Strategic Orientation and Organizational Performance: Evidence from Rotary Clubs in Kenya

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Abstract Rotary Clubs are crucial for attaining social and economic development and changing people's lives in Kenya. The survival of Rotary Clubs is therefore important to social economic development in Kenya. A not-for-profit organization, Rotary International sets the general framework for Clubs to operate in. Strategies adopted at the international and local level influence the organizational performance of Rotary Clubs. The past ten years has seen dissolution of several Rotary Clubs in Kenya for poor performance. The aim of the current study was to examine the effect of strategic orientation on the organizational performance of Rotary Clubs in Nairobi City County. The study was based on the resource-based theory, the dynamic capability theory, institutional theory, and resource dependency theory. The study adopted a descriptive cross-sectional study design to simultaneously investigate the research questions. A sample size of 314 selected from a total population of 1729 Rotarians from 41 Rotary Clubs in Nairobi City County. Sampling was done using proportionate stratified and random sampling techniques to ensure all Rotarians had an equal chance to be selected. Primary data was collected using semi-structured questionnaires and key informant interviews and the results were analyzed using quantitative and qualitative analysis techniques. Secondary data was collected from journals, articles and reports from Rotary Clubs, District 9212 and Rotary International. Thematic interpretation of the qualitative data was done, and this data was used to supplement interpretation of quantitative data. The study findings revealed that strategic learning orientation, strategic technology orientation, strategic entrepreneurial orientation and strategic market orientation all influence organizational performance of Rotary Clubs in Nairobi City County. The study recommends that Clubs should provide training opportunities to help create awareness and foster a positive attitude towards the role of research and development that incorporates technology. This in addition to creating forums for members to share experiences and leverage technology to improve performance of Clubs to increase their contribution to local economies.

Keywords: strategic technology orientation, strategic learning orientation, strategic entrepreneurial orientation, organization performance: rotary clubs, rotarians


1. Introduction

Strategic orientation is a key factor in the success of organizations. In not-for-profit organizations (NPOs), strategic orientation is based on their distinctive traits. Their main distinctive feature is the pursuit of social, cultural, or environmental goals rather than financial gain. This in turn affects their strategic orientation and amplifies the value of stakeholder participation in determining their strategic direction. It is critical for an entity to match its organizational objectives, resources, and operations to the environment outside the organization as well as to its own capabilities [1].

In 1960s and 1970s, NPOs started addressing structural problems and advocating societal change [2]. This in addition to tackling social, cultural, and environmental challenges. With broader goals, NPOs, face various difficulties including heightened funding competition, shifting donor expectations, and increased demand to show effect [3]. Due to such environmental changes, NPOs must create crystal-clear and successful plans if they are to accomplish their missions and promote societal change [4]. Within this context, NPOs must be aware of their distinctive qualities, interact with their stakeholders, and modify their tactics in response to changing environmental conditions [5].

The development of strategic management theory in NPOs demonstrates the rising appreciation of the significance of strategic orientation in this industry and offers a framework for NPOs to create successful and long-lasting strategies [3]. As an NPO, Rotary International operates and has influence worldwide. It sets the strategy for local Rotary Clubs and measures organizational performance in terms of financial resources, time invested in projects, membership retention and growth and number of trained people. This has expanded
to include extent of volunteer engagement, improved quality of life in served communities, individual and collective learning and growing outcomes among members and the success rate of implementing community service projects [6].

1.1. Statement of the Problem

In Kenya, some Rotary Clubs are performing poorly leading to their dissolution, despite the availability of support and assistance. District 9212 has dissolved thirty-five (35) clubs since 2001 due to poor performance [7]. The last ten (10) years nineteen (19) have been terminated and in 2023 alone there are three (3) so far that have been terminated [7]. Notably the performance requirements and measurement metrics for Clubs are identical across all clubs [6]. The good intent present when a club is established is aborted when the club is terminated. For sustainability, membership and ongoing projects from dissolved clubs are either reassigned or terminated. This negatively affects the pursuit of Rotary goals and objectives.

In practice, RCs are RI's subsidiaries, and this could cause them to pursue organizational strategic direction inefficiently, resulting in lower performance, derailment, or even dissolution. Further, information on the challenges, support, and assistance provided to RCs in Kenya and their influence is scanty. A record of these challenges encountered in implementing RI strategy and outcomes of the various interventions would serve as an important guide for both current and future RCs. It would direct RCs leaders to develop club specific strategic plans.

The strength of an association is linked to its most vulnerable issues. It is therefore necessary for Rotary to re-evaluate disparities between international strategic focus and local club implementation. There is limited research and data on the disparity between strategic implementation at RI level and RCs orientation to this strategy. Therefore, this study aimed at examining the effect of strategic orientation on the organizational performance of Rotary Clubs in Nairobi City County.

1.2. Objectives of the Study

To guide the study, the following objectives were adopted:

a. To assess the relationship between strategic market orientation and performance of Rotary Clubs in Nairobi City County, Kenya.

b. To investigate the effect of strategic technology orientation on the performance of Rotary Club’s in Nairobi City County, Kenya.

c. To determine the effect of strategic entrepreneurial orientation on performance of Rotary Clubs in Nairobi City County, Kenya.

d. To examine the connection between strategic learning orientation and performance of Rotary Clubs in Nairobi City County, Kenya.

