; for descriptive studies 10 percent of the accessible population is enough and for experimental studies, at least 30 cases are required per group. For this study, the sample size for such cross sectional survey was determined according to three factors (Kate, 2006). These are the estimated percentage prevalence of the population of interest-10%, the desired level of confidence and the acceptable margin of error. In a study involving a simple stratified random sample, as indicated by (Yamane 1967), where the sample size had an error of 5% with a confidence coefficient of 95%, the sample size required can be calculated according to the following for formula below.

$$n = N / [1 + N (e)^2]$$
$$n = 7,132 / [1 + 7,132*0.05^2]$$
$$n = 379$$

Where:

N= Target Population
n=required size
e= margin of error at 5% (standard value of 0.05)

Table 3.1: Sample Size

Strata	Target population	Percentage	Sample size
47 counties in Kenya	7132 law firms	100	379 law firms

Source: LSK, (2015). For the full target population and sample size refer to Appendix ii.

The study applied computer to generate random numbers in order to obtain sample size that is applicable to draw conclusions since high population was involved. A method of selecting sample members from a larger population according to a random starting point and a fixed, periodic interval; typically, every "Kth" which is N/n=19th member was selected from the total population for inclusion in the sample population. Thus where the sample in a county has more than 19, we picked every 19th law firm and if it was less than 19 law firms then we picked one law firm randomly. The reason for choosing this technique was to increase the sample's statistical efficiency and to provide adequate data for analyzing the various law firms. This gave an equal chance for all the law firms in the sample frame to be picked.

3.6 Data Collection

This study collected primary data. The data was largely quantitative in nature. The data was collected using a semi structured questionnaire. The questionnaire comprised of closed ended questionnaires as well as open ended ones guided by the concepts of the study, the research intuition, theory and other empirical studies. A five point Likert scale ranging from not at all (1) to a very high extent (5) was used to construct the items. For additional data, open ended questions complemented the closed ones.

The study's key target respondents were the managing partners and if not available those who act on their behalf. The unit of analysis for the study was law firms in Kenya. The questionnaire was is divided in five parts. Part I sought to collect data on the organizational profile, Part II was used to collect data on firm characteristics while Part III contained statements on strategy. Further, Part IV sought to collect data regarding

industry structure while Part V collected data on organizational performance. The questionnaires were administered using a drop and pick method. This method was used successfully in other studies (Njoroge, Machuki, Ongeti, & Kinuu, 2015; Machuki & Aosa, 2011).

3.7 Reliability Test

Reliability is a measure of extent to which questionnaire yields consistent results or data after repeated trials (Zikmund et al., 2010). Two approaches were used to measure reliability. Cronbach alpha coefficient which is used to assess the internal consistency was then used. The Cronbach alpha coefficient values ranges from 0 to 1 and a high coefficient implies that the items correlate highly among themselves, that is, there is consistency among items in measuring the concept of interest (Peterson 1994).

Different researchers have proposed different cut-off points of the Cronbach's alpha coefficient. While Sekeran (2003) suggests a value of not less than 0.5 to be acceptable this is different from the suggestion of (Nunnally, 1978) who recommends a value of between of 0.7 and 0.8. Despite the much contest there seems to be consensus among a number of scholars that a figure in the range of 0.5 and above is acceptable. This study adopted a Cronbach's α (alpha) lower limit of 0.7 upwards as suggested by Nunnally (1978).

3.8 Validity Test

Validity is the degree to which the results obtained from the analysis of the data collected represent the phenomenon under study (Zickmund, 2010). It determines whether the research instrument truly measures what it is intended to measure with precision (Siti

2001). The research instrument should allow the researcher to hit the bull's eye of the research objective and the results represent general population of the study (Golafshani, 2003).

To enhance face validity, the research instrument was enhanced using expert opinion obtained during various proposal examinations in the University of Nairobi. Additionally, a pilot study was conducted by subjecting the instrument to a small sample of five law firms to enhance content validity and determine respondent's understandability of the questions and where necessary changes were made.

3.9 Operationalization of Study Variables

The variables in this study were operationalized to enable quantitative measurement. The independent variable in the study is firm characteristics which were measured by ownership structure, size, age of firm and firm resources while the dependent variable is performance measured through sustainable balanced score card by looking at financial performance, internal processes, customer, learning and growth, corporate social responsibility and environmental impact. The moderating variable was the industry structure operationalized by new entrants, suppliers, customers, competitors and substitutes while strategy was the intervening one measured by corporate strategy, business strategy and functional strategy. The variables were operationalized in line with the objectives of the study. They have been illustrated in Table 3.2.

Table 3.2: Operationalization of Study Variables

Variable	Operational Indicators	Measurement	Questionnaire Items	Supporting Literature
Firm Characteristics **(Independent)**	Ownership structure, Size, Age of firm, Financial Resources	5 point Likert Scale	Section B	Kaguri (2012), Barney (1992), Favaro (2015), Hannan (1998)
Industry Structure **(Moderating)**	New entrants, Suppliers, Customers, Competitors and Substitutes	5 point Likert Scale	Section C	Porter, (1987), Grant & Jordan (2012), Hitt, Ireland & Hoskinsson (2011)
Strategy **(Intervening)**	Corporate Strategy, Business Strategy, Functional strategy	5 point Likert Scale	Section D	Ogollah et al (2011), Bracker, (1980), Porter (2007)
Performance **(Dependent)**	Financial performance, Internal processes, customer, learning and growth, corporate social responsibility and environmental performance.	5 point Likert Scale and quantitative data	Section E	Hubbard, (2009); Combs, Crook & Shook (2005), Porter (2007)

3.10 Diagnostic Test

Diagnostics procedures check how well the assumptions of multiple linear regression are evaluated (Hayes, 2013). Tests of statistical assumptions tested for regression are done to establish if the data met the normality, linearity, Multicollinearity, homogeneity and collinearity assumptions in this study.

3.10.1 Tests of Normality

Statistical procedures require that the assumption of normality is tested. This enables graphical tests to be performed to check for skewness and kurtosis. It helps to confirm whether the data follows a normal distribution or asymmetrical distribution. If the

normality is not achieved, the results may not depict the true picture of the relationship amongst the variables (Newbert, 2008).

In this study the normality was tested using Kolmogorov-Smirnov Test and the Shapiro-Wilk Test. They are more reliable than determining skewness and kurtosis values of normality. If the probability values of the Kolmogorov-Smirnov Test and Shapiro-Wilk Test is greater than 0.05, the data is normal otherwise the data significantly deviates from a normal distribution.

3.10.2 Test for Multicollinearity

Multicollinearity is a test that evaluates whether the independent variables are highly correlated. It occurs when two or more predictors in the model are highly correlated leading to unreliable and unstable estimates of regression coefficients hence causing strange results when attempting to study how well individual independent variables constitute to an understanding of the dependent variable (Newbert, 2008). The consequences of Multicollinearity are increased standard error of estimates of the Betas, meaning decreased reliability and often confusing and misleading results.

The test for Multicollinearity was conducted to assess whether one or more of the variables of interest is highly correlated with one or more of the other independent variables. The variance inflation factor (VIF) will be used to evaluate the level of correlation between variables and to estimate how much the variance of a coefficient is inflated because of linear dependence with other predictors. As a rule of thumb if any of the VIF is greater than 10 then there is a probability of a problem with Multicollinearity

and consequently they are poorly estimated (Newbert, 2008). Hence the variable will be dropped from the model.

3.10.3 Test of Heteroscedasticity

Homoscedasticity assumes that there is constant variance of the errors. Violations of homoscedasticity (Heteroscedasticity) make it difficult to gauge the true standard deviation of the forecast errors, usually resulting in confidence intervals that are too wide or too narrow (Gujarati & Porter, 2009). In particular, if the variance of the errors is increasing over time, confidence intervals for out-of-sample predictions will tend to be unrealistically narrow. One of the assumptions of the classical linear regression model is that there is no Heteroscedasticity. Breaking this assumption means that the Gauss–Markov theorem does not apply, meaning that OLS estimators are not the Best Linear Unbiased Estimators (BLUE) and their variance is not the lowest of all other unbiased estimators, (Gujarati & Porter, 2009). A plot of residuals versus predicted values will be used to check for the convergence.

3.11 Data Analysis

Once data is collected, it was prepared, analyzed and reported. Data preparation included: questionnaire checking, sorting, editing, coding, transcription, data cleaning, and finally the data will be analyzed to establish the relationship among the variables. The study used both descriptive and inferential statistics to analyze data. Descriptive statistics such as frequency distribution and measures of central tendency was used to analyze the demographic data. Coefficient of variations (CVs) was used to establish the variations in the responses.

Composite indices were obtained by dividing the averages of the variables rated by the smallest rating of the variables. Parametric statistical procedures using correlations, regression, t-tests and analysis of variance are based on the assumption that the data follows a normal distribution (Siti, 2001). This is to make sure the assumptions are not violated, since when they are violated interpretation and making of inferences may not be validly reliable. Data diagnostics were done to determine if the data set meets the regression assumptions such as normality, Heteroscedasticity, multicollinearity and linearity. Pearson (product moment) correlation coefficient (r) will be used to establish relationships between two variables. Correlation reveals the magnitude and direction of the relationships (Cooper & Schindler, 2006).

Multiple regression was used to test the relationship between two or more variables. Additionally, stepwise regression analysis that adds a set of candidate variables to the regression equation to determine how much the set of candidate variables adds to the prediction of the dependent variable over and above the contribution of previously included independent variables. Path analysis was used to test for mediation of strategy on the relationship between firm characteristics and performance while stepwise method was used to test for moderation.

To test the influence of firm characteristics on organizational performance, the following general model was used:

$P_1 = \beta_{01} + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon_1$………………………….(i)

Where,

P_1 = Performance, β_0 , β_1 , β_2, β_3, β_4 are coefficients

X_1 = Ownership structure, X_2 = Size, X_3 = Age of firm, X_4 = Firm Resources, $\varepsilon1$= error term.

On the effect of industry structure on the relationship between firm characteristics and organizational performance, the following analytical model was used;

$$P_2 = \beta_0 + \beta_1X + \beta_2Z + \beta_3X*Z + \varepsilon_1 \quad \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\text{(ii)}$$

Where,

P_2=Performance

$\beta_0, \beta_1, \beta_2$, are coefficients

β_3= coefficient of interaction term

X = firm characteristics,

Z = Industry structure

$X*Z$ = interaction term (firm characteristics*industry structure)

$\varepsilon1$= error term.

On the intervening influence of strategy on the relationship between firm characteristics and organizational performance, the following analytical model was used;

$$P_3 = \beta_0 + \beta_1X + \varepsilon$$

$$W = \beta_0 + \beta_1X + \varepsilon$$

$$P_3 = \beta_0 + \beta1W + \varepsilon$$

$$P_3 = \beta_0 + \beta1 X + \beta_2W + \varepsilon \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\text{(iii)}$$

Where

β_0 =constant (intercept)

$\beta_{1,} \beta_2,$ = coefficients

P_3= Performance

X = Firm characteristics

W = Strategy

ε= Error term

Lastly, on the joint effect of firm characteristics, industry structure and strategy on organizational performance, the following analytical model was used:

$$P_4 = \beta_0 + \beta_1 X + \beta_2 Z + \beta_3 W + \varepsilon \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\text{(iv)}$$

Where

P_4 = performance α= constant (intercept)

X = Firm characteristics

Z = Industry structure

W = Strategy

$\beta_1, \beta_2, \beta_3$ are the coefficients

ϵ-is the error term

Details of analysis and interpretation are presented in Tables 3.3.

Table 3.3: Analytical Interpretation of Data

Objective	Hypotheses	Analytical Model	Interpretation
To establish the influence of firm characteristics on performance of Law firms in Kenya.	H_1: Firm Characteristics have statistically significant influence on performance of Law firms in Kenya	**Multiple linear Regression Analysis**: $P_1 = f(\text{Firm Characteristics})$ $P_1 = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon_1$ $P_1 = $ Performance, β_0, β_1, β_2, β_3, β_4 are coefficients $X_1 = $ Ownership structure, $X_2 = $ Size, $X_3 = $ Age of firm, $X_4 = $ Firm Resources, $\varepsilon1 = $ error term.	• The closer R approaches ±1, then a relationship is significant. • If (R^2) value is significant, then the overall model is significant • If t-statistic is greater than critical value then the variables are individually significant • If p-value $< \alpha$, then variables are individually significant
Establish the moderating influence of industry structure on the relationship between firm characteristics and performance of Law firms in Kenya	H_2: Industry structure has a moderating influence on the relationship between firm characteristics and performance of Law firms in Kenya.	Hierarchical regression analysis/ stepwise analysis $P_2 = f(\text{Firm Characteristics, Industry structure})$ $P_2 = \beta_0 + \beta_1 X + \beta_2 X.Z + \varepsilon1$ Where, $P_2 = $ Performance $\beta_0, \beta_1, \beta_2$, are coefficients $\beta_2 = $ Moderating coefficient of interaction term $X = $ firm characteristics, $XZ = $ interaction term (firm characteristics*industry structure) $Z = $ Industry structure $\varepsilon1 = $ error term.	• The closer R approaches ±1, then a relationship exists. • If (R^2) value is significant, , then the overall model is significant • If p-value $< \alpha$, then variables are individually significant • If t-statistic is greater than critical value then the variables are individually significant • Moderating effect if B_2 is significant
Establish the intervening influence of strategy on the relationship between firm characteristics and performance of Law firms in Kenya.	H_3: Strategy has an intervening influence on the relationship between firm characteristics and performance of Law firms in Kenya.	Path Analysis $P_3 = \beta_0 + \beta_1 X + \varepsilon$ $W = \beta_0 + \beta_1 X + \varepsilon$ $P_3 = \beta_0 + \beta_1 W + \varepsilon$ $P_3 = \beta_0 + \beta_1 X + \beta_2 W + \varepsilon$ $\alpha = $ constant (intercept) $\beta_1, \beta_2, = $ coefficients $X = $ Firm characteristics $P_3 = $ Performance $W = $ Strategy $\varepsilon = $ Error term	• If (R^2) value is significant, then the overall model is significant • If p-value $< \alpha$, then variables are individually significant • If t-statistic is greater than critical value then the variables are individually significant
Establish the joint effect of firm characteristics, industry structure and organizational strategy on performance of Law firms in Kenya	H_4: The firm characteristics, industry structure and organizational strategy have a statistically significant joint effect on performance of Law firms in Kenya	Multiple regression analysis $P_4 = \beta_0 + \beta_1 X + \beta_2 Z + \beta_3 W + \varepsilon$ $P_4 = $ performance $\alpha = $ constant (intercept) $X = $ Firm characteristics $Z = $ Industry structure $W = $ Strategy $\beta_1, \beta_2, \beta_3$ are the coefficients ϵ-is the error term	• The closer R approaches ±1, then a relationship exists. • If (R^2) value is significant, , then the overall model is significant • If p-value $< \alpha$, then variables are individually significant • If t-statistic is greater than critical value then the variables are individually significant

CHAPTER FOUR

DATA ANALYSIS AND FINDINGS

4.1 Introduction

The broad objective of the study was to determine whether industry structure and strategy influence the relationship between firm characteristics and performance of law firms in Kenya. To achieve this objective, four specific objectives were set and corresponding hypotheses formulated. This was important since the study focused on keenly determining how each objective and hypothesis can be well measured and arrives to a valid conclusion.

The data analyzed was obtained through a structured questionnaire along various operational indicators of the study variables. For each study variable, respondents were presented with descriptive statements in a 5 point Likert type scale and were required to indicate the extent to which the statements applied in their organizations. Findings of the pre-tests reliability and validity were presented. Reliability and validity gives a clear direction about the data viability in measuring the intended objectives. The details of descriptive analysis using frequency distribution tables, descriptive statistics such as means, Coefficient of variations and t-tests p-values are well presented and discussed.

4.2 Response Rate

The study was a descriptive cross-sectional survey of law firms in Kenya. The questionnaire was administered by trained research assistants to the respective law firms. The study targeted 379 law firms of which 367 questionnaires were filled and returned.

Further scrutiny established that 11 questionnaires were poorly filled and hence excluded from analysis. The effective response rate dropped to 356 respondents forming 93.93% response rate, which was considered adequate for analysis. This study's response rate was acceptable as it compares well with similar studies (Mkalama, 2014; Munyoki, 2014). Therefore, this study's response rate is considered very good for survey research as recommended by Punch (2003) who proposes a score of 80-98% as good response rate, whereas Mugenda and Mugenda (1999) suggest a 50% response rate is adequate, 60% good and above 70% very good. On his part, Fowler (1984) as cited in Njeru, (2013) suggests that a response rate of 60% is representative of the population of the study.

4.3 Test of Reliability

Reliability is a measure of degree to which an instrument yields consistent results or data after repeated trials as well as under different conditions (Saunders, Lewis & Thornhill, 2016). It is important that the measurement instrument used in a survey is reliable for it to measure consistently (Cooper & Schindler, 2011). For this study, Cronbach alpha coefficient was used to assess the internal consistency by correlating the responses to questions in the questionnaire with each other by calculating average correlation of items. The Cronbach's Alpha (α) ranges from 0 to 1 which reflects how well the measurement items correlate to one another, with those closer to 1 indicating high reliability.

Different authors recommend different cut off points for reliability, for instance Nunally (1978) and Gliem and Gliem, (2003) indicate that Cronbach alpha value of 0.7 and above is considered reliable whereas Cooper and Schindler (2006) suggest a range of 0.7 to 0.9 Cronbach's alpha coefficient to be good for reliability test, while Asikhia (2009)

recommends a reliability cut off point of 0.6. On their part, Hair et al., (2006) and Bagozzi and Yi (2012) instead recommend a value of 0.5 to be the reliability cut off point necessary for further analysis. This study adopted a cut off Cronbach value of 0.7 which is considered a strong measure of reliability consistency as suggested by Gliem and Gliem, (2003) and Cooper and Schindler (2006).

Reliability of the survey instrument was thus established by carrying out a pilot study on ten law firms. Ten law firms were required to respond to the questionnaire and report any ambiguous questions, identify any defects in the questions or lack of clarity in the instructions as well as suggest any changes. Hair et al., (2007) suggests that a pretest of 5 to 10 respondents selected from the targeted population is sufficient enough to allow validation of a questionnaire. These law firms were excluded from participating in the main survey. After the pilot study, the necessary modifications were made to the questionnaire. The results of the reliability tests are summarized in Table 4.1 below.

Table 4.1: Summary of Cronbach's Alpha Reliability Coefficients

Variable	Components of Variables	Cronbach's Alpha	Number of items	Decision
Firm Characteristics	Ownership structure, Size, Age of firm, Financial Resources	.875	21	Reliable
Industry Structure	New entrants, Suppliers, Customers, Competitors and Substitutes	.914	45	Reliable
Strategy	Corporate Strategy, Business Strategy, Functional strategy	.919	20	Reliable
Performance	Financial, Internal processes, customer, learning and growth, Corporate social responsibility, Environmental impact	.930	38	Reliable

Source: Field Data, (2019)

As shown in Table 4.1, the alpha coefficients for all the variables are above the 0.7 threshold. This was confirmation of reliability of the data used to draw conclusions from theoretical concepts. Cronbach's alpha coefficient ranged from 0.875 (Firm characteristics) to 0.930 (performance) revealing a high degree of reliability of the instrument. The results indicate that all constructs had high scores of reliability coefficients. Performance and strategy in that order had the highest reliability scores (0.930 and 0.919). Firm characteristics had lowest reliability score (0.875) although it was above the 0.7 cut-off point for reliability test as recommended by Nunnally (1978).

4.4 Validity Test

Validity tests were also carried out to determine the extent to which the instrument measured what it was designed to. Validity is the ability of the research questionnaire or instrument to measure what is intended to measure in terms of accuracy and meaningfulness (Aiken and West, 1991; Saunders, Lewis & Thornhill, 2016). It is a classic evaluation criterion used in science, referring to the extent to which conclusions drawn in a study provide an accurate description or explanation of what happened (Eriksson & Kovalainen, 2008).

There are a variety of validity tests including face to face validity, content validity, construct validity, criterion (predictive) validity and convergent validity. For this study, construct validity and face to face validity tests were employed. This is because these tests measure the extent to which the set of questions (scale items) measure the presence of the target constructs (Saunders et al., 2016). Face to face validity was dealt with by discussing the questionnaire with experts in firm characteristics, industry structure and strategy who confirmed their understanding of what the questions sought to measure. The

researcher used expert judgment from lecturers of the University of Nairobi, School of Business. Ambiguous, double edged and sensitive questions were cleaned, sorted or dropped.

Construct validity was measured through factor analysis. Construct validity test shows how well the measure reflects the target construct (Doodley, 2003). The Principal Component Analysis was used in extracting the factors. Factors were rotated through Varimax rotation method. Six factors loaded on the firm characteristics construct. Eleven factors loaded on industry structure construct, eight factors loaded on strategy construct. Performance was represented by 3 factors. It was established that factors for all the variables under the study were uni-dimensional. Consequently, the measures were considered both reliable and valid indicators of the constructs of the study. Results of factor analysis are presented in Appendix VI.

4.5 Tests of Statistical Assumptions

Prior to performing the descriptive and inferential analyses, statistical assumptions were tested for to establish if the data met the normality, linearity, homogeneity and collinearity assumptions, and it was on the basis of these results, that the measures of central tendency, dispersion, tests of significance, tests of associations and prediction were performed.

4.5.1 Test of Normality

The Shapiro-Wilk test was employed to test for normality. This test establishes the extent of normality of the data by detecting existence of skewness or kurtosis or both. Shapiro-Wilk statistic ranges from zero to one with figures higher than 0.05 indicating that the data is normal (Razali & Wah, 2011).

Table 4.2: Test of Normality

<div align="center">Tests of Normality</div>

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Performance	.054	356	.215	.978	356	.145
Firm characteristics	.044	356	.292	.993	356	.117
Industry structure	.027	356	.200[*]	.997	356	.776
Strategy	.058	356	.206	.991	356	.128

*. This is a lower bound of the true significance.

a. Lilliefors Significance Correction

Source: Field Data, (2019)

Normality was tested using the Shapiro-Wilk test and the results showed that all the variables were above 0.05 ($p > 0.05$) hence confirming data normality. Normality assumes that the sampling distribution of the mean is normal. Data normality was also demonstrated by the plotted Quantile Quantile plot (QQ plot) and normal histograms. Q-Q plots are as presented in Figures 4.1(a,b), 4.2(a,b), 4.3(a,b) and 4.4(a,b). The normal distribution had a good fit for the study variables.

Figure 4.1 (a): Normal Q-Q Plot of Data on Firm Characteristics
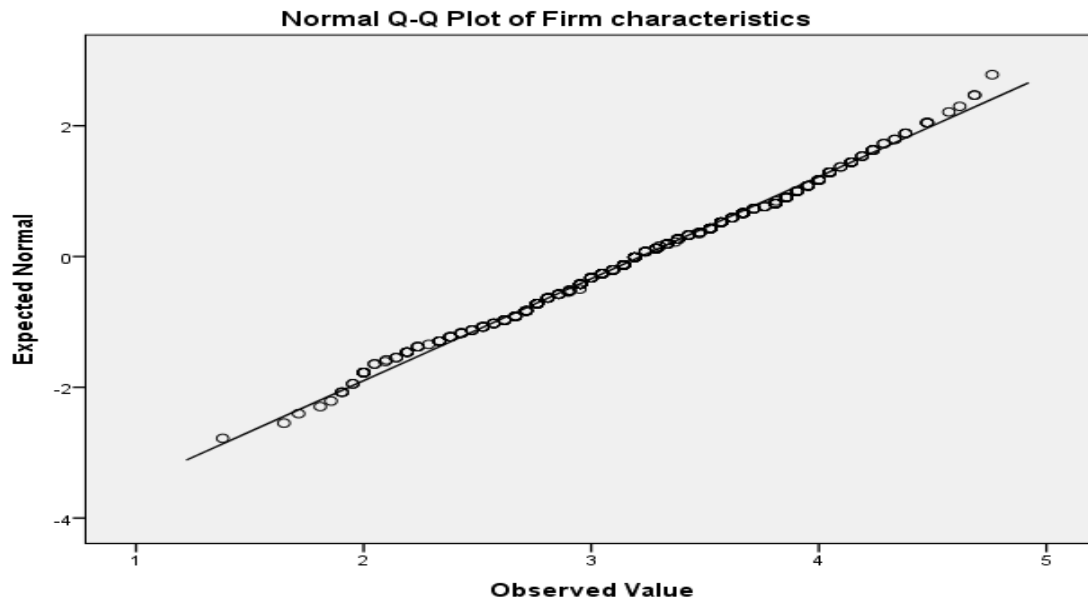
Source: Field Data, (2019)

Figure 4.1 (b): Normal Histogram Plot of Data on Firm Characteristics
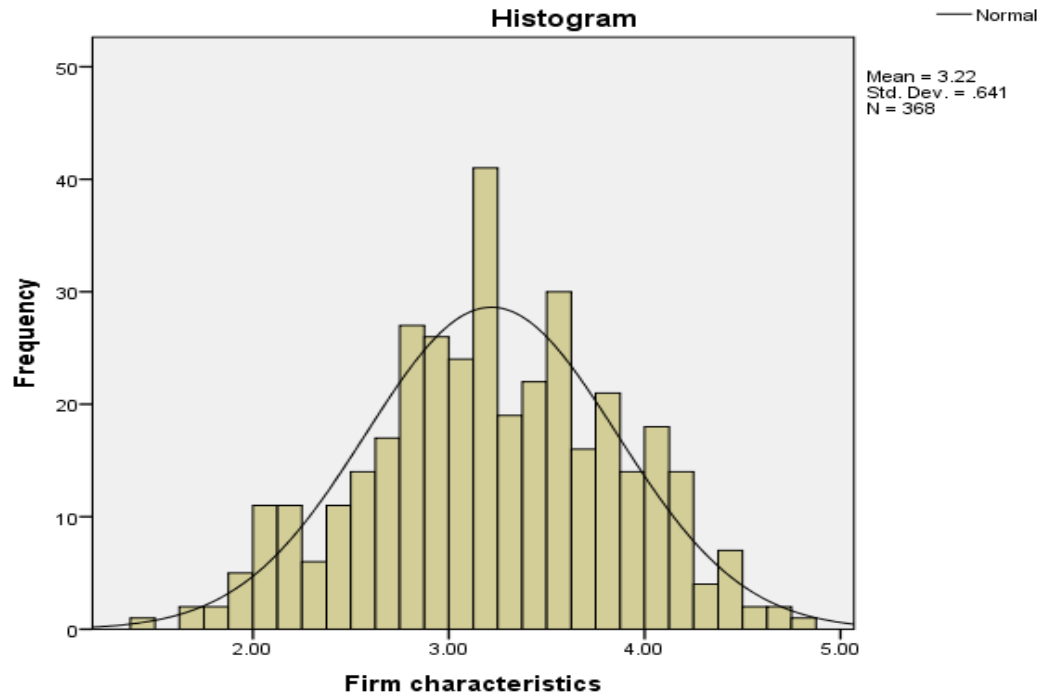
Source: Field Data, (2019)

Figure 4.2 (a): Normal Q-Q Plot of Data on Industry Structure

Source: Field Data, (2019)

48
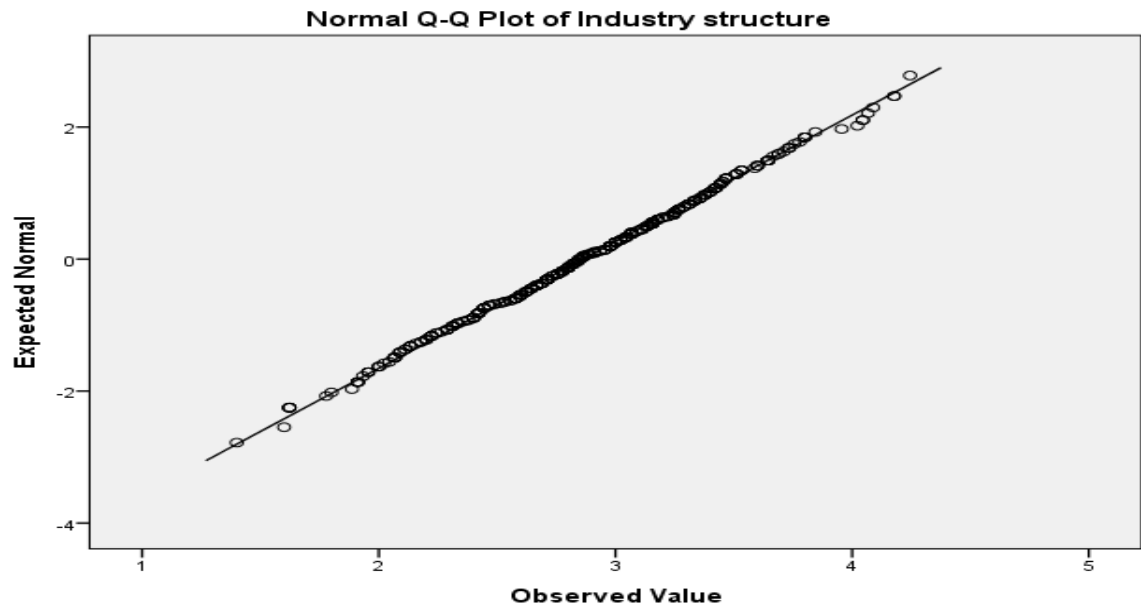
Figure 4.2 (b): Normal Histogram Plot of Data on Industry Structure
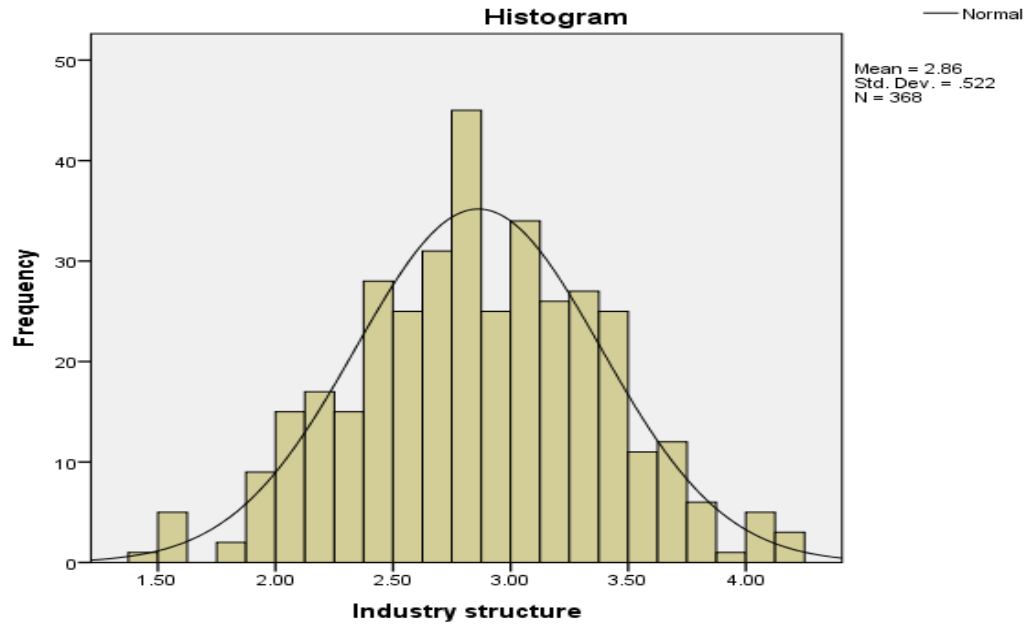
Source: Field Data, (2019)

Figure 4.3 (a): Normal Q-Q Plot of Data on Strategy
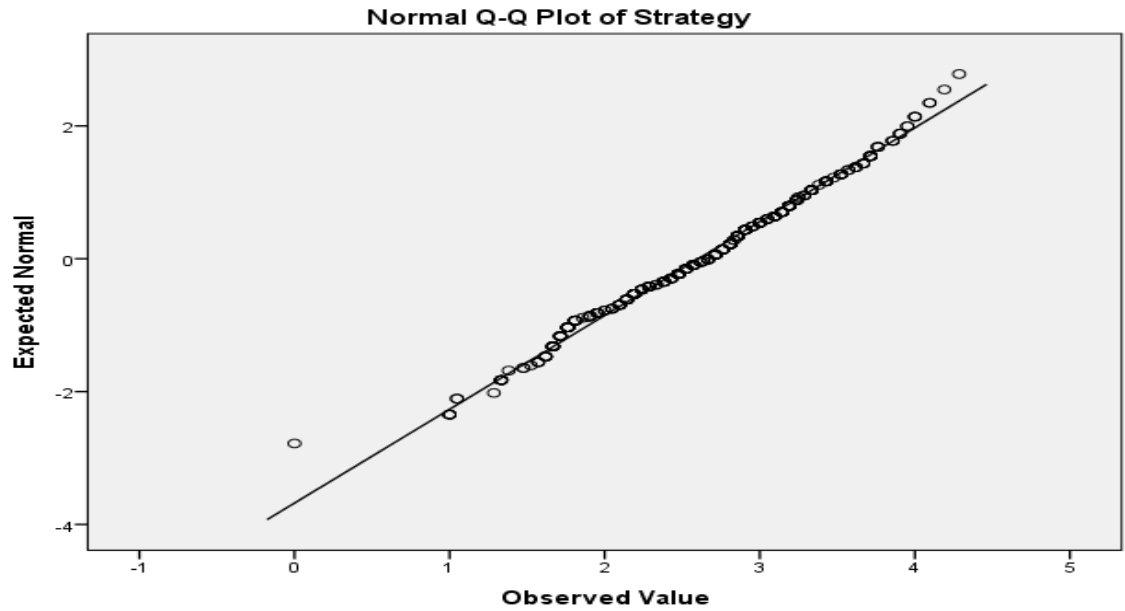
Source: Field Data, (2019)

Figure 4.3 (b): Normal Histogram Plot of Data on Strategy
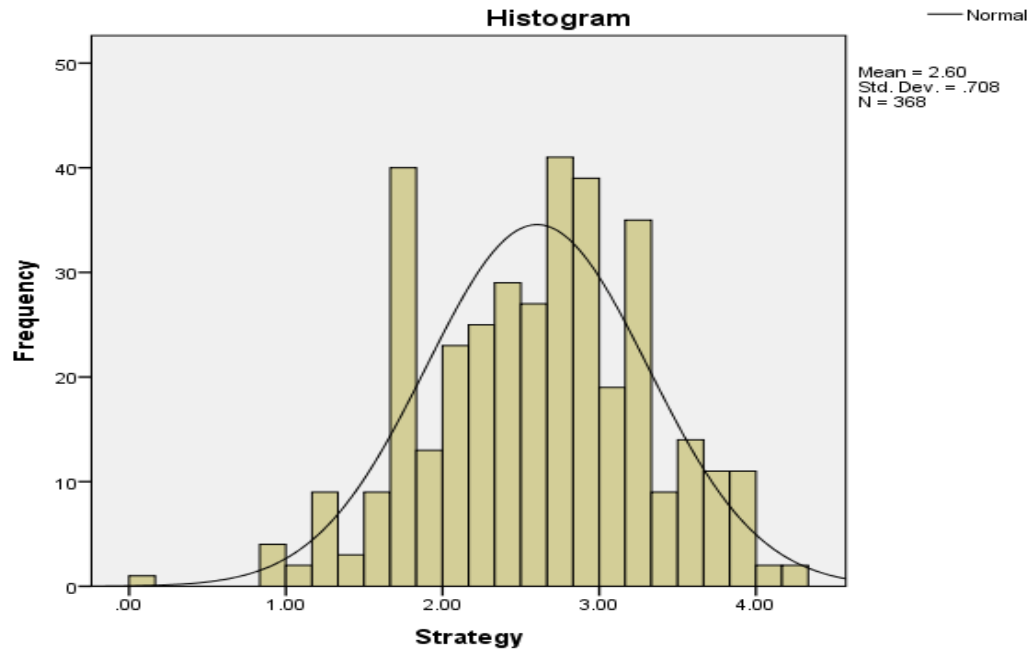
Source: Field Data, (2019)

Figure 4.4 (a): Normal Q-Q Plot of Data on Performance
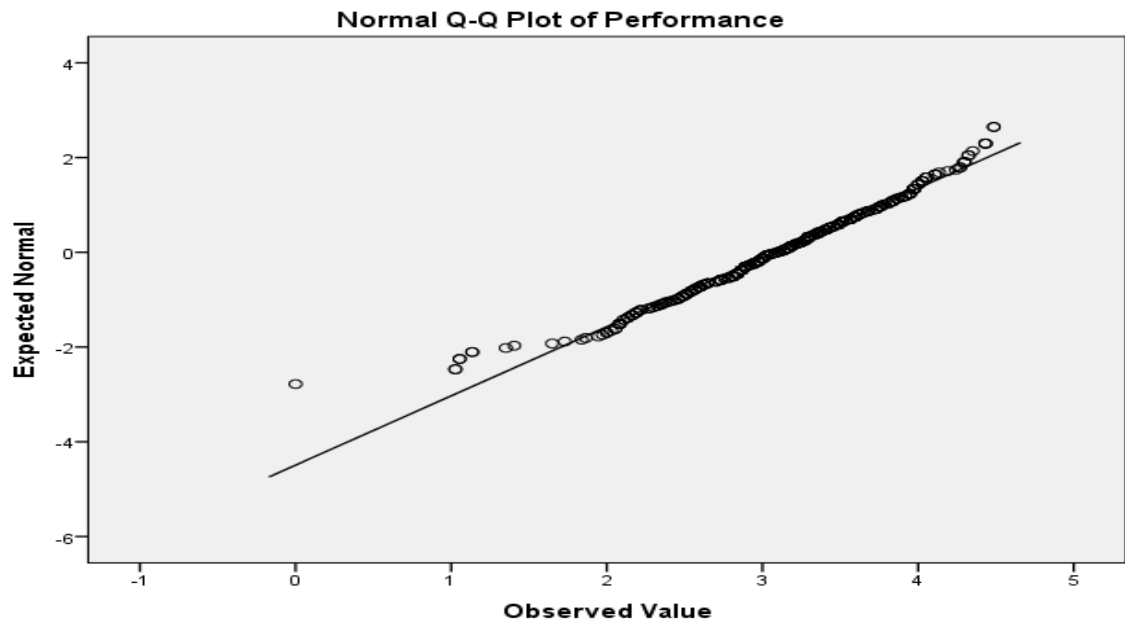
Source: Field Data, (2019)

Figure 4.4 (b): Normal Histogram Plot of Data on Industry Structure
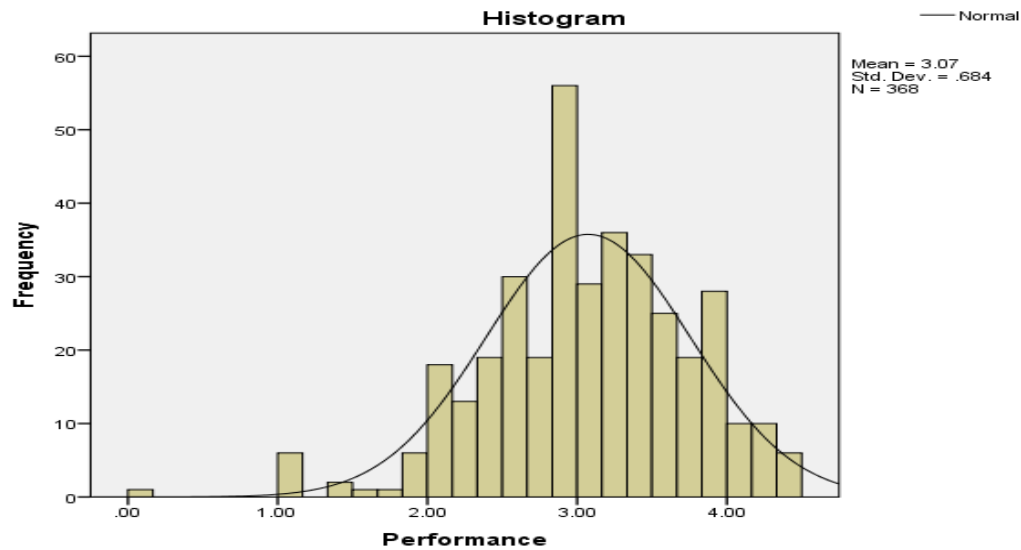
Source: Field Data, (2019)

The results shown above observe that the circles in the Q-Q plots and histograms show that all the observed values are normal with Q-Q plots cleaving along the line of best fit and the normal curve on histogram showing normality distribution. Therefore all the variables had a good fit in the normal distribution.