2. Review of Literature

2.1. Theoretical Review

This part examines the comprehensive analysis of the theoretical and empirical literature on strategic market orientation, strategic technology orientation, strategic entrepreneurial orientation, strategic learning orientation and organizational performance.

2.2. Theoretical Framework

2.2.1. Resource-Based Theory

Edith Penrose introduced Resource-Based Theory (RBT) in the book "The Theory of the Development of the Company" [7]. The theory suggests that an organization’s strategic orientation is based on the specific resources and skills it possesses [7]. An organization that possesses resources that are valuable, uncommon, unique, and non-replicable will have an advantage over competitors and will be more likely to adopt a differentiation strategy [8]. According to this internal talents and resources of the company as a source of competitive advantage. It implies that an organization's distinctive assets and skills may help it gain a lasting competitive edge over rivals [9].

This theory can be used to explain strategic direction in an organization's identification of critical resources. The theory suggests that businesses should discover their most valuable assets and special skills that make them tough for rivals to duplicate. The foundation of the organization's strategic direction can then be built on these assets and talents [8]. Organizations should concentrate on creating value by utilizing their abilities and resources as effectively as possible. Organizations can efficiently create value by matching the organization's resources and skills with its strategic orientation. Efficient use of assets and competencies to create competitive advantage includes investing in the growth and development of important resources and competencies [10].

According to this theory, businesses should integrate their resources and capabilities to develop synergy and gain a competitive edge. This creates a clear strategic orientation that matches the resources and capacities of the organization with its ultimate goals. For Rotary, this begins with the identification of its strategic resources followed by most efficient utilization to create value. This coupled with investing in the growth and development the resources and competencies. This approach should be cascaded to all Rotary Clubs for better performance. This theory links performance of Clubs and their ability to utilize their unique resources to increase performance.

2.2.2. Dynamic Capability Theory

The Dynamic Capability Theory (DCT) is a management theory describing the capacity of a company to adapt to changing circumstances and maintain its competitiveness through time. The main proponent of this theory is David Teece, the University of California, Berkeley, professor of business administration in a paper titled "Dynamic Capabilities and Strategic Management" from 1997 [11]. Dynamic competencies are essential for long-term success in a business in a rapidly changing environment. According to this theory, for organizations to continue being successful, they must constantly acquire and incorporate new abilities, information, and resources. This implies that to sustain success, businesses must
continuously acquire and incorporate new abilities, information, and resources [12].

The abilities include the capacity to recognize environmental alterations, seize chances, and adjust resources and capabilities to address emerging difficulties [13]. This theory has been adopted in strategic management, entrepreneurship, and innovation. NPOs can greatly benefit from the application of this theory and accomplish their objectives with ease by creating and integrating new capabilities [14]. As organizations, NPOs are greatly influenced by their political social, economic, technological, and environmental landscape. The capacity to detect environmental changes is a crucial component of the dynamic capability theory. NPOs can stay ahead of the curve by detecting, recognizing these changes early, adapting fast and pro-actively.

The capacity to seize opportunities is another way in which this theory can influence strategic orientation of NPOs. NPOs must be able to spot and seize fresh possibilities as they present themselves [13]. This could entail creating fresh initiatives, new business relationships, or adopting technology. Taking the Covid-19 pandemic as an example, it caused social and economic lives of many people all over the world and created huge social and economic gaps that governments alone could not fill [15]. NPOs which recognized these needs, responded by for instance creating partnerships including with governments therefore increasing their influence in the society.

In adapting their resources and capacities to emerging challenges, NPOs must reorganize their operations, obtain fresh assets, or acquire new skill sets. To achieve this, NPOs can improve their agility, adaptability, and innovation by incorporating DCT into their strategic orientation [13]. This way, they are better positioned to complete their tasks and better capable of responding to changes in their environment [11]. In this context, the pretexts of DCT were used to measure how Rotary is responding to the current or anticipated changes in its environment on market, technology, entrepreneurialism, and learning all fall under the heading of strategic orientation.

2.2.3. Institutional Theory

This theory was created by W. Richard Scott and John W. Meyer. In the article by Meyer and Rowan titled "Institutionalized Organizations: Formal Structure as Myth and Ceremony," published in 1977 [16], the authors contended that institutional norms and expectations affect formal organizational structures and processes. Organizations adopt such structures and processes to obtain legitimacy and comply with institutional expectations. Under the theory, norms, and values of the larger institutional setting where an organization operates, influence the direction of its strategy. Consequently, a company could have a strategic orientation emphasizing sustainability, if for instance it operates in a sector where environmental sustainability is prized [17].

Under this theory, institutional environment influences organizations’ expectations, values, and norms. This means that organizations may utilize tactics and methods because they are viewed as legitimate and in line with institutional standards rather than necessarily because they are the most successful [18]. This theory explains why it's important for organizations to adhere to the rules and values of their institutional context. The theory further asserts that companies may become isomorphic with their institutional environment. This means that organizations may follow identical strategies and practices to other organizations in their industry or sector, regardless of how effective they are.

Institutional factors like legal obligations, cultural norms, and ethical standards affect organizations [16]. These may influence the adoption of appropriate strategies and procedures for institutional setting. Consequently, organizations may use specific practices and techniques to achieve approval and legitimacy from their institutional context without considering their effectiveness [16]. For Clubs the institutional theory may influence their strategic orientation by influencing their expectations of the institutional environment set up by RI. Some techniques and practices adopted in line with institutional (RIs) expectations may not be the most productive for Clubs. In this study, institutional theory was the basis to argue for or against the extent to which performance metrics of the RI match the Clubs’.

2.2.4. Resource Dependency Theory (RDT)

The major proponents of this theory are Jeffrey Pfeffer and Gerald Salancik in their 1978 book "The External Control of Organizations: A Resource Dependence Perspective". In the book, Jeffrey Pfeffer and Gerald Salancik discussed companies’ resource dependence [19]. The theory postulates that companies’ survival and success are dependent on outside resources like suppliers, clients, and governmental bodies. As a result, an organization must adjust to the needs and expectations of its resource providers to keep accessing those resources, generating a power imbalance between the organization and its external environment [20].

Effective allocation of resources enables an organization to control external reliance. However, acquisition of access to crucial resources, may require organizations to establish alliances, partnerships, and collaborations with resource third parties such as suppliers consequently creating power dynamics with significant role in determining their strategic orientation. Unfortunately, even if these tactics are not the most productive, organizations may need to modify their practices and strategies to keep access to crucial resources [20]. Organizations must therefore constantly monitor their external environment for the benefit of their operations.

Foreseeing external environmental changes may entail keeping an eye on the behavior of stakeholders such as competitors and regulators [21]. Identification and recognition of changes in behavior provides an organization with an opportunity to respond proactively and timeously. It is also an opportunity to put responsive mechanisms in place. Rotary Clubs must be aware of the power dynamics in their external environment since their strategic orientation is influenced by their relationships with stakeholders such as beneficiaries. RDT was used to premise strategic market orientation at Rotary Clubs. The theory highlights the importance of managing external dependencies in shaping strategic orientation.

2.3. Empirical Literature Review
2.3.1. Strategic Performance Orientation of Organizations

The idea of strategic orientation has attracted a lot of interest regarding company management. In 2020, a study titled ‘regulation of non-financial reporting and issues with sustainability disclosure and corporate governance procedures’ revealed that organizations with a strategic orientation prioritize proactive decision-making and long-term planning [22]. Previously in 2019, a study titled ‘When do dynamic skills result in an advantage over competitors? The value of strategic alignment’, had revealed that strategy orientation focuses on aligning an organization's resources, capabilities, and objectives to gain competitive advantage over the competition [23].

In retrospect, there are two components to strategic orientation approach to organization and business management: a perspective on long term and making decisions proactively. This is predicated on the notion that businesses and organizations should coordinate their resources, goals, and capabilities to maintain competitive advantage. Strategic orientation is supported by three main components: customer, competition, and technology orientation. This position is supported by Bratt, Sroufe, and Broman [24] in their paper titled ‘Implementing Strategic Sustainable Supply Chain Management. The components of strategic orientation play various roles in organization management.

Customer orientation focuses on comprehending customer demands and preferences by understanding their purchasing habits, expectations, and beliefs. In 2021, a study by Lieshout, et.al, titled ‘A model for sustainable development through stakeholder engagement: Integrating corporate sustainability, innovation strategy, and strategic orientation’, revealed a favorable effect on customer satisfaction because businesses with strong strategic orientations tend to be more customer focused. Competition orientation calls for understanding advantages and disadvantages of competitors as supported by a study by [25]. Competition orientation analyzes competitive environment, identifies challenges and opportunities, then develops competitive advantage plans.

Technology orientation focuses on technologies that enhance organizational performance. Technology orientation focuses on adopting and using new technologies to increase organizational performance and efficiency [26]. This benefits both the financial performance and innovation aspects of an organization, ultimately increasing customer satisfaction. Businesses with strong strategic orientation typically outperform those that do not. Organizational success including financial performance, innovation, customer, and employee satisfaction have all been shown to benefit from strategic orientation. Chaudhry, Aftab, Arif, Tariq, and Room [27] reported that customer focused strategy, human resource management and innovation capacity are mediating factors to financial success in firms.

2.3.2. Strategic Market Orientation and Organizational Performance

Strategic market orientation refers to the level to which a business concentrates on customer needs, competition actions, and market trends when creating and implementing its strategy. On the other side, organizational performance relates to how well a company meets its goals and objectives, both financial and non-financial [28]. Under RBT perspectives, an organization's resources and competencies are the main factors that determine its edge over competitors and long-term success. A study by Frey Trenz and Veit [29] revealed that by leveraging its unique resources and competencies, an organization can create value for its clients, achieve cost effectiveness, and set itself apart from rivals.

The organization’s capacity to match its resources and expertise with the goal of achieving their objectives and creating value for their clients who are their principal stakeholders [30]. Human resources with required competence are key to achieving an organizations’ goals. Market orientation enables an organization to quickly adapt to and respond to changes in its environment. In 2020, a study by Ferreira, Coelho, and Moutinho [31], revealed that market orientation enables a company to adjust to environmental changes more quickly. Such adjustments make it possible for the company to keep its competitive advantage and succeed eventually, as demonstrated by a study by Abdeldayem and Aldulaimi [32].

In summary, the reviewed literature shows a positive relationship between strategic market orientation and organizational efficiency. Organizations that are strategically oriented towards their market tend to be more efficient. This is because they can align their resources and competencies towards achieving their goals and creating value for their customers. As confirmed in a study by Alerasoul, Afeltra, Hakala and Strozzi [33], they can adapt more efficiently to environmental changes and get a competitive edge and prosper over the long term in their market.