4.5.2 Test of Multicollinearity

Multicollinearity test was conducted to assess whether high correlation existed between one or more variables in the study with one or more of the other independent variables. It was tested by computing the Variance Inflation Factors (VIF) and its reciprocal, the tolerance. A common variance inflation factor (VIF) rule of thumb is that VIFs of 10 or higher is a sign of severe or serious multi-collinearity that affects the study (Newbert, 2008). Table 4.3 presents the result of tests for Multicollinearity.

Table 4.3: Tests for Multicollinearity

Coefficients[a]

Model		Collinearity Statistics	
		Tolerance	VIF
1	Firm characteristics	.65	1.55
	Industry structure	.56	1.79
	Strategy	.62	1.61

a. Predictors: (Constant), Firm characteristics, industry structure, Strategy
b. Dependent Variable: Performance
Source: Field Data, (2019)

In the current study tolerance ranged from 0.56 to 0.65 and therefore its reciprocal, the VIF was between one and two, which is below the maximum threshold value of ten. This indicated that the data set displayed no Multicollinearity.

4.5.3 Test of Homoscedasticity

Furthermore, homoscedasticity was tested to establish whether or not the variance between the dependent and independent variables is the same. The Levene's test of homogeneity of variances was thus used and according to Gastwirth et al., (2009) the Levene statistic is significant at $\alpha > 0.05$, which implies the data lack equal variances.

Table 4.4: Tests for Test of Homogeneity of Variances

Test of Homogeneity of Variances

	Levene Statistic	df1	df2	Sig.
Firm characteristics	1.295	10	346	.115
Industry structure	1.895	10	346	.107
Strategy	2.443	10	346	.172
a. Predictors: (Constant), Firm characteristics, industry structure, Strategy				
b. Dependent Variable: Performance				

Source: Field Data, (2019)

From the results in Table 4.4, P-values of Levene's test of homogeneity of variances were greater than 0.05. The test therefore was significant at $\alpha > 0.05$ confirming homogeneity.

4.5.4 Test of Linearity

Linearity was tested using scatter plots as indicated below. It assumes that there is a relationship between independent and dependent variable in a given study. In this study it is assumed that firm characteristics influences firm performance and also industry structure and strategy are key determinant of performance. The plots are as presented on Figure 4.5 (a, b and c).

Figure 4.5 (a): Linearity Scatter Plot of Data on Firm Characteristics
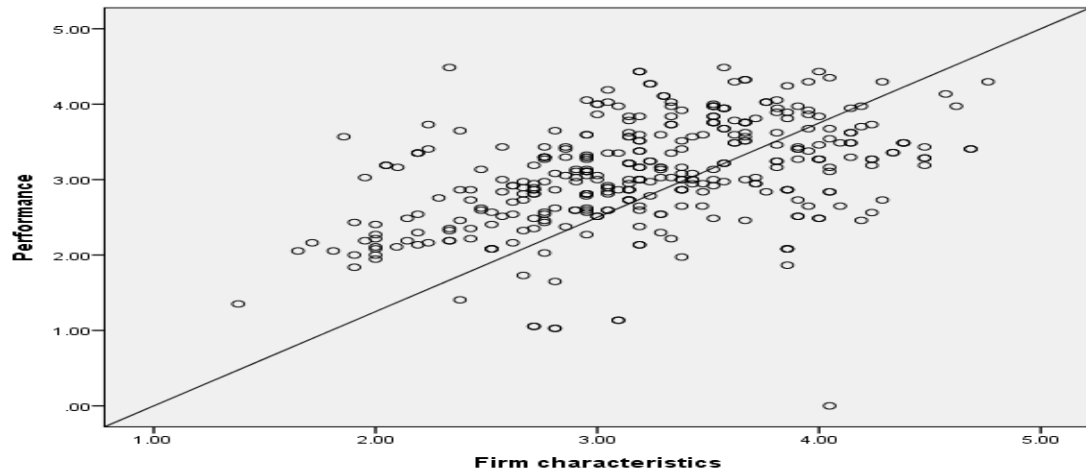
Source: Field Data, (2019)

Figure 4.5 (b): Linearity Scatter Plot of Data on Industry Strategy
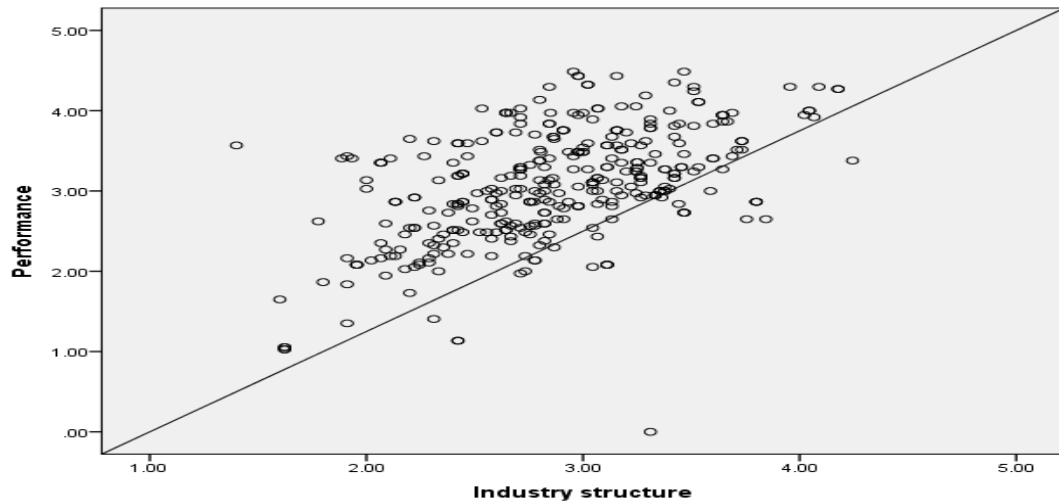
Source: Field Data, (2019)

Figure 4.5 (c): Linearity Scatter Plot of Data on Strategy
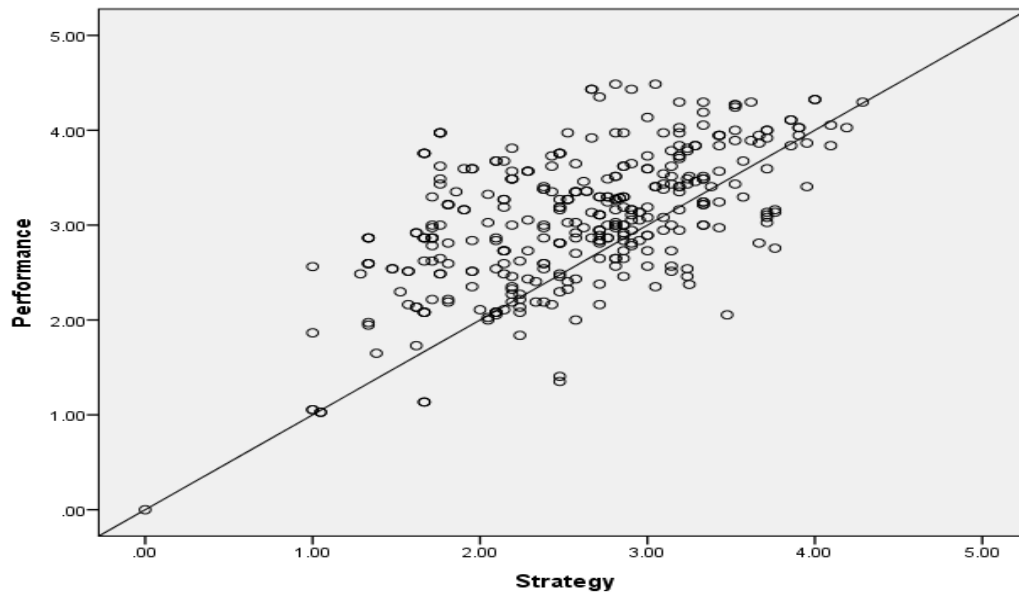
The results from the scatter plots shows that there is linearity on all explanatory variables (firm characteristics, industry structure and strategy) on dependent variable (performance) thus fit for further analysis

4.6 Organizational Demographic Profiles

The firms that were studied manifested demographic profiles. The firm profile demographics that were considered in the study include scope of operation (National throughout Kenya, Regionally within counties and East Africa), firm ownership structure (Sole Proprietorship, partnership and Limited partnerships) and the size of Organization (1-5 lawyers, 6-10 lawyers and 11-15 lawyers. Scope of operation is a long term capacity decision which involves a long term commitment on the geographical static factors that affect a firm, and therefore an important strategic level decision which influence firm performance.

Additionally, Ownership structure of a firm greatly influences the firm's performance. Ownership structure can be defined as distribution of equity with regard to votes and capital as well as identity of the equity owners. A firm's ownership structure is crucial since it defines the internal mechanism of corporate governance. It also specifies the distribution of rights and responsibilities among stakeholders in the firm and general operation of the firm and therefore influence performance of a firm.

Moreover, the study also looked at how firm size influenced a firm's performance. Generally, large firms are able to generate stronger competitive capability than their small rivals due to their superior access to resources, greater market power as well as economies of scale. These firm characteristics established in the study are all summarized in the tables below.

4.6.1 Scope of Operation

The study determined the scope of operation of law firms surveyed. This was in the premise that, firms with a wide scope of operation are able to have a better competitive advantage in obtaining clients and therefore realize great profits. The results are presented in Table 4.6.

Table 4.6: Scope of Operation

Scope of operation		Frequency	Percent
Valid	National (throughout Kenya)	309	86.80
	Regional (County(ies)	40	11.23
	East Africa	6	1.69
	Non-response	1	0.28
	Total	356	100.0

Source: Field Data, (2019)

The results of the findings indicate that most law firms operate throughout Kenya 86.80%. Those that operate regionally were 11.23% and in East Africa 1.69%. The results indicate that most law firms in Kenya serve a wide range of clients who are distributed throughout the country, hence they do not only limit themselves in serving clients that are close to their location. Generally, a firm that serves a wide range of clients is able to make huge profits as opposed to a firm that is only limited to clients within its geographic location.

4.6.2 Ownership Structure

The study determined the ownership structure of law firms with the aim of ascertaining how they share responsibilities and roles in the governance undertakings and also determine how performance can be affected by the type of ownership structure. The results are presented in Table 4.7.

Table 4.7: Ownership Structure

Type of ownership structure	Frequency	Percent
Sole proprietorship	172	48.31
Pure Partnership	115	32.30
Limited partners	64	17.98
Non-response	5	1.41
Total	356	100.0

Source: Field Data, (2019)

The study sought to establish ownership structure in law firms in Kenya. The results of the findings indicate that majority of law firms are owned by individuals, sole proprietorship 48.31% and pure partnership 32.30%. This is synonymous with (LSK, 2015) that law firms in Kenya are mainly sole Proprietorships or Partnerships. Some

firms are split into departments with department's heads so as to cover all the bases. The advantage of sole proprietorship and partnership is that coordination and decision making is less complicated and fast. Among the surveyed firms, only 18.2% indicated the ownership to be limited partners.

Despite the advantage of big firms that brings more clients and income to an organization, the findings indicate that most individuals prefer to establish a small sized firm. The low percentage could be attributed to the fact that most firms prefer small size operation for easy coordination and management as opposed to big firms that may bring about complications.

4.6.3 Size

Size of the firm is key in ascertaining internal processes and therefore the study determined how size of law firms is manifested across the country. The findings are presented in Table 4.8.

Table 4.8: Size of Organization

Number of lawyers	Frequency	Percent
1-5 employees	286	80.34
6-10 employees	28	7.87
11-15 employees	33	9.27
Non-response	9	2.52
Total	356	100.0

Source: Field Data, (2019)

The study sought to establish the size of the studied law firms. The results in table 4.8 indicate that 80.34% firms had 1-5 employees, 7.87% of the firms had 6-10 employees and 9.27% of the firms had 11-15 employees. The study established that majority of firms

had only 1-5 employees. The study further established that most law firms in Kenya are small sized for easier coordination. Further, small firms have less operation cost and are cheaper to operate. Hence, the study found that most firms would prefer small sized operation. This contradicts studies by Kaguri (2012) that larger firms are more likely to have output levels close to their industry minimum efficient scale, and thus, less likely to be vulnerable than smaller firms that produce at a lower scale.

4.7 Manifestations of Study Variables

The study determined how various study variables manifests in the surveyed law firms. These are based on key study variables like firm characteristics, industry structure, strategy and also their respective dimensions. The one-sample test was done at test value 3 (the midpoint of the Likert scale and the mean of a normal distribution). The results were derived and discussed in the following subsections

4.7.1 Firm Characteristics

Firm characteristics include firm-specific resources; tangible and intangible, knowledge, capabilities as well as human capital. This study established the firm characteristics as ownership structure, size, age of the firm and firm's resources. To capture data on the various firm characteristics dimensions, descriptive statements derived from literature were presented to respondents on a 5- point Likert scale. The 5- point Likert scale was from 1(not at all) to 5 (very large extent). They were presented to respondents and were requested to indicate the extent to which the statements applied in their organizations. However, since ownership structure, size and age of the firm had already been captured by the organizational profile, only firm resources as the proxy of firm characteristics has been discussed. The subsequent subsections present the findings.

58

4.7.1.1 Firm Resources

Firm resources in this study are depicted in terms of availability of both financial and human resources. Accessibility of finances is important for the growth and performance of a firm. Additionally, work force in terms of the employees plays a key role towards ensuring that the company objectives and mission are achieved. Table 4.9 gives the results of the findings in terms of mean, standard deviation and coefficient of variation on statements relating to availability of firms' resources in influencing its performance.

Table 4.9: Firm Resources Dimensions

	N	Mean	Coefficient of variation	Sample test (t-value)	Significance (2-tailed)
We have sufficient financial resources to carry out planned activities throughout the year	349	3.01	0.36	.15	.88
The firm has had adequate current assets (other than financial) to carry out planned activities throughout a financial year	356	3.08	0.62	.81	.42
The firm has had adequate management staff	356	3.14	0.33	2.48	.01
The firm has had a highly qualified top management team	356	3.17	0.34	2.95	.00
The firm has had adequate core staff to perform its functions	356	3.38	0.42	4.95	.00
Individual employees have had the relevant skills required for their specific roles.	356	3.41	0.31	7.17	.00
The firm has constantly acquired new knowledge related to its operations	356	3.48	0.30	8.64	.00
The firm has deliberately facilitated knowledge sharing across its different departments.	356	3.44	0.32	7.55	.00
The firm has had an excellent reputation	355	3.61	0.31	10.05	.00
Average mean score	**355**	**3.30**			

Source: Field Data, (2019)

The average mean score for statement depicting firm resources influence on firm performance is 3.30 and coefficient of variation of 0.37. This is a high mean score

indicating that firms' resources influence firms' performances. The statement with the highest mean was the firm has had an excellent reputation (Mean=3.61, C.V = 0.31). All the dimensions of firm resources showed statistically significant differences across the firms surveyed as exhibited by (high t-values, p<0.05) except the statements that we have sufficient financial resources to carry out planned activities throughout the year and that the firm has had adequate current assets (other than financial) to carry out planned activities throughout a financial year (p>0.05).

The results based on the observation indicate that the firms surveyed had adequate staff who were regularly trained in order to handle various clients' cases. It further indicated that the employees possessed skills and knowledge to undertake various cases and advice clients on their rights and responsibilities. Generally, the study summarizes that the essential resources in undertaking the cases were available and that firms were well equipped to solve varied clients issues.

This is supported by Favaro (2015) studies that firms' characteristics include firm-specific resources; tangible and intangible, knowledge, capabilities as well as human capital. Additionally, Organizational internal competences, resources, shared values, skills, knowledge and structures will play a pivotal role in crafting strategy that enables organizations perform better. The statement with the lowest mean was we have sufficient financial resources to carry out planned activities throughout the year (Mean=3.01, C.V = 0.36). Despite having the necessary skills and human power to undertake clients' cases, firms were found to have minimal financial resources. This could be attributed to the fact

that firms surveyed by this study were small in size and therefore handling big cases required heavy investment of financial resources which they did not have.

In conclusion, firm characteristics is one major influential properties to the performance of an organization. Kamasak (2011) studies determined that firm size is one of the most acknowledged determinants of a firm's profits. Further, Mukhopadhyay & Amrikhalikhali (2010) contend that the characteristics of firm have a direct bearing on its organizational performance.

4.7.2 Industry Structure

Understanding the forces that shape competition in an industry is the starting point for developing strategy. It reveals the most salient aspects of the competitive environment and the crucial constraints to overall profitability. It highlights the industry changes that pose the greatest threats and opportunities. The industry structure is the set of factors that directly influences a firm and its competitive actions as well as responses. Most importantly, an understanding of industry structure guides managers toward possibilities for strategic action, including positioning the company vis-à-vis the current competitive forces; anticipating shifts in the forces and exploiting them; an shaping the balance of forces to create a new more favorable structure or one that favors the company.

Porter (2007) suggests that industry structure is manifested in the strength of five competitive forces which include threat of new entrants, threat of substitute goods, bargaining power of suppliers as well as customers and rivalry among existing competitors. These forces determine an industry's long-run profit potential because the forces shape the division of value among industry actors. To capture data on the various industry structures, descriptive statements derived from literature were presented to

respondents on a 5- point Likert scale. The 5- point Likert scale was from 1(not at all) to 5 (very large extent). They were presented to respondents and were requested to indicate the extent to which the statements applied in their organizations. The subsequent subsections present the findings.

4.7.2.1 Threat of New Entrants

New entrants in an industry bring new capacity, the desire to gain market share, and often substantial resources. Firms diversifying through acquisition into the industry from other markets often use their resources to shake-up the industry. Thus acquisition into an industry with intent to build market position should probably be viewed as entry even though no entirely new entry is created. Table 4.10 gives the results of the findings in terms of mean, standard deviation and coefficient of variation on statements relating to new entrants in the industry in influencing its performance.

Table 4.10: New Entry Dimensions

	N	Mean	Coefficient of variation	Sample test (t-value)	Significance (2-tailed)
Threat of new entrants	356	2.69	0.41	-5.24	.00
Imposition of barriers by players in the industry	356	2.68	0.37	-6.19	.00
Government regulation of entry	356	2.87	0.39	-2.19	.03
Cost advantages	354	2.93	0.38	-1.14	.02
Exit barriers in the industry	355	2.56	0.40	-8.09	.00
High initial capital investments	349	3.02	0.38	.37	.71
Proprietary technology	351	2.94	0.36	-1.05	.29
Proprietary services advantage	351	3.08	0.79	.60	.55
Favorable geographical locations	353	3.09	0.37	1.40	.16
Government taxes	353	3.00	0.38	.14	.89
Government subsidies	350	2.78	0.42	-3.42	.00
Average mean score	**355**	**2.74**			

Source: Field Data, (2019)

In determining how new entrants influenced firm's performance, the above statements had an average mean of 2.74 and coefficient of variation of 0.39. Low coefficient of variation indicates that the respondents' views were similar. These results indicate that new entrants moderately influenced firm's performance. The statement with the highest mean was favorable geographical location (Mean= 3.09, C.V = 0.37). Most the dimensions of new entrants showed statistically significant differences across the firms surveyed as exhibited by (high t-values, $p<0.05$), except high initial capital, proprietary technology, favorable geographical location and government taxes.

Barriers to entry are more than the normal equilibrium adjustments that markets typically make. When an industry's profits rise, it is expected that additional firms would enter the market in order to enjoy the high profits experienced. Over time, this profit will go down due to congestion in the market. Other firms may opt to exit the market and therefore bringing the industry at equilibrium. Falling prices, or the expectation that future prices will fall, deters rivals from entering a market. Firms also may be reluctant to enter markets that are extremely uncertain, especially if entering involves expensive start-up cost. Additionally, threat of new entrants in the market increases competition and therefore production levels rise (Porter, 2007).

Further, government plays a key role in regulating entry to a market. Where an industry is profitable, it can be expected that it will attract more competitors who are also looking to have a slice of the profits. If it is easy for these new entrants to enter the market, for example if entry barriers are low or nonexistent, this will pose a threat to firms already operating and competing in that industry. More competition leads to increased production levels.

Therefore, the study indicates that government regulation of entry influences firm performance. The statement with the lowest mean was exit barriers in the industry (Mean=2.56, C.V = 0.40). This indicates that the exit barriers in the industry affected competition to a very low extent. This could be informed by most law firms do not cease to operate as the owners are advocates themselves and manage their law firms and therefore would not exit the industry. Hence exit barriers in the industry imposed would not affect them.

4.7.2.2 Bargaining Power of Customers

It is unquestionable that clients are the one who put a business in operations. Firms totally depend on their clients in order to make business. It is therefore necessary to study the factors that affect customers in a firm in order to establish performance of the firm. Table 4.11 gives the results of the findings in terms of mean, standard deviation and coefficient of variation on statements relating to customers characteristics in influencing its performance.

Table 4.11: Customers Dimensions

	N	Mean	Coefficient of variation	Sample test (t-value)	Significance (2-tailed)
Customer switching costs	351	2.87	0.35	-2.36	.02
Bargaining power of customers	353	2.94	0.35	-1.08	.28
Relative price performance	353	2.98	0.33	-.21	.83
Innovative technologies	353	3.01	0.37	.19	.85
Buyer concentration	353	2.87	0.35	-2.34	.02
Average mean score	**353**	**2.93**			

Source: Field Data, (2019)

The average mean score for statement depicting customers influence on firm performance is 2.93 and coefficient of variation of 0.35. This indicates that customers moderately influence firm's performance. The statement with the highest mean was Innovative technologies (Mean=3.01, C.V = 0.37). The statement with the lowest mean was Customer switching costs (Mean=2.87, C.V = 0.35). All the dimensions of customers showed statistically significant differences across the firms surveyed as exhibited by (high t-values, $p<0.05$) except for relative price performance and innovative technologies ($p>0.05$). Unquestionably, technology has revolutionized the business world, rapidly changing and expanding in every field imaginable.

When it comes to the legal services industry, technological innovation is no exception. That is, the industry need technology to aid in addressing many challenges encountered in the legal industry. The results in the study indicate that innovative technologies greatly influences firm performance, through saving time and money, expanding capabilities as well as providing a platform of greater compliance. Technological innovations is a less expensive deal that gives alternative to in-house staffing solutions which can help law firms not only save money by streamlining majority of the content but also reduce the amount of internal talent needed on payroll. Additionally, technology use converts paper-based projects and materials to data across numerous platforms that enables evidence to be presented in more effective ways. Outsourcing to content and information technology firms allows legal offices to optimize staffing and pricing models, as well as significantly enhance the performance, quality of service and customer relationships. It ensures critical tasks and jobs are completed correctly and quickly, increasing productivity while simultaneously lowering costs (Kiganane, Bwisa & Kihoro, 2012).

Customer bargaining power is the ability of customers to obtain valuable terms of trade from their providers. Monopolistic or quasi- monopolistic customers will use their power to extract better terms at the expense of the market. In a competitive market, prices are set by supply and demand so that the service providers makes a profit and the customers is satisfied as well. Results of the study indicate that relative price performance influences firm's performance. On the other hand, it was deduced that customer switching cost had a very little influence on firm's performance.

4.7.2.3 Bargaining Power of Suppliers

Suppliers play a key role towards the performance of a firm. If suppliers put high prices on their supplies, firms will face challenges in purchasing them and therefore loose business. Additionally, if the commodities and services are high priced, customers may shy away from purchasing them leading to low profits accrued by the firms. Table 4.12 gives the results of the findings in terms of mean, standard deviation and coefficient of variation on statements relating to suppliers characteristics in influencing its performance.

Table 4.12: Suppliers Dimensions

	N	Mean	Coefficient of variation	Sample test (t-value)	Significance (2-tailed)
Bargaining power of suppliers	352	2.95	0.37	-.94	.35
Supplier concentration	351	2.95	0.38	-.86	.39
Supplier not threatened by substitutes	352	2.88	0.39	-1.98	.05
Threat of forward vertical integration	353	2.82	0.40	-2.95	.00
Average mean score	**352**	**2.97**			

Source: Field Data, (2019)

The average mean score for statement depicting suppliers influence on firm performance is 2.97 and coefficient of variation of 0.42. This indicates that suppliers moderately influenced firm's performance according to the study results. The statement with the highest mean was bargaining power of suppliers (Mean=2.95, C.V = 0.37). However majority of the dimensions of suppliers showed statistically insignificant differences across the firms surveyed as exhibited by (low t-values, p>0.05).

The results from the study indicate geographical locations in terms of supplier's concentration from suppliers greatly influence performance of firms. Firms that are near suppliers are able to cut on transport expenses as well as ensure efficiency. The study further established that bargaining powers of suppliers influenced firm performance. These can be narrowed down to, in the law firm industry, there are few law firms which dominate the market, therefore making it hard for other industry members to make profits. The statement with the least mean was suppliers not threatened by subsidies (Mean=2.88, C.V = 0.39). The study indicated that government subsidies had minimal influence on a firm's performance. Government taxes play a crucial role in influencing firm performance and generation of profits. If law firms are taxed more, chances of making profits become minimal since there services will be offered at high cost therefore clients may shy away. On the other hand if government taxes on law firms are lowered, they will attract more clients since the law firms will offer their services at affordable prices.

4.7.2.4 Rivalry among Competitors

For any industry, competition plays a crucial role in ensuring efficiency and effective delivery of services by firms. Rivalry exists when an organization wants the market share

of the other competitor to maximize his profits. This study sought to establish various competition factors that exist in the industry in influencing firm performance. Table 4.13 gives the results of the findings in terms of mean, standard deviation and coefficient of variation on statements relating to competitors in influencing its performance.

Table 4.13: Competitors Dimensions

	N	Mean	Coefficient of variation	Sample test (t-value)	Significance (2-tailed)
Rivalry among competitors in the industry	355	3.00	0.38	.05	.96
Large number of competing firms	354	3.05	0.38	.83	.41
Clients threat of backward vertical integration	351	2.78	0.36	-4.18	.00
Industry growth	351	3.01	0.40	.18	.86
Frequent price cutting/price wars e.g. discounts	354	2.96	0.40	-.61	.54
Diversity of competitors	354	3.07	0.39	1.10	.27
Power play within the organization and the Industry	354	2.90	0.41	-1.56	.12
Technological changes in the market	354	2.92	0.41	-1.30	.19
Strategic alliances with other organizations	351	3.12	0.40	1.75	.08
Relationship with financial institutions	351	3.16	0.41	2.33	.02
Average mean score	**353**	**2.98**			

Source: Field Data, (2019)

Table 4.13 above shows statements on factors affecting industrial competition in influencing firm's performance. The average mean was 2.98 and coefficient of variation of 0.40. The statements with the highest mean was relationship with financial institutions (Mean=3.16, C.V = 0.41). Majority of the dimensions relating competitors showed statistically insignificant differences across the firms surveyed as exhibited by (low t-values, $p>0.05$).

Rivalry amongst existing competitors is about being the most loved by consumers of the services and services in that industry. This is done by have suitable prices giving rise to matters like price competition, advertising battles, product introductions, and increased customer service (Porter, 1998, 2008). Rivalry exists when an organization wants the market share of the other competitor to maximize his profits.

Analysis of rivalry among existing firms helps an individual comprehend the risk that competitors compete for market positions as well as if their competitive strategies are effective. Additionally, it enables one to discover tactics employed by competitors for market positioning. Such tactics include; price competition, advertising as well increased customer service. Additionally, the study established that the respondents viewed relationship with financial institutions a major contributor towards firm performance. The law firms surveyed in this study were small sized and therefore it is important for those firms to have a good relationship with financial institutions so that they are able to obtain funding easily when a project that requires huge financial resources investment arises. The statement with the lowest mean was clients threat of backward vertical integration (Mean=2.78, C.V = 0.36).

For any industry to be effective in producing high performance, strategy diversification is important and necessary to be adopted. Further, when a firm is in an industry that is experiencing growth, there will be room for the firm's growth as a result there will be a low risk of competitor rivalry. Understanding the underlying structure of a company's industry, now and in the future, is a core discipline in strategy formation. The quest to understand the determinants of performance have created a bifurcated view (Galbreath & Galvin, 2008). The study further established that frequent price cutting/price wars e.g. discounts were strategies implemented to increase firm performance. Offering better

prices as well as price cut on law firm services woos clients. Clients are attracted to a service or a product when there is an offer.

4.7.2.5 Threat of Substitutes

In legal industry, competitive strategies dependent on differentiation of a firm's services from that of a substitute's are designed to appeal to clients with special sensitivity for a particular service attribute. Such clients will be willing to pay a premium hence improve the firm performance. Competitive strategies adopted by a firm should result in a competitive advantage. Table 4.14 gives the results of the findings in terms of mean, standard deviation and coefficient of variation on statements relating to substitutes in influencing its performance.

Table 4.14: Substitutes Dimensions

	N	Mean	Coefficient of variation	Sample test (t-value)	Significance (2-tailed)
Brand identity	350	3.02	0.40	.26	.79
Lack of services differentiation	350	2.87	0.41	-2.03	.04
Intense advertising	350	2.67	0.42	-5.65	.000
Client propensity to substitute	349	2.67	0.38	-6.03	.000
Client propensity to purchase	350	2.65	0.39	-6.42	.000
Impact of quality performance	350	2.80	0.38	-3.53	.000
Client concentration	350	2.74	0.36	-4.94	.000
Small number of clients	350	2.73	0.38	-4.91	.000
Price sensitivity	350	2.65	0.40	-6.34	.000
Bargaining leverage	350	2.55	0.41	-8.11	.000
Presence of substitute services	349	2.69	0.54	-3.99	.000
Undifferentiated and standard services	350	2.57	0.39	-8.07	.000
Complementary services	350	2.62	0.38	-7.13	.000
Threat of substitute services	350	2.51	0.40	-8.93	.000
Average mean score	**350**	**2.69**			

Source: Field Data, (2019)

In determining the extent to which substitutes' affects industry competition in influencing firm's performance, the above statements were developed. The average mean recorded was 2.69 and coefficient of variation was 0.40. This depicts that substitutes' moderately affected the firm's performance. Coefficient of variation of 0.40 which is close to half shows that the responses from the respondents are averagely valid. Statement with the highest mean was Brand identity (Mean=3.02, C.V = 0.40). Majority of the dimensions relating to substitutes showed statistically significant differences across the firms surveyed as exhibited by (high t-values, p<0.05).

The study depicts that brand identity is crucial for good firm performance. Attitudes towards branding cannot in itself lead to a firm's success unless it is implemented. Brand identity development is defining brand vision and values. All visual symbolism of the brand should promote the intangible aspects of the brand identity in the process of brand communication.