2.3.3. Strategic Technology Orientation and Organizational Performance

Through strategic technology orientation, organizations can use technology to accomplish their strategic objectives. This comprises developing competence in technology management and innovation as well as employing technology as a strategic resource. A study by Venkat, Anand and Varun [34] shows that there is a connection between organizational effectiveness and strategic technology orientation since technology has become a more significant driver of organizational efficiency and competitiveness. Findings by Hanelt, Bohnsack, Marz and Antunes [35] revealed that organizations with a strategic focus on technology are more effective than those without one. This orientation increases the firm’s capacity to adopt technology management and innovation Scott, Laura, Timothy & Rajendra, [36].

Technology has the capacity to automate procedures, save time, cut costs, and boost production. Research shows a company that invests in automation technologies can increase process accuracy and speed while reducing its reliance on manual labor [37]. This may lead to reduced costs and increased effectiveness. For instance, digital marketing relies on technology to engage customers in fresh and creative ways, reaching a larger audience. Furthermore, research shows that strategic technology orientation may make it easier for a company to adopt and respond quickly to environmental changes.
Technology provides an opportunity to innovate and create new goods and services to satisfy consumer needs. Organizations capable of keeping up with technological breakthroughs can acquire a competitive advantage because technology is always changing. However, there is no universal strategy for the relationship between organizational efficiency and strategic technology focus [39]. Organizations must consider their specific needs, capabilities, and resources as a business in determining how to use technology to increase their organizational efficiency. As reported by Yue, Liu and Liu [40] enterprises must carefully consider the results they want, then integrate their IT strategy with their overall business plan.

### 2.3.4. Entrepreneurial Orientation and Organization Performance

There are several ways to encourage entrepreneurship in the workplace to improve organizational performance. A study on development of new products and services was highlighted as having a mediating effect on the relationship between organizational creativity and performance services to meet the changing needs and preferences of customers [41]. Businesses can increase sales and gain a competitive advantage by developing new products and services. For instance, Apple's creation of the iPhone changed the mobile phone market allowing the business to capture and hold a substantial market share. Entrepreneurship orientation incorporates creativity and innovations drives organizational effectiveness according to Ahmed, Mozammel and Zaman [42]. However, creativity and innovation are not the same. Creativity focuses on the creation of unique, practical ideas while innovation focuses on development and use of creative concepts, techniques, and products. A study by Huang, Liu and Liu, [40] revealed that organizations that intentionally prioritize creativity and innovation perform better than those that don't. Innovation and creativity often result in new products and services that meet changing client needs and preferences.

Businesses can increase sales and gain a competitive advantage by developing new products and services [41]. Organizations may further use creativity and innovation to create novel business plans that would benefit its stakeholders and clients. A study by [43] has shown that organizations may boost their profitability and competitiveness by coming up with novel, innovative ways to develop and capture value. According to Singh, Vijay and Kumar [44] an organization's innovation and creativity strategy must be in line with that plan to support its larger business strategy and accomplish its strategic objectives.

### 2.3.5. Strategic Learning Orientation and Organizational Performance

Strategy learning orientation is related to organizational performance. Learning is the process of creating and carrying out performance measurements, targets, and goals, as well as monitoring and evaluation of performance against predetermined benchmarks, and subsequent adjustments to fill the gaps [45]. Organizations that prioritize strategy learning management usually outperform those that do not. According to a study by [46] has shown that strategy performance management enables businesses to pinpoint areas for improvement, link operations to overall goals, and make fact-based decisions. This is what is referred to as being a learning organization. Learning management provides a framework for continuous development that can raise organizational effectiveness. According to Mbore and Cheruiyot, [47] organizations can identify areas for improvement and implement necessary changes by routinely monitoring and analyzing performance against performance measures. Regular assessments can assist in identifying inefficiencies allowing adoption of responsive adjustments. A detailed learning management plan referencing best practices and expertise can be incorporated in a performance management strategy. This can also boost creativity and productivity. Jelonek and Wach [48] found that setting performance benchmarks and targets allows organizations to increase their performance.

Rodriguez and Walters [49] report that quality and relevance of learning measures, goals, and targets determine how well an organization is oriented to learning and how this would subsequently improve its efficiency and performance. Hence, and as supported by a study done by Atay and Kesten [50] organizations must carefully develop and use performance metrics that are consistent with their strategic goals and serve as the main drivers of organizational performance. Organizations must ensure they have the necessary skills and abilities to implement learning orientation for efficiency in performance. Building a culture of performance management, investing in infrastructure and technology, and honing necessary abilities are all essential for this.

### 3. Research Methodology

The study adopted a cross sectional descriptive research design [51]. This methodology was appropriate since it allowed the gathering of data from Rotarians all at once and enabled the description of prevalent or distribution of a specific trait or result in the population [52]. Specifically, it made it easier to pinpoint the traits of the variables under investigation, the potential relationships between them and within the same period. A sample size of 314 from a population of 1,729 Rotarians in 41 Rotary Clubs in Nairobi City County was selected as supported by Mugenda and Mugenda [53]. Sampling was done using proportionate stratified and random sampling techniques to ensure all Rotarians had an equal chance to be selected. Reliability test for the variables and questionnaires was done and assessed using the Cronbach alpha value and items equal to or higher than 0.7 were kept and those with lower scales removed [54]. Primary data was collected using questionnaire and analyzed using correlation and regression analysis.