Proposition of the brand is to strengthen clients' perception so that communication efforts are consistent. The study found out that brand identity was an important aspect that influences the success and performance of a firm. The solely factor that makes a firm distinctive to their competitors in long-term is service by their employee, not the product features which are easy to be copied. However, poor service also distinguishes firms with each other. Brand identity can further be established in the way employees of the firms relate to their clients. Firms out to ensure that their employees deliver a coherent brand message through communication and behavior.

The statement with the least mean was threat of substitute services (Mean=2.52, C.V = 0.40). The threat of a substitute is high if it offers an attractive price- performance trade-off to the industry's service. The study established that in the law firm industry, threat of substitutes is minimal since the service cannot be substituted by another. The study established that the legal industry in Kenya do not have active substitute market. This is due to the infant nature of the industry as compared to developed countries with developed technology that clients can easily pay for online legal services. The study therefore summarizes that lack of legal substitutes in the legal industry in Kenya is what has propelled the growth of the legal industry as it faces less competition from substitutes as compared to other industries such as banking and telecommunications.

4.7.3 Organizational Strategy

Strategy is the direction and scope an organization wishes to take over a long period of time to achieve success for the organization through its configuration of resources in a changing environment to meet the market expectations. This study established the firm strategy to manifest at corporate level, business level and functional level. To capture data on the various firm strategy dimensions, descriptive statements derived from literature were presented to respondents on a 5- point Likert scale. The 5- point Likert scale was from 1(not at all) to 5 (very large extent). They were presented to respondents and were requested to indicate the extent to which the statements applied in their organizations. The subsequent subsections present the findings.

4.7.3.1 Corporate Level Strategy

In establishing how strategy manifests at corporate level of the firm, various statements that entail diversification of the firm in terms of market and services were developed and mean, standard deviation as well as the coefficient of variation given as in Table 4.15 below.

Table 4.15: Corporate Level Strategy Dimensions

	N	Mean	Coefficient of variation	Sample test (t-value)	Significance (2-tailed)
The firm has diversified into different market segments.	354	3.00	0.39	.00	1.00
The firm has continuously diversified services from the same resources to clients.	355	2.97	0.37	-.45	.66
The firm has always reviews its structure due to changes in the market	355	2.89	0.42	-1.57	.12
The firm has approved use of its license by foreign firms in to rendering of services at a fee.	351	2.36	0.45	-11.33	.00
The firm has licensed foreign firms to use its trade marks for a fee.	351	2.23	0.48	-13.29	.00
The firm has combined some of the resources with those of other firms to create a competitive advantage.	351	2.37	0.44	-11.18	.00
The firm has allowed other firms to use its trade mark.	351	2.37	0.48	-10.31	.00
Average mean score	**353**	**2.60**			

Source: Field Data, (2019)

The average mean of statement depicting firm's corporate level strategy in influencing firm's performance was 2.60 and coefficient of variation of 0.43. These results indicate that firm strategy on corporate level moderately influenced firm's performance. The statement with the highest means was that the firm has diversified into different market segments (Mean=3.00, C.V = 0.39). Majority of dimensions relating to corporate level showed statistically significant differences across the firms surveyed as exhibited by (high t-values, p<0.05).

The primary service rendered by a law firm is to advise clients (individuals or corporations) about their legal rights and responsibilities, and to represent clients in civil or criminal cases, business transactions, and other matters in which legal advice and other assistance are sought. Since legal services are mostly advisory services, they cut across all other industries and therefore it is diversified. Additionally, they offer various services to cater all clients from varied fields.

Statements with low means were the firm has allowed other firms to use its trade mark (Mean=2.37, C.V = 0.48), the firm has approved use of its license by foreign firms in to rendering of services at a fee (Mean=2.36, C.V = 0.45), the firm has combined some of the resources with those of other firms to create a competitive advantage.(Mean=2.37, C.V = 0.44) and that the firm has licensed foreign firms to use its trade marks for a fee (Mean=2.23, C.V = 0.48). Statements with low means pertained licensed to foreign firms. Responses from the respondents indicate that local firms are the ones that dominate the market here in Kenya.

4.7.3.2 Business Level Strategy

Business level strategy manifestations were measured using business structure, operation, management, assets and how business activities are scheduled. Statements depicting business level strategy were established and the mean, standard deviation as well as coefficient of variation presented in Table 4.16.

Table 4.16: Business Level Strategy Dimensions

	N	Mean	Coefficient of variation	Sample test (t-value)	Significance (2-tailed)
The firm has reviewed its processes according to the structure	348	2.88	0.42	-1.78	.08
The firm has facilitated and coordinates diverse business operations	349	3.11	0.36	1.76	.07
The firm has outsourced non-core business activities	353	2.72	0.38	-5.10	.00
The outsourced services have helped in managing firm's expenses.	353	2.73	0.38	-4.93	.00
The firm has reduced its assets not essential to the basic activity e.g. land, buildings and equipment.	350	2.54	0.44	-7.58	.00
The firm has leased services rights to other firms	348	2.38	0.48	-10.05	.00
The firm has brought in new managers to introduce needed new perspectives in the last five years.	349	2.56	0.47	-6.74	.00
The firm has been carrying out service development activities in the last five years	349	2.72	0.42	-4.61	.00
The firm has introduced new services in market the last five years	349	2.73	0.42	-4.41	.00
Average mean score	**350**	**2.71**			

Source: Field Data, (2019)

In determining how business level influenced firm's performance, the above statements had an average mean of 2.71 and coefficient of variation of 0.42. These results indicate business level moderately influenced firm's performance. The statement with the highest mean was that the firm has facilitated and coordinates diverse business operations (Mean=3.11, C.V = 0.36). Other statements with average means include; the firm has reviewed its processes according to the structure (Mean=2.88, C.V = 0.42), the outsourced services have helped in managing firm's expenses (Mean=2.73, C.V = 0.38). Majority of the dimensions relating business level showed statistically significance across the firms surveyed as exhibited by (high t-values, p<0.05).

The strategic goal of the firm, then, is to develop and deploy a combination of resources that competitors cannot imitate or directly purchase in the factor markets (Barney, 2001). If this goal is achieved, competitive advantages are subsequently built and sustained. The study summarizes that firms has facilitated and coordinates diverse business operations. Legal firms have taken the initiative of training their staffs so that they are able to provide varied services to their clients. Additionally, the respondents stated that the firms have introduced varied services in the market in the last 5 years. These services have been developed to create a competitive environment and increase profits for the firms. The study further stressed that managers in the legal industry are same as owners and that law firms do not have outside investors. Rather, the employees are also the owners of the firm.

4.7.3.3 Functional Level Strategy

Functional level strategy in a firm gives the general operation of the firm in terms of promotional activities adopted by firms, employee hiring and lay-offs as well as level of service. Table 4.17 gives the results of the findings in terms of mean, standard deviation

and coefficient of variation on statements relating to functional level in a firm in influencing its performance.

Table 4.17: Functional Level Strategy Dimensions

	N	Mean	Coefficient of variation	Sample test (t-value)	Significance (2-tailed)
The firm has done cost reduction through employee reduction or lay-offs in the last five years.	354	2.28	0.46	-12.99	.00
The firm has eliminated elaborate promotional activities in the last five years.	349	2.36	0.47	-10.73	.00
The firm has dropped some items from the services line in the last five years.	349	2.37	0.56	-8.70	.00
The firm has discontinued low-margin clients in the last five years.	349	2.25	0.48	-12.80	.00
Average mean score	**350**	**2.32**			

Source: Field Data, (2019)

In determining how Functional level influenced firm's performance, the above statements had an average mean of 2.32 and coefficient of variation of 0.50. A 0.50 coefficient of variation indicates high variance and those functional level statements inadequately influenced firm's performance. These results indicate Functional level had a minimal influence on firm's performance. The statement with the highest mean was that the firm has dropped some items from the service line in the last five years (Mean=2.37, C.V = 0.56). All the other dimensions relating to functional level however showed statistically significance across the firms surveyed as exhibited by (high t-values, p<0.05).

Since all the statements had low means of below 3.0, the study indicates that the statements on functional level influenced firm's performance to a small extent.

4.7.4 Organizational Performance

Organizational performance is based upon the idea that an organization is the voluntary association of productive assets, including human, physical, and capital resources, for the purpose of achieving a shared purpose (Barney, 2001). So long as the value created by the use of the contributed assets is equal to or greater than the value expected by those contributing the assets, the assets will continue to be made available to the organization and the organization will continue to exist. This study using sustainable balanced scorecard established the organization performance as financial level, internal processes, customer focus, learning and growth, corporate social responsibility and environmental impact. To capture data on the various firm performance dimensions, descriptive statements derived from literature were presented to respondents on a 5- point Likert scale. The 5- point Likert scale was from 1(not at all) to 5 (very large extent). They were presented to respondents and were requested to indicate the extent to which the statements applied in their organizations. The subsequent subsections present the findings.

4.7.4.1 Financial Performance

One of the key attributes in determining a firm's performance is establishing its profits. Profits are established by checking a firm's revenue and assets. Table 4.18 gives the results of the findings in terms of mean, standard deviation and coefficient of variation on statements relating to financial attributes in a firm in influencing its performance.

Table 4.18: Financial Dimensions

	N	Mean	Coefficient of variation	Sample test (t-value)	Significance (2-tailed)
The firm's fees revenues have increased	349	2.89	0.41	-1.68	.09
Firm's profits have increased	349	3.13	0.35	2.15	.03
The firm's investment and growth has increased	349	3.17	0.34	3.02	.00
The firm's fees revenue has improved due to repeat sales.	348	3.20	0.58	2.01	.05
The firm has achieved good returns by improving its asset utilization.	348	3.04	0.35	.65	.52
The firm uses cost control systems in monitoring performance	348	2.99	0.34	-.27	.79
Average mean score	**348**	**3.07**			

Source: Field Data, (2019)

In determining how financial level influenced firm's performance, the above statements had an average mean of 3.07 and coefficient of variation of 0.40. These results indicate financial level highly influenced firm's performance. The firm's fees revenue has improved due to repeat sales (Mean=3.20, C.V = 0.58) has the highest me and the statement with low mean is that the firm's fees revenues have increased (Mean=2.89, C.V = 0.41). Majority of the dimensions relating to financial showed statistically insignificant differences across the firms surveyed as exhibited by (low t-values, p>0.05).

Generally, financial status of the firms that the study surveyed were good. Respondents indicated that the firm's profits have increased and so is the growth. This could have been facilitated by the training offered to employees, promotion of brand image as well as good management. Additionally, since the managers are just the owners and that most of the law firms were found to be under sole proprietorship and partnership ownership, managing the firms was simple, flexible and less complicated. This therefore ensured maximum supervision on utilization of resources to generate more income.

Additionally, the study noted that firms apply cost control measures and monitoring in order to improve performance. Expenses majorly influences the income levels of firms. Higher expenses may affect firms negatively and bring about to low income and less profit. On the other hand, less expenses leads to accumulation of more profits therefore good income. In a bid to increase firms' profits, organization have come up with cost cutting measures that will see to it firms increasing their revenue.

4.7.4.2 Internal Processes

Internal processes in a firm include operational efficiency, service schedule as well as developing ways to increase market share. Additionally, internal processes include decisions made in the firm to facilitate growth and increase of profits accrued by the firm. Table 4.19 gives the results of the findings in terms of mean, standard deviation and coefficient of variation on statements relating to internal processes in a firm in influencing its performance.

Table 4.19: Internal Processes Dimensions

	N	Mean	Coefficient of variation	Sample test (t-value)	Significance (2-tailed)
The firm's operational efficiency has improved as a result of business process re-engineering.	349	2.92	0.36	-1.36	.18
The firm has improved its critical internal processes to sustain market leadership.	351	2.87	0.36	-2.45	.02
The firm always offers a services schedule for all its services.	350	2.74	0.39	-4.59	.00
The firm has gained market share through quality improvements.	351	3.09	0.37	1.61	.11
The firm introduced new services.	350	2.95	0.40	-.85	.39
Firm's Market share has been improving	351	3.06	0.36	1.00	.32
The firm's market share has improved due to increased marketing activities.	352	3.04	0.38	.69	.49
Average mean score	**351**	**2.95**			

Source: Field Data, (2019)

The average mean score of internal processes influencing firm's performance was 2.95 and coefficient of variation of 0.37. These results indicate internal processes level moderately influenced firm's performance. A 0.37 coefficient of variation indicates low variation; hence responses indicated are similar. The statement with the highest mean is the firm has gained market share through quality improvements (Mean=3.09, C.V = 0.37). Majority of the dimensions relating to internal processes showed statistically insignificance across the firms surveyed as exhibited by (low t-values, p>0.05).

In the legal industry, the most common manner in which firms get clients is through referrals. If a firm serves a customer adequately and he or she is satisfied and happy about the job done or the service offered, chances of him or her advocating for the firm's services to his or her network is high. Results of the study indicate that firms have gained market share through offering quality services. By offering quality and timely services to clients, firms are able to get referrals and therefore increase their customer base. Additionally, it indicated that most firm market share has increased through better marketing strategies and activities.

In order to achieve success in a business, marketing efforts and know-how instruments should be adopted in commercializing ideas and inventions. Networking furthermore, plays an important role in business, particularly in emerging markets where the level of environmental uncertainties is relatively high. A firm's ability to engage in relevant and useful networking activities, such as participation in trade, social and professional organizations, as well as the exchange of information with different stakeholders in the industry, can be a source of competitive advantage that will boost performance (Yasuda, 2005).

4.7.4.3 Customer Focus

The study sought to establish how firms have tried to reach, attract and maintain their clients in the market. The statements in Table 4.20 give initiatives taken by firms to ensure that they offer quality services to their clients to influence performance of the firms. The means, standard deviation and coefficient of variation are as well given.

Table 4.20: Customer Focus Dimensions

	N	Mean	Coefficient of variation	Sample test (t-value)	Significance (2-tailed)
The firm has entered new markets	352	3.03	0.64	.33	.75
The firm has created value for its clients through quality services and services.	355	3.28	0.34	4.68	.00
The firm's services quality has improved	355	3.29	0.35	4.71	.00
The firm delivers services to clients on time.	355	3.22		3.62	.00
There have been good structures to support customer relationship management.	353	3.21	0.36	3.46	.01
The firm's delivery forecasts to its clients have been accurate.	353	3.09	0.39	1.46	.15
The firm has provided exceptional service to clients though Key Account Management.	353	3.04	0.37	.71	.48
The firm has handled all clients' complaints and resolves with complete and suitable solutions.	350	3.11	0.37	1.82	.07
The firm has had adequate and comprehensive value propositions per customer segment.	355	3.09	0.37	1.56	.12
Managers have been able to define employee needs and development.	355	2.92	0.40	-1.29	.19
The need for retraining the workforce of change has always been taken into account.	355	3.21	0.38	3.18	.02
Average mean score	**354**	**2.96**			

Source: Field Data, (2019)

In determining how Customer focus level influenced firm's performance, the above statements had an average mean of 2.96 and coefficient of variation of 0.41. These results indicate Customer focus level moderately influences firm's performance. Statements with high means include; the firm service quality has improved (Mean=3.29, C.V = 0.35), the firm has created value for its clients through quality services and services (Mean=3.28, C.V = 0.34), there have been good structures to support customer relationship management (Mean=3.21, C.V = 0.36). Majority of other dimensions relating to internal processes showed statistically insignificance relationship across the firms surveyed as exhibited by (low t-values, p>0.05).

Generally, the study indicates that firms under study met the needs and expectations of their clients. For any business to make good sale, customer relationship is key in order to win and retain customers. Firms that respond and resolve to their customer complaints in time tend to have many customer referrals as well as handle a lot of customers (Crook, 2008). These days, people will only stay loyal to a company if they have a very good reason to do so.

With the rise of competition levels in the legal industry, clients are only attracted to the firms that have good client service and offer quality services. As a result of this, firms need to work even harder to keep clients as well as build trust in their brand. Provision of best customer service increases trust and that would explain the difference between customer loyalty and customers who jump ship. The study further concludes that the reason behind good profits was attributed to the exceptional services they offered to their clients.

4.7.4.4 Learning and Growth

To find the performance of any firm, it is essential to establish the process of learning and growth in the firm. How the employees are performing, training facilities offered to ensure that learning is a continuous process and general staff development. All these attributes are important in establishing the performance of a firm. Table 4.21 gives the results of the findings in terms of mean, standard deviation and coefficient of variation on statements relating to process of learning and growth in a firm in influencing its performance

Table 4.21: Learning and Growth Dimensions

	N	Mean	Coefficient of variation	Sample test (t-value)	Significance (2-tailed)
Management has always ensured there is enough qualified and professional staff in the firm.	355	3.57	0.82	3.60	.00
The firm has had good structures to support upward employee growth through merit.	355	3.43	0.33	6.98	.00
The firm has had continuous learning on how to do things better.	355	3.49	0.33	7.91	.00
The firm has created a good work environment conducive to support all operations.	355	3.56	0.32	9.19	.00
The firm has highly charged motivated and loyal employees.	355	3.55	0.31	9.51	.00
The firm has been very keen on employee health and safety.	355	3.52	0.30	9.18	.00
The firm's employee productivity and staff development has improved.	355	3.49	0.31	8.42	.00
Average mean score	**355**	**3.52**			

Source: Field Data, (2019)

The average mean score on learning and growth of employees in determining firm's performance was 3.52 and coefficient of variation of 0.39. These results indicate Learning and growth level significantly influenced firm's performance. The statement with the highest mean was that management has always ensured there is enough qualified and professional staff in the firm (Mean=3.57, C.V = 0.82). All dimensions relating to learning and growth showed statistically significance across the firms surveyed as exhibited by (high t-values, $p<0.05$).

In any firm, employees play a crucial role in ensuring the mission and vision of the organization is achieved. They are the action masters. For a firm to achieve success, they need to invest in their employees. That is by providing conducive environment for their working, good structures to support upward growth as well as ensure health and safety of the employees. The findings of the study indicate that law firms surveyed recognize the importance of good treatment to employees in ensuring a good working environment as well as motivation to employees.

Employee recognition is an important aspect to be taken into account for any firm to succeed. Annual employee appraisals are not just enough; employees need regular and frequent feedbacks. Where the management teams provide regular feedback, employees are normally motivated to constantly maintain good performance (Ongeti, 2014). Further, because employees are close to customers, they are able to give useful feedback from customers that will aid the firm in identifying metrics that truly evaluate performance.

4.7.4.5 Corporate Social Responsibility

To find the performance of any firm, it is essential to establish how it plays a role in corporate social responsibility. All these attributes are important in establishing the performance of a firm. Table 4.22 gives the results of the findings.

Table 4.22: Corporate Social Responsibility Dimensions

	N	Mean	Coefficient of variation	Sample test (t-value)	Significance (2-tailed)
The budgetary allocation for corporate social investment has increased	352	2.79	0.42	-3.39	.00
Corporate social participation and performance has improved	355	2.72	0.41	-4.81	.00
Average Mean Score	**353**	**2.76**			

Source: Field Data, (2019)

The average mean score for the statements relating to corporate social responsibilities is 2.76 and coefficient of variation of 0.42. This is a moderate mean score implying that law firms engage moderately in corporate social responsibilities. The budgetary allocation for corporate social investment has increased had the highest mean (Mean=2.79, CV=0.42) and corporate social participation and performance has improved had lower mean (mean=2.72, CV=0.41). All the dimensions showed significant differences among the firms surveyed in their manifestations ($p<0.05$).

4.7.4.6 Environmental Impact

Environmental impact is the result of environmental effect on human health and welfare. This study depicted environmental impact as the company actively implements energy efficiency programs and carrying out annual environmental audit operations. The findings are presented in Table 4.23.

Table 4.23: Environmental Performance Dimensions

	N	Mean	Coefficient of variation	Sample test (t-value)	Significance (2-tailed)
Environmental performance has improved	355	2.71	0.42	-4.75	.00
The firm's budgetary allocation on environmental management and conservation has increased	355	2.63	0.43	-6.12	.00
The firm has contributed resources in eradication of environmental hazards.	355	2.54	0.46	-7.56	.00
The firm has adopted Green Technology for cleaner environment.	354	2.64	0.44	-5.75	.00
The frequency of environmental impact assessments have increased.	353	2.71	0.43	-4.73	.00
Average Mean Score	**354**	**2.65**			

Source: Field Data, (2019)

The results in Table 4.23 show moderate ranking with respect to environmental impact. The average mean score was 2.65 and coefficient of variation of 0.44. The results of the findings were environmental performance has improved (Mean=2.71 and CV=0.42) and the frequency of environmental impact assessments have increased (Mean=2.71, CV=0.43) had the highest mean. Through implementing energy efficient programs, firms are able to reduce expenses on utility bills. Additionally, it offers a great way of reducing carbon footprint. Applying energy efficient measures in firms can significantly reduce emission contribution, thereby protecting the environment.

4.8 Chapter Summary

Chapter four presented the results and findings of this study that sought to establish the influence of industry structure and strategy on the relationship between firm characteristics and performance of law firms in Kenya. This chapter presented the findings of various analyses performed on the study variables by giving results in terms of mean, standard deviation and coefficient of variation. Tests for normality, multicollinearity, heteroscedasticity and linearity, were also presented.

CHAPTER FIVE

HYPOTHESES TESTING AND DISCUSSION

5.1 Introduction

This chapter presents and discusses the results of the hypotheses as derived from the specific objectives of the study. The study was based on the premise that there is a relationship between firm characteristics and performance of law firms in Kenya and that this relationship is moderated by industry structure and subsequently intervened by strategy. To achieve this objective, four specific objectives were set and corresponding hypotheses formulated. The hypotheses are a manifestation of the relationship between the study variables as conceptualized and presented in the conceptual model.

There were four research objectives and four corresponding hypotheses which were tested using simple, hierarchical/stepwise, path analysis and multiple regression to establish the statistical significance of these hypotheses. The four objectives set were; to determine the influence of firm characteristics on performance of law firms in Kenya, to establish the influence of industry structure on the relationship between firm characteristics and performance of law firms in Kenya, to determine the influence of strategy on the relationship between firm characteristics and performance of Law Firms in Kenya and lastly to establish the joint effect of firm characteristics, industry structure and organizational strategy on performance of law firms in Kenya. Four hypotheses were also formed on the basis of the research objectives.

The hypotheses were tested using; multiple linear regression analysis for hypothesis one, Hierarchical regression analysis for the moderating effect of industry structure, the four

steps approach of path analysis to test the intervening effect of strategy and multiple regression tested the combined effect exhibited by hypothesis four. Choice of which analytical tools is used was guided by the study objective, type of data as well as the measurement scales.

The hypotheses were tested at 95 percent confidence level ($\alpha=0.05$), hence decision points to reject or fail to reject a hypothesis were based on the p-values. Where $p<0.05$, study failed to reject the hypotheses, and where $p>0.05$, study rejected the hypotheses. Interpretations of results and subsequent discussions also considered correlations (R), coefficients of determinations (R^2), F-Statistic values (F) and beta values (β). R^2 indicated the change in dependent variable explained by change in the independent variables combined. Further, the higher the F-Statistic, the more significant the model was. The negative or positive effect of the independent variable on the dependent (either negative or positive) was explained by checking the beta (β) coefficient. The R-value shows the strength of the relationship between the variables, t-values represent the significance of individual variables. The findings are presented along study objectives and corresponding hypotheses.

A composite index for each of the study variables was computed through averaging of the total number of measurement items on each variable. Firm characteristics were measured as a individually ownership structure, size, age of firm and firm resources. Industry structure was measured as a composite index of new entrants, suppliers, customers, competitors and substitutes. Strategy was measured as a composite index of corporate level that is; diversification and integration, business level that is; differentiation, focus and cost and functional strategy that is; financial, operations and marketing. Finally,

performance was computed as composite index of financial, internal processes, customer, learning and growth, corporate social responsibility and environmental impact. The subsections below present the findings on the regression analysis conducted.

5.2. Firm Characteristics and Firm Performance

This objective sought to establish the influence of firm characteristics on performance of law firms in Kenya. This subsection presents the results of the tests for the first hypothesis of this study which was formulated from the first research objective. The procedure of testing and results are discussed.

Composite index for each of the study variables was calculated as the summation of the responses divided by the total number of measurement items. Firm characteristics were measured as a composite index of ownership structure, size, age of the firm and firm resources where they were derived from total summation of interval measurements divided by total number of measurement items and an aggregate mean score determined while firm performance was determined as a composite score of financial, internal processes, customer, learning and growth, corporate social responsibility and environmental impact. However before carrying out an overall test of firm characteristics and performance, the study found it necessary to determine how firm characteristics influence each of the performance constructs and the results are presented in subsections herein.

5.2.1 Firm Characteristics and Financial Performance

The study premise is that firm characteristics influence performance of law firms in Kenya. However firm characteristics dimension that is; ownership structure, size, age of the firm and firm resources are presumed to influence financial performance measure.

This was done by calculating the indices for each of the firm characteristics dimensions and performs a regression analysis with financial performance as the dependent variable. The results are presented in Table 5.1.

Table 5.1: Influence of Firm Characteristics on Financial Performance

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
Firm characteristics constructs	.333[a]	.111	.101	.90756

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
Firm characteristics constructs	Regression	36.038	4	9.009	10.938	.000[b]
	Residual	289.108	351	.824		
	Total	325.146	355			

Coefficient						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
Firm characteristics constructs	(Constant)	1.817	.250		7.282	.000
	ownership structure	.249	.076	.201	3.260	.001
	Size	-.147	.054	-.155	-2.708	.007
	age of firm	.211	.064	.208	3.272	.001
	firm resources	.051	.073	.042	.697	.486

Source: Field Data, (2019)

The effects of firm characteristics dimensions on financial performance are shown in Table 5.1. The study found a relatively moderate association between firm characteristics dimensions and financial performance (R= .333). Coefficient of determination (R^2 =.111) indicates that firm characteristics constructs together explain 11.1 % of variation in financial performance. Firm characteristics dimensions significantly influence financial performance (F=10.938, p<0.05). The dimension with highest influence is ownership structure (β=.249, t=3.260, p<0.05). Other dimensions with positive influence are age of the firm (β=.211, t=3.272, p<0.05) and firm resources (β=.051, t=0.697, p<0.05).

However, size manifested negative but significant results indicating that although size is important factor in influencing financial performance, the effect is negative which may be due to bureaucratic and excess expenses associated with larger firms with constant revenue sources.

5.2.2 Firm Characteristics and Customer Focus

The study further tested the effect of independent firm characteristics dimensions on customer focus. The results are presented in Table 5.2.

Table 5.2: Firm Characteristics and Customer Focus

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
Firm characteristics constructs	.443[a]	.196	.187	.67161

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
Firm characteristics constructs	Regression	38.626	4	9.657	21.409	.000[b]
	Residual	158.320	351	.451		
	Total	196.946	355			

Coefficient						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
Firm characteristics constructs	(Constant)	1.541	.185		8.343	.000
	ownership structure	.138	.057	.143	2.443	.015
	Size	-.056	.040	-.076	-1.398	.163
	age of firm	-.045	.048	-.058	-.953	.341
	firm resources	.391	.054	.416	7.259	.000

Source: Field Data, (2019)

The study found a relatively moderate and positive relationship between firm characteristics dimensions and customer focus (R= .443). Coefficient of determination (R^2 =.196) indicates that firm characteristics dimensions together explain 19.6% of variation in customer focus. In overall firm characteristics dimensions significantly

influence customer focus (F=21.409, p<0.05). The dimension with highest influence are firm resources (β=.399, t=7.259, p<0.05) and ownership structure (β=.138, t=2.443, p<0.05). However, size and age of the firm showed negative and insignificant relationship with customer focus (β=-.056, t=-1.398, p>0.05) and (β=-.045, t=-0.953, p>0.05) respectively.

5.2.3 Firm Characteristics and Internal Processes

The effect of firm characteristics on internal processes was determined. The average indexes for all the dimensions for both firm characteristics constructs and internal processes were determined and a regression analysis carried out. The results are presented in Table 5.3.

Table 5.3: Effect of Firm Characteristics and Internal Processes

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
Firm characteristics constructs	.301[a]	.090	.080	.87801

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
Firm characteristics constructs	Regression	26.893	4	6.723	8.721	.000[b]
	Residual	270.587	351	.771		
	Total	297.480	355			

Coefficient						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
Firm characteristics constructs	(Constant)	1.970	.241		8.158	.000
	Ownership structure	.064	.074	.054	.859	.391
	Size	-.132	.052	-.146	-2.525	.012
	Age of firm	.063	.062	.065	1.018	.309
	Firm resources	.285	.070	.247	4.044	.000

a. Dependent Variable: Performance
b. Predictors: (Constant), ownership structure, size, age of firm and firm resources
Source: Field Data, (2019)

The study found that the independent firm characteristics constructs have a moderate influence on internal processes (R= .301). Coefficient of determination (R^2 =.090) indicating that independent firm characteristics constructs explain 9.0% of variation of internal processes. Firm resources had a positive and a significant influence on internal processes (β=.285, t=4.044, p<0.05). Ownership structure and age of the firm had positive but insignificant influence on internal processes (β=.064, t=0.859, p>0.05) and (β=.063, t=1.018, p>0.05) respectively. Further it was found that size of the firm was negative but significant in influencing internal processes (β=-.132, t=-2.525, p<0.05). This implies that the smaller the firm the greater the internal processes. The findings therefore imply that firm characteristics independent constructs are important in determining internal processes of law firms in Kenya.

5.2.4 Firm Characteristics and Learning and Growth

The effect of firm characteristics on learning and growth was also determined. The average scores for all the dimensions for both firm characteristics constructs and learning and growth were determined and a regression analysis carried out. The results are presented in Table 5.4.

Table 5.4: Firm Characteristics and Learning and Growth

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
Firm characteristics constructs	.462ᵃ	.214	.205	.92596

ANOVAᵃ						
Model		Sum of Squares	df	Mean Square	F	Sig.
Firm characteristics constructs	Regression	81.837	4	20.459	23.862	.000ᵇ
	Residual	300.946	351	.857		
	Total	382.783	355			

Coefficient						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
Firm characteristics constructs	(Constant)	1.213	.255		4.764	.000
	ownership structure	.206	.078	.153	2.637	.009
	size	.005	.055	.005	.098	.922
	age of firm	-.007	.066	-.006	-.099	.921
	firm resources	.501	.074	.382	6.743	.000

Source: Field Data, (2019)

The study found that firm characteristics constructs and learning and growth have a moderate relationship (R= .462). Coefficient of determination (R^2 =.214) indicates that firm independent characteristics constructs together explain 21.4% of variation of learning and growth. Ownership structure and firm resources showed positive and significant relationship with learning and growth (β=.206, t=2.637, p<0.05) and (β=.501, t=6.743, p<0.05). Size of the firm also showed insignificant influence on learning and growth (β=.005, t=0.098, p>0.05). The results further showed that age of the firm was negative and insignificant in influencing learning and growth (β=-.07, t=-0.099, p>0.05). This thus indicates that firm characteristics constructs are important in determining learning and growth.

5.2.5 Firm Characteristics and Corporate Social Responsibility

The study determined the influence of firm characteristics on corporate social responsibility as a construct of performance. This was to determine to what magnitude is the relationship. The results are presented in Table 5.5.

Table 5.5: Firm Characteristics and Corporate Social Responsibility

Model Summary					
Model	R	R Square	Adjusted R Square		Std. Error of the Estimate
1	.406[a]	.165		.155	.53070

ANOVA[a]					
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	19.472	4	4.868	17.284	.000[b]
	Residual	98.857	351	.282		
	Total	118.329	355			

Coefficients[a]						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	T	Sig.
1	(Constant)	2.395	.128		18.783	.000
	Ownership structure	.047	.036	.077	1.305	.193
	Size	-.084	.041	-.133	-2.036	.043
	Age of firm	.119	.051	.154	2.326	.021
	Firm resources	.180	.034	.323	5.282	.000
a. Dependent Variable: Corporate Social Responsibility						

Source: Field Data, (2019)

The study found a relatively moderate and positive relationship between firm characteristics dimensions and corporate social responsibility (R= .406). Coefficient of determination (R^2 =.165) indicates that firm characteristics independent dimensions together explain 16.5% of variation in corporate social responsibility. In overall firm characteristics dimensions significantly influence corporate social responsibility (F=17.284, p<0.05). The dimension with highest influence is firm resources (β=.180, t=5.282, p<0.05) and the least is ownership structure (β=-.047, t=- 1.305, p>0.05).

97

However, ownership stricture showed insignificant relationship with corporate social responsibility (β=-.047, t=1.305, p>0.05).

5.2.6 Firm Characteristics and Environmental Impact

The study further determined how firm characteristics and environment impact relate. This was to determine to what magnitude is the relationship. The results are presented in Table 5.6.

Table 5.6: Firm Characteristics and Environmental Impact

Model Summary				
	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.500[a]	.250	.242	.61648

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	44.493	4	11.123	29.268	.000[b]
	Residual	133.397	351	.380		
	Total	177.890	355			

Coefficients[a]						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	T	Sig.
1	(Constant)	1.242	.148		8.382	.000
	Ownership structure	.051	.042	.069	1.233	.218
	Size	.202	.048	.262	4.227	.000
	Age of firm	.290	.060	.305	4.861	.000
	Firm resources	-.055	.040	-.080	-1.384	.167
a. Dependent Variable: Environmental impact						

Source: Field Data, (2019)

The study found a strong and positive relationship between firm characteristics dimensions and environmental impact (R= .500). Coefficient of determination (R^2 =.250) indicates that firm characteristics independent dimensions together explain 25.0% of variation in environmental impact. In overall firm characteristics dimensions significantly influence environmental impact (F=29.268, p<0.05). The dimension with highest

98

influence is age of the firm (β=.290, t=4.861, p<0.05) followed by size (β=.202, t=4.227, p<0.05 and the least is ownership structure (β=-.051, t=1.233, p>0.05). However firm resources showed insignificant and negative relationship with environmental impact (β=-.055, t=-1.384, p>0.05).

5.2.7 Overall influence of Firm Characteristics Firm Performance

The study determined the overall influence of firm characteristics on performance of law firms in Kenya under the hypothesis that **Ho₁**: There is no statistically significant relationship between firm characteristics and performance of Law Firms in Kenya; and its alterative hypothesis that **H₁**: There is a statistically significant relationship between firm characteristics and performance of Law Firms in Kenya; A simple linear regression analysis was used. The results of the regression analysis are presented in Table 5.7.

Table 5.7: Influence of Firm Characteristics on Organizational Performance

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
Firm characteristics	.439[a]	.192	.190	.61573
ANOVA[a]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
Firm characteristics	Regression	33.041	1	33.041	87.150	.000[b]
	Residual	138.760	366	.379		
	Total	171.800	367			
Combined coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
(Constant)		1.568	.164		9.533	.000
Firm characteristics		.468	.050	.439	9.335	.000
a. Dependent Variable: Performance						
b. Predictors: (Constant), Firm characteristics						

Source: Field Data, (2018)

The results indicate that there is a relatively moderate association between firm characteristics and organizational performance (R=.439). The coefficient of

determination R^2 =.192 implies that firm characteristics explains 19.2% of the variation in organizational performance. The other variables not included in this study explain the remaining 80.8% (error term). This result shows a strong influence of firm characteristics on organizational performance. The overall model was statistically significant (F = 87.150, P-value < 0.05). The results of the beta coefficient showed that a unit increase in firm characteristics will cause a 0.468 unit increase in organizational performance (B=.468, t=9.335, p<0.05) suggesting that the influence of firm characteristics on organizational performance was statistically significant. This implies firm characteristics are a good predictor of performance of law firms in Kenya. The findings, thus, showed that there were sufficient evidence to support the influence of firm characteristics on organizational performance; therefore hypothesis ($H_{1)}$ was supported.