### 4. Findings

On the objective of assessing the relationship between strategic market orientation and performance of rotary clubs in Nairobi City County, the study shows that Rotary Clubs in Nairobi City County have adapted to changing market conditions and new trends allowing them to be culturally sensitive and responsive to their environment of operation. According to Mercer, NPOs can improve their
performance by ensuring their interventions align with regional customs and traditions and placing a high value on cultural sensitivity and understanding [55]. Rotary Clubs incorporate stakeholder’s feedback reflecting their commitment to stakeholder engagement and recognition of the value of their input in shaping decisions and actions. Holbeche argues that NPOs need flexibility in adopting and modifying their tactics in response to changing environments [56].

The study data reveals that Rotary Clubs actively seek and partner with complementary entities in achieving their goals. Through continuously improving their programs, Clubs foster connections, trust and raises stakeholder satisfaction in Rotary and their goals. To the Clubs this is the benefit and value of collaboration. Collaboration with other organizations including community leaders allows NPOs to build trust, leverage local experience, and create synergy, through collaboration between a non-profit organization and other organizations, governments, leaders of the community, and other stakeholders [57].

Noting the reliance on members and volunteers to achieve their objectives, Rotary Clubs have invested in relationships and connections between themselves and stakeholders. By fostering greater relationships, NPOs increase participation, and guarantee direct alignment of their activities with the needs and expectations of the communities they serve by tailoring interactions and support to match the needs of stakeholders [58]. This is supported by constant communication and feedback channels to monitor stakeholders’ changing demands and make necessary adjustments [59].

On the effect of strategic technology orientation on performance of Rotary Club’s in Nairobi City County, Kenya, the study showed that although desirable idea, clubs were not conducting periodic research. Specifically on adoption of technology for service delivery. Developing technological initiatives requires thorough understanding of their unique context and demands [60]. A dedicated team is critical in assisting organizations prioritize and offer guidance. The study showed that Clubs did not have such teams suggesting an existential operational gap. Specialized teams offer concentrated R&D experience, assisting firms in determining pertinent research topics and coordinating them with the overall objectives [61].

Clubs have deployed Information Technology (IT) in the implementation of their objectives. However, such efforts could be extended to exploration of new R&D initiatives. IT resources like communication software and collaborative platforms make it easier for organizations and their stakeholders to work together on research projects [62]. Technology could make it possible Clubs to share resources, data, and research findings effectively, promoting knowledge sharing and group learning [63]. The findings show that using IT, clubs can gather and evaluate data for innovation and insightful knowledge from stakeholders. IT enables collaboration that could promote exploration and adoption of novel solutions for Clubs [64].

The study objective of determining the effect of strategic entrepreneurial orientation on performance of Rotary Clubs in Nairobi City County, Kenya, focused on raising funds, a critical component of charitable organization. The data revealed that Clubs actively seek various alternative funding sources. This diversity is coupled with allocation of funds for creative projects that complement their major goals. Literature shows that organizations can reduce their financial risk and pursue entrepreneurial endeavors without having to depend entirely on traditional funding sources [65]. Diversification of funding is an avenue for Clubs to reduce their financial risk and ensure sustainability by availing funds for various projects.

For Clubs, diversification is coupled with compliance demands, reporting standards and accountability measures, forcing the Clubs to adjust fit the RI mission. Relatedly, Clubs were found to take calculated risks in scale successful projects, even if they require significant resources or investment. Notably, risk assessment and management play a crucial role in the successful scaling of projects in these Clubs. However, Clubs are limited in their ability to turn risks into new ways of offering services to their members. Risk is a component of finance. Overcoming resource constraints while keeping an entrepreneurial mindset maybe difficult and affect performance [66]. This requires responsive risk management strategies.

Training is an opportunity to communicate and demonstrate risk management. Having capacity-building and training activities, helps improve members’ ability to lead organizational activities [67]. This can boost clubs’ capacity to successfully leverage risks for innovation and risk-to-innovation. The study findings show that Clubs do not provide trainings, workshops, and resources for members. The data also indicate that most Clubs have organizational resilience strategies where they can plan for member training. This would enhance overall performance by increasing the Club’s capacity to take calculated risks while exercising caution. Encouraging a climate of creativity, adaptability, and successful projects is a boost to the entrepreneurial strategic orientation for NPOs [68].

Strategic learning orientation has an impact on performance of Rotary Clubs in Nairobi City County, Kenya. Obrenovic, et al. [69] found that learning-oriented organizations are typically more flexible and adaptive in their responses to changing conditions and community needs. This creates room for consistent performance since organizations can adjust easily to their environment. Learning orientation promotes information exchange among organization members which then develops teamwork and collective intelligence [70]. Applied strategically, learning orientation can help Clubs increase their efficiency and achieve higher levels of collective intelligence to better serve their communities.

Learning orientation requires consistent, systemic, and periodic review of organizational procedures. The study findings show that Clubs were not as aggressive in conducting systemic and periodic reviews of their procedures. Such reports would assist clubs in tracking the quantity and quality of their activities. A study by Alkire, et al., [71] on Transformative Service Research, Service Design, and Social Entrepreneurship, learning orientation can motivate RCs to experiment with new concepts, implement best practices, and use innovation in their service delivery because it is innovative, adaptable, and flexible. The study's findings indicate that Clubs their performance with the best practices in society.