The regression equation can be written as follows:

Y = 1.568+ .468FC

Where Y = Organizational Performance, FC= Firm characteristics

5.3 Firm Characteristics, Industry Structure and Performance

The second objective for the study was to establish the moderating influence of industry structure on the association between firm characteristics and performance of law firms in Kenya. The study determined the influence of industry structure on each of the performance measurements. This included the influence of industry structure on financial performance, internal processes, customer focus and learning and growth. The results are presented in subsections herein.

5.3.1 Industry Structure and Financial Performance

The study premise is that industry structure influence performance of law firms in Kenya. However industry structure dimensions that is; new entrants, customers, suppliers, competitors and substitutes are presumed to influence financial performance measure. This was done by calculating the averages for each of the industry structures dimensions and performs a regression analysis with financial performance as the dependent variable. The results are presented in Table 5.8.

Table 5.8: Effect of Industry Structure on Financial Performance

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.635[a]	.403	.395	.74458
ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	131.105	5	26.221	47.296	.000[b]
	Residual	194.041	350	.554		
	Total	325.146	355			

Coefficients[a]						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	T	Sig.
1	(Constant)	.481	.257		1.872	.062
	New entrants	-.100	.093	-.068	-1.072	.285
	Customers	-.251	.096	-.137	-2.610	.009
	Suppliers	.161	.072	.119	2.245	.025
	Competitors	.832	.080	.600	10.382	.000
	Substitutes	.189	.072	.153	2.629	.009
a. Dependent Variable: Financial performance						

Source: Field Data, (2018)

The study found that industry structure constructs and financial performance relationship is strong (R= .635). Coefficient of determination (R^2 =.403) which indicates that industry structure constructs together explain 40.3% of variation of financial performance. Suppliers, competitors and substitutes showed positive and significant relationship with financial performance (β=.161, t=2.245, p<0.05) and (β=.832, t=10.382, p<0.05) and

(β=.189, t=2.629, p<0.05) respectively. Customers showed significant but negative influence on financial performance (β=-.251, t=-2.610, p<0.05). This thus indicates that all the industry structure constructs except new entrants are important in determining financial performance of law firms in Kenya.

5.3.2 Industry Structure and Internal Processes

The study further determined the influence of industry structure on internal processes. The results are presented on Table 5.9.

Table 5.9: Effect of Industry Structure on Internal Processes

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.760[a]	.578	.572	.59896

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	171.918	5	34.384	95.843	.000[b]
	Residual	125.562	350	.359		
	Total	297.480	355			

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.052	.207		.252	.801
	New entrants	-.150	.075	-.106	-2.000	.046
	Customers	.075	.077	.043	.967	.334
	Suppliers	.145	.058	.112	2.510	.013
	Competitors	.945	.064	.713	14.667	.000
	Substitutes	-.048	.058	-.040	-.821	.412

a. Dependent Variable: Internal processes
b. Predictors: (Constant), Substitutes, Suppliers, Customers, Competitors , New entrants

Source: Field Data, (2018)

The results shows that the relationship between industry structure constructs and internal processes constructs is strong (R= .760). Coefficient of determination (R^2 =.578) which indicates that industry structure constructs together explain 57.8% of variation of internal

processes. Suppliers and competitors showed positive and significant relationship with internal processes ($\beta=.145$, $t=2.510$, $p<0.05$) and ($\beta=.945$, $t=14.667$, $p<0.05$) respectively. Customers and substitutes showed insignificant influence on internal processes ($\beta=.075$, $t=0.967$, $p>0.05$) and ($\beta=-.0481$, $t=-0.821$, $p>0.05$) respectively, new entrants showed negative and significant relationship ($\beta=-.15$, $t=-2.00$, $p<0.05$). This thus indicates that only suppliers, competitors and new entrants are important in determining internal processes of law firms in Kenya.

5.3.3 Industry Structure and Customer Focus

The study further determined the influence of industry structure dimensions on customer focus. The results are presented in Table 5.10.

Table 5.10: Effect of Industry Structure on Customer Focus

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.907[a]	.822	.819	.31657
ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	161.870	5	32.374	323.044	.000[b]
	Residual	35.076	350	.100		
	Total	196.946	355			

Coefficients[a]						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	T	Sig.
1	(Constant)	.053	.109		.481	.631
	New entrants	-.040	.040	-.035	-1.002	.317
	Customers	-.009	.041	-.006	-.227	.821
	Suppliers	-.003	.031	-.003	-.099	.921
	Competitors	1.000	.034	.928	29.362	.000
	Substitutes	-.005	.031	-.005	-.162	.872
a. Dependent Variable: Customer focus						
b. Predictors: (Constant), Substitutes, Suppliers, Customers, Competitors , New entrants						

Source: Field Data, (2018)

The results shows that the relationship between industry structure constructs and customer focus is strong (R= .907). Coefficient of determination (R^2 =.822) which indicates that industry structure constructs together explain 82.2% of variation of customer focus. Competitors showed positive and significant relationship with customer focus (β=1.00, t=29.362, p<0.05). However other constructs that is; Customers, suppliers and substitutes showed insignificant influence on customer focus (β=-.009, t=-0.227, p>0.05), (β=-.003, t=-0.099, p>0.05) and (β=-.005, t=-0.162, p>0.05) respectively. This thus indicates that competitors is a factor that determines how law firms focus on their customers.

5.3.4 Industry Structure and Learning and Growth

The study also determined the influence of industry structure on learning and growth. The results are presented in Table 5.11.

Table 5.11: Effect of Industry Structure on Learning and Growth

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.801[a]	.642	.637	.62600

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	245.628	5	49.126	125.361	.000[b]
	Residual	137.155	350	.392		
	Total	382.783	355			

Coefficients[a]						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	T	Sig.
1	(Constant)	-.269	.216		-1.247	.213
	New entrants	.137	.078	.086	1.756	.080
	Customers	.076	.081	.038	.939	.349
	Suppliers	-.259	.060	-.176	-4.285	.000
	Competitors	1.251	.067	.833	18.583	.000
	Substitutes	-.019	.061	-.014	-.309	.758
a. Dependent Variable: Learning and growth						
b. Predictors: (Constant), Substitutes, Suppliers, Customers, Competitors , New entrants						

Source: Field Data, (2018)

The results shows that the relationship between industry structure constructs and learning and growth is strong (R= .801). Coefficient of determination (R^2 =.642) which indicates that industry structure constructs together explain 64.2% of variation of learning and growth. Suppliers and competitors showed positive and significant relationship with learning and growth (β=-.259, t=-4.285, p<0.05) and (β=1.251, t=18.583, p<0.05). However other constructs that is; customers and substitutes showed insignificant influence on learning and growth (β=.076, t=0.939, p>0.05) and (β=-.019, t=-0.309, p>0.05) respectively. This thus indicates that suppliers and competitors are key in determining learning and growth among law firms.

5.3.5 Industry Structure and Corporate Social Responsibility

The study determined how industry structure influence corporate social responsibility and presented the results in Table 5.12.

Table 5.12: Effect of Industry Structure on Corporate Social Responsibility

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.868[a]	.754	.750	.28868

ANOVA[a]					
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	89.161	5	17.832	213.980	.000[b]
	Residual	29.168	350	.083		
	Total	118.329	355			

Coefficients[a]						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	.844	.100		8.473	.000
	New entrants	.841	.036	.946	23.324	.000
	Customers	.039	.037	.036	1.056	.292
	Suppliers	-.008	.028	-.010	-.296	.768
	Competitors	-.026	.031	-.032	-.849	.396
	Substitutes	-.091	.028	-.122	-3.258	.001

a. Dependent Variable: Corporate Social Responsibility
b. Predictors: (Constant), Substitutes, Suppliers, Customers, Competitors , New entrants

Source: Field Data, (2019)

The results shows that the relationship between industry structure constructs and corporate social responsibility is strong (R= .868). Coefficient of determination (R^2 =.754) which indicates that structure constructs together explain 75.4% of variation in corporate social responsibility. New entrants showed positive and significant relationship with corporate social responsibility (β=.841, t=23.324, p<0.05). However other constructs that is; customers and substitutes showed insignificant influence on corporate social responsibility (β=.039, t=1.056, p>0.05) and (β=-.091, t=-3.258, p>0.05) respectively. This thus indicates that new entrants and substitutes are key in determining corporate social responsibility among law firms in Kenya.

5.3.6 Industry Structure and Environmental Impact

The study determined how industry structure and environmental impact relate and the results presented in Table 5.13.

Table 5.13: Effect of Industry Structure on Environmental performance

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.907[a]	.823	.820	.30015

ANOVA[a]					
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	146.359	5	29.272	324.917	.000[b]
	Residual	31.531	350	.090		
	Total	177.890	355			

Coefficients[a]						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	.645	.104		6.223	.000
	New entrants	-.019	.037	-.017	-.503	.615
	Customers	-.030	.039	-.022	-.778	.437
	Suppliers	.944	.029	.944	32.626	.000
	Competitors	-.051	.032	-.050	-1.582	.115
	Substitutes	-.046	.029	-.050	-1.596	.111
a. Dependent Variable: Environmental impact						
b. Predictors: (Constant), Substitutes, Suppliers, Customers, Competitors , New entrants						

Source: Field Data, (2019)

The results shows that the relationship between industry structure constructs and environmental impact is strong (R= .907). Coefficient of determination (R^2 =.823) which indicates that industry structure constructs together explain 82.3% of variation of environmental impact. Suppliers showed positive and significant relationship with environmental impact (β=.944, t=32.626, p<0.05). However all other constructs that is; customers, competitors, new entrants and substitutes showed insignificant influence on environmental impact (p>0.05). This thus indicates that suppliers are key in determining environmental impact among law firms in Kenya.

5.3.7 Firm Characteristics, Industry Structure and Performance

The moderating effect was determined by testing the effect of the independent variable on the dependent variable when the moderator is introduced. However, prior to performing this analysis, the direct link between industry structure and performance was first established. Therefore, the second hypothesis of this study was broken down into two parts – the first part (H_{2a}) sought to establish if industry structure has a statistically significant effect on performance, while the second part (H_{2b}) sought to determine if the moderating effect of industry structure on the association between firm characteristics and performance is statistically significant.

The effect of industry structure on performance was established through simple linear regression using the composite indices computed for both industry structure and performance. The results were as presented in Table 5.14.

Table 5.14: Regression Results of Industry Structure and Performance

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
Industry structure	.523[a]	.274	.272	.58386

ANOVA[a]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
Industry structure	Regression	47.032	1	47.032	137.967	.000[b]
	Residual	124.768	354	.341		
	Total	171.800	355			

Combined coefficients					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.109	.170		6.522	.000
Industry structure	.686	.058	.523	11.746	.000
a. Dependent Variable: Performance					
a. Predictors: (Constant), Industry structure					

Source: Field Data, (2018)

The results in the model summary show that R=.523 suggesting that there exists a moderate relationship between industry structure and performance. Coefficient of determination R^2=.274 implies that industry structure influence performance by 27.4% with other factors not considered in the model influencing 72.6% 9error term). This is significant since p-value<0.05 at 95% confidence level. The F value is 137.967 and p=0.00<0.05 depicting a significant model. Results of the coefficients shows that a unit increases in industry structure will cause .686 increase in performance. This implies industry structure is a good predictor of performance of law firms in Kenya. The findings, thus, were sufficient to support the influence of industry structure on performance, thus the sub-hypothesis (H_{2a}) was supported.

The regression equation can be written as follows;

$Y = 1.109 + .686IS$

Where Y = Performance, IS= Industry structure

After establishing the direct effect of industry structure on performance, the study next sought to determine the extent to which these industry structure influence the association between firm characteristics and performance through the hypothesis that **Ho2**: There is no statistically significant moderating effect of industry structure on the relationship between firm characteristics and performance of Law Firms in Kenya; and alternative hypotheses that **H2**: There is a statistically significant moderating effect of industry structure on the relationship between firm characteristics and performance of Law Firms in Kenya;

The composite index was computed for both firm characteristics, industry structure and performance and the hypothesis tested through Hierarchical regression analysis. In step one, firm characteristics was regressed on performance. In step two, firm characteristics was regressed on industry structure. In step three the interaction term between firm characteristics and industry structure was introduced. The moderation effect is confirmed when the effect of interaction term is statistically significant. The results were as presented in Table 5.15.

Table 5.15: Moderation Results of the Effect of Industry Structure on Firm Characteristics and Performance

Model Summary									
			Adjusted R Square	Std. Error of the Estimate	Change Statistics				
Model	R	R Square			R Square Change	F Change	df1	df2	Sig. F Change
1 Firm Characteristics	.439[a]	.192	.190	.61573	.104	1.856	3	352	.150
2 Firm Characteristics, Industry structure	.523[a]	.274	.272	.58386	.281	4.634	2	353	.150
3 Firm Characteristics, Industry structure interaction	.761[a]	.579	.578	.39456	.385	6.490	5	350	.000

ANOVA							
Model			Sum of Squares	df	Mean Square	F	Sig.
1 Firm Characteristics		Regression	3.048	1	1.016	1.856	.030
		Residual	26.277	354	.547		
		Total	29.325	355			
2 Firm Characteristics ,Industry structure		Regression	14.961	2	4.980	8.823	.000
		Residual	22.007	353	.446		
		Total	28.967	355			
3 Firm Characteristics, Industry structure interaction		Regression	14.349	5	1.794	6.490	.000
		Residual	14.975	350	.348		
		Total	29.325	355			

Coefficients								
Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	T	Sig.	Tolerance	VIF
1	(Constant)	.803	.314		2.559	.013		
	Firm Characteristics	.360	.086	.426	4.192[*]	.000	.966	1.035
	Performance	.290	.106	.278	2.740[*]	.008	.966	1.035
	(constant)	.740	.319		2.321[*]	.023		
	Firm characteristics	.357	.086	.421	4.148[*]	.000	.964	1.037
2	Industry structure	.314	.108	.301	2.905[*]	.005	.925	1.081
	Firm Characteristics and industry structure interaction	.675	.068	-.354	-3.957[*]	.026	.958	1.044

a. Predictors: (Constant), Industry structure, firm characteristics

b. Predictors: (Constant), Industry structure, firm characteristics, Interaction term between industry structure and firm characteristics

c. Dependent Variable: Performance

Source: Field Data, (2019)

The results in Table 5.15 on the moderating effect of industry structure on the association between firm characteristics and performance was computed using three steps. In model one the result shows that the association between firm characteristics and performance was significant (R= .439[a,] R^2=0.192, F=1.856, P-value<0.05). In model two (R= .523[a,] R^2=274, F=8.823, P-value<0.05) which was significant and in model three (R= .761[a,] R^2=0.579, F=6.490, P-value<0.05) which is significant, suggesting that there was a progressive increase in the value of the coefficient of variation in each step thus portraying an influence of industry structure.

Coefficient of determination R^2=.0.579 implies that industry structure influence the association between firm characteristics and performance by 57.9%, suggesting a positive and strong moderating influence. The value of the interaction term (FC * IS) had a significant influence (β= .675, t=-3.957, P<0.05) thus confirming a moderation effect of industry structure on the association between firm characteristics and performance. The study therefore supports the hypothesis that industry structure moderates the effect of firm characteristics on performance of law firms in Kenya.

The moderating equations for firm characteristics, industry structure and performance can thus be written as:

$Y = .803+ .360X_1$

$Y = .740+ .357X_1 + .314Z$

$Y = .803+.360X_1+ .314Z+. 675X.Z$

Where: Y = Performance; X= Firm characteristics ; Z= Industry structure; X.Z= Firm characteristics and industry structure interaction.

5.4 Firm Characteristics, Strategy and Performance of Law Firms in

Kenya

In determining the influence of strategy on the relationship between firm characteristics and performance, the study first found it necessary to determine each of the strategy constructs on each measure of performance.

5.4.1 Strategy and Financial Performance

The study determined the influence of strategy dimensions on financial performance. The results are presented in Table 5.16.

Table 5.16: Effect of Strategy on Financial Performance

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.290[a]	.084	.076	.91989

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	27.286	3	9.095	10.749	.000[b]
	Residual	297.859	352	.846		
	Total	325.146	355			

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.100	.237		8.851	.000
	Corporate level	-.086	.052	-.091	-1.668	.096
	Business level	.263	.063	.259	4.154	.000
	Functional level	.096	.072	.080	1.327	.185

a. Dependent Variable: Financial performance
b. Predictors: (Constant), Functional level, Corporate level, Business level

Source: Field Data, (2019)

The results in the model summary show that R=.290 suggesting that there exists a weak relationship between strategy constructs and financial performance. Coefficient of determination R^2=.084 implies that strategy constructs influence financial performance by 8.4% with other factors not considered in the model influencing 91.6%. This is

112

significant since p-value<0.05 at 95% confidence level. The results shows that business level strategy is significant in influencing financial performance (β=.263, t=4.154, p<0.05) whereas corporate level and functional level strategy are insignificant in influencing financial performance (β=-.086, t=-1.668, p>0.05) and (β=.096, t=1.327, p>0.05). This implies that strategy is a weak predictor of financial performance of law firms in Kenya.

5.4.2 Strategy and Internal Processes

The effect of strategy on internal processes was determined and the results presented in Table 5.17.

Table 5.17: Effect of Strategy on Internal Process

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.297[a]	.088	.081	.87768
ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	26.324	3	8.775	11.391	.000[b]
	Residual	271.155	352	.770		
	Total	297.480	355			
Coefficients[a]						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	T	Sig.
1	(Constant)	2.042	.226		9.021	.000
	Corporate level	-.117	.049	-.129	-2.376	.018
	Business level	.077	.060	.079	1.271	.204
	Functional level	.296	.069	.257	4.289	.000
a. Dependent Variable: Internal processes						
b. Predictors: (Constant), Functional level, Corporate level, Business level						

Source: Field Data, (2019)

The results in the model summary show that R=.297 suggesting that there exists a weak relationship between strategy constructs and internal processes. Coefficient of determination R^2=.088 implies that strategy constructs influence internal processes by

8.8% and other factors accounting for 91.2% of the variation in internal process. This is significant since p-value<0.05 at 95% confidence level. The results shows that corporate level strategy and functional level strategy are significant in influencing internal processes (β=-.117, t=-2.376, p<0.05) and (β=.296, t=4.289, p<0.05) whereas business level strategy is insignificant in influencing internal processes (β=.204, t=1.271, p>0.05). This implies that strategy is a weak predictor of internal processes of law firms in Kenya.

5.4.3 Strategy and Customer Focus

The study determined how strategy influences customer focus. The constructs of strategy are at corporate, functional and business level. The averages of each constructs was determined and regressed against customer focus. The results are presented in Table 5.18.

Table 5.18: Effect of Strategy on Customer Focus

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.427[a]	.182	.175	.67633

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	35.935	3	11.978	26.187	.000[b]
	Residual	161.011	352	.457		
	Total	196.946	355			

Coefficients[a]						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	T	Sig.
1	(Constant)	1.697	.174		9.732	.000
	Corporate level	-.022	.038	-.030	-.590	.556
	Business level	-.017	.046	-.021	-.356	.722
	Functional level	.416	.053	.443	7.816	.000
a. Dependent Variable: Customer focus						
b. Predictors: (Constant), Functional level, Corporate level, Business level						

Source: Field Data, (2019)

The results in the model summary show that R=.427 suggesting that there exists a moderate relationship between strategy constructs and customer focus. Coefficient of determination R^2=.182 implies that strategy constructs influence customer focus by 18.2% . This is significant since p-value<0.05 at 95% confidence level. The results shows that functional level strategy is significant in influencing customer focus (β=.416, t=7.816, p<0.05) whereas corporate and business level strategy are insignificant in influencing customer focus (β=-.022, t=-0.590, p>0.05) and (β=-.017, t=-0.356, p>0.05). This implies that strategy constructs moderately predicts the customer focus of law firms in Kenya.

5.4.4 Strategy and Learning and Growth

The study determined the influence of the independent constructs of strategy on learning and growth. The results are presented in Table 5.19.

Table 5.19: Effect of Strategy on Learning and Growth

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.445[a]	.198	.191	.93376
ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	75.873	3	25.291	29.007	.000[b]
	Residual	306.910	352	.872		
	Total	382.783	355			
Coefficients[a]						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	T	Sig.
1	(Constant)	1.446	.241		6.006	.000
	Corporate level	.055	.052	.054	1.061	.290
	Business level	.036	.064	.033	.567	.571
	Functional level	.538	.073	.411	7.322	.000
a. Dependent Variable: Learning and growth						
b. Predictors: (Constant), Functional level, Corporate level, Business level						

Source: Field Data, (2019)

The results in the model summary show that R=.445 suggesting that there exists a moderate relationship between the constructs of strategy and learning and growth. Coefficient of determination R^2=.198 implies that strategy constructs influence learning and growth by 19.8% leaving 80.2% accounted by other factors not in the model. This is significant since p-value<0.05 at 95% confidence level. The results shows that functional level strategy is significant in influencing learning and growth (β=.538, t=7.322, p<0.05). This implies that strategy constructs predicts the learning and growth of law firms in Kenya.

5.4.5 Strategy and Corporate Social Responsibility

The study further determined how strategy and corporate social responsibility relate and the results presented in Table 5.20.

Table 5.20: Effect of Strategy on Corporate Social Responsibility

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	
1	.395[a]	.156	.149		.65314
ANOVA[a]					
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	27.729	3	9.243	21.667	.000[b]
	Residual	150.161	352	.427		
	Total	177.890	355			

Coefficients[a]						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	2.403	.168		14.265	.000
	Corporate level	-.228	.037	-.325	-6.234	.000
	Business level	.013	.045	.017	.280	.780
	Functional level	.270	.051	.302	5.249	.000
a. Dependent Variable: Corporate Social Responsibility						
b. Predictors: (Constant), Functional level, Corporate level, Business level						

Source: Field Data, (2019)

The results in the model summary show that R=.395 suggesting that there exists a moderate relationship between the constructs of strategy and corporate social responsibility. Coefficient of determination R^2=.156 implies that strategy constructs influence corporate social responsibility by 15.6%. This is significant since p-value<0.05 at 95% confidence level. The results shows that functional level strategy and corporate level are significant in influencing corporate social responsibility (β=.270, t=5.249, p<0.05) and (β=.-.228, t=-6.234, p<0.05) respectively whereas business level is insignificant (β=0.013, t=0.280, p>0.05). This implies that strategy constructs predicts the corporate social responsibility of law firms in Kenya.

5.4.6 Strategy and Environmental Impact

The study also determined how strategy and environmental impact relate. The findings are presented in Table 5.21

Table 5.21: Effect of Strategy on Environmental Impact

Model Summary					
Model	R	R Square	Adjusted R Square		Std. Error of the Estimate
1	.860ᵃ	.740	.738		.29559
ANOVAᵃ					
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	87.574	3	29.191	334.101	.000ᵇ
	Residual	30.755	352	.087		
	Total	118.329	355			
Coefficientsᵃ						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	.944	.076		12.383	.000
	Corporate level	.136	.017	.239	8.242	.000
	Business level	.221	.020	.361	10.874	.000
	Functional level	.365	.023	.501	15.674	.000
a. Dependent Variable: Environmental impact						
b. Predictors: (Constant), Functional level, Corporate level, Business level						

Source: Field Data, (2019)

The results in the model summary show that R=.860 suggesting that there exists a strong relationship between the constructs of strategy and environmental impact. Coefficient of determination R^2=.740 implies that strategy constructs influence environmental impact by 74.0%. This is significant since p-value<0.05 at 95% confidence level. The results shows that functional level strategy, business level and corporate level are significant in influencing environmental impact (β=.365, t=8.424, p<0.05), (β=.221, 10.874, p<0.05) and (β=.136, t=15.674, p<0.05). This implies that all the strategy constructs considered predicts environmental impact of law firms in Kenya.

5.4.7 Firm Characteristics, Strategy and Performance of Law Firms in Kenya

The study then determined the influence of strategy as an intervening variable in the relationship between firm characteristics and performance through formulation of the following hypothesis.**Ho3:** There is no statistically significant intervening effect of firm strategy on the relationship between firm characteristics and performance of Law Firms in Kenya and alternative hypothesis that **H3:** There is a statistically significant intervening effect of firm strategy on the relationship between firm characteristics and performance of Law Firms in Kenya

Path analysis four-step method was used to test the hypothesis using regression analysis. Step one involved regressing firm characteristics with performance. The process moves to step two if step one yields statistically significant results and if not significant, the process terminates and would be concluded that strategy do not intervene the relationship between firm characteristics and performance.

In step 2 firm characteristics was regressed against strategy. If the results are significant, the process moves to step 3 because the necessary condition for an intervening effect

118

exist. In step three the influence of strategy on performance is tested using a simple linear regression model. A statistically significant effect of strategy on performance is a necessary condition in testing for the intervening effect. Finally, Step four tested the influence of firm characteristics on performance while controlling for the effect of strategy. These tests were done using simple linear regression analysis. The influence of firm characteristics on performance should not be statistically significant when strategy is controlled. This is a necessary condition in testing for an intervening effect. Results from the four steps are presented in Table 5.22, 5.23, 5.24 and 5.25 respectively.

Step One: Firm characteristics were regressed against Performance. The results are presented in Table 5.22.

Table 5.22: Regression Results from the Test of the Effect of Firm Characteristics on Performance

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.802[a]	.643	.640	.77199

ANOVA[a]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	124.427	1	124.427	208.779	.000[a]
	Residual	69.133	354	.596		
	Total	193.560	355			

Combined coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.499	.273		-1.829	.070
	Firm characteristics	1.163	.081	.802	14.449	.000

a. Dependent Variable: Performance
b. Predictors: (Constant), firm characteristics

Source: Field Data, (2018)

The findings in Table 5.22 a statistically strong and positive relationship between firm characteristics and performance (R=.802). Coefficient of determination (R^2=.643) depicts that firm characteristics explains 64.3% of performance leaving 35.7% unexplained (error term). The F-value of 208.779 with p-value of 0.00 which is less than the level of significant 0.05, hence the model is statistically significant. The results thus confirmed the first step of testing for the intervening effect of strategy on the relationship between firm characteristics and performance is satisfied.

The intervening testing then proceeded to step two that involved testing the influence of firm characteristics on strategy. The results of the tests are presented in Table 5.23.

Table 5.23: Regression Results from the Test of the Effect of Firm Characteristics on Strategy

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.620[a]	.384	.379	.46520
ANOVA[a]					
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14.454	1	14.454	66.788	.000[a]
	Residual	23.156	354	.216		
	Total	37.610	355			

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.813	.177		10.229	.000
	Firm characteristics	.424	.052	.620	8.172	.000
a. Predictors: (Constant), Firm characteristics						
b. Dependent Variable: Strategy						

Source: Field Data, (2018)

The results presented in Table 5.23 indicate that firm characteristics have a positive and statistically strong relationship with strategy (R=.620). Further the coefficient of variation (R^2=.384) depicted that strategy is explained by 38.4% of firm characteristics leaving

120

61.6% not explained in the model (error term). Further the F-value was 66.788 with P-value of .00 which is<0.05, hence the model is statistically significant. The results, therefore suggest that the second step of testing the intervening is confirmed hence move to step 3.

In Step Three Strategy was regressed against performance. The results for the step 3 are presented in Table 5.24.

Table 5.24: Regression Results from the Test of the Effect of Strategy on Performance

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.577[a]	.333	.289	.62334

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.909	1	2.970	7.642	.000[b]
	Residual	17.873	354	.389		
	Total	26.782	355			

Coefficients						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	T	Sig.
	(Constant)	3.105	.416		7.467	.000
	Strategy	**.238**	.093	.355	2.570	**.012**

a. Dependent Variable: Performance

Source: Field Data, (2018)

The results in Table 5.24 indicate that strategy had a significant relationship with performance (R=.577) with strategy explaining 33.3% of performance (R_2=.333) with remaining percent being explained by other factors not considered in the model (error term). The analysis from the model had F-value of 7.642 with P-value of 0.00 which is less than the level of significance 0.05, hence the model is statistically significant.

Therefore the condition in the third step in testing for an intervening effect was satisfied and therefore progressed to **step 4** in testing for the intervening effect.

Finally, Step four tested the influence of firm characteristics on performance while controlling for the effect of strategy. These tests were done using simple linear regression analysis. The influence of firm characteristics on performance should not be statistically significant at α=.05 when strategy is controlled. The relevant results are summarized in Table 5.25.

Table 5.25: Regression Results Depicting Intervening Effect of Strategy on Firm Characteristics and Performance

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.302ª	.091	.094	.77199
2	.854	.730	.732	.04492

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.029	1	.029	14.193	0.231
	Residual	.065	354	.002		
	Total	.093	355			
2	Regression	059	2	.30	26.867	0.000
	Residual	.034	353	.001		
	Total	.093	355			

Coefficients						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	T	Sig.
	(Constant)	2.632	.694		3.794	.000
	Firm characteristics	.218	.212	.099	1.029	.0406
	Strategy	.459	.087	.578	5.263	.041
a. Dependent Variable: Performance						

Source: Field Data, (2018)

The results in Table 5.25 show that when strategy is controlled firm characteristics explain only 9.1% of the variation in performance (R^2 =.091) which is not statistically significant (p-value=0.231 which is greater than 0.05 threshold at 95% confidence level). At model 2, strategy adds significantly to the performance as the variation increased from

122

.091 to .730 and p-value=.000. The results reveal that the variance explained by strategy is significant (F=14.193, p-value=.231) and the significance was increased (F=26.867, p-value=.000) in the second model.

The results revealed that the regression coefficients for firm characteristics increased from .218 to .459 when strategy was added to the regression suggesting that strategy exerts an intervening effect. The hypothesis that strategy intervenes the relationship between firm characteristics and performance was therefore supported. This imply that the attributes of strategy discussed are manifested in the law firms in Kenya to the extent of influencing the firm characteristics and subsequent the performance.

5.5 The Joint Effect of Firm Characteristics, Industry Structure, Strategy and Performance

The fourth study objective was to determine the joint effect of firm characteristics, industry structure and strategy on performance of law firms in Kenya and arising from this objective, the following hypothesis was formulated and tested - **Ho4:** There is no statistically significant joint effect of firm characteristics, industry structure and firm strategy on the performance of law firms in Kenya and the alternative hypothesis that **H4:**There is a statistically significant joint influence of firm characteristics, industry structure and firm strategy on performance of law firms in Kenya. The hypothesis was tested using both simple and multiple regression analysis.

Simple regression was used to test for individual independent effects while multiple regression analysis was used to test for joint effects. In the regression model, performance was the dependent variable, while firm characteristics, industry structure and strategy were predictor variables. The joint effect was then established by regressing firm characteristics, industry structure and strategy on performance. The results are presented in Table 5.26.

123

Table 5.26: Regression Results of the Individual Effect of Firm Characteristics and the Joint Effect of Firm Characteristics, Industry Structure and Strategy on Overall Performance

Model		R	R Square	Adjusted R Square	Std. Error of the Estimate
1	Firm characteristics	.585[a]	.342	.340	.38402
2	Industry structure	.523[a]	.274	.272	.58386
3	Strategy	.580[a]	.336	.335	.55811
4	Joint- Firm characteristics, Industry structure, Strategy	.830	.688	.668	.39410

(a) ANOVA

Model			Sum of Squares	df	Mean Square	F	Sig.
1	Firm characteristics	Regression	37.526	1	37.526	254.469	.000[a]
		Residual	72.260	354	.147		
		Total	109.786	355			
2	Industry Structure	Regression	47.032	1	47.032	137.967	.000[b]
		Residual	124.768	354	.341		
		Total	171.800	355			
3	Strategy	Regression	57.795	1	57.795	185.546	.000[b]
		Residual	114.005	354	.311		
		Total	171.800	355			
4	Joint- Firm characteristics, Industry structure, Strategy	Regression	116.116	3	5.372	34.586	.000
		Residual	107.300	352	.155		
		Total	223.416	355			

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.		
		B	Std. Error	Beta				
1	(Constant)	1.335	.108		12.333	.000		
	Firm characteristics	.473	.030	.585	15.952	.000		
2	Constant	1.109	.170		6.522	.000		
	Industry structure	.686	.058	.523	11.746	.000		
3	Constant	1.614	.111		14.536	.000		
	Strategy	.561	.041	.580	13.622	.000		
4	(Constant)	1.656	.596		-2.778	.008		
	Joint-Firm characteristics, Industry structure, Strategy	.741	.188	.383	3.933	.000	.700	0.0429

a. Dependent Variable: Performance

b. Predictors: (Constant), Firm characteristics, Industry structure, Strategy

Source: Field Data, (2018)

The regression results presented in Table 5.26 show that the influence of firm characteristics on performance was significant (R^2=0.342, F=254.46, P<0.05) implying that Firm characteristics explains 34.2% of variation in performance while 65.8% is explained by other factors not considered in this study (error term). The regression of Firm characteristics on performance is significant with P < 0.05 and F ratio 254.46. The co-efficient β is also significant (β = 0.473, t = 15.952, P < 0.05) suggesting that when Firm characteristics changes by one unit, it leads to 0.473 units change in performance. Further industry structure also showed significant influence on performance (R^2=0.274, F=137.97, P<0.05) and strategy (R^2=0.336, F=185.546, P<0.05). This implies that individually industry structure and strategy are significant in explaining performance.

The test for joint effects was performed through a separate analysis to establish the combined influence of Firm characteristics, industry structure and strategy on performance. The regression results in table 5.26 show that the joint influence of firm characteristics, industry structure and strategy on performance was significant (R^2 =0.688, F= 34.586, P< 0.05). The results suggest that jointly, Firm characteristics, industry structure and strategy explain 68.8% of variation in performance, while the remaining 31.2% is explained by other factors not considered in the study (error term). The F ratio shows that the regression of Firm characteristics, industry structure and strategy on performance is statistically significant P < 0.05. It is clear from the value of R^2 =.668 and F ratio that the model was overally fit for use in the analysis.

The joint effect was thus higher and significant (R^2 =0.688, F= 34.586, P< 0.05) compared to the individual effect of individual variables. In view of this finding, the

hypothesis that Firm characteristics, industry structure and strategy have a statistically

significant joint effect on performance of law firms in Kenya was supported. A summary

of the above analyses with respect to the study objectives and hypotheses is presented in

Table 5.27.

Table 5.27: Summary of Research Objectives, Hypotheses, Analytical Models and Conclusions

Objective	Hypothesis	R	R^2	Adjusted R Square	Levels of Significance (p-value)	Conclusion	Decision
i) To determine the influence of firm characteristics on performance of law firms in Kenya.	Ho_1: There is no statistically significant relationship between firm characteristics and performance of Law Firms in Kenya; H_1: There is a statistically significant relationship between firm characteristics and performance of Law Firms in Kenya;	.439	.192	.190	.000	Firm characteristics is a strong statistical predictor of performance	$H0_1$ was rejected Failed to reject H_1
ii) To establish the influence of industry structure on the relationship between firm characteristics and performance of law firms in Kenya.	Ho_2: There is no statistically significant moderating effect of industry structure on the relationship between firm characteristics and performance of Law Firms in Kenya; H_2: There is a statistically significant moderating effect of industry structure on the relationship between firm	$.761^a$	.579	.578	.000	There is a strong statistical moderating influence of industry structure on the association between Firm characteristics and performance	$H0_2$ was rejected Failed to reject H_2

	characteristics and performance of Law Firms in Kenya;						
iii) To determine the influence of strategy on the relationship between firm characteristics and performance of Law Firms in Kenya	**Ho3:** There is no statistically significant intervening effect of firm strategy on the relationship between firm characteristics and performance of Law Firms in Kenya **H3:** There is a statistically significant intervening effect of firm strategy on the relationship between firm characteristics and performance of Law Firms in Kenya	.854	.730	.732	0.021	There is a strong statistical intervening influence of strategy on the association between firm characteristics and performance	$H0_3$ was rejected Failed to reject H_3
iv) To establish if the joint effect of firm characteristics, industry structure and organizational strategy on performance of law firms in Kenya is different from the sum total of the independent effects of the variables on performance.	**Ho4:** There is no statistically significant joint effect of firm characteristics, industry structure and firm strategy on the performance of law firms in Kenya. **H4:** There is a statistically significant joint influence of firm characteristics, industry structure and firm strategy on performance of law firms in Kenya.	.830	.688	.668	.000	The joint effect of firm characteristics, industry structure and strategy on performance is greater than the effect of each variable separately	$H0_4$ was rejected Failed to reject H_4

Source: Field Data, (2018)

From the results in Table 5.27, there is a statistically significant and positive association between firm characteristics and performance of law firms in Kenya (R=.585, R^2 =.342, P=.000). Industry structure were found to moderate the relationship between firm

127

characteristics and performance (R=.761, R^2=.579, P=.000). Further strategy was found to significantly intervene the relationship between firm characteristics and performance (R=.854, R^2=.730, P=.021).

Regarding the joint effects of firm characteristics, industry structure and strategy on performance, the results revealed that this effect is significantly greater than the individual effect of firm characteristics, industry structure and strategy on performance. Therefore, all four study hypotheses were supported.

Therefore firm characteristics, organizational strategy and industry structure are significant predictors (68.8%) of organizational performance but organizational strategy is very strong intervener (73%) on the relationship between firm characteristics and organizational performance. It is therefore important for firms to invest more on strategy for them to realize the effect of the firm characteristics on organizational performance.

5.6 Discussion

The following section discusses the results of this study in line with the research objectives and the hypotheses formulated. These were formulated based on existing literature, both conceptual and empirical, and led to the development of conceptual model which outlined the relationships between the variables. To test the hypotheses, regression analysis was used after conducting tests for statistical assumptions.

5.6.1 Firm Characteristic and Performance

The first objective of the study aimed at establishing the influence of firm characteristics on performance of law firms in Kenya. This objective had a corresponding hypothesis,

H_1, which stated that firm characteristics have significant influence on the performance of law firms in Kenya and Ho_1 which stated that firm characteristics have no statistically significant influence on the performance of law firms in Kenya. Firm characteristics dimensions were found to significantly influence performance. The dimensions with highest influence were firm resources and ownership structure. Age of the firm and size manifested weak but significant results that they influence performance to small extent.

The study determined the influence of firm characteristics on each of the performance measurements. This included the influence of firm characteristics on financial performance, internal processes, customer focus, learning and growth, corporate social responsibility and environmental impact. The study found that firm characteristics dimensions significantly influence financial performance.

The study also found a relatively moderate and positive relationship between firm characteristics dimensions and customer focus. The effect of firm characteristics on internal processes was determined. The study found that firm characteristics constructs have a moderate influence on internal processes. The findings therefore imply that firm characteristics constructs are important in determining internal processes of law firms in Kenya.

The study found that firm characteristics construct and learning and growth have a strong relationship. Further firm characteristics also influences corporate social responsibility and environmental performance on a moderate scale. The individual contribution of each of the variables defining firm characteristics on performance were significant predictors

since their corresponding p-value were less than 0.05. This implies that firm characteristics of law firms determine greatly their performance.

The findings are in line with several studies both locally and international context. For instance Kaguri, (2012) found that firm characteristics had strong positive relationship on financial performance of life insurance companies in Kenya. Kisengo and Kombo (2012) also revealed that firm characteristics have a significant positive effect on performance of MFIs. Lauterbach and Vaninsky, (1999) also found that firm characteristics Ownership Structure were found to have positive significant relationship with firm performance.

However the study findings contradicts Lucy , Kiganane Bwisa and Kihoro (2012) who revealed that firm characteristics have no statistical significant influence on firm performance. The findings therefore is a reflection that for law firms to continuously improve on performance, their respective firm characteristics are to be evaluated and realigned to their key objectives. This is in line with the significant results that firm characteristics were found to play towards fostering performance of law firms in Kenya.

The resource based theory posits that if a firm acquires valuable, rare, inimitable and non-substitutable resources it can have superior performance (Teece, Pisano & Shuen, 1997; Penrose, 1959; Grant & Jordan, 2012). Such resources can be tangible, intangible and capabilities. These proportions are in line with the study findings.

5.6.2 The Influence of Industry Structure on the Relationship between Firm Characteristics and Performance

The second objective of the study was to establish the effect of industry structure on the relationship between firm characteristics and Performance. The industry structure is the set of factors that directly influences a firm and its competitive actions as well as responses. Porter (1998) postulates that these factors are threat for new entrants, power of suppliers, the threat of product substitutes, customers and the intensity of rivalry among competitors.

The findings support the industrial organization economics theory which postulates that the industry in which a firm operates dictates the strategy to be chosen by a firm thus influencing performance (Barney, 1991). An industry has a direct effect on the firm's strategic competitiveness and ability to earn above average returns (Grant & Jordan, 2012). Therefore understanding the underlying structure of a company's industry, now and in the future, is a core discipline in strategy formation (Galbreath & Galvin, 2008). In order to achieve this objective, a corresponding hypothesis H_2 which states that industry structure moderates the effect of firm characteristics on the performance of law firms in Kenya was stated and tested.

The study supported the hypothesis that the industry structure moderate firm characteristics and performance relationship. The relatively high change in R^2 was an indication that the interaction term had significant effect to explain the relationship. While the industry in which an organization operates influences its performance, firms in the same industry perform differently due to individual firm characteristics (Spanos, Zaralis, & Lioukas, 2004). Organizational internal competences, resources, shared values,

skills, knowledge and structures will play a pivotal role in crafting strategy that enables organizations perform better than competition.

Weerawardena, O'Cass and Julian (2006) findings supports the current study by arguing that firms operating within a competitive industry tend to pursue innovative ways of performing value-creating activities, which requires the development of learning capabilities. It can therefore be argued that industry structure of the firm plays a key role in the relationships between firm characteristics and firm performance especially the law firms in Kenya. Therefore, the current study concludes that industry structure has a moderating role on the relationship between firm characteristics and firm performance. This implies that firm characteristics depend on industry structure in determining the performance of law firms in Kenya.

5.6.3 The Influence of Strategy on the Relationship between Firm Characteristics and Performance

The study also determined how strategy conceptualized as an intervening variable affects the relationship between firm characteristics and performance of law firms in Kenya. Strategy has been defined differently by various scholars. Johnson and Scholes (1999) define strategy as the direction and scope of an organization over the long term, which achieves advantage for the organization through its configuration of resources within a changing environment to meet the needs of markets and fulfill stakeholders expectations.

In order to test for this influence, a corresponding hypothesis H_3 which states **Ho₃:** There is no statistically significant intervening effect of firm strategy on the relationship between firm characteristics and performance of Law Firms in Kenya and that **H₃:** There is a statistically significant intervening effect of firm strategy on the relationship between firm characteristics and performance of Law Firms in Kenya was formulated. The study finding establishes that strategy intervenes significantly the relationship between firm characteristics and performance. The hypothesis that the strategy intervenes firm characteristics and performance relationship is thus supported. The relatively moderate change in R^2 was an indication that the interaction term had significant effect to explain the relationship.

Institutional theory is explained by the findings of the study. The firm characteristics and strategy emerge out of the findings of the study. The theory posits that the primary objective of organizational change is formal legitimacy. In other words, organizations adapt their internal characteristics in order to develop strategies that conform with the expectations of the key stakeholders in their environment. The study by Abdalla (2015) found that there is an increased emphasis in the management literature on the use of strategy as the primary means of adapting organizations to their changing environments. For laws firms to survive and succeed, they will have to depend upon their ability to strategically align themselves with the industry structure and select appropriate firm characteristics combination to create defendable competitive positions. Success of firms depends partly on a proper match between strategy and firm characteristics and this

match is expected to have a positive impact on firm performance. Therefore, good strategy in place is very crucial for law firms in pursuit to their performance goals.

5.6.4 Joint Effects of Entrepreneurial Orientation, External Environment and Resource Endowment on Performance

The study also determined the joint effect of firm characteristics, industry structure, and strategy on performance of law firms in Kenya. A corresponding hypothesis **Ho4:** There is no statistically significant joint effect of firm characteristics, industry structure and firm strategy on the performance of law firms in Kenya. And alterative hypothesis that

H4: There is a statistically significant joint influence of firm characteristics, industry structure and firm strategy on performance of law firms in Kenya.

H_4 stating that the joint effect of firm characteristics, industry structure and strategy has influence on the performance of law firms in Kenya was formulated and tested. The study found that the results of the joint effect were statistically significant implying that the variables jointly influence performance.

The previous findings demonstrate that industry characteristics alone cannot explain a large variance in firm performance (Hitt et al., 2011). Stimulated by research on firm resources (Penrose, 1959) and competitive strategy (Porter, 1980), a multitude of studies have analyzed the impact of industry structure versus firm resources (Wernerfelt, 1988; Spanos et al, 2004; Galbreath & Galvin, 2008; Kamasak, 2011). They unanimously concluded that both strategy and the industry structure combined with firm characteristics are likely to have more impact on and performance.

5.7 Chapter Summary

This chapter has presented the results of the hypotheses formulated from the specific objectives of the study. Simple regression analysis was employed to test for direct relationships between the study variables, indirect relationships were tested for by multiple regression analysis, while moderation and intervening effects were tested for through Hierarchical regression analysis and path analysis respectively. The study hypotheses were all supported.

CHAPTER SIX

SUMMARY, CONCLUSION AND RECOMMENDATIONS

6.1 Introduction

The purpose of this study was to critically determine the influence of firm characteristics, industry structure and strategy on performance of law firms in Kenya. In this chapter, a summary of the major findings of the study are presented, conclusions as well as the recommendations. The chapter further discloses the proposed areas for future research.

The specific objectives of the research were; to determine the influence of firm characteristics on performance of law firms in Kenya, to establish the influence of industry structure on the relationship between firm characteristics and performance of law firms in Kenya, to determine the influence of strategy on the relationship between firm characteristics and performance of Law Firms in Kenya and to establish the joint effect of firm characteristics, industry structure and strategy on performance of law firms in Kenya.

6.2 Summary

A summary of the research objectives is given below that include; influence of firm characteristics on performance of law firms in Kenya, influence of industry structure on the relationship between firm characteristics and performance of Law Firms in Kenya, influence of strategy on the relationship between firm characteristics and performance of Law Firms in Kenya and the joint effect of firm characteristics, industry structure and strategy on performance of Law Firms in Kenya.

6.2.1 Firm Characteristics and Performance

Firm characteristics include firm-specific resources; tangible and intangible, knowledge, capabilities as well as human capital. This study established the firm characteristics as ownership structure, size, age of the firm and firm's resources. The study determined the influence of firm characteristics on each of the performance measurements. This included the influence of firm characteristics on financial performance, internal processes, customer focus, learning and growth, corporate social responsibility and environmental impact. The study found that firm characteristics dimensions moderately influence financial performance. The study also found a relatively moderate and positive relationship between firm characteristics dimensions and customer focus. The study further found that firm characteristics constructs have a moderate influence on internal processes, corporate social responsibility, learning and growth. The study found a strong and positive influence of environmental impact on firm performance. The findings therefore imply that firm characteristics independent constructs are important in determining performance of law firms in Kenya.

Firm characteristics are largely drawn from the internal side of the firm. Firm characteristics are features and attributes that can be associated to a specific organization. The focus on the internal side of the organization's influence on organizational performance in strategic management research was informed by the failure by the external environment research's to fully explain variations in organizational performance. Firm characteristics include but are not limited to the size, ownership structure, financial resources, size and age of the organization.

In terms of influence of ownership structure on firm performance, the results of the findings indicated that ownership of the firm greatly influences the firms' vision and mission. The study further established that sole proprietorship was the main and common form of ownership among law firms in Kenya. Owners and managers both participate in the design of vision and mission statements; however, proprietors often play a larger role in the process of developing an organization's vision. In fact, most start-ups are initiated by individuals with a vision that is a set of values and a choice for a specific path of an organization.

A visionary founder is more likely to revolutionize an industry by influencing its core values and by defining a clear direction. Additionally, it established that ownership of the firm determines the practice a firm undertakes. Owners of a firm greatly contribute to the management of the firm. They are the one who make the final decision as well as crafting the right strategy to see to it that the firm yields profits. These results are supported by Galbreath and Galvin, (2008), who argued that the probability of firm growth, firm failure and variability of growth decreases with age and that the other characteristics with impact on performance include capital intensity and ownership structure.

The study also established that since most firms had adopted sole proprietorship as the form of ownership, management and coordination was smooth, hence there was no need of having both a manager and an owner because this would lead to duplication of role as well as wastage of resources. Additionally, it is easier for a firm owner to outline aims and goals of the firm and ensure it is achieved other than employing a manager to do it.

Since a firm owner owns the organization he or she will do anything to ensure success of the firm.

Another firm characteristic established to influence the performance of a firm was the size of the firm. The study established that the size of the firm had a bearing on the returns as well as implication on organizational growth. Bigger firms are presumed to be more efficient than smaller ones. The market power and access to capital markets of large firms may give them access to investment opportunities that are not available to smaller ones. Additionally, research work done by Kaguri, (2012), indicate that larger firms are more likely to have output levels close to their industry minimum efficient scale, and thus, less likely to be vulnerable than smaller firms that produce at a lower scale.

Larger firms tend to attract bigger clients and hence experience radical growth unlike small firms which mostly handle small clients. However, despite of the benefits that come along with a firm being big, the study established that coordination and decision making process was more complicated. Moreover, the respondents agreed that regardless of the smallness of a firm, it did not deter it from handling big clients.

Firm age as a firm characteristic is the length of time a firm has been in operation in an industry since establishment. Old firms have a better experience on handling clients that is they have dealt with a lot of cases and hence because of this experience in the market, they are able to attract many clients. Maturity brings stability in growth as firms learn more precisely their market positioning, cost structures and efficiency level.

Despite the positive impact that age has on performance of a firm, according to Galbreath and Galvin, (2008) older firms are highly inertial and tend to become increasingly ill-

suited to cope with changing competitive environment. Furthermore, studies by Teece, Disano & Shuen, (1997) shows that probability of firm growth, firm failure, and the variability of firm growth decreases as firm's age increases. According to the life cycle effect, younger companies are more dynamic and more volatile in their growth experience than older companies.

Firm characteristics in the study was also depicted in terms of firm resources. Firm resources can be represented in terms of both human and financial resources. Accessibility of financial resources is crucial in facilitating growth of the firm. Additionally, work force in terms of employees ensure that the company vision and mission are realized. The results based on the observation indicate that the firms surveyed had adequate staff who were regularly trained in order to handle various clients' cases. It further indicated that the employees possessed skills and knowledge to undertaken the various cases and advice clients on their rights and responsibilities.

Generally, the study summarizes that the essential resources in undertaking the cases were available and that firms were well equipped to solve varied clients issues. This was supported by Favaro (2015) studies that firms' characteristics include firm-specific resources; tangible and intangible, knowledge, capabilities as well as human capital. Additionally, Organizational internal competences, resources, shared values, skills, knowledge and structures will play a pivotal role in crafting strategy that enables organizations perform better. In summary, firm characteristics that include ownership structure, size of the firm, age of the firm and resources possessed by the firm were found to influence the performance of a firm.

6.2.2 Firm Characteristics, Industry Structure and Performance

The industry structure is the set of factors that directly influences a firm and its competitive actions as well as responses. Most importantly, an understanding of industry structure guides managers toward possibilities for strategic action, including positioning the company vis-à-vis the current competitive forces; anticipating shifts in the forces and exploiting them; and shaping the balance of forces to create a new more favourable structure or one that favours the company. This study established the industry structure as new entrants, customers, suppliers, competitors and substitutes.

New entrants in an industry bring new capacity, the desire to gain market share, and often substantial resources. Barriers to entry are more than the normal equilibrium adjustments that markets typically make. When an industry's profits rise, it is expected that additional firms would enter the market in order to enjoy the high profits experienced. Over time, this profit will go down due to congestion in the market.

Other firms may opt to exit the market and therefore bringing the industry at equilibrium. Falling prices, or the expectation that future prices will fall, deters rivals from entering a market. Firms also may be reluctant to enter markets that are extremely uncertain, especially if entering involves expensive start-up cost. Additionally, threat of new entrants in the market increases competition and therefore production levels rise (Porter, 2007).

Moreover, government plays a key role in regulating entry to a market. Where an industry is profitable, it can be expected that it will attract more competitors who are also looking to have a slice of the profits. If it is easy for these new entrants to enter the

market, for example if entry barriers are low or non-existent, this will pose a threat to firms already operating and competing in that industry. More competition leads to increased production levels. Therefore the study indicates that government regulation of entry influences firm performance.

Additionally, sources of production facilities other than capital include customer credit and covering start-up losses. Even though most lawyers who have had long years of experienced in the field may have the financial resources necessary to enter the legal industry, the huge capital requirements still limit the pool of likely entrants. This implies that capital requirement acts as a barrier for entry of newly established law firms in Kenya. These findings are synonymous with Mwaluma (2014) who established that barriers are important for competition. The easier it is for new firms to establish themselves on the market, the harder it will be for already established firms to increase prices, more than temporarily, because this will invite new businesses.

New entrants, further face the reality that switching costs may discourage existing clients from moving to their firms. Switching costs though largely fiscal in nature, it can also be referred to the rapport and acquaintance of clients to a law firm. The nature of law firm business is largely confidential and an existing client would hesitate to further compromise confidentiality by moving to one firm simply due to financial cost. Therefore, the balance between advantage to be attained and cost of the advantage tilts unfavourably against the new entrant.

Firms totally depend on their clients in order to make business. It was therefore necessary for this study to establish the relationship between customers and firm performance. It is unquestionable how technology has revolutionized the business world, rapidly changing and expanding in every field imaginable. When it comes to the legal services industry, technological innovation is no exception. That is, the industry need technology to aid in addressing many challenges encountered in the legal industry. The results in the study indicate that innovative technologies greatly influences firm performance, through saving time and money, expanding capabilities as well as providing a platform of greater compliance. Technological innovations is a less expensive deal that gives alternative to in-house staffing solutions which can help law firms not only save money by streamlining majority of the content but also reduce the amount of internal talent needed on payroll.

Customer bargaining power is the ability of customers to obtain valuable terms of trade from their providers. Monopolistic or quasi- monopolistic customers will use their power to extract better terms at the expense of the market. In a competitive market, prices are set by supply and demand so that the service providers make a profit and the customers are satisfied as well. Results of the study indicate that relative price performance influences firm's performance. On the other hand, it was deduced that customer switching cost had a very little influence on firm's performance.

Suppliers play a key role towards the performance of a firm. If suppliers put high prices on their commodities, firms will face challenges in purchasing them and therefore loose business. Additionally, if the commodities and services are high priced, customers may

shy away from purchasing them and may therefore lead to low profits accrued by the firms. The results from the study indicate geographical locations from suppliers greatly influence performance of firms. Firms that are near suppliers are able to cut on transport expenses as well as ensure efficiency.

For any industry, competition plays a crucial role in ensuring efficiency and effective delivery of services by firms. Rivalry exists when an organization wants the market share of the other competitor to maximize his profits. The findings of the study indicate that competition had great influence on the growth of firms and product differentiation among law firms in Kenya. These findings support Porter's (1998) view that competitors diverse in strategies, origins, personalities and relationships often have differing goals and strategies for how to compete and may continually run head on into each other in the process. The finding further supports the view that strategic choice right for one competitor will be wrong for others. Owner operators of small service firms often add a great deal of diversity to industries because they may be satisfied with a sub normal rate of return on their invested capital to maintain the independence of self-ownership, whereas such returns are unacceptable and may appear irrational to a large competitor (Porter, 1998).

In legal industry, competitive strategies dependent on differentiation of a firm's services from that of a substitute's are designed to appeal to customers with special sensitivity for a particular service attribute. Such customers will be willing to pay a premium hence improve the firm performance. Competitive strategies adopted by a firm should result in a competitive advantage. The study depicts that brand identity is crucial for good firm

performance. Attitudes towards branding cannot in itself lead to a firm's success unless it is implemented. Brand identity development is defining brand vision and values. All visual symbolism of the brand should promote the intangible aspects of the brand identity in the process of brand communication. Proposition of the brand is to strengthen customers' perception so that communication efforts are consistent. In the legal industry, services are not differentiated therefore brand identity in this case replaces service differentiation. This implies that the more a brand is known the more clients that firm receives.

The study supported the hypothesis that the industry structure moderate firm characteristics and performance relationship. The relatively high change in R^2 was an indication that the interaction term had significant effect to explain the relationship. While the industry in which an organization operates influences its performance, firms in the same industry perform differently due to individual firm characteristics (Spanos, Zaralis, & Lioukas, 2004). Organizational internal competences, resources, shared values, skills, knowledge and structures will play a pivotal role in crafting strategy that enables organizations perform better than competition.

It can therefore be argued that industry structure plays a key role in the relationships between firm characteristics and firm performance especially the law firms in Kenya. Therefore the current study concludes that industry structure has a moderating role on the relationship between firm characteristics and firm performance. This implies that firm characteristics depend on industry structure in determining the performance of law firms in Kenya.

6.2.3 Firm Characteristics, Firm Strategy and Performance

Strategy is the direction and scope an organization wishes to take over a long period of time to achieve success for the organization through its configuration of resources in a changing environment to meet the market expectations. This study established the firm strategy in terms of corporate level, business level and functional level. The primary service rendered by a law firm is to advise clients (individuals or corporations) about their legal rights and responsibilities, and to represent clients in civil or criminal cases, business transactions, and other matters in which legal advice and other assistance are sought. Since legal services are mostly advisory services, they cut across all other industries and therefore it is diversified. Additionally, they offer various services to cater all clients from varied fields.

The strategic goal of the firm, then, is to develop and deploy a combination of resources that competitors cannot imitate or directly purchase in the factor markets (Barney, 2001). If this goal is achieved, performance advantages are subsequently built and sustained. The study summarizes that firms have facilitated and coordinate diverse business operations. Legal firms have taken the initiative of training their staffs so that they are able to provide varied services to their clients. Functional level in a firm gives the general operation of the firm in terms of promotional activities adopted by firms, employee hiring and lay-offs as well as level of production. The study established that firms have done minimal cost reduction through employee reduction or lay-offs in the last five years. This indicated that the training offered to the staff was effective in ensuring good performance of the employees in the firms, hence minimal lay-offs.

146

The study findings establish that strategy intervenes significantly the relationship between firm characteristics and performance. The hypothesis that the strategy intervenes firm characteristics and performance relationship is thus supported. The relatively moderate change in R^2 was an indication that the strategy had significant effect to explain the relationship.

For laws firms to survive and succeed, they will have to depend upon their ability to strategically align themselves with the industry structure and select appropriate firm characteristics combination to create defendable competitive positions. Success of firms depends partly on a proper match between strategy and firm characteristics and this match is expected to have a positive impact on performance. Therefore, good strategy in place is very crucial for law firms in pursuit to their performance goals.

6.2.4 Performance as a Result of the Joint Effect of the Variables

An important attributes in determining a firm's performance is establishing its profits. Profits are established by checking a firm's revenue and assets. Generally, financial status of the firms that the study surveyed were good. Respondents indicated that the firm's profits have increased and so is the growth. This could have been facilitated by the training offered to employees, promotion of brand image as well as good management. Additionally, since the managers are just the owners and that most of the law firms were found to be under sole proprietorship and partnership ownership, managing the firms was simple, flexible and less complicated. This therefore ensured maximum supervision on utilization of resources to generate more income. Additionally, the study noted that firms apply cost control measures and monitoring in order to improve performance.

The study found that the results of the joint effect were statistically significant implying that the variables jointly influence performance. The previous findings demonstrate that industry characteristics alone cannot explain a large variance in firm performance (Hitt et al 2011). Stimulated by research on firm resources (Penrose, 1959) and competitive strategy (Porter, 1980), a multitude of studies have analyzed the impact of industry structure versus firm resources (Wernerfelt, 1988; Spanos et al., 2004; Galbreath & Galvin, 2008; Kamasak, 2011). They unanimously concluded that both strategy and the industry structure combined with firm characteristics are likely to have more impact on performance.

Internal processes in a firm include operational efficiency, production schedule as well as developing ways to increase market share. In the legal industry, the most common manner in which firms get clients is through referrals. If a firm serves a customer adequately and he or she is satisfied and happy about the job done or the service offered, chances of him or her advocating for the firm's services to his or her network is high.

Results of the study indicate that firms have gained market share through offering quality services. By offering quality and timely services to clients, firms are able to get referrals and therefore increase their customer base. Additionally, it indicated that most firm market share has increased through better marketing strategies and activities. Moreover, a firm's ability to engage in relevant and useful networking activities, such as participation in trade, social and professional organizations, as well as the exchange of information with different stakeholders in the industry, can be a source of competitive advantage that will boost performance (Yasuda, 2005).

Generally, the study indicates that firms under study met the needs and expectations of their customers. For any business to make good sale, customer relationship is key in order to win and retain customers. Firms that respond and resolve to their customer complaints in time tend to have many customer referrals as well as handle a lot of customers (Crook, 2008). These days, people will only stay loyal to a company if they have a very good reason to do so. With the rise of competition levels in the legal industry, customers are only attracted to the firms that have good customer service and offer quality services. As a result of this, firms need to work even harder to keep customers as well as build trust in their brand. Provision of best customer service increases trust and that would explain the difference between customer loyalty and customers who jump ship. The study further concludes that the reason behind good profits was attributed to the exceptional services they offered to their clients.

To determine the performance of any firm, it is essential to establish the process of learning and growth in the firm. How the employees are performing, training facilities offered to ensure that learning is a continuous process and general staff development. The findings of the study indicate that law firms surveyed recognize the importance of good treatment to employees in ensuring a good working environment as well as motivation to employees. Employee recognition is an important aspect to be taken into account for any firm to succeed. Annual employee appraisals are not just enough, employees need regular and frequent feedbacks. Where the management teams provide regular feedback, employees are normally motivated to constantly maintain good performance (Ongeti, 2014). Further, because employees are close to customers, they are able to give useful feedback from customers that will aid the firm in identifying metrics that truly evaluate performance.

149

6.3 Conclusion

The study gives conclusions of this study in line with the research objectives based on the data analysis. Firm characteristics included ownership structure, size, age of the firm and firm's resources. The study determined the influence of firm characteristics on each of the performance measurements. This included the influence of firm characteristics on financial performance, internal processes, customer focus, learning and growth, corporate social responsibility and environmental impact.

The study found that firm characteristics dimensions significantly influence financial performance with ownership structure and firm resources having a higher statistical influence as against size and age of the firm. The study also found a relatively moderate and positive relationship between firm characteristics dimensions and customer focus. It was found that ownership structure and firm resources were more moderately influencing customer focus as opposed to age and size of the firm.

The results showed that size and firm resources were the major determinants of internal processes having shown more significant influence as opposed to ownership structure and age of the firm. In finding the influence of firm characteristics on learning and growth, the study found firm resources and ownership structure having a more statistically significant influence against size and the age of the firm. Further the study found that age, size and resources are key in determining the influence of firm characteristics on corporate social responsibility and environmental impact respectively. The findings therefore imply that firm characteristics are important in fostering performance of law firms in Kenya with a special focus on ownership structure and firm resources.

The second objective was to determine the influence of industry structure as a moderating factor on the relationship between firm characteristics and performance. Generally it is concluded that there was a significant evidence to support the fact that industry structure is a key moderating factor to be considered by a firm that has an objective of fostering its performance. This is as shown by its significant values of measurement. Competitors, substitutes and customers showed strong influence on financial performance as against suppliers and new entrants. The study further showed that competitors is a stronger construct in measuring customer focus as shown by its strong statistical value as opposed to new entrants, customers, suppliers and substitutes which showed weak and insignificant results on customer focus. On industry structure and learning and growth it was found that suppliers and competitors are the key determinant as shown by their significant values. Other measures; new entrants, customers and substitutes showed weak and insignificant results which the study concludes that they are not important in influencing learning and growth within the law firms in Kenya. Further the study concludes that competitors and suppliers are the major factors to be considered by firms that are geared towards enhancing internal processes. Further customers and new entrants are key in determining corporate social responsibilities and also supplier's plays a bigger role in influencing environmental impact. In essence therefore in so far as substitutes, customers and suppliers do affect industry structure, competitors have a higher statistical influence across all the performance measures.

The third objective was to determine if strategy intervene the relationship between firm characteristics and organizational performance. The study concludes that strategy showed statistically significant influence in the relationship indicating that it positively

and significantly influence the relationship. Therefore, for laws firms to survive and succeed, a proper match between strategy and firm characteristics is expected to have a positive impact on performance. Therefore, good strategy in place is very crucial for law firms in pursuit to their performance goals. Business level strategies were found more significant in influencing financial performance as against corporate and functional level strategies. Further the study concludes that functional level strategies were key in influencing internal processes as shown by its significant values. It was also found that functional and business level strategies influenced customer focus more as against the corporate level strategies. Finally, as far as learning and growth is concerned functional level strategies played a more significant role as opposed to corporate and business level strategies. In a nutshell functional level strategies were more statistical influential than business level strategies, with corporate level strategies appearing to be of statistically insignificant value.

The fourth objective was to determine if firm characteristics, strategy and industry structure jointly influenced organizational performance. It was found that the joint effect was higher than each individual effect on performance implying that all variables jointly influence performance as against taking in to consideration each of the variables independently. Therefore, firm characteristics, strategy and industry structure are significant predictors of organizational performance. But strategy is a very strong intervener on the relationship between firm characteristics and organizational performance. It is therefore important for firms to invest more on strategy for them to realize the effect of the firm characteristics on organizational performance.

6.4 Implications of the Research Findings

The main contribution of this study is to theory, knowledge to scholars, to policy makers and management. The finding of the study contributes to the existing body of empirical evidence within the Kenyan context. The current study sought to establish the influence of firm characteristics on performance of law firms in Kenya. Industry structure and strategy were conceptualized as moderating and intervening variables respectively. The study was able to establish the aspects of the firm characteristics that contribute to performance of law firms in Kenya. This information contributes to the existing body of empirical evidence within the Kenyan context.

6.4.1 Implications for Theory

The results of this study contribute to strengthening the existing body of literature by confirming empirically that firm characteristics, industry structure and strategy influence performance of law firms in Kenya. The results also show the magnitude of the relationship among all variables and performance. By establishing the influence of both industry structure and strategy on the relationship between firm characteristics and firm performance, owners or managers of law firms can leverage on both to improve performance.

Law firms require unique resources for strategy formulation and implementation in line with the industry structure as per the resource based theory. The resources forms part of the firm characteristics. As far as institutional theory is concerned the study posits that the law firms' structures, schemes, rules, norms and routines when combined in particular

patterns may lead to performance. The industrial organization economics theory which informs the structure-conduct-performance (SCP) paradigm (Mason, 1939; Bain, 1951) suggests that the industry structure in which law firms operate influences the conduct of the firms which in turn influences performance.

6.4.2 Policy Implications

The study also contributes to policy implications in terms of decision making in all law firms in Kenya and even operating at international level. Law firms in Kenya contribute to economic growth, creates employment and in the provision of justice in the legal industry. The performance of law firms is important, and, therefore, the results of this study will assist policymakers to make sound decisions regarding which variables to focus on in order to improve performance.

Legal industry policy makers like the government and non-governmental bodies should consider firm characteristics, industry structure and strategy to improve the performance of law firms. The emphasis should be more on strategy for the law firms so as to move to the next generation. The results suggest that law firms need to embrace organizational strategy to attain a better performance. Policy makers in the legal sector should encourage law firms to take blend of the variables under the study to improve their performance since the joint effect showed higher significant influence as compared to each individual effect on performance.

6.4.3 Implications for Managerial Practice

The results of this study demonstrate that although firm characteristics significantly influence performance of law firms in Kenya, industry structure and strategy plays an important role in influencing this relationship. Owners and partners in these firms should therefore recognize this interaction and formulate firm policies and procedures accordingly. This study further recognized that firm characteristics dimensions manifest differently in the firms. Some dimensions such as ownership structure and firm resources are more significant while other dimensions such as age and size are not so significant. It is therefore prudent that law firms should understand the firm characteristics dimensions in order to carry out frequent analysis and develop performance concepts relevant to their firms.

The management has to note that performance is a constellation of factors. The law firms are highly encouraged to develop strategy in line with industry structure and firm characteristics in place for performance to be realized. This will allow them to benefit more from their unique resources and processes in order to improve their performance to achieve competitive advantage.

6.4.4 Implications for Methodology

The current study used descriptive cross sectional survey. This minimizes biased results because data is be collected across a number of organizations at one point in time to help researchers to establish whether significant associations exist among variables at some point in time. This design was relevant to this study because the researcher sought to establish the relationship among various variables namely firm characteristics, industry

structure, strategy and performance within a large number of Law firms in Kenya at one point in time. This study was also anchored in the positivistic philosophy. This is because positivists used existing theory to develop hypotheses which were tested and confirmed whole or part or refuted, thus informing and guiding further development of theory which may be tested by further research.

6.5 Limitations of the Study

There are a number of limitations which were encountered during the process of writing this report. First, the timelines for carrying out the research was based on the due dates set by the university and therefore the researcher was limited to descriptive cross sectional survey where data is collected, analyzed and interpreted at a specific time across all the sampled firms as opposed to longitudinal which is much constrained for the dates required for completion of the research.

The study relied on primary data obtained through a structured questionnaire as the main tool of collecting data as opposed to secondary data. This is because self-reported data from the law firms could not be verified to be relied upon for the current study as it may have resulted to apparent biases which could have led to serious errors during analysis and skewed findings in supporting the formulated hypothesis.

During data collection process, getting information from the respondents from law firms especially lawyers was not easy because of the personal secrets and busy schedules. Most of the respondents had to seek permission from fellow partners of law firms; this took a long time before the questionnaires were returned. The researcher made it optional for the

questionnaire to be completed by either the Owner or management partners who understand the firm operation and normally report directly to the owner or other partners.

The uniqueness of our study variables resulted to limited research materials which are the foundation of understanding the research problem. The previous studies had not adequately described the study variables which attracted difficult to gather recent studies for comparison purposes. Comparing the study findings with the previous studies provide a platform in an integrated form to act as the base for present and future references.

6.6 Suggestions for Further Research

The study makes the following suggestions for further research based on the limitations encountered. First; since the study relied on descriptive cross sectional survey because of timelines of completion of the research set by the university, future research should therefore focus although costly, difficult and time-consuming; applying longitudinal approaches which are likely to provide additional insights in the running of law firms in Kenya.

Secondly, the current study relied majorly on quantitative study which is purely theory testing. Further studies should consider grounded approach through qualitative approach where theory is built from previous prepositions. This could provide a new theoretical framework upon which law firms could be anchored when discussing how their performance could be increased. Also, future studies should consider utilizing multiple methodologies such as applying mixed methods of research to help identify the key factors and operationalize the study. The aim behind using different statistical techniques

and /or plural methodologies is to validate and further strengthen the existing research findings.

Thirdly, since there were limited research materials future studies could opt a different research typology like adoption of exploration other than explanatory research design and also use different statistical techniques (e.g. structural equation modeling – SEM and Structure-Conduct Performance Model) that can provide better insights and understanding of the relationships among the core factors in the study. Finally, this study should be replicated in other sectors of the economy in Kenya and the findings be compared for generalization.