From the study, creation and sharing of reports with lessons learnt and challenges experienced as an aspect of learning orientation is missing in Clubs. Relatedly,
maintenance and retention of critical institutional knowledge is crucial in ensuring performance of organizations. Maintaining institutional knowledge keeps club activities consistent and avoids interruptions that could impair organizational effectiveness [72]. Empirical literature shows that preserved institutional knowledge facilitates smooth leadership transition while preserving continuity in operations and strategy direction [15]. Therefore, knowledge retention would enable RCs to make well-informed decisions, which results in more successful plans and campaigns.

Literature show that RCs can evaluate their performance, pinpoint areas for development, and implement remedial measures when they do regular tracking [73]. Monitoring output quality guarantees meeting set requirements and raising the standard of services offered by Clubs. It also helps in assessing the impact of the initiatives and provides information for future planning aimed at enhancing performance [74]. Based on these findings, Clubs can increase their creativity by having a feedback loop for ongoing development. This could help them identify best practices and potential areas for innovation or change. Output data from tracking could be analyzed to contribute to performance improvement.

Evaluation of resource utilization and cost effectiveness is crucial in organizational performance. The boards are custodians of the Club’s resources, and they should be specifically trained to adopt austerity measures. The study findings showed that Clubs were committed to assessing their utilization of resources and focused on training their Boards to reach their objectives. Learning-focused clubs are better at handling change, which enable them to develop and stay relevant in their communities [75]. Clubs that supported learning orientation are more productive and efficient thereby improving their overall performance. The study findings are presented below.

4.1. Inferential Statistics

4.1.1. Correlation

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<td>Strategic market orientation</td>
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<td>Strategic technology orientation</td>
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<td>Strategic learning orientation</td>
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<td>Organizational performance</td>
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**. Correlation is significant at the 0.01 level (2-tailed).

Source: Survey data (2023)
Further, the study results revealed a high positive and statistically insignificant \((r=0.497; p<0.01)\) relationship between strategic entrepreneurial orientation and organizational performance. From this analysis strategic entrepreneurial orientation positively influences organizational performance and improving strategic entrepreneurial orientation would increase organizational performance. From the study, the relationship between strategic learning orientation and organizational performance is a high positive and statistically insignificant \((r=0.959; p<0.01)\). The findings show that strategic learning orientation positively influences organizational performance and improving strategic learning orientation would increase organizational performance. Table 1 presents the study results.

The key findings of the study suggest a strong positive correlation between strategic market orientation and organizational performance. The reported correlation coefficient \((r=0.929)\) indicates a high positive relationship between these variables. Additionally, the p-value \((p<0.01)\) being statistically insignificant suggests a high level of confidence in the observed correlation. This positive relationship was found in a study by Frey, Trenz, and Veit in 2019 which explored the relationship between strategic market orientation and organizational performance [29]. The results suggest that improving and investing in strategic market orientation might improve organizational performance which is consistent with the view that company strategy should match organizational operations to opportunities and market demands.

According to the study results, there is a high positive correlation \((r=0.847)\) between strategic technology orientation and organizational performance. This analysis implies that strategic technology orientation positively influences organizational performance suggesting that improving strategic technology orientation would lead to better organizational performance. The outcomes of the study are supported and given context by Hanelt et al.’s findings in 2021 which found that companies that strategically prioritize technology are more productive than those that don’t [35]. Strategic technology orientation is important for increasing efficiency, automating procedures, and eventually raising overall performance of the firm.

According to the study results, there is a high positive correlation \((r=0.497)\) between strategic entrepreneurial orientation and organizational performance. This analysis implies that strategic entrepreneurial orientation positively influences organizational performance suggesting that improving strategic entrepreneurial orientation would lead to better organizational performance. According to Linder and Cantrell (2019), businesses can become more profitable and competitive by coming up with creative and original methods for creating and capturing value [43]. Therefore, companies can improve their performance by encouraging an entrepreneurial mindset, innovation, and creativity, and coordinating these with the firm’s goals.

According to the study results, there is a high positive correlation \((r=0.959)\) between strategic learning orientation and organizational performance. This analysis implies that strategic learning orientation positively influences organizational performance implying that improving strategic learning orientation would increase organizational performance. A study by Berrone et al. found that businesses that prioritize strategic learning orientation outperform those that don’t attributing the success to making fact-based decisions, identifying areas for development, and connecting operations with overall goals. [46]. These results indicate that firms can improve their performance by giving strategic learning orientation top priority.

### 4.1.2. Regression Analysis

Under regression analysis, all independent variables strategic learning orientation (SLO), strategic entrepreneurial orientation (SEO), strategic technology orientation (STO) and strategic market orientation (SMO), were found to be statistically significant in predicting organizational performance. Holding all other factors constant, a unit increasing SMO increases organizational performance by .439 units. Holding all other factors constant, a unit increasing STO increases organizational performance by 1.393 units. Holding all other factors constant, a unit increasing SEO increases organizational performance by .731 units. Lastly, holding all other factors constant, a unit increasing SLO increases organizational performance by 1.593 units. The results are presented in the tables below.