REFERENCES

Abdulla, S. H. (2001). Quantitative and qualitative research methods: Some strength and weakness. *Jurnal pendidik dan pendidikan*, 17, 120-134.

Abubakar, A., Sulaiman, I., & Haruna, U. (2018). Effect of firms characteristics on financial performance of listed insurance companies in Nigeria. *African Journal of History and Archaeology*, *3*, 1-9.

Abubakar, A., Sulaiman, I., & Haruna, U. (2018). Effect of firms characteristics on financial performance of listed insurance companies in Nigeria. *African Journal of History and Archaeology*, *3*, 1-9.

Amit, R., & Schoemaker, P. J. (1993). Strategic assets and organizational rent. *Strategic Management Journal, 14*(1), 33-46.

Ansoff, H. I., & Sulluvian, P. A. (1993). Optimizing profitability in turbulent environments: A formula for strategic success. *Long Range Planning, 26*, 293-324.

Arosa, B., Iturralde, T., & Maseda, A. (2010). Ownership structure and firm performance in non-listed firms: Evidence from Spain. *Journal of Family Business Strategy*, *1*(2), 88-96.

Audretch, D. & Mahmood, T. (1998). *New firm survival: new results using a hazard function. Review of Economics and Statistics,* 77 (1), 97-103.

Awino, Z. B. (2015). Organizational structure and performance of large manufacturing firms in Kenya: An empirical investigation. *Journal of Business and Economics*, *6*(11), 1883-1891.

Badriyah, N., Sari, R. N., & Basri, Y. M. (2015). The effect of corporate governance and firm characteristics on firm performance and risk management as an intervening variable. *Procedia Economics and Finance*, *31*, 868-875.

Bain, J. S. (1951). Relation of profit ratio to industry concentration: American manufacturing 1936-1940. *Quarterly Journal of Economics, 65*, 293-324.

Baker, G. P., & Parkin, R. (2006). The changing structure of the legal services industry and the careers of lawyers. *North Carolina Law Review, 84*, 1643-1681.

Barakova, J. (2010). *Strategic positioning and competitive advantage in food industry* . In *7th Kuala Lumpur International Business and, Economics at Kuala Lumpur, Malaysia Review* 17, 15-16.

Barney, J. B. (1991). Firm resources and sustained competitive advantage? Academy of Management Review. *Academy of Management Review, 11*(3), 656-665.

Bastian, E., & Muchlish, M. (2012). Perceived environment uncertainty, business strategy, performance measurement systems and organizational performance. *Procedia-Social and Behavioral Sciences*, *65*, 787-792.

Bracker, J. (1980). The historical development of the strategic management concept. *The Academy of Management Review, 5*(2), 219-224.

Brock, D. M., Yaffe, T., & Dembovsky, M. (2006). The global law firm: An initial study of strategy and performance . *International Journal of Business and Economics , 5*(2), 161-172.

Budiman, A., Lin, D.-Y., & Singham, S. (2009, May). Improving performance at state-owned enterprises. *McKinsey Quarterly*, 10(3), 22-52.

Charles, D., Ahmed, M. N., & Joshua, O. (2018). Effect of firm characteristics on profitability of listed consumer goods companies in Nigeria. *Journal of Accounting, Finance and Auditing Studies*, *4*(2), 14-31.

Chu, W. (2011). Family ownership and firm performance: Influence of family management, family control, and firm size. *Asia Pacific Journal of Management*, *28*(4), 833-851.

Coelho, A. C., Aguiar, A. B. D., & Lopes, A. B. (2011). Relationship between abnormal earnings persistence, industry structure, and market share in Brazilian public firms. *BAR-Brazilian Administration Review*, *8*(1), 48-67.

Combs, J. G., Crook, R. T., & Shook, C. L. (2005). The dimensionality of organizational performance and its implications for strategic management research. *Research Methodology in Strategy and Management, 2*, 259-286.

Cooper, D. R., & Schindler, P. S. (2006). *Business research methods,* 9th ed. New York: McGraw-Hill.

Crook, TR, (2008). Strategic resources and performance: a meta-analysis. *Strategic Management Journal*, 29, 1141-1154.

Dean, D. L., Mengüç, B., & Myers, C. P. (2014). Revisiting Firm Characteristics, Strategy, and Export Performance Relationship:: A Survey of the Literature and an Investigation of New Zealand Small Manufacturing Firms. *Industrial Marketing Management*, *29*(5), 461-477.

Demsetz, H., & Villalonga, B. (2001). Ownership structure and corporate performance. *Journal of Corporate Finance, 7*, 209-233.

Dimaggio, P., & Powell, W. (1991). The iron cage revisited: Institutional isomorphism and collection rationality in organizational fields. *American Sociological Review, 4*, 147-160.

Draper N. R & Smith H. (1981). Applied regression analysis. 2[nd ed]. New York: Wiley.

Elkington, J. (1997). *Cannibals with forks: The triple bottom line of 21st Century business.* Oxford: Capstone .

Favaro, K. (2015). *Defining strategy, implementation, and execution.* Havard: Havard Business Review.

Freeman, J. & Boeker, W. (1984). *The ecological analysis of business strategy*. In G. Carroll, & D. Vogel (Eds.), Strategy and Organization. Boston : Pitman.

Galbreath, J., & Galvin, P. (2008). Firm factors, industry structure and performance variation: New empirical evidence to a classic debate. *Journal of Business, 61*(2), 109-117.

Gay, L. R. (1987). *Educational research; Competencies of analysis and application*, 3rd ed. London: Merrill Publishing.

GoK. (2012). *The Advocates Act Cap 16.* Retrieved from www.kenyalaw.org

GoK. (2014). *History of Jucidiary in Kenya.* Retrieved from www.judicaiary.go.ke

Golafshani, N. B. (2003). Understanding reliability and validity in qualitative research. *The Qualitative Report, 8*, 597-607.

Grant, R. M., & Jordan, J. (2012). *Foundations of strategy* . London : John Wiley & Sons Ltd.

Gujarati, D. N. & Porter, D. C. (2009). *Basic econometrics,* 5th ed. Boston: McGraw-Hill Irwin

Hannan, M. T., & Carroll, G. R. (1998). *The demography of corporation and industries.* Princeton, N.J.: Princeton University Press.

Hayes, A. F. (2013). *Introduction to mediation, moderation and conditional process analysis: A regression-based approach.* New York: Guilford.

Henderson, W. D. (2014). From big law to lean law. *International Review of Law and Economics*, *38*, 5-16.

Hitt, M. A., Ireland, R. D., & Hoskisson, R. E. (2011). *Strategic management: competitiveness and globalization.* Boulevard: South Western Cenagage Learning.

Hosny, A. (2017). Political Stability, Firm Characteristics and Performance: Evidence from 6,083 Private Firms in the Middle East. *Review of Middle East Economics and Finance*, *13*(1).

Hubbard, G. (2009). Measuring organizational performance: Beyond the triple bottom line. *Business Strategy Environment, 19*, 177-191.

Jensen, M. & Meckling, W. H. (1976). Theory of the firm. *Journal of Financial Economics,* 3(4), 305-360.

Johnson, G., & Scholes, K. (1999). *Exploring corporate strategy*, 7th ed. Hertfordshire: Prentice Hall.

Kaguri, A. W. (2012). *Relationship between firm characteristics and financial performance of life insurance companies in Kenya.* MBA Thesis. Nairobi: University of Nairobi.

Kamasak, R. (2011). Firm-specific versus industry structure factors in explaining performance variation: Empirical evidence from Turkey. *Management Research Review, 34*(10), 1125-1146.

Kaplan, R. S., & Norton, D. (1992). The balanced scorecard: Measures that drive performance. *Havard Business Review, 70*(1), 71-79.

Karl, P. (1972). Objective Knowledge*: An Evolutionary Approach*, Oxford: Clarendon Press. *The British Journal for the Philosophy of Science*: 147–159.

Kariuki, P. M. (2015). *Firm Level Factors, Industry Environment, Competitive Strategy and Performance of Large Manufacturing Firms in Kenya* (Doctoral Dissertation, School Of Business, University Of Nairobi).

Kasera, G. K. (2017). *Strategic Management and Organizational Performance: Findings from Health Institutions in Nairobi County* (Doctoral dissertation, United States International University-Africa).

Kaynak, E., & Kuan, W. K. Y. (2015). Environment, strategy, structure, and performance in the context of export activity: an empirical study of Taiwanese manufacturing firms. *Journal of Business Research*, *27*(1), 33-49.

Kiganane, L. N. M., Bwisa, H., & Kihoro, J. M. (2012). Assessing influence of firm characteristics on the effect of mobile phone services on firm performance: A case study of Thika Town in Kenya. *International journal of economics and management sciences*, *1*(10), 12-21.

Kiganane, L. N., Bwisa, H., & Kihoro, J. M. (2012). Assessing influence of firm characteristics on the effect of mobile phone services on firm performance: A case study of Thika town in Kenya. *International Journal of Science and Research, 1*(10), 12-21.

Kisengo, Z. M., & Kombo, H. (2012). Effects of firms characteristics on performance of the microfinance sector in Nakuru, Kenya. *International Journal of Science and Research, 358*, 1791-1798.

Kuhn, T. (1974). Second Thoughts on Paradigms, in Frederick Suppe (ed.), *The Structure of Scientific Theories.* Urbana: University of Illinois Press, pp. 459-482.

Lauterbach, B., & Vaninsky, A. (1999). Ownership structure and firm performance: Evidence from Israel. *Journal of Management and Governance, 3*, 189-201.

Lechner, C., & Gudmundsson, S. V. (2014). Entrepreneurial orientation, firm strategy and small firm performance. *International Small Business Journal*, *32*(1), 36-60.

Lefort, F., McMurray, D., & Tesvic, J. (2015). *Secrets to implementation success.* New York : Mckinsey & Company .

LSK. (2015). *Law society of Kenya.* Retrieved from www.lsk.or.ke

Machuki, V. N., & Aosa, E. (2011). The influence of the external environment on performance of publicly quoted companies in Kenya. *Prime Journal of Business Administration and Management, 1*(7), 205-208.

Mahoney, J. T. & Pandian, J. R. (1992). The resource-based view within the conversation of strategic management. *Strategic Management Journal,* 13(5), 363-380.

Mahoney, J. T., & Pandian, J. R. (1992). The Resource-based view within the conversation of strategic management. *Strategic Management Journal, 13*(5), 363-380.

Mallin, C. A. (2010). *Corporate Governance*, 3rd ed. New York: Oxford University Press.

March, J. G., & Sutton, R. I. (1997). Organizational Performance as a dependent variable. *Organization Science, 8*(6), 698-706.

Masika, D., & Simiyu, E. (2019). Effect of Firm Characteristics on Financial Performance of Deposit Taking Saccos Licensed By Sasrai Nairobi, Kenya. *African Journal of Emerging Issues*, *1*(4), 48-73.

Mason, E. S. (1939). Price and production policies of large scale enterprises. *American Economic Review, 29*, 61-74.

Mintzberg, H. (2003). The strategy concept:The strategy concept: five Ps for strategy. *California Management Review, 30*(1), 11-24.

Mugenda, A. G. (2008). *Social science research: theory and principles.* Kijabe Printing Press.

Mukhopadhyay, A., & Amirchalikhali, S. (2010, September). Profitabilityperformance and firm size-growth relationship. *Journal of Business & Economic Research, 8*(9), 121-126.

Nachmias, C. F., & Nachmias, D. (2004). *Research methods: Quantitative and qualitative approaches.* Nairobi: ACTS Press.

Newbert, S. L. (2008). Value, rareness, competitive advantage and performance: A conceptual-Level empirical investigation of the resource based view of the firm. *Strategic Management Journal, 29*, 754-768.

Njeru, W. G. (2013). Market orientation, marketing practices, firm characteristics, external environment and performance of tour firms in Kenya. *Unpublished PhD Thesis, University of Nairobi*.

Njoroge, J. K., Machuki, V. N., Ongeti, W. J., & Kinuu, D. (2015). The effect of strategy implementation on performance of Kenya state corporations. *Prime Journal of Business Administration Management, 5*(8), 1897-1903.

North, D. C. (1991). *Institutions, institutional change and economic performance.* Cambridge: Cambridge University Press.

Nunnally, J. C. (1978). *Psychometric theory* (2nd ed.). New York: McGraw-Hill.

Ogbo, A. I., Chibueze, N. F., Christopher, O. C., & Anthony, I. A. (2015). Impact of Structure on Organisational Performance of Seleceted Technical and Service Firms in Nigeria. *Corporate Ownership & Control*, 918.

Ogollah, K., Bolo, Z. A., & Ogutu, M. (2011). Strategy structure environment linkage and corporate performance: A conceptual view. *Prime Journals, 1*(3), 101-113.

Ojienda, T. & Juma, K. (2011) *Professional ethics, a Kenyan perspective.* Nairobi: Law Africa Publishing House

Ombaka, B., Muindi, F., & Machuki, V. (2015). Effectiveness of the balanced scorecard in implementation of corporate strategy: A case study of a Kenyan insurance company. *Prime Journal of Business Adminstration, 5*(11), 1941-1948.

Ongeti, W. J. (2014). *Organizational resources, corporate governance and performance of Kenyan state corporations.* Unpublished master's thesis. Nairobi: University of Nairobi.

Ortega, M. J. R. (2010). Competitive strategies and firm performance: Technological capabilities' moderating roles. *Journal of Business Research*, *63*(12), 1273-1281.

Owich, S. (2018). *The Influence of Strategic Management Procession Organizational Performance of Listed Companies at the Nairobi Securities Exchange* (Doctoral dissertation, United States International University-Africa).

Oyewobi, L. O., Windapo, A. O., Cattell, K. S., & Rotimi, J. O. B. (2013). Impact of organisational structure and strategies on construction organisations' performance.

Pekuri, A., Haapasalo, H., & Herrala, M. (2011). Productivity and performance management–managerial practices in the construction industry. *International Journal of Performance Measurement*, *1*(1), 39-58.

Penrose, E. T. (1959). *The theory of growth of the firm.* New York: Wiley.

Peteraf, M. A. (1993). The cornerstones of competitive advantage. *Strategic Management Journal, 14*(30), 179-191.

Peterson, R. (1994). A meta-analysis of Cronbach's Coefficient Alpha. *A Journal of Consumer Research*, 21(2), 381-391.

Porter, M. E. (1980). *Competitive strategy: Techniques for analyzing industries and competitors.* New York: The Free Press.

Porter, M. E. (1985). *Competitiveness Advantage: Creating and sustaining superior performance.* New York: The Fress Press.

Porter, M. E. (1998). *The competitive advantage of nations.* New York: The Fress Press.

Porter, M. E. (2007). *Global competitiveness report 2007-2008.* World Economic Forum.

Razali, N. M., & Wah, Y. B. (2011). Power comparisons of Shapiro-wilk, kolmogorovsmirnov, lilliefors and anderson-darling tests. *Journal of Statistical Modeling and Analytics, 2*(1), 21-33.

Rumelt, R. P., Schendel, D. E., & Treece, D. J. (1994). *Fundamental issue in strategy: Research agenda.* Boston, MA: Harvard Business School Press.

Saunders, M., Lewis, P., & Thornhill, A. (2007). *Research methods for business students,* 4th ed. Harlow: Prentice Hall, Pearson Education Limited.

Schumpeter, J. A. (1934). *The theory of economic development.* Harvard: Harvard Economic Studies

Scott, W. R. (2004). *Institutional theory: Encyclopedia of social theory.* (G. Ritzer, Ed.) Thousand Oaks , CA: Sage.

Serkan, U. (2003). *Research methods for business*, 4th ed. Hoboken,NJ: John Wiley.

Shanmin, L. I., & Xiaochun, Z. H. O. U. (2009). Firm characteristics, industry characteristics and acquisition strategy: An empirical study of Chinese listed firms. *Frontiers of Business Research in China*, *3*(2), 224-241.

Shiu, Y. M. (2009). Economic factors, firm characteristics and performance: a panel data analysis for United Kingdom life offices. *Applied Economics Letters*, *16*(10), 1033-1037.

Simon, H. (1976). *Administrative behavior,* 3rd ed. New York: The Free Press.

Spanos, Y. E., Zaralis, G., & Lioukas, S. (2004). Strategy and industry effects on profitability: Evidence. *European Management Journal, 22*(2), 231-243.

Taro, Y. (1967). *Statistics:An introductory analysis* (2nd ed.). New York: Haper Row.

Teece, D. J., Pisano, G., & Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic Management Journal, 18*(7), 509-533.

Umokoro, F. (2009). The effects management characteristics and organization growth on strategic change . *Revista Emperisarial Inter Metro/Inter Metro Business Journal, 5*(1),1-21.

Venkatraman, N., & Ramanujam, V. (1986). Measuring Business performance in strategy research: a comparison of approaches. *The Academy of Management Review, 11*(4), 801-814.

Vij, S., & Farooq, R. (2016). Moderating Effect of Firm Size on the Relationship Between IT Orientation and Business Performance. *IUP Journal of Knowledge Management*, *14*(4).

Waterman, R. H., Peters, T. J., & Philips, J. R. (1982). Structure is not organization. *Business Horizon, 23*(3), 14-26.

Wernerfelt, B., & Montgomery, C. A. (1988). The importance of focus in firm performance. *American Economic Review, 78*(1), 246-250.

Wolff, J. A., & Pett, T. L. (2016). Internationalization of small firms: An examination of export competitive patterns, firm size, and export performance. *Journal of small business management*, *38*(2), 34.

Xu, F., Zhan, H., Huang, W., Xin (Robert) Luo, & Xu, D. (2016, June). The Value of Chief Data Officer presence on Firm Performance. In *PACIS* (p. 213).

Yasuda. (2005). The critical assessment of resource based view of startegic managemenent: Source of heterogeity of the firm. *Ritsumeikan International Affairs, 3*, 125-150.

Zikmund, W. G., Babin, B. J., Carr, J. C., & Griff, M. (2010). *Business research methods* (8th ed.). South-Western: Cangage Learning.

Zucker, L. (1987). Institutional theories of organizations. *Annual Review of Sociology, 13*, 443-464.

APPENDICES

Appendix 1: Introduction Letter

UNIVERSITY OF NAIROBI
COLLEGE OF HUMANITIES & SOCIAL SCIENCES
SCHOOL OF BUSINESS

Telephone: 4184160-5 Ext 215
Telegrams: "Varsity" Nairobi
Telex: 22095 Varsity

P.O. Box 30197
Nairobi, KENYA

20th September, 2016

TO WHOM IT MAY CONCERN

Dear Sir/Madam,

INTRODUCTORY LETTER FOR RESEARCH
JUSTRY P. LUMUMBA NYABERI – REGISTRATION NO. D80/8703/2006
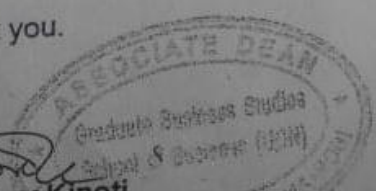
The above named is a registered PhD candidate at the University of Nairobi, School of Business. She is conducting research on *"Firm Characteristics, Industry Structure, Strategy and Performance of Law Firms in Kenya"*.

I request your organisation to assist the student with necessary data which forms an integral part of the research project. The information and data required is needed for academic purposes only and will be treated in **Strict-Confidence**.

Your co-operation will be highly appreciated.

Thank you.

Dr. Mary Kinoti
Associate Dean, Graduate Business Studies
School Of Business

MK/rm

172

Appendix II: Questionnaire

QUESTIONNAIRE

This questionnaire is designed to collect data from Law firms in Kenya on Firm Characteristics, Industry structure, Strategy and organizational performance. The data shall be used for academic purposes only and will be treated with strict confidence. Your participation in facilitating the study is highly appreciated.

_____

Part I: Organizational Profile

1. Age of the firm (Years) _____ _

2. Scope of operation (Tick as appropriate)

    i.   National (throughout Kenya)   [   ]

    ii.   Regional (County(ies)

    iii. Where do you have offices (towns)in Kenya) [   ]

    iv.   East Africa   [   ]

3. Ownership structure (Tick as appropriate)

    i.   Sole proprietorship   [   ]

    ii.   Pure Partnership   [   ] please indicate number of

          partners_____

    iii. Limited Partners [   ]

4. Size of organization

    1-5 Employees   [   ]   6-10 Employees   [   ]

    11-15 Employees   [   ]   16 and above Employees [   ]

5. Please select from the list below the type of practice(s) in which you

    practice.

    a). Alternative Dispute Resolution (Arbitor/Mediator)   [   ]
    b). Legislative drafting   [   ]
    c). Banking, Finance and Securities Law   [   ]
    d) Construction & Engineering   [   ]
    e) Commercial Law-General   [   ]
    f) Consumer protection   [   ]
    g) Constitutional and Human Rights Law   [   ]
    h)Personal Injuries & Insurance Law   [   ]
    i) Intellectual Property Law   [   ]
    j) Planning, Environment & Land Court   [   ]
    k) Pro bono Legal Services   [   ]

l) Mining Law   [ ]
m) Taxation & Revenue   [ ]
n) Corporate Law   [ ]
o) Criminal Law-General   [ ]
p) Defamation &Media Law   [ ]
q) Industrial Relation, Unions & Employment Law   [ ]
r) Occupational & Environmental Health Law   [ ]
s) Regional and International Law   [ ]
t) Property, conveyancing, landlord & tenant law   [ ]
u) Family Law & Succession   [ ]

Part II Firm Characteristics

6. One aspect of this study is the firm characteristics which consist of Ownership structure, size, age of firm, firm resources. Age, Ownership Structure and Size have been represented by Questions 1 , 3, and 4 above. Please indicate to what extend the statements below apply to your organization on Firm Resources using the key provided.

Key:
1-Not at all; **2**-Less extent;   **3**- Moderate extent; **4**- Large extent;   **5**-Very large Extent

	Statement	**1**	**2**	**3**	**4**	**5**
	Firm resources					
i.	We have sufficient financial resources to carry out planned activities throughout the year					
ii.	The firm has had adequate current assets (other than financial) to carry out planned activities throughout a financial year					
iii.	The firm has had adequate core staff to perform its functions					
iv.	Individual employees have had the relevant skills required for their specific roles.					
v.	The firm has constantly acquired new knowledge related to its operations					
vi.	The firm facilitates knowledge resources creation and sharing across its different departments.					
vii.	The firm has had an excellent reputation					

Part II: Industry Structure

7. Using the key 1 = Not at all; 2 = to a small extent; 3 = to a moderate extent; 4 = to a large extent. Please use the key to tick (√) the extent to which the following factors affect industry competition in your company.

Key:

1-Not at all; **2**-Less extent; **3**- Moderate extent; **4**- Large extent; **5**-Very large extent

	Statements	1	2	3	4	5
	New entrants					
i.	Threat of new entrants					
ii.	Imposition of barriers by players in the industry					
iii.	Government regulation of entry					
iv.	Cost advantages					
v.	Exit barriers in the industry					
vi.	High initial capital investments					
vii.	Proprietary technology					
viii.	Proprietary services advantage					
ix.	Favourable geographical locations					
x.	Government taxes					
xi.	Government subsidies					
	Customers					
xii.	Customer switching costs					
xiii.	Bargaining power of customers					
xiv.	Relative price performance					
xv.	Innovative technologies					
xvi.	Buyer concentration					
	Suppliers					
xvii.	Bargaining power of suppliers					
xviii.	Supplier concentration					
xix.	Supplier not threatened by substitutes					
xx.	Threat of forward vertical integration					

		Competitors					
xxi.	Rivalry among competitors in the industry						
xxii.	Large number of competing firms						
xxiii.	Buyer's threat of backward vertical integration						
xxiv.	Industry growth						
xxv.	Frequent price cutting/price wars e.g. discounts						
xxvi.	Diversity of competitors						
xxvii.	Power play within the organization and the Industry						
xxviii.	Technological changes in the market						
xxix.	Strategic alliances with other organizations						
xxx.	Relationship with financial institutions						
	Substitutes						
xxxi.	Brand identity						
xxxii.	Lack of service differentiation						
xxxiii.	Intense advertising						
xxxiv.	Client propensity to substitute						
xxxv.	Client propensity to purchase						
xxxvi.	Impact of quality performance						
xxxvii.	Client concentration						
xxxviii.	Small number of Clients						
xxxix.	Price sensitivity						
xl.	Bargaining leverage						
xli.	Presence of substitute services						
xlii.	Undifferentiated and standard services						
xliii.	Complementary services						
xxxii.	Threat of substitute services						

Part III: Strategy

8. Does your firm have a written strategy that you use for your activities?

Yes_____NO_____

9. If yes what is the term of the strategy

   a) _____ Two year_____ b) three

   year_____ c) four year_____ d) five year_____ e)Above five years___

10. Please indicate the extent to which the following statements describe

    your firm's strategy over the past five years. Use the key to TICK as

    appropriate

Key:

1-Not at all; **2**-To a less extent; **3**- To a moderate extent; **4**- To a large extent;
5-To a very large extent

	Statement	1	2	3	4	5
	Corporate level					
i.	The firm has diversified into different market segments.					
ii.	The firm has continuously rendered diversified services from the same resources to customers.					
iii.	The firm has always reviews its structure due to changes in the market					
iv.	The firm has approved use of its license by foreign companies in the provision of services at a fee.					
v.	The firm has licensed foreign firms to use its trade marks for a fee.					
vi.	The firm has combined some of the resources with those of other firms to create a competitive advantage.					
vii.	The firm has allowed other firms to use its trade mark.					
	Business level					
viii.	The firm has reviewed its processes according to the structure					
ix.	The firm has facilitated and coordinates diverse business operations					
x.	The firm has outsourced non-core business activities					
xi.	The outsourced services have helped in managing firm's expenses.					
xii.	The firm has reduced its assets not essential to the basic activity e.g. land, buildings and equipment.					

xiii.	The firm has leased service rights to other firms					
xiv.	The firm has brought in new managers to introduce needed new perspectives in the last five years.					
xv.	The firm has been carrying out service development activities in the last five years					
xvi.	The firm has introduced new services in market the last five years					
	Functional level					
xvii.	The firm has done cost reduction through employee reduction or lay-offs in the last five years.					
xviii.	The firm has eliminated elaborate promotional activities in the last five years.					
xix.	The firm has dropped some items from the service line in the last five years.					
xx.	The firm has discontinued low-margin customers in the last five years.					

Part III: Organizational Performance

11. Please indicate the extent to which the following statements describe your firm's performance over the past five years. Use the key to TICK as appropriate

Key:

1-Not at all;   **2**-To a less extent;   **3**- To a moderate extent;   **4**- To a large extent;

5-To a very large extent

	Statement	**1**	**2**	**3**	**4**	**5**
A	**Financial**					
i.	The firm's fees revenues have increased					
ii.	Firm's profits have increased					
iii.	The firm's investment and growth has increased					
iv.	The firm's fees revenue has improved due to repeat sales.					
v.	The firm has achieved good returns by improving its asset utilization.					
vi.	The firm uses cost control systems in monitoring performance					

B	Internal Processes					
vii.	The firm's operational efficiency has improved as a result of business process re-engineering.					
viii.	The firm has improved its critical internal processes to sustain market leadership.					
ix.	The firm always offers services schedule for all its services.					
x.	The firm has gained market share through quality improvements.					
xi.	The firm introduced new services.					
xii.	Firm's Market share has been improving					
xiii.	The firm's market share has improved due to increased marketing activities.					
C	Customer Focus					
xiv.	The firm has entered new markets					
xv.	The firm has created value for its customers through quality services and services.					
xvi.	The firm's services quality has improved					
xvii.	The firm delivers services to clients on time.					
xviii.	There have been good structures to support client relationship management.					
xix.	The firm's delivery forecasts to its customers have been accurate.					
xx.	The firm has provided exceptional service to customers though Key Account Management.					
xxi.	The firm has handled all customer complaints and resolves with complete and suitable solutions.					
xxii.	The firm has had adequate and comprehensive value propositions per customer segment.					
xxiii.	Managers have been able to define employee needs and development.					
xxiv.	The need for retraining the workforce of change has always been taken into account.					
D	Learning and Growth					
xxv.	Management has always ensured there is enough qualified and professional staff in the firm.					
xxvi.	The firm has had good structures to support upward employee growth through merit.					
xxvii.	The firm has had continuous learning on how to do					

	things better.					
xviii.	The firm has created a good work environment conducive to support all operations.					
xxix.	The firm has highly charged motivated and loyal employees.					
xxx.	The firm has been very keen on employee health and safety.					
xxxi.	The firm's employee productivity and staff development has improved.					
E	**Corporate Social Responsibility**					
i.	The budgetary allocation for corporate social investment has increased					
ii.	Corporate social participation and performance has improved					
F	**Environment**					
iii.	Environmental performance has improved					
iv.	The firm's budgetary allocation on environmental management and conservation has increased					
v.	The firm has contributed resources in eradication of environmental hazards.					
vi.	The firm has adopted Green Technology for cleaner environment.					
vii.	The frequency of environmental impact assessments have increased.					

Appendix III: Target Population and Sample Size

No.	County	Target population	Sample proportion	Sample size
1	Baringo County			
2	Bomet County	24	0.003365115	1
3	Bungoma County	42	0.005888951	2
4	Busia County	17	0.002383623	1
5	Elgeyo Marakwet County			
6	Embu County	28	0.003925967	1
7	Garissa County	9	0.001261918	1
8	Homa Bay County	12	0.001682557	1
9	Isiolo County			
10	Kajiado County	23	0.003224902	1
11	Kakamega County	65	0.009113853	3
12	Kericho County	39	0.005468312	2
13	Kiambu County	119	0.016685362	5
14	Kilifi County	12	0.001682557	1
15	Kirinyaga County			
16	Kisii County	58	0.008132361	3
17	Kisumu County	135	0.018928772	7
18	Kitui County	11	0.001542344	1
19	Kwale County			
20	Laikipia County	5	0.000701066	1
21	Lamu County	5	0.000701066	1
22	Machakos County	77	0.010796411	4
23	Makueni County	10	0.001402131	1
24	Mandera County	1	0.000140213	1
25	Meru County	90	0.012619181	5
26	Migori County	22	0.003084689	1
27	Marsabit County			
28	Mombasa County	458	0.064217611	23
29	Muranga County	47	0.006590017	2
30	Nairobi County	5271	0.739063376	280
31	Nakuru County	206	0.028883904	10
32	Nandi County	5	0.000701066	1
33	Narok County	16	0.00224341	1
34	Nyamira County	9	0.001261918	1
35	Nyandarua County			
36	Nyeri County	81	0.011357263	3
37	Samburu County			
38	Siaya County	5	0.000701066	1

39	Taita Taveta County	2	0.000280426	1
40	Tana River County			
41	Tharaka Nithi County			
42	Trans Nzoia County	40	0.005608525	2
43	Turkana County			
44	Uasin Gishu County	186	0.026079641	9
45	Vihiga County	2	0.000280426	1
46	Wajir County		0	
47	West Pokot County		0	
	Total	7132		379

Appendix IV: Factor Analysis

1. Firm characteristics

Table A: KMO and Bartlett's Test on Firm characteristics

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.835
Bartlett's Test of Sphericity	Approx. Chi-Square	3577.419
	df	210
	Sig.	.000

Table B: Communalities on Firm characteristics

Communalities		
	Initial	Extraction
Management and ownership are one and the same	1.000	.700
Owners are separate from the managers	1.000	.814
Ownership of the firm influences the vision and mission	1.000	.692
Ownership of the firm determines the practice we undertake	1.000	.734
Our size matters in the business operations	1.000	.700
The firm size has a bearing on our returns	1.000	.793
The firm size has an implication on our organizational growth	1.000	.807
The firm's age has been a critical factor in decision making within the firm	1.000	.649
The firm's age has a major contribution to our corporate image	1.000	.753
The firm's age has a major contribution to our legal successes	1.000	.749
The older the firm grows the more relevant it has become	1.000	.650
The older the firm grows the more viable it has become	1.000	.655
We have sufficient financial resources to carry out planned activities throughout the year	1.000	.626
The firm has had adequate current assets (other than financial) to carry out planned activities throughout a financial year	1.000	.534

The firm has had adequate management staff	1.000	.690
The firm has had a highly qualified top management team	1.000	.601
The firm has had adequate core staff to perform its functions	1.000	.407
Individual employees have had the relevant skills required for their specific roles.	1.000	.730
The firm has constantly acquired new knowledge related to its operations	1.000	.806
The firm has deliberately facilitated knowledge sharing across its different departments.	1.000	.729
The firm has had an excellent reputation	1.000	.482
Extraction Method: Principal Component Analysis.		

Table C: Total Variance Explained on Firm characteristics

Total Variance Explained									
	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.756	32.173	32.173	6.756	32.173	32.173	3.736	17.791	17.791
2	2.618	12.468	44.641	2.618	12.468	44.641	2.923	13.919	31.710
3	1.497	7.129	51.770	1.497	7.129	51.770	2.532	12.058	43.767
4	1.297	6.175	57.946	1.297	6.175	57.946	2.202	10.484	54.252
5	1.092	5.201	63.147	1.092	5.201	63.147	1.827	8.699	62.951
6	1.042	4.960	68.107	1.042	4.960	68.107	1.083	5.156	68.107
7	.937	4.464	72.570						
8	.835	3.975	76.545						
9	.659	3.140	79.685						
10	.641	3.050	82.735						
11	.553	2.632	85.367						
12	.437	2.079	87.447						
13	.427	2.031	89.478						
14	.398	1.897	91.375						
15	.341	1.624	92.998						
16	.327	1.556	94.554						
17	.306	1.457	96.011						
18	.270	1.284	97.295						

184

19	.216	1.026	98.322					
20	.185	.882	99.203					
21	.167	.797	100.000					
Extraction Method: Principal Component Analysis.								

Figure A: Scree Plot on Firm characteristics

Scree Plot
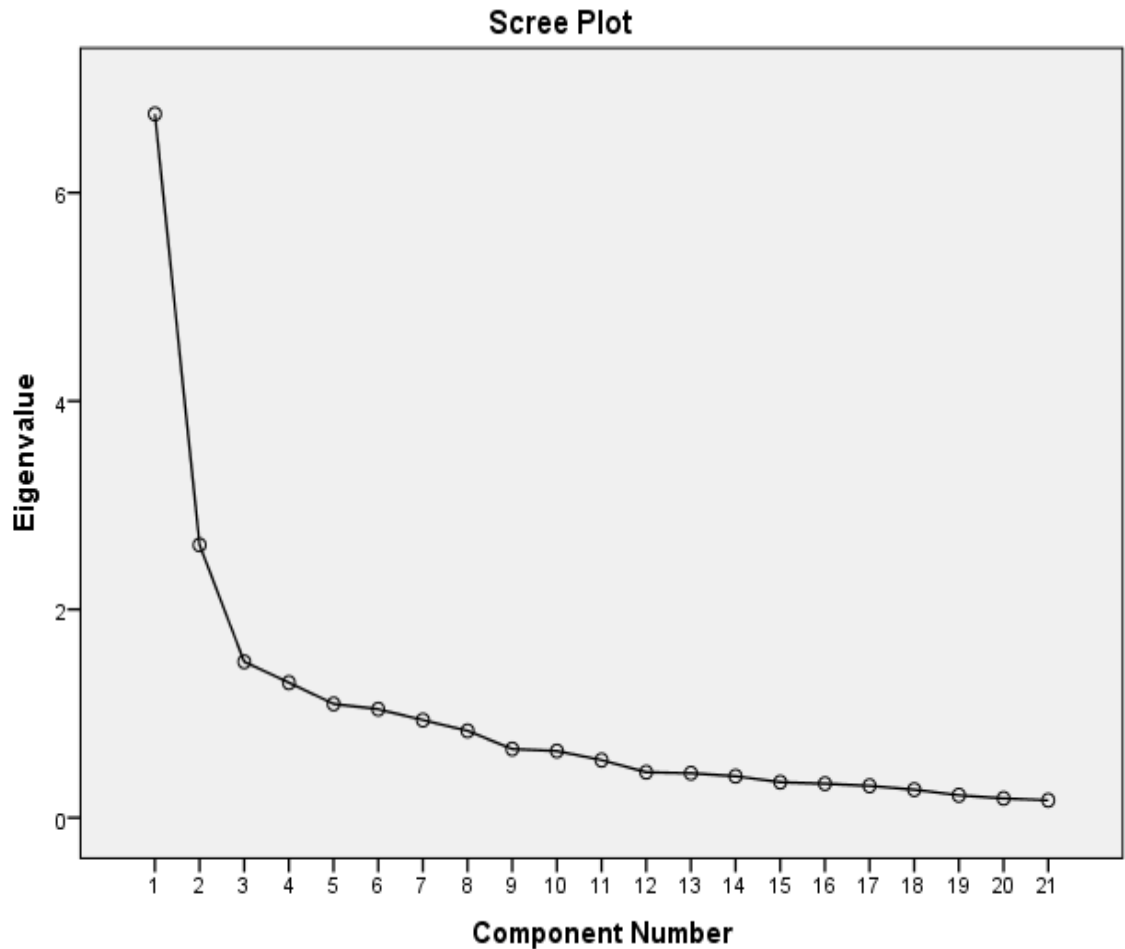
Table D: Component Matrix on Firm characteristics

Component Matrix[a]

	Component					
	1	2	3	4	5	6
Management and ownership are one and the same	.584	.249	-.052	-.223	.246	-.430
Owners are separate from the managers	.092	-.071	.135	.173	.724	.478

185

Ownership of the firm influences the vision and mission	.644	.293	.046	-.265	.218	-.267
Ownership of the firm determines the practice we undertake	.464	.522	.108	-.181	.390	-.223
Our size matters in the business operations	.448	.596	.320	.094	-.168	.060
The firm size has a bearing on our returns	.447	.645	.270	.141	-.271	.101
The firm size has an implication on our organizational growth	.432	.659	.225	.231	-.168	.234
The firm's age has been a critical factor in decision making within the firm	.551	.317	-.384	.073	-.073	.295
The firm's age has a major contribution to our corporate image	.621	.027	-.512	-.181	.078	.256
The firm's age has a major contribution to our legal successes	.655	-.085	-.517	.122	-.060	.165
The older the firm grows the more relevant it has become	.677	-.045	-.406	-.031	-.113	-.103
The older the firm grows the more viable it has become	.744	-.015	-.208	.030	-.055	-.232
We have sufficient financial resources to carry out planned activities throughout the year	.504	-.144	.049	.543	.125	-.199
The firm has had adequate current assets (other than financial) to carry out planned activities throughout a financial year	.283	-.114	.051	.592	.276	-.106
The firm has had adequate management staff	.664	-.331	.007	.322	-.167	-.088
The firm has had a highly qualified top management team	.548	-.485	.162	.138	-.080	-.120

The firm has had adequate core staff to perform its functions	.389	-.388	.275	.015	-.124	-.118
Individual employees have had the relevant skills required for their specific roles.	.649	-.347	.298	-.204	-.065	.234
The firm has constantly acquired new knowledge related to its operations	.697	-.316	.276	-.346	.025	.155
The firm has deliberately facilitated knowledge sharing across its different departments.	.703	-.332	.264	-.187	-.027	.137
The firm has had an excellent reputation	.659	-.127	.096	-.115	-.011	.099
Extraction Method: Principal Component Analysis.						
a. 6 components extracted.						

Table E: Component Transformation Matrix on Firm characteristics

Component Transformation Matrix						
Component	1	2	3	4	5	6
1	.609	.528	.317	.398	.303	-.003
2	-.539	.037	.726	.364	-.218	.019
3	.460	-.791	.379	.019	.034	.132
4	-.283	-.012	.231	-.379	.846	.087
5	-.151	-.092	-.319	.484	.171	.777
6	.154	.293	.270	-.576	-.339	.609
Extraction Method: Principal Component Analysis.						
Rotation Method: Varimax with Kaiser Normalization.						

2. Industry Structure

Table A: KMO and Bartlett's Test on Industry Structure

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.822
Bartlett's Test of Sphericity	Approx. Chi-Square	7978.386
	df	990
	Sig.	.000

Table B: Communalities on Industry Structure

Communalities		
	Initial	Extraction
Threat of new entrants	1.000	.623
Imposition of barriers by players in the industry	1.000	.764
Government regulation of entry	1.000	.582
Cost advantages	1.000	.539
Exit barriers in the industry	1.000	.659
Customer switching costs	1.000	.718
Bargaining power of customers	1.000	.743
Relative price performance	1.000	.785
Innovative technologies	1.000	.768
Client concentration	1.000	.631
High initial capital investments	1.000	.653
Proprietary technology	1.000	.678
Proprietary services advantage	1.000	.446
Favourable geographical locations	1.000	.721
Government regulations	1.000	.647
Government taxes	1.000	.753
Government subsidies	1.000	.663
Bargaining power of suppliers	1.000	.711
Supplier concentration	1.000	.734
Supplier not threatened by substitutes	1.000	.643
Rivalry among competitors in the industry	1.000	.666
Large number of competing firms	1.000	.667
Client's threat of backward vertical integration	1.000	.569
Threat of forward vertical integration	1.000	.606
Industry growth	1.000	.720
Frequent price cutting/price wars e.g. discounts	1.000	.698
Diversity of competitors	1.000	.660
Power play within the organization and the Industry	1.000	.641
Technological changes in the market	1.000	.776
Strategic alliances with other organizations	1.000	.755
Relationship with financial institutions	1.000	.709
Brand identity	1.000	.599
Lack of services differentiation	1.000	.639
Intense advertising	1.000	.714
Client propensity to substitute	1.000	.691

Client propensity to purchase	1.000	.607
Impact of quality performance	1.000	.613
Client concentration	1.000	.615
Small number of buyers	1.000	.651
Price sensitivity	1.000	.633
Bargaining leverage	1.000	.535
Presence of substitute services	1.000	.468
Undifferentiated and standard services	1.000	.702
Complementary services	1.000	.699
Threat of substitute services	1.000	.657
Extraction Method: Principal Component Analysis.		

Table C: **Total Variance Explained on Industry Structure**

Total Variance Explained									
	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	10.324	22.943	22.943	10.324	22.943	22.943	3.619	8.043	8.043
2	3.663	8.140	31.083	3.663	8.140	31.083	3.334	7.408	15.451
3	2.769	6.153	37.235	2.769	6.153	37.235	3.070	6.822	22.273
4	2.605	5.790	43.025	2.605	5.790	43.025	2.944	6.542	28.815
5	2.042	4.537	47.562	2.042	4.537	47.562	2.679	5.954	34.769
6	1.799	3.998	51.560	1.799	3.998	51.560	2.661	5.913	40.682
7	1.549	3.443	55.003	1.549	3.443	55.003	2.477	5.505	46.187
8	1.442	3.205	58.208	1.442	3.205	58.208	2.354	5.231	51.417
9	1.305	2.901	61.109	1.305	2.901	61.109	2.225	4.945	56.363
10	1.153	2.563	63.672	1.153	2.563	63.672	2.219	4.931	61.294
11	1.095	2.433	66.105	1.095	2.433	66.105	2.165	4.811	66.105
12	.993	2.206	68.311						
13	.920	2.045	70.356						
14	.905	2.012	72.368						
15	.857	1.905	74.272						
16	.812	1.805	76.078						
17	.778	1.729	77.806						
18	.711	1.581	79.387						
19	.697	1.549	80.936						
20	.666	1.481	82.417						

21	.614	1.364	83.781					
22	.559	1.242	85.023					
23	.511	1.136	86.159					
24	.471	1.047	87.206					
25	.456	1.014	88.219					
26	.431	.957	89.177					
27	.406	.902	90.079					
28	.385	.857	90.936					
29	.364	.808	91.744					
30	.345	.766	92.511					
31	.333	.741	93.251					
32	.325	.723	93.974					
33	.295	.655	94.629					
34	.291	.646	95.275					
35	.270	.600	95.875					
36	.258	.573	96.447					
37	.240	.532	96.980					
38	.224	.497	97.477					
39	.205	.456	97.933					
40	.192	.426	98.359					
41	.173	.384	98.743					
42	.152	.337	99.080					
43	.145	.323	99.404					
44	.140	.311	99.715					
45	.128	.285	100.000					
Extraction Method: Principal Component Analysis.								
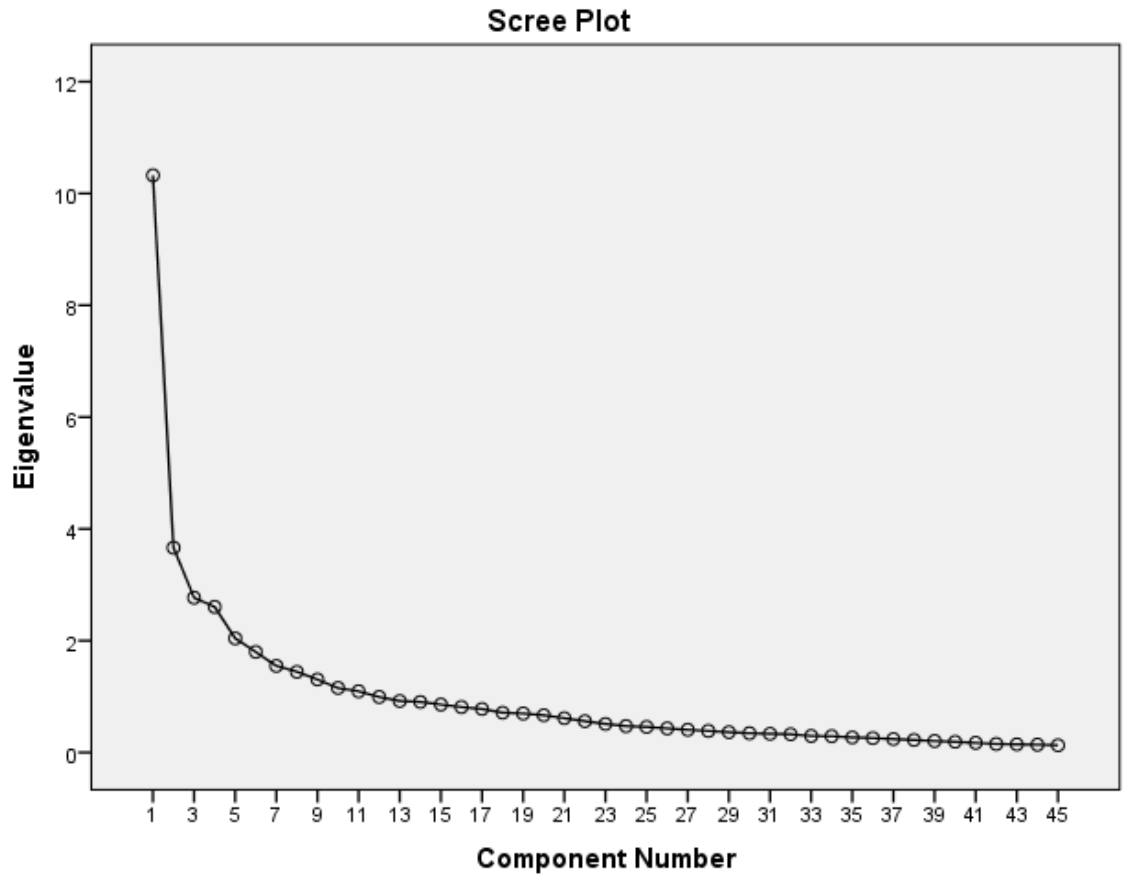
Scree Plot

Figure A: Scree Plot on Industry Structure

Table D: Component Matrix on Industry Structure

Component Matrix[a]											
	Component										
	1	2	3	4	5	6	7	8	9	10	11
Threat of new entrants	.322	.160	-.311	-.130	.395	.254	.293	-.105	.135	.175	.114
Imposition of barriers by players in the industry	.470	.111	-.351	.354	.125	.062	.154	.115	.156	.323	-.311
Government regulation of entry	.448	.200	-.462	.187	.289	-.091	-.009	-.002	.022	-.023	.002
Cost advantages	.477	.146	-.402	.099	-.017	.098	-.147	-.028	-.177	.046	-.230
Exit barriers in the industry	.474	.221	-.189	.336	.243	-.194	.024	-.071	.004	.273	-.244
Customer switching costs	.568	.312	-.303	.233	-.279	.180	-.095	.012	-.072	.070	-.152

191

Bargaining power of customers	.403	.257	-.366	.249	-.384	.252	-.167	.115	-.247	.006	-.074
Relative price performance	.431	.180	-.351	.248	-.454	.329	-.027	.071	.002	-.215	.126
Innovative technologies	.526	.146	-.180	-.056	-.382	.270	.135	-.198	.002	-.040	.395
Client concentration	.468	.200	-.052	-.019	-.127	.070	.132	-.375	-.254	.207	.287
High initial capital investments	.238	.440	.325	-.079	.114	.057	.100	-.012	-.176	.429	.220
Proprietary technology	.362	.478	.480	-.118	-.008	.130	.127	-.054	-.120	.122	.095
Proprietary services advantage	.228	.236	.408	-.156	-.041	.083	-.108	.081	-.098	.166	-.289
Favourable geographical locations	.369	.332	.506	-.124	.077	.380	-.098	.035	.172	.107	-.016
Government regulations	.427	.387	.231	.100	.198	.186	-.349	.171	.120	-.040	.107
Government taxes	.353	.313	.286	.198	.180	.082	-.406	.382	.204	-.077	.108
Government subsidies	.516	.399	.083	.207	.173	-.205	.024	.091	.169	-.149	.237
Bargaining power of suppliers	.473	.450	.245	.114	.018	-.340	.277	.090	.038	-.097	.019
Supplier concentration	.380	.468	.161	.021	-.167	-.240	.431	.025	.033	-.235	-.128
Supplier not threatened by substitutes	.439	.325	.080	-.027	.009	-.072	.390	-.246	.105	-.267	-.195
Rivalry among competitors in the industry	.330	-.202	-.343	-.337	.441	.157	.059	.024	.147	.003	.201
Large number of competing firms	.408	-.289	-.392	-.381	.164	.071	-.021	.123	.133	.138	.180
Client's threat of backward vertical integration	.518	.003	-.231	-.176	-.108	-.334	.197	.107	.174	-.094	.055

Threat of forward vertical integration	.515	.060	-.212	-.148	-.022	-.338	.078	.302	.238	.035	.021
Industry growth	.538	-.086	-.099	-.380	-.139	-.171	-.045	.392	-.068	.234	.076
Frequent price cutting/price wars e.g. discounts	.568	-.073	-.072	-.307	-.271	-.343	-.159	.191	-.095	.080	.050
Diversity of competitors	.575	-.155	.040	-.357	-.356	-.161	-.133	.042	-.039	-.004	-.049
Power play within the organization and the Industry	.572	-.074	.203	-.261	-.312	-.182	-.191	-.138	.019	.073	-.082
Technological changes in the market	.627	-.088	.144	-.367	-.047	-.121	-.220	-.335	.176	.017	-.107
Strategic alliances with other organizations	.568	-.005	.041	-.350	.085	.108	-.209	-.360	.275	-.051	-.195
Relationship with financial institutions	.639	-.021	-.099	-.210	.048	.227	-.113	-.271	.238	-.190	-.115
Brand identity	.530	-.108	-.091	.012	.286	-.037	-.240	-.033	-.244	-.300	.079
Lack of product differentiation	.613	.137	-.011	-.039	.212	.048	-.069	.008	-.319	-.297	.027
Intense advertising	.533	-.043	.040	-.049	.458	-.068	-.088	.056	-.400	-.177	-.087
Client propensity to substitute	.578	-.341	.101	-.167	.116	.092	.154	.029	-.353	-.025	-.175
Cient propensity to purchase	.473	-.369	.131	-.169	.162	.102	.236	.137	-.285	.059	-.072
Impact of quality performance	.521	-.396	.165	-.043	-.112	.188	.274	.168	-.002	.062	.000
Client concentration	.499	-.420	.196	.144	-.092	.195	.168	.157	.097	-.142	-.041
Small number of buyers	.420	-.445	.266	.167	-.006	.282	.135	.219	.124	-.107	-.072
Price sensitivity	.480	-.428	.198	.271	-.095	.220	.159	.110	.105	-.006	.006
Bargaining leverage	.444	-.411	.149	.317	-.013	.071	.055	-.055	.153	.112	.013

	1	2	3	4	5	6	7	8	9	10	11
Presence of substitute services	.388	-.229	.032	.357	.017	-.155	-.122	-.199	.075	.200	-.109
Undifferentiated and standard services	.522	-.345	.138	.407	-.077	-.195	-.175	-.156	.080	.053	.132
Complementary services	.477	-.264	.144	.489	.056	-.288	-.125	-.034	-.051	.024	.189
Threat of substitute services	.443	-.383	.156	.305	.073	-.202	.017	-.317	-.109	.045	.189

Extraction Method: Principal Component Analysis.

a. 11 components extracted.

Table E: Rotated Component Matrix on Industry Structure

Rotated Component Matrix[a]											
	Component										
	1	2	3	4	5	6	7	8	9	10	11
Threat of new entrants	.055	-.074	.083	-.091	.129	.102	.079	.207	-.016	.668	.275
Imposition of barriers by players in the industry	.200	.058	.225	.109	.131	-.008	-.038	.010	.070	.196	.772
Government regulation of entry	-.127	.077	.245	.166	.201	.007	.268	-.114	.139	.373	.435
Cost advantages	-.020	.142	.446	.030	-.005	.164	.295	-.018	.011	.065	.447
Exit barriers in the industry	-.052	.054	.080	.298	.216	.050	.150	.120	.089	.087	.676
Customer switching costs	.056	.149	.669	.062	.133	.140	.080	.099	.127	-.035	.413
Bargaining power of customers	.024	.135	.778	-.016	-.026	-.032	.130	.033	.087	-.120	.279
Relative price performance	.163	.069	.837	.024	.136	.021	-.020	-.106	.131	.052	.037
Innovative technologies	.135	.161	.670	.144	.191	.178	-.054	.236	-.047	.297	-.191

Client concentration	-.053	.085	.400	.290	.150	.139	.129	.489	-.191	.206	-.005
High initial capital investments	-.082	.069	-.008	.036	.119	-.067	.021	.765	.160	.076	.071
Proprietary technology	.063	.018	.075	-.046	.329	.139	.088	.686	.225	-.075	-.061
Proprietary services advantage	.113	.119	-.072	-.164	.044	.231	.093	.412	.190	-.315	.135
Favourable geographical locations	.242	-.061	.027	-.127	.099	.343	-.018	.531	.482	-.019	-.007
Government regulations	.017	.010	.153	.053	.078	.159	.169	.258	.696	.041	.086
Government taxes	.071	.078	.059	.077	.062	.016	.100	.116	.834	-.055	.078
Government subsidies	-.049	.117	.124	.269	.513	-.012	.129	.125	.471	.181	.094
Bargaining power of suppliers	.010	.195	.016	.143	.707	-.035	.100	.261	.228	-.060	.131
Supplier concentration	.047	.133	.134	-.069	.798	.039	.037	.166	.029	-.129	.082
Supplier not threatened by substitutes	.094	-.053	.111	-.018	.689	.311	.120	.111	-.058	.052	.122
Rivalry among competitors in the industry	.128	.159	-.058	-.054	-.095	.167	.234	-.072	.033	.719	.046
Large number of competing firms	.169	.438	.056	-.014	-.192	.163	.119	-.082	-.026	.594	.070
Client's threat of backward vertical integration	.085	.522	.114	.105	.406	.109	.039	-.134	-.029	.245	.092
Threat of forward vertical integration	.074	.593	.040	.060	.312	.036	.003	-.104	.167	.237	.225
Industry growth	.186	.774	.085	-.038	-.026	.022	.128	.156	.072	.147	.092
Frequent price cutting/price wars e.g. discounts	.054	.768	.151	.143	.072	.154	.168	.053	.025	-.027	.012

Diversity of competitors	.202	.637	.185	.091	.058	.363	.128	.059	-.042	-.089	-.077
Power play within the organization and the Industry	.139	.500	.113	.227	.087	.480	.068	.184	.009	-.172	-.036
Technological changes in the market	.090	.370	-.007	.233	.095	.724	.137	.137	.038	.069	.003
Strategic alliances with other organizations	.097	.154	.042	.064	.074	.795	.134	.076	.107	.190	.091
Relationship with financial institutions	.213	.094	.252	.058	.135	.660	.187	-.030	.123	.276	.081
Brand identity	.076	.120	.138	.252	.032	.165	.632	-.094	.185	.161	.003
Lack of product differentiation	.106	.115	.244	.082	.230	.149	.642	.115	.185	.112	.034
Intense advertising	.132	.117	-.060	.125	.093	.084	.765	.098	.128	.107	.156
Client propensity to substitute	.505	.234	.011	.070	.018	.171	.524	.158	-.190	.050	.095
Client propensity to purchase	.540	.233	-.086	.038	-.011	.031	.410	.189	-.161	.133	.058
Impact of quality performance	.698	.250	.078	.109	.050	.071	.077	.123	-.072	.108	.003
Client concentration	.720	.102	.101	.192	.092	.101	.091	-.075	.075	.019	-.018
Small number of Clients	.770	.017	.016	.138	.004	.073	.076	-.059	.152	.010	.000
Price sensitivity	.715	.038	.125	.304	.025	.049	.008	-.007	.070	.028	.046
Bargaining leverage	.524	.021	.039	.470	-.021	.114	-.031	-.006	.044	.055	.137
Presence of substitute services	.173	.046	.027	.547	-.026	.168	.017	-.011	.009	-.063	.320
Undifferentiated and standard services	.285	.138	.104	.738	.013	.133	.055	-.051	.119	-.057	.078

| Complementary services | .220 | .118 | .041 | .738 | .081 | -.084 | .182 | -.028 | .171 | -.055 | .101 |
| Threat of substitute services | .248 | .024 | -.012 | .721 | .054 | .092 | .205 | .064 | -.118 | .051 | -.012 |

Extraction Method: Principal Component Analysis.

 Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 14 iterations.

Table F: **Component Transformation Matrix on Industry Structure**

Component Transformation Matrix											
Component	1	2	3	4	5	6	7	8	9	10	11
1	.379	.404	.323	.320	.286	.344	.335	.197	.196	.196	.242
2	-.554	-.116	.261	-.319	.449	-.024	-.055	.393	.343	-.063	.167
3	.316	-.133	-.438	.121	.137	.115	-.035	.473	.276	-.470	-.351
4	.125	-.470	.238	.540	.082	-.405	-.096	-.165	.193	-.239	.338
5	-.084	-.325	-.557	.016	-.036	-.046	.462	.029	.243	.487	.251
6	.418	-.484	.414	-.397	-.365	.147	-.026	.213	.133	.199	-.060
7	.361	-.126	-.098	-.175	.588	-.305	-.154	.152	-.509	.260	.037
8	.300	.421	-.061	-.392	-.061	-.576	.018	-.141	.453	-.068	.097
9	.096	-.013	-.190	.021	.180	.348	-.691	-.312	.369	.291	.067
10	-.045	.214	-.139	.148	-.415	-.113	-.386	.573	-.150	.096	.466
11	-.144	.079	.171	.354	-.047	-.349	-.099	.203	.173	.487	-.614

Extraction Method: Principal Component Analysis.

 Rotation Method: Varimax with Kaiser Normalization.

3. Strategy

Table A: **KMO and Bartlett's Test on Strategy**

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.861
Bartlett's Test of Sphericity	Approx. Chi-Square	4782.129
	df	190
	Sig.	.000

Table B: Communalities on Industry Structure

Communalities		
	Initial	Extraction
The firm has diversified into different market segments.	1.000	.845
The firm has continuously offer diversified services from the same resources to customers.	1.000	.845
The firm has always reviews its structure due to changes in the market	1.000	.755
The firm has approved use of its license by foreign companies in the provision of services at a fee.	1.000	.727
The firm has licensed foreign firms to use its trade marks for a fee.	1.000	.807
The firm has combined some of the resources with those of other firms to create a competitive advantage.	1.000	.701
The firm has allowed other firms to use its trade mark.	1.000	.712
The firm has reviewed its processes according to the structure	1.000	.708
The firm has facilitated and coordinates diverse business operations	1.000	.679
The firm has outsourced non-core business activities	1.000	.767
The outsourced services have helped in managing firm's expenses.	1.000	.870
The firm has reduced its assets not essential to the basic activity e.g. land, buildings and equipment.	1.000	.623
The firm has leased production rights to other firms	1.000	.605
The firm has brought in new managers to introduce needed new perspectives in the last five years.	1.000	.782
The firm has been carrying out product development activities in the last five years	1.000	.821
The firm has introduced new services in market the last five years	1.000	.724
The firm has done cost reduction through employee reduction or lay-offs in the last five years.	1.000	.658
The firm has eliminated elaborate promotional activities in the last five years.	1.000	.779
The firm has dropped some items from the production line in the last five years.	1.000	.645

The firm has discontinued low-margin customers in the last five years.	1.000	.658

Extraction Method: Principal Component Analysis.

Table C: Total Variance Explained Strategy

Total Variance Explained									
	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	8.026	40.128	40.128	8.026	40.128	40.128	3.586	17.929	17.929
2	2.339	11.694	51.822	2.339	11.694	51.822	3.391	16.957	34.886
3	1.748	8.740	60.561	1.748	8.740	60.561	2.802	14.011	48.896
4	1.362	6.808	67.369	1.362	6.808	67.369	2.688	13.440	62.336
5	1.237	6.183	73.552	1.237	6.183	73.552	2.243	11.216	73.552
6	.842	4.210	77.762						
7	.598	2.988	80.750						
8	.541	2.705	83.456						
9	.443	2.216	85.672						
10	.425	2.126	87.797						
11	.391	1.954	89.751						
12	.347	1.736	91.487						
13	.313	1.563	93.050						
14	.274	1.369	94.419						
15	.255	1.276	95.695						
16	.226	1.128	96.823						
17	.212	1.058	97.881						
18	.169	.844	98.725						
19	.132	.662	99.387						
20	.123	.613	100.000						

Extraction Method: Principal Component Analysis.

Figure A: Scree Plot on Strategy

Scree Plot
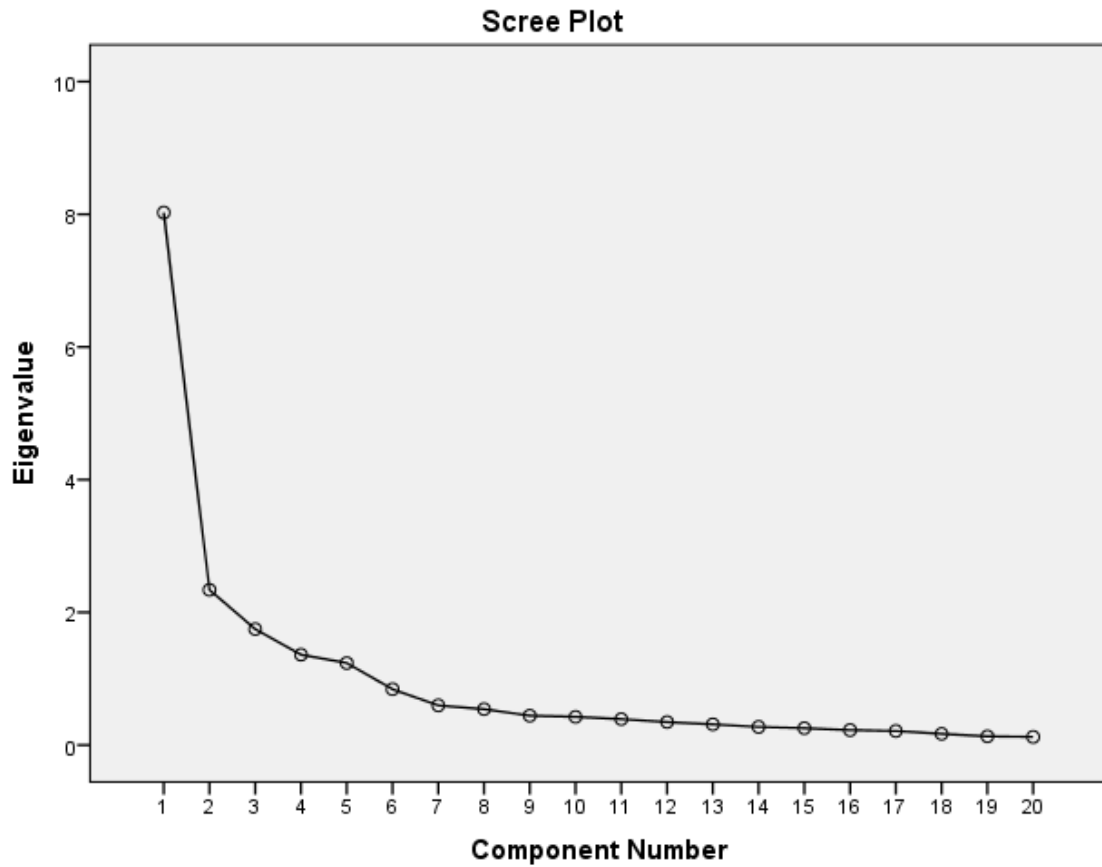
Table D: Rotated Component Matrix on Strategy

Rotated Component Matrix[a]					
	Component				
	1	2	3	4	5
The firm has diversified into different market segments.	.184	.890	.089	.059	.085
The firm has continuously offered diversified services from the same resources to customers.	.209	.874	.142	.078	.102
The firm has always reviews its structure due to changes in the market	.167	.810	.140	.079	.214

200

The firm has approved use of its license by foreign companies in the provision of services at a fee.	.771	.316	.031	.156	.087
The firm has licensed foreign firms to use its trade marks for a fee.	.854	.126	.142	.193	.071
The firm has combined some of the resources with those of other firms to create a competitive advantage.	.795	.090	.109	.151	.161
The firm has allowed other firms to use its trade mark.	.765	.131	.244	.216	-.061
The firm has reviewed its processes according to the structure	.136	.677	.472	.078	.051
The firm has facilitated and coordinates diverse business operations	-.121	.523	.452	.227	.367
The firm has outsourced non-core business activities	.023	.186	.187	.151	.821
The outsourced services have helped in managing firm's expenses.	.138	.149	.139	.080	.896
The firm has reduced its assets not essential to the basic activity e.g. land, buildings and equipment.	.455	.110	.227	.219	.551
The firm has leased service rights to other firms	.568	.057	.472	.152	.182
The firm has brought in new managers to introduce needed new perspectives in the last five years.	.337	.155	.780	.091	.166
The firm has been carrying out service development activities in the last five years	.168	.185	.841	.160	.163
The firm has introduced new services in market the last five years	.146	.302	.720	.258	.166

The firm has done cost reduction through employee reduction or lay-offs in the last five years.	.232	.177	.140	.710	.222
The firm has eliminated elaborate promotional activities in the last five years.	.161	.215	.169	.791	.228
The firm has dropped some items from the service line in the last five years.	.084	-.060	.115	.788	-.013
The firm has discontinued low-margin customers in the last five years.	.329	.062	.105	.730	.056
Extraction Method: Principal Component Analysis.					
Rotation Method: Varimax with Kaiser Normalization.					
a. Rotation converged in 7 iterations.					

Table E: Component Transformation Matrix on Strategy

Component Transformation Matrix					
Component	1	2	3	4	5
1	.515	.483	.470	.400	.346
2	.589	-.657	-.159	.395	-.199
3	-.555	-.368	.171	.533	.493
4	-.209	.429	-.414	.630	-.453
5	.189	.123	-.744	-.060	.626
Extraction Method: Principal Component Analysis.					
Rotation Method: Varimax with Kaiser Normalization.					

4. Organizational Performance

Table A: KMO and Bartlett's Test on Performance

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.893
Bartlett's Test of Sphericity	Approx. Chi-Square	9400.813
	df	703
	Sig.	.000

Table B: Communalities on Performance

Communalities		
	Initial	Extraction
The firm's fees revenues have increased	1.000	.716
Firm's profits have increased	1.000	.837
The firm's investment and growth has increased	1.000	.766
The firm's fees revenue has improved due to repeat sales.	1.000	.599
The firm has achieved good returns by improving its asset utilization.	1.000	.716
The firm uses cost control systems in monitoring performance	1.000	.699
The firm's operational efficiency has improved as a result of business process re-engineering.	1.000	.714
The firm has improved its critical internal processes to sustain market leadership.	1.000	.731
The firm always produces a service schedule for all its services.	1.000	.654
The firm has gained market share through quality improvements.	1.000	.686
The firm introduced new services.	1.000	.708
Firm's Market share has been improving	1.000	.745
The firm's market share has improved due to increased marketing activities.	1.000	.621
The firm has entered new markets	1.000	.555
The firm has created value for its customers through quality services and services.	1.000	.774
The firm's product/service quality has improved	1.000	.779
The firm delivers services to customers on time.	1.000	.657
There have been good structures to support customer relationship management.	1.000	.678
The firm's delivery forecasts to its customers have been accurate.	1.000	.596
The firm has provided exceptional service to customers though Key Account Management.	1.000	.597
The firm has handled all customer complaints and resolves with complete and suitable solutions.	1.000	.678

The firm has had adequate and comprehensive value propositions per customer segment.	1.000	.670
The budgetary allocation for corporate social investment has increased	1.000	.641
Corporate social participation and performance has improved	1.000	.686
Environmental performance has improved	1.000	.710
The firm's budgetary allocation on environmental management and conservation has increased	1.000	.691
The firm has contributed resources in eradication of environmental hazards.	1.000	.650
The firm has adopted Green Technology for cleaner environment.	1.000	.703
The frequency of environmental impact assessments have increased.	1.000	.724
Managers have been able to define employee needs and development.	1.000	.699
The need for retraining the workforce of change has always been taken into account.	1.000	.578
Management has always ensured there is enough qualified and professional staff in the firm.	1.000	.402
The firm has had good structures to support upward employee growth through merit.	1.000	.709
The firm has had continuous learning on how to do things better.	1.000	.770
The firm has created a good work environment conducive to support all operations.	1.000	.778
The firm has highly charged motivated and loyal employees.	1.000	.793
The firm has been very keen on employee health and safety.	1.000	.766
The firm's employee productivity and staff development has improved.	1.000	.775
Extraction Method: Principal Component Analysis.		