<table>
<thead>
<tr>
<th>Table 2a. Model Summary</th>
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</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td>-------------------------</td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>a. Predictors: (Constant), Strategic learning orientation, Strategic entrepreneurial orientation, Strategic market orientation and Strategic technology orientation</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table 2b. Analysis of Variance</th>
</tr>
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<tbody>
<tr>
<td>ANOVA*</td>
</tr>
<tr>
<td>Model</td>
</tr>
<tr>
<td>Regression</td>
</tr>
<tr>
<td>Residual</td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td>a. Dependent Variable: Organizational performance</td>
</tr>
<tr>
<td>b. Predictors: (Constant), Strategic learning orientation, Strategic entrepreneurial orientation, Strategic market orientation and Strategic technology orientation</td>
</tr>
</tbody>
</table>

The study did multiple regression analysis between the study variables and the dependent variable. The study sought to determine the combined influence of study variables on the organizational performance at the Rotary Clubs. The results are presented in the model summary section in Table 2a. In the table, square was 1 implying that 100% of the variations in the organizational performance were attributed to the combined effect of the study variables.

For the analysis of variance, the multiple regression model was significant. The study variables of strategic learning orientation, strategic entrepreneurship orientation, strategic market orientation, strategic technology orientation have a significant role in predicting organizational performance. This is because the p-value was <.01 which is an indication that the data was ultimate for making an inference on the population parameters. This was interpreted to mean that the study variables statistically and
significantly predict organizational performance very well than the intercept only.

### Table 2c. Regression Coefficients

<table>
<thead>
<tr>
<th>Modell</th>
<th>Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>-1.056 .000</td>
<td>-1.459 14902121.809</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>Strategic market orientation</td>
<td>.439 .000 .581 22755093.775</td>
<td>.000</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>Strategic technology orientation</td>
<td>1.393 .000 -1.459 40836253.986</td>
<td>.000</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>Strategic entrepreneurial orientation</td>
<td>.731 .000 .369 27615778.686</td>
<td>.000</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>Strategic learning orientation</td>
<td>1.593 .000 1.576 53947243.657</td>
<td>.000</td>
<td>.000</td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: RCs Organizational performance

Table 2c shows that all variables were found to have a positive beta value apart. This means that all independent variables in the study were found to have a positive influence on the dependent variable, Club’s organizational performance. Holding all other factors constant, one unit increase in SMO causes an increase in organizational performance by .439 units. Holding all other factors constant, one unit increase in STO cause an increase in organizational performance by 1.393 units. Holding all other factors constant, one unit increase in SEO, cause an increase in organizational performance by .731 units. Lastly holding all other factors constant, one unit increase in SLO cause an increase in organizational performance by 1.593 units. The constant has a B value less than 0.0 (-1.056) showing the role of the four variables measured. This implies removing them would lead to decline in the performance of the Clubs.

By replacing the values in the model Y = β0 + β1X1 + β2X2 + β3X3 + β4X4 + ε, the study shows that:

$$\text{OP} = -1.056 + 0.439 \text{ (SMO)} + 1.393 \text{ (STO)} + 0.731 \text{ (SEO)} + 1.593 \text{ (SLO)} + \varepsilon$$

About SMO, a coefficient of 0.439 indicates that, while all other variables are held constant, there is a corresponding rise in organizational performance of 0.439 units for every unit increase in SMO. On STO, the coefficient of 1.393 suggests that, in contrast to SMO, STO has a greater effect on organizational performance. All other factors being equal, there is a more significant gain of 1.393 units in Organizational Performance for every unit increase in STO. With a value of 0.731, SEO has a favourable influence on organizational strategic orientation activity. Its effect, however, seems to be greater than SMO but lower than STO.

Conversely, out of the four orientations, SLO appears to have the greatest influence on Organizational Performance, as indicated by its coefficient of 1.593. Holding all other factors equal, there is a significant gain of 1.593 units in organizational performance for every unit rise in SLO.

The coefficients show how different orientations affect organizational performance to different degrees. SLO seems to have the biggest effect, with STO, SEO, and SMO following in declining order. These findings on differential effectiveness imply that, although all orientations have a beneficial influence on performance, Clubs may benefit most from investing in learning techniques, which are followed by technological, entrepreneurial, and market orientations.

The findings can help Clubs decide how to allocate resources and prioritize certain areas. Based on the coefficients, it would be more advantageous to emphasize learning tactics to improve performance. In terms of strategic focus, Clubs should consider enhancing programs that support education, technological integration, entrepreneurial thinking, and market response to improve overall performance. However, it is good to note that regression analysis shows correlations rather than causes.

Although there is a correlation between these orientations and performance, there may be other unmeasured factors at play. Further, the unique circumstances of Nairobi City County may have a varied effect on these linkages. The manifestation of these orientations and their effect on performance may be influenced by regionally specific factors. Moreover, bidirectional causality may exist. Better-performing clubs, for example, might be able to devote more resources to these orientations, which could influence the outcomes. Considering all orientations in a comprehensive manner and at a much broader context may result in the greatest overall performance gains for Rotary Clubs in Nairobi City County.

### 5.3. Conclusion

On strategic market orientation the study found that Clubs are adapting to changing market conditions and trends which affects their overall performance. Clubs incorporate stakeholders’ feedback into decision-making processes and actively seek and partner with complementary entities to meet their goals. In addition, Clubs develop services and activities in response to market needs. However, while some Clubs customize interactions and support to meet stakeholders’ needs others do not. On strategic technology orientation, most Clubs do not conduct periodic research for service enhancement and lack specialized teams for guidance in R & D which affects their performance. Clubs prioritize innovation to enhance operational efficiency.

On strategic entrepreneurial orientation, Clubs pursue alternate funding sources including having income generating activities for diversification. Clubs take calculated risks when investing in and scaling successful projects. Clubs with organizational resilience strategies require improvement to include member training to enable them a chance to leverage risk in service delivery whilst complying with RI standards. On strategic learning orientation, the study found that there was limited systematic and periodic reviews by Clubs on their procedures. Clubs lacked management reports on challenges and lessons learnt, denying them the chance to retain critical institutional knowledge. However, most Clubs assessed their performance against best practices in society.

Inferential statistics showed that all the study variables
are positively correlated to organizational performance of the Rotary Clubs even when considering their relationship with Rotary International. This means improving the components of the variables would lead to better organizational performance for Rotary Clubs. In addition, the study revealed that strategic learning orientation has the highest influence on organizational performance, followed by strategic technology orientation, then strategic entrepreneurial orientation and finally strategic market orientation.

Leaders in specific Clubs should consider harnessing strategic market orientation to enhance adaptive strategies. This would be through awareness campaigns and clear communication strategies that enlist the members’ understanding and increase stakeholders’ participation in the Club’s decision making. Provision and adoption of training opportunities would help create awareness of the Club objectives and activities. This would also foster a positive attitude towards the role of research and development that incorporates technology. Clubs should create platforms to allow, and provide opportunities for members to learn, use and exploit technology in the implementation of their goals.

Rotary Clubs should adopt knowledge management strategies including sharing reports about the management lessons and challenges to ensure continuous learning within the Club. To increase resource mobilization, Clubs should keep on identifying income generating activities that align with their overall goals. This should be coupled with leveraging on risks by turning them into new ways of offering services would help improve performance within the Clubs. Clubs should establish clear guidelines, definitive roles, and encourage member involvement in strategic planning, including establishment of dedicated committees or task forces to assess projects and programs’ effectiveness and relevance.

Rotary Clubs should ensure continuous alignment of their goals with those of their members. This should be followed with tracking the quantity and quality of the Club’s outputs in relation to resource utilization and cost effectiveness. To improve member participation, Clubs should create forums for them to express their views and concerns regarding the Club activities. They should encourage members to contribute insights and experiences to foster a culture of continuous learning and improvement.

5.1. Policy and Regulation Recommendations

Policy makers in Kenya should consider strengthening the policies and regulatory frameworks that guide the management of volunteer associations because of the key role they play in supporting the society. Regulatory frameworks like enacting laws to create Government-backed benefits such as tax reliefs for and social gains like including recognition of well managed clubs would be key in improving their management. Such efforts would encourage better management of member clubs further attracting and retaining membership.

The Government should establish a specific department to provide oversight. A scoring system would then be used to measure the performance of the Clubs and encourage good practices. For representation, clubs should form associations of likeminded organizations. The associations would allow the clubs benchmark and learn from each other. This will ensure that the organizations adopt and remain relevant to all those who joined and are able to attract people who are like-minded for the achievement of their goals. The Government should have standardized regulations and policies on how it engaged partners with stakeholders. In return, the Government could leverage on the membership to deliver much needed socio-economic benefits to the citizens.

Policy makers, specifically Rotary Club leaders in Kenya should consider harnessing strategic market orientation to enhance adaptive strategies. This would be through awareness campaigns and clear communication strategies that enlist the members understanding and support on matters of Rotary International. Leaders should increase stakeholders’ participation in the Club’s decision making. Clubs should provide and adopt training opportunities to increase awareness and create a positive attitude towards the role of research and development and incorporating information technology. Rotary Clubs should consider creating platforms that allow, and provide opportunities for members to learn, use and exploit technology in the implementation of their goals.

Clubs should create forums for members to share their experiences leveraging on information technology for implementation. Clubs should adopt knowledge management strategies focusing on sharing to ensure continuous learning for their members. To expand resource mobilization, Clubs should keep on identifying income generating activities that align with their overall goals. This should be coupled with leveraging on risks by turning them into new ways of offering services to help improve performance within the Clubs. Clubs should establish clear guidelines, definitive roles, and encourage member involvement in strategic planning, including establishment of dedicated committees or task forces to assess projects and programs’ effectiveness and relevance.

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5.2. Limitations and Future Research Direction

Although there is a correlation between these orientations and performance, there may be other unmeasured factors at play. In addition, the unique circumstances of Nairobi City County may have a varied effect on these linkages compared to other regions making the manifestation of the orientations and their effect on performance be influenced by regionally specific factors. Moreover, bidirectional causality may exist. Better-performing clubs, for example, might be able to devote more resources to these orientations, which could influence the outcomes. Considering all orientations in a comprehensive manner and in a much broader context may result in the greatest overall performance gains for
Rotary Clubs in Nairobi City County.

Noting the limitations of the current study, the research would like to recommend some areas for further study including a study on the strategic orientation and performance of Rotary Clubs in other parts of the country as well as other volunteer-based organizations. It also recommends a study on the relationship between strategic orientation and performance in the other specific organizational departments such public relations and branding, finance, and project management.

References