Table C: Total Variance Explained on Performance

	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	12.696	33.410	33.410	12.696	33.410	33.410	5.543	14.586	14.586
2	3.298	8.679	42.089	3.298	8.679	42.089	4.443	11.691	26.277
3	2.675	7.040	49.129	2.675	7.040	49.129	4.191	11.030	37.307
4	2.062	5.427	54.556	2.062	5.427	54.556	3.499	9.208	46.515
5	1.828	4.810	59.365	1.828	4.810	59.365	3.059	8.049	54.564
6	1.292	3.399	62.765	1.292	3.399	62.765	2.050	5.394	59.958
7	1.229	3.234	65.999	1.229	3.234	65.999	1.826	4.806	64.764
8	1.173	3.087	69.086	1.173	3.087	69.086	1.642	4.322	69.086
9	.962	2.532	71.618						
10	.917	2.414	74.032						
11	.840	2.210	76.242						
12	.765	2.014	78.256						
13	.737	1.940	80.196						
14	.664	1.748	81.944						
15	.587	1.543	83.488						
16	.564	1.484	84.972						
17	.517	1.361	86.333						
18	.483	1.272	87.605						
19	.402	1.059	88.664						
20	.391	1.029	89.692						
21	.350	.922	90.614						
22	.336	.883	91.498						
23	.306	.806	92.304						
24	.284	.747	93.051						
25	.274	.721	93.772						
26	.257	.677	94.449						
27	.250	.659	95.108						
28	.238	.627	95.735						
29	.227	.598	96.333						
30	.214	.563	96.896						
31	.190	.501	97.397						
32	.184	.485	97.881						

33	.171	.451	98.332					
34	.150	.396	98.728					
35	.143	.376	99.104					
36	.122	.322	99.426					
37	.117	.309	99.735					
38	.101	.265	100.000					
Extraction Method: Principal Component Analysis.								

Figure A: Scree Plot on Performance

206
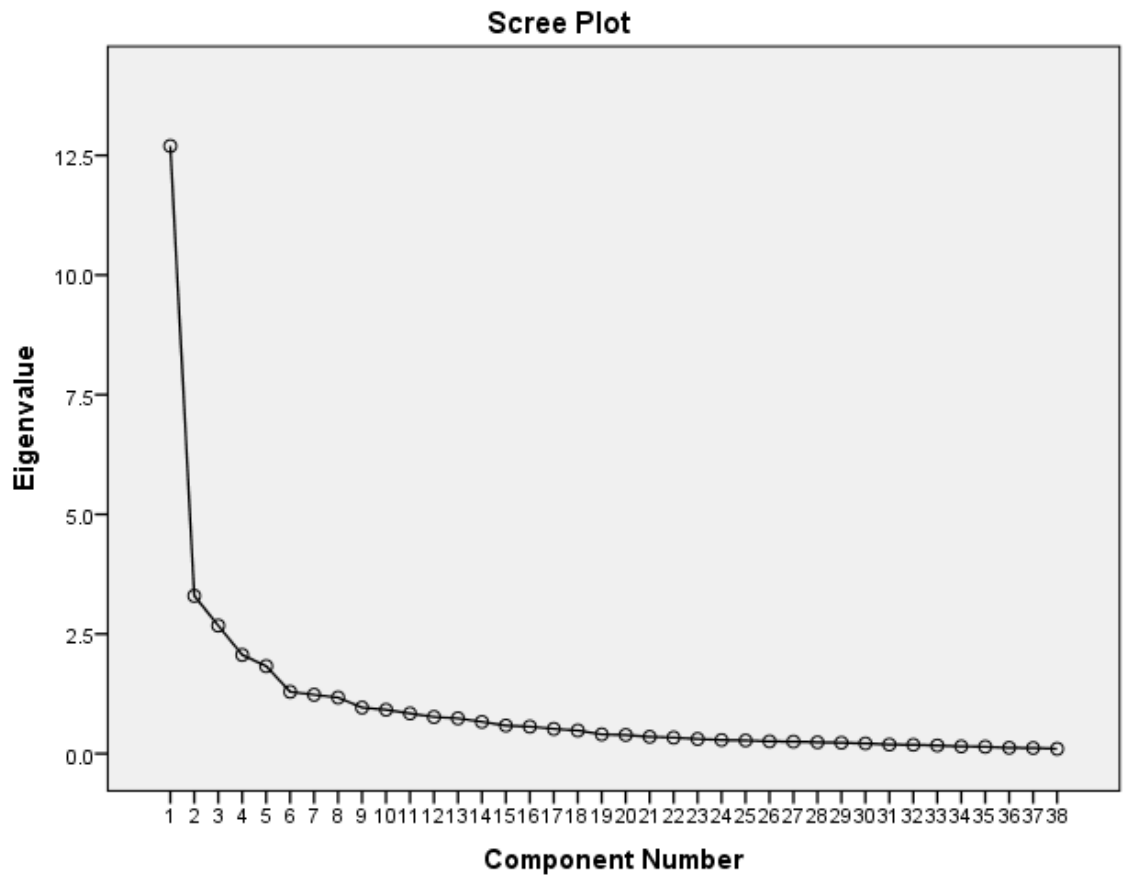
Table D: Rotated Component Matrix on Performance

	Rotated Component Matrix[a]							
	Component							
	1	2	3	4	5	6	7	8
The firm's fees revenues have increased	.138	.146	.145	.059	.773	.175	.138	-.067
Firm's profits have increased	.171	.150	.230	.004	.845	.068	.108	.048
The firm's investment and growth has increased	.205	.099	.188	.061	.802	.049	.168	.036
The firm's fees revenue has improved due to repeat sales.	.201	.002	.076	.154	.124	.043	.686	-.205
The firm has achieved good returns by improving its asset utilization.	.097	.042	.124	.003	.335	.084	.662	.364
The firm uses cost control systems in monitoring performance	.105	.002	.192	.087	.426	.104	.539	.400
The firm's operational efficiency has improved as a result of business process re-engineering.	.257	.160	.659	.111	.414	.043	.052	.006
The firm has improved its critical internal processes to sustain market leadership.	.275	.141	.666	.064	.418	.052	-.040	.095
The firm always produces a service schedule for all its services.	.129	-.030	.674	.286	.157	.103	-.245	.066
The firm has gained market share through quality improvements.	.205	.100	.721	.133	.267	.123	-.072	.074

207

The firm introduced new services.	.146	.152	.721	.211	-.080	.025	.289	.092
Firm's Market share has been improving	.268	.164	.712	.143	.046	.180	.284	-.062
The firm's market share has improved due to increased marketing activities.	.188	.179	.645	.027	.115	.223	.264	-.065
The firm has entered new markets	-.043	-.018	.134	.138	.125	.699	.072	.080
The firm has created value for its customers through quality services and services.	.371	.402	.232	-.020	.139	.624	.098	.035
The firm's service quality has improved	.369	.447	.224	.000	.089	.605	-.017	.137
The firm delivers goods and services to customers on time.	.371	.517	.235	.071	.088	.420	.084	-.030
There have been good structures to support customer relationship management.	.381	.572	.164	.099	.082	.377	.090	-.112
The firm's delivery forecasts to its customers have been accurate.	.233	.694	.169	.058	.016	.140	-.034	-.089
The firm has provided exceptional service to customers though Key Account Management.	.219	.666	.184	.139	.137	.112	-.135	-.057
The firm has handled all customer complaints and resolves with complete and suitable solutions.	.176	.746	-.005	.113	.189	.116	-.075	.150

The firm has had adequate and comprehensive value propositions per customer segment.	.154	.776	.019	.149	.045	.028	.121	.067
The budgetary allocation for corporate social investment has increased	-.031	.627	.155	.328	.090	-.179	.133	.241
Corporate social participation and performance has improved	-.049	.499	.082	.507	.071	-.137	.211	.320
Environmental performance has improved	.033	.454	.094	.589	.087	-.062	.108	.353
The firm's budgetary allocation on environmental management and conservation has increased	.063	.323	.300	.509	-.081	-.052	-.064	.470
The firm has contributed resources in eradication of environmental hazards.	.007	.110	.245	.654	.006	.008	-.151	.355
The firm has adopted Green Technology for cleaner environment.	.169	.110	.164	.771	-.064	.164	.080	.068
The frequency of environmental impact assessments have increased.	.163	.069	.128	.784	.074	.054	.090	-.211
Managers have been able to define employee needs and development.	.255	.225	.062	.687	.201	.155	.130	-.162

The need for retraining the workforce of change has always been taken into account.	.483	.112	.127	.212	.241	.331	-.083	.310
Management has always ensured there is enough qualified and professional staff in the firm.	.225	.045	-.030	.021	.003	.121	.040	.576
The firm has had good structures to support upward employee growth through merit.	.727	.217	.274	.073	.112	.114	.045	.161
The firm has had continuous learning on how to do things better.	.816	.139	.162	.103	.107	.122	-.008	.149
The firm has created a good work environment conducive to support all operations.	.848	.157	.151	.022	.083	.040	.046	.024
The firm has highly charged motivated and loyal employees.	.834	.121	.198	.128	.115	.057	.102	.005
The firm has been very keen on employee health and safety.	.816	.165	.143	.118	.135	.038	.135	.042
The firm's employee productivity and staff development has improved.	.813	.177	.158	.121	.144	.015	.148	.019

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 15 iterations.

Table E: Component Transformational Matrix on Performance

Component Transformation Matrix								
Component	1	2	3	4	5	6	7	8
1	.543	.449	.451	.318	.311	.241	.160	.140
2	-.445	.426	-.092	.659	-.303	-.163	-.097	.224
3	-.478	-.431	.481	.205	.455	-.128	.278	.110
4	-.409	.545	-.288	-.380	.490	.176	.189	.024
5	.311	-.182	-.594	.243	.225	-.331	.471	.275
6	-.092	-.049	-.097	.249	-.224	.430	.556	-.611
7	-.074	-.060	.123	-.277	-.445	.344	.398	.651
8	-.036	-.308	-.309	.285	.255	.675	-.403	.210
Extraction Method: Principal Component Analysis.								
Rotation Method: Varimax with Kaiser Normalization.								

Appendix V: NACOSTI Research Permit

THIS IS TO CERTIFY THAT:
MR. JUSTRY P LUMUMBA NYABERI
of UNIVERSITY OF NAIROBI, 30197-100
NAIROBI, has been permitted to conduct
research in *All Counties*

on the topic: *FIRM CHARACTERISTICS,*
INDUSTRY STRUCTURE, STRATEGY AND
PERFORMANCE OF LAW FIRMS IN KENYA

for the period ending:
3rd May,2019

Permit No : NACOSTI/P/18/29902/22600
Date Of Issue : 3rd May,2018
Fee Recieved :Ksh 2000

....
Applicant's
Signature

....
&v **Director General**
National Commission for Science,
Technology & Innovation

CONDITIONS

1. The License is valid for the proposed research, research site specified period.
2. Both the Licence and any rights thereunder are non-transferable.
3. Upon request of the Commission, the Licensee shall submit a progress report.
4. The Licensee shall report to the County Director of Education and County Governor in the area of research before commencement of the research.
5. Excavation, filming and collection of specimens are subject to further permissions from relevant Government agencies.
6. This Licence does not give authority to transfer research materials.
7. The Licensee shall submit two (2) hard copies and upload a soft copy of their final report.
8. The Commission reserves the right to modify the conditions of this Licence including its cancellation without prior notice.

REPUBLIC OF KENYA

NACOSTI

National Commission for Science,
Technology and Innovation

RESEARCH CLEARANCE
PERMIT

Serial No.A 18428

CONDITIONS: see back page

212

Appendix VI: NACOSTI Research Authorization Letter

NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Telephone:+254-20-2213471,
2241349,3310571,2219420
Fax:+254-20-318245,318249
Email: dg@nacosti.go.ke
Website : www.nacosti.go.ke
When replying please quote

NACOSTI, Upper Kabete
Off Waiyaki Way
P.O. Box 30623-00100
NAIROBI-KENYA

Ref No: **NACOSTI/P/18/29902/22600**

Date: **3rd May, 2018**

Justry P Lumumba Nyaberi
University of Nairobi
P.O Box 30197-00100
NAIROBI.

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on *"Firm characteristics, industry structure, strategy and performance of Law Firms in Kenya,"* I am pleased to inform you that you have been authorized to undertake research in **all Counties** for the period ending **3rd May, 2019.**

You are advised to report to **the County Commissioners and the County Directors of Education, all Counties** before embarking on the research project.

Kindly note that, as an applicant who has been licensed under the Science, Technology and Innovation Act, 2013 to conduct research in Kenya, you shall deposit **a copy** of the final research report to the Commission within **one year** of completion. The soft copy of the same should be submitted through the Online Research Information System.

BONIFACE WANYAMA
FOR: DIRECTOR-GENERAL/CEO

Copy to:

The County Commissioners
All Counties.

The County Directors of Education
All Counties.

National Commission for Science, Technology and Innovation is ISO9001: 2008 Certified

213

Appendix VII: Turntin Report

Turnitin Originality Report

- Processed on: 27-Sep-2018 11:01 EAT
- ID: 1009322502
- Word Count: 23547
- Submitted: 1

FIRM CHARACTERISTICS, INDUSTRY STRUCTURE, STRATEGY AND PERFORMANCE OF LAW FIRMS IN KENYA By Justry P. Lumumba Nyaberi

Similarity Index

13%

Similarity by Source
Internet Sources:
          10%
Publications:
          5%
Student Papers:
          6%

< 1% match (student papers from 05-Jul-2016)
Submitted to University of Nairobi on 2016-07-05
< 1% match (publications)
Koki F. Kinyanzui, George Achoki, Peter Kiriri. "Effect of Mobile Credit on Operational Efficiency in Commercial Banks in Kenya", Open Journal of Business and Management, 2018
< 1% match (Internet from 26-Nov-2017)
https://wbiworldconpro.com/uploads/melbourne-conference-2017-november/management/1510987962.pdf
< 1% match (Internet from 10-Jan-2018)
http://www.theijbm.com/wp-content/uploads/2015/11/32.-BM1510-054.pdf
< 1% match (student papers from 30-Dec-2016)
Submitted to St. Patrick's College on 2016-12-30
< 1% match (Internet from 02-Apr-2018)
http://www.ccsenet.org/journal/index.php/ijbm/article/viewFile/72266/40047
< 1% match (Internet from 26-Dec-2014)
http://www.jkuat.ac.ke/schools/shrd/wp-content/uploads/2013/10/Proceedings-of-1st-JKUAT-SHRD-Research-Conference.pdf
< 1% match (Internet from 14-Sep-2018)
https://www.cbmsbm.com/uploads/4/9/0/2/49020773/cbmsbm_full_proceedings_2017_uum.pdf
< 1% match (student papers from 05-Apr-2018)
Submitted to Mount Kenya University on 2018-04-05
< 1% match (student papers from 03-Mar-2005)
Submitted to International College of Hotel Management on 2005-03-03
< 1% match (Internet from 09-Mar-2016)

http://chss.uonbi.ac.ke/sites/default/files/chss/AGNES%20WANGUI%20KAGURI_0.pdf
< 1% match (Internet from 10-Apr-2014)
http://www.macduffmdgroup.co.za/p/613778/mac-duff-legal-
< 1% match (Submitted to Maastricht School of Management)
Submitted to Maastricht School of Management
< 1% match (student papers from 13-Jan-2011)
Submitted to Scotts College London on 2011-01-13
< 1% match (student papers from 26-May-2017)
Submitted to Regenesys Business School on 2017-05-26
< 1% match (Internet from 31-Aug-2018)
http://www.agba.us/pdf/2015-AGBA-Malaysia-Conference-Proceedings.pdf
< 1% match (Internet from 18-Mar-2016)
http://www.ijcbss.org/articles/ijcbss_v1_i1_1_17.pdf
< 1% match (Internet from 03-Jul-2018)
https://media.neliti.com/media/publications/78535-ID-studi-tentang-political-tie-pengaruhnya.pdf
< 1% match (Internet from 18-Oct-2017)
http://iiste.org/Journals/index.php/EJBM/article/download/38820/39922
< 1% match (Internet from 29-May-2010)
http://www.britishcouncil.org/ba/the_legal_profession__competition_and_liberalisation.pdf
< 1% match (Internet from 03-Dec-2017)
http://scholarpublishing.org/index.php/ABR/article/download/3104/1811
< 1% match (publications)
Wei Jiang. "Business Partnerships and Organizational Performance", Springer Nature America, Inc, 2014
< 1% match (Internet from 28-Aug-2018)
https://core.ac.uk/download/pdf/76593459.pdf
< 1% match (Internet from 16-Sep-2017)
http://eujournal.org/index.php/esj/article/download/9788/9292
< 1% match (Internet from 25-Feb-2017)
http://ijhssnet.com/journals/Vol_5_No_10_1_October_2015/19.pdf
< 1% match (Internet from 24-Dec-2017)
http://www.scienpress.com/Upload/JFIA%2fVol%207_1_3.pdf
< 1% match (student papers from 29-Jan-2016)
Submitted to Ghana Technology University College on 2016-01-29
< 1% match (Internet from 25-Dec-2016)
http://www.sciedu.ca/journal/index.php/mos/article/download/9966/6074
< 1% match (student papers from 23-Feb-2018)
Submitted to Kenyatta University on 2018-02-23
< 1% match (student papers from 17-May-2017)
Submitted to London School of Business and Finance on 2017-05-17
< 1% match (Internet from 22-Aug-2018)
http://mohammedmuigai.com/the-looming-danger-upon-the-kenyan-legal-profession/
< 1% match (student papers from 18-Jan-2013)
Submitted to University of Durham on 2013-01-18
< 1% match (student papers from 13-Feb-2018)
Submitted to Kenyatta University on 2018-02-13
< 1% match (Internet from 01-Jul-2003)
http://www.tuta.hut.fi/studies/Courses_and_schedules/Isib/TU-91.167/Old_seminar_papers/anttila_hannu.pdf
215

< 1% match (Internet from 02-Dec-2015)
http://www.researchgate.net/publication/228136632_Measuring_Organizational_Perf
ormance_as_a_Dependent_Variable_Towards_Methodological_Best_Practice
< 1% match (Internet from 07-Sep-2018)
https://www.tandfonline.com/doi/full/10.1080/1331677X.2018.1436454
< 1% match (student papers from 08-Jun-2017)
Submitted to Strathfield College Pty Ltd on 2017-06-08
< 1% match (Internet from 05-Jul-2017)
http://iiste.org/Journals/index.php/EJBM/article/download/37641/38726
< 1% match (student papers from 20-Mar-2018)
Submitted to Kenyatta University on 2018-03-20
< 1% match (student papers from 02-Apr-2011)
Submitted to Chancellor University on 2011-04-02
< 1% match (Internet from 08-Sep-2014)
http://nomy_n_5255825.htmlhuffingtonpost.ca/
< 1% match (Internet from 11-Mar-2016)
http://eprints.maynoothuniversity.ie/1516/1/RGalavanPhDThesis.pdf
< 1% match (student papers from 24-Nov-2017)
Submitted to Kenyatta University on 2017-11-24
< 1% match (Internet from 21-Jan-2018)
https://services.hbsp.harvard.edu/services/proxy/content/62216927/62216958/75ca
38cb9ea0c530a3a66c626b2da9de
< 1% match (publications)
Wei Wu. "An empirical examination of the corporate social performance – the
financial performance relationship in China based on the different measures
perspective", International Journal of Networking and Virtual Organisations, 2009
< 1% match (Internet from 16-Jul-2013)
http://vuir.vu.edu.au/19417/1/Hsun-I_Huang.pdf
< 1% match (Internet from 15-Feb-2017)
http://eprints.utas.edu.au/22880/2/Grimmer_whole_thesis_ex_pub_mat.pdf
< 1% match (Internet from 18-Aug-2017)
http://iassr2.org/rs/008.pdf
< 1% match (student papers from 16-Oct-2017)
Submitted to Mesa State College on 2017-10-16
< 1% match (student papers from 16-Aug-2018)
Submitted to Mount Kenya University on 2018-08-16
< 1% match (Internet from 04-Mar-2014)
http://aibuma.org/archive/journal/vol_three/PAPER%2010.pdf
< 1% match (Internet from 16-Feb-2017)
http://documents.mx/download/link/prod-ops
< 1% match (Internet from 10-Jul-2018)
http://actioncoachpjweiland.com/?tag=business-success
< 1% match (student papers from 26-Apr-2017)
Submitted to Kenyatta University on 2017-04-26
< 1% match (student papers from 06-Dec-2013)
Submitted to Arab Open University on 2013-12-06
< 1% match (student papers from 29-Jun-2009)
Submitted to University of Western Australia on 2009-06-29
< 1% match (Internet from 31-Aug-2018)
http://www.agba.us/pdf/2013-AGBA-thailand-proceedings.pdf
< 1% match (Internet from 23-Oct-2017)
http://www.macrothink.org/journal/index.php/ijafr/article/download/11518/pdf
< 1% match (student papers from 17-Nov-2015)

Submitted to Eiffel Corporation on 2015-11-17
< 1% match (Internet from 20-Jul-2018)
https://orbi.uliege.be/bitstream/2268/226473/1/DUBLIN_BOA_WEB.pdf
< 1% match (Internet from 21-Jun-2017)
http://www.emrbi.org/bop/EuroMed-7-2014.pdf
< 1% match (Internet from 02-Aug-2018)
https://lib.dr.iastate.edu/cgi/viewcontent.cgi?article=16085&context=rtd&httpsredir=1&referer=https%3A%2F%2Fwww.google.com%2F
< 1% match (Internet from 09-Sep-2018)
https://esource.dbs.ie/bitstream/handle/10788/525/ma_gros_ch_2012.pdf?seq=
< 1% match (Internet from 06-Nov-2012)
http://www.eurojournals.com/ejsr_42_4_06.pdf
< 1% match (Internet from 27-Jan-2010)
http://www.bm.ust.hk/mgto/staff/papers/Heli/Firm%20specific%20knowledge.pdf
< 1% match (Internet from 31-Mar-2015)
http://www.dtic.mil/dtic/tr/fulltext/u2/a096050.pdf
< 1% match (publications)
International Journal of Manpower, Volume 37, Issue 5 (2016)
< 1% match (student papers from 04-Oct-2014)
Submitted to Universiti Tenaga Nasional on 2014-10-04
< 1% match (student papers from 08-Aug-2018)
Submitted to Mount Kenya University on 2018-08-08
< 1% match (publications)
Edward Lee, Martin Walker, Cheng Zeng. "Do Chinese government subsidies affect firm value?", Accounting, Organizations and Society, 2014
< 1% match (publications)
Bradley Ewing. "Transmission of shocks among health care stock index returns", Applied Financial Economics Letters, 01/2008
< 1% match (Internet from 25-Apr-2016)
http://media.proquest.com/media/pq/classic/doc/3264251871/fmt/ai/rep/NPDF?_s=RdfignSuB9fiS812cht5cE3gpNk%3D
< 1% match (Internet from 13-Apr-2015)
http://brage.bibsys.no/xmlui/bitstream/handle/11250/222037/Master2014Olsen.pdf?
< 1% match (student papers from 24-Feb-2016)
Submitted to Kenyatta University on 2016-02-24
< 1% match (student papers from 07-Apr-2014)
Submitted to University of Keele on 2014-04-07
< 1% match (student papers from 11-Sep-2017)
Submitted to Mount Kenya University on 2017-09-11
< 1% match (student papers from 13-Nov-2012)
Submitted to Kensington College of Business on 2012-11-13
< 1% match (Internet from 26-May-2016)
http://www.scirp.org/JOURNAL/PaperDownload.aspx?downloadType=epub&paperID=43938
< 1% match (Internet from 02-Oct-2013)
http://sparc.nfu.edu.tw/~afl1/2006%20TESOL%20PAPER/%E5%8A%89%E5%86%A0%E9%BA%9F_%E8%AB%96%E6%96%87.doc
< 1% match (Internet from 17-Jan-2016)
http://www.gov.scot/Publications/2004/04/19210/35650
< 1% match (Internet from 09-Aug-2018)
http://www.bookpump.com/bwp/ASMT/2335098c.pdf
< 1% match (Internet from 04-Jan-2018)

http://uobrep.openrepository.com/uobrep/bitstream/10547/344604/1/alkhawaldeh2.pdf
< 1% match (publications)
"Marketing Dynamism & Sustainability: Things Change, Things Stay the Same…", Springer Nature America, Inc, 2015
< 1% match (publications)
"Strategy, Control and Competitive Advantage", Springer Nature America, Inc, 2014
< 1% match (student papers from 26-Oct-2017)
Submitted to Kenyatta University on 2017-10-26
< 1% match (student papers from 21-Aug-2018)
Submitted to Mount Kenya University on 2018-08-21
< 1% match (student papers from 28-Sep-2015)
Submitted to Strathmore University on 2015-09-28
< 1% match (student papers from 12-Dec-2005)
Submitted to University of Toronto on 2005-12-12
< 1% match (student papers from 21-Jan-2008)
Submitted to University of Wales Institute, Cardiff on 2008-01-21
< 1% match (student papers from 21-Jun-2012)
Submitted to University of Greenwich on 2012-06-21
< 1% match (Internet from 29-Apr-2015)
http://opus.bath.ac.uk/32060/1/UnivBath_PhD_2011_S_Nassar.pdf
< 1% match (Internet from 12-Aug-2012)
http://www.primejournal.org/BAM/pdf/2011/jul/Machuki%20and%20K'Obonyo.pdf
< 1% match (Internet from 25-May-2016)
http://ir.canterbury.ac.nz/bitstream/handle/10092/7799/PohYenNgID26818869.pdf?isAllowed=y&sequence=1
< 1% match (Internet from 18-Feb-2017)
https://pure.royalholloway.ac.uk/portal/files/20748380/2014caoyphd.pdf
< 1% match (Internet from 22-May-2009)
http://thesis.lib.ncu.edu.tw/ETD-db/ETD-search/getfile?URN=91423001&filename=91423001.pdf
< 1% match (Internet from 18-Mar-2008)
http://www.enef.group.shef.ac.uk/2007%20workshop%20papers/Georgiadis.doc
< 1% match (Internet from 25-May-2016)
http://www.fs.fed.us/rm/fire/wfcs/documents/era_pub.pdf
< 1% match (Internet from 20-Jul-2017)
http://docplayer.net/33706497-The-tuls-careers-guide.html
< 1% match (student papers from 02-Mar-2016)
Submitted to Saint Paul University on 2016-03-02
< 1% match (Internet from 27-Nov-2017)
http://www.casestudiesjournal.com/Volume%203%20Issue%2011%20Paper%202.pdf
< 1% match (Internet from 15-Jun-2018)
http://emrbi.org/wp-content/uploads/2014/09/euromed-6-2013.pdf
< 1% match (Internet from 16-May-2018)
http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.464.9940&rep=rep1&type=pdf
< 1% match (Internet from 13-Mar-2017)
http://www.virtusinterpress.org/IMG/pdf/COC__Volume_7_Issue_2_Winter_2009_-2.pdf
< 1% match (Internet from 18-Apr-2016)
http://www.theijm.com/vol3issue2/1.372.pdf
< 1% match (Internet from 08-May-2016)

http://macrothink.org/journal/index.php/ajfa/article/download/9319/7640
< 1% match (publications)
Jeen Wei Ong, Hishamuddin Bin Ismail, Gerald Guan Gan Goh. "The Competitive Advantage of Small and Medium Enterprises (SMEs): The Role of Entrepreneurship and Luck", Journal of Small Business & Entrepreneurship, 2012
< 1% match (publications)
Schneider, Gary P.. "MANAGER BEHAVIOR IN A BALANCED SCORECARD ENVIRONMENT: EFFECTS OF GOAL SETTING, PERCEPTION OF FAIRNESS, REWARDS, AND FEEDBACK.(Abstract)", Academy of Accounting and Financial Studies Journal
< 1% match (publications)
Drogendijk, Rian. "Psychic distance, innovation, and firm performance.(RESEARCH ARTICLE)(Report)", Management International Review
< 1% match (publications)
Simani, Wamalwa Lucy. "TQM PERSPECTIVES UNDER THE COMPETITIVE STRATEGIES AND THE ORGANIZATION PERFORMANCE IN KENYAN MANUFACTURING SECTOR.(Total quality management)(Report)", Academy of Strategic Management Journal
< 1% match (Internet from 14-Sep-2018)
http://erepository.uonbi.ac.ke/bitstream/handle/11295/93718/Gatete%20Alice_%20The%20effect%20of%20bank%20size%20on%20profitability%20of%20commercial%20banks.%20pdf?sequence=3
< 1% match (Internet from 19-Aug-2018)
https://pdfs.semanticscholar.org/3eee/263468913d87e763bf82f9f07009a060ac9b.pdf
< 1% match (Internet from 13-Aug-2018)
http://www.theibfr.com/ARCHIVE/ISSN-1941-9589-V6-N1-2011.pdf
< 1% match (Internet from 07-Sep-2017)
http://www.iiste.org/Journals/index.php/JEDS/article/download/38381/39457
< 1% match (Internet from 04-Apr-2016)
http://edepot.wur.nl/292634
< 1% match (Internet from 30-May-2018)
http://www.ijmbs.com/24/aremu.pdf
< 1% match (Internet from 17-Jul-2018)
http://docshare.tips/ncss-4_576250c3b6d87ff9888b4951.html
< 1% match (Internet from 31-Aug-2017)
http://wlv.openrepository.com/wlv/bitstream/2436/298090/1/Thesis_Aurelian_Mbzibain_resubmission+18_02_2013+finalx.pdf
< 1% match (Internet from 27-Jun-2018)
http://erepository.uonbi.ac.ke/bitstream/handle/11295/21743/Ongwae.pdf?sequence=1
< 1% match (Internet from 06-Jul-2018)
http://www.ccsenet.org/journal/index.php/ijef/article/download/57711/32199
< 1% match ()
http://hdc6.hha.dk/udr/index/mathews/WP17.pdf
< 1% match (Internet from 14-Jun-2014)
http://www.heracleous.org/uploads/1/1/2/9/11299865/chapter_1.pdf
< 1% match (Internet from 22-May-2015)
http://ijern.com/journal/2015/April-2015/47.pdf
< 1% match (publications)
Rifat Kamasak. "Firm-specific versus industry structure factors in explaining performance variation", Management Research Review, 2011
< 1% match (publications)

Enrico Guarini, Anna De Toni, Cinzia Vallone. "An Anatomy of Governance Failures in Municipal Bankruptcy", Emerald, 2015

< 1% match (Internet from 08-Apr-2018)
http://chss.uonbi.ac.ke/sites/default/files/chss/project%20Farah.pdf

< 1% match (Internet from 01-Nov-2016)
http://www.omicsonline.com/open-access/impact-of-structural-firm-characteristics-on-business-performance-ofsmes-evidence-from-agribusiness-firms-in-dar-es-salaam-tanzani-2223-5833-1000246.php?aid=80696

< 1% match (Internet from 23-Sep-2017)
https://wbiworldconpro.com/uploads/berlin-germany-conference-september-2017/economics/1505105878.pdf

< 1% match (Internet from 12-Mar-2014)
http://nam.org.np/userfiles/Proceedings%20Vol_%201_2011_03_10-12.pdf

< 1% match (Internet from 30-Aug-2017)
https://etd.auburn.edu/bitstream/handle/10415/4232/Heyler%20Approved%20Dissertation.pdf?isAllowed=y&sequence=2

< 1% match (Internet from 12-Jul-2018)
http://www.iajournals.org/articles/iajpscm_v1_i3_12_27.pdf

< 1% match (Internet from 17-Sep-2018)
http://www.emrbi.org/bop2017.pdf

< 1% match (Internet from 05-Jan-2018)
http://www.esd-conference.com/upload/book_of_proceedings/Book_of_Proceedings_esdZagreb_2017_Online.pdf

< 1% match (Internet from 05-Jul-2018)
https://www.omicsonline.org/open-access/assessing-influence-of-firm-characteristics-on-the-effect-of-mobile-phone-services-on-firm-performance-.php?aid=17215&view=mobile

< 1% match (Internet from 17-Feb-2012)
http://www.aibuma.org/proceedings2011/aibuma2011-submission230.pdf

< 1% match (Internet from 30-Jun-2013)
http://aucklandlawfirm.co.nz/tag/inland-revenue-department/

< 1% match (Internet from 31-May-2018)
https://pure.royalholloway.ac.uk/portal/files/23098935/2014shahnphd.pdf

< 1% match (Internet from 27-Jan-2018)
https://files.eric.ed.gov/fulltext/EJ1093763.pdf

< 1% match (Internet from 03-Jun-2017)
http://www.ijbhtnet.com/journals/Vol_7_No_1_March_2017/1.pdf

< 1% match (Internet from 24-Oct-2017)
https://espace.library.uq.edu.au/data/UQ_370317/s4215612_phd_submission.pdf?Expires=1508921950&Key-Pair-Id=APKAJKNBJ4MJBJNC6NLQ&Signature=PIA3vtCEvykjNhhaSWd~GD4zaYVqiNN5P4pdTSXwKs477914cXseELeLss3zt8HZAiwFYhuLMrujhzFJ5WJ4IUMnL1khgRdLD~cng7Lr8W1gkh8o~CUYKmrvAiwdo3JZZCeYbkrgMjXdCKeczbZH7N8wnQPisv4zB4Ranu2VNi28gGpcBK-bl5g-DwFn~-rpcy6Z0Q3mi97qGhCbrAHtdsHHaR3aoHzEPOK7UMS4JSr5lcO490a4Vfr52yItoxnbFlxluSKyi6NF-OUf9iyOx8zPtvBFGIN9qOU0B5fSrGN3f3sJorqzs3Lk0r7Vtc-91O5WZ24UWBZv-HNE4uw-Zg

< 1% match (Internet from 12-May-2018)
http://lib.dtc.ac.th/ebook/BusinessAdmistration/HRM.pdf

< 1% match (Internet from 27-Mar-2018)
https://www.emeraldinsight.com/doi/full/10.1108/00251741311309670

< 1% match (Internet from 23-Apr-2014)

http://etheses.jimhalltracktime.com/
< 1% match (Internet from 08-Aug-2018)
https://onlinelibrary.wiley.com/doi/pdf/10.1002/sej.1126
< 1% match (Internet from 29-Jun-2009)
http://web.gsm.uci.edu/~wiersema/Measurement.pdf
< 1% match (Internet from 16-Sep-2012)
http://scholarsbank.uoregon.edu/jspui/bitstream/1794/12255/1/Fergerson2012.pdf
< 1% match (Internet from 10-Sep-2014)
http://www.asac.ca/files/vol-32,-
2011/Entreprenuer%20and%20Family%20Business.pdf
< 1% match (Internet from 15-Mar-2015)
http://www.slideshare.net/sitirizkymardhani/strategic-management-19302837
< 1% match (Internet from 28-Aug-2018)
http://jsrad.org/wp-content/2015/Issue%2013,%202015/28jj.pdf
< 1% match (Internet from 13-Dec-2014)
http://mpra.ub.uni-muenchen.de/59717/1/MPRA_paper_59717.pdf
< 1% match (Internet from 13-May-2018)
http://www.ippa.org/images/JOPP/vol14/issue3/Article_3.pdf
< 1% match (Internet from 25-Sep-2018)
https://onlinelibrary.wiley.com/doi/full/10.1002/smj.2199
< 1% match (Internet from 26-Sep-2018)
https://mro.massey.ac.nz/bitstream/handle/10179/7184/02_whole.pdf?isAllowed=y
&sequence=2
< 1% match (publications)
J. Ihemezie Eberechukwu, N. Onunka Cynthia, P. Nnaji Amaka. "Drivers and
socioeconomic factors influencing individual and household adaptation to climate
change: A case study of residents of Leeds, UK", Journal of Development and
Agricultural Economics, 2018
< 1% match (publications)
Elisa Menicucci. "Exploring forward-looking information in integrated reporting",
Journal of Applied Accounting Research, 2018
< 1% match (publications)
"Making European Merger Policy More Predictable", Springer Nature America, Inc,
2005
< 1% match (publications)
Ogbonmwan, Kingsley Osas. "MAPPING THE PERCEIVED ROLE OF STRATEGIC
HUMAN RESOURCE MANAGEMENT PRACTICES IN SUSTAINABLE COMPETITIVE
ADVANTAGE.(Report)(Abstract)", Academy of Strategic Management Journal