THE INFLUENCE OF FIRM AGE ON THE RELATIONSHIP BETWEEN MARKET ORIENTATION AND PERFORMANCE OF PRIVATE SECURITY FIRMS IN KENYA

Onditi Evans Ojiambo ✉

School of Business, Department of Business Administration, University of Nairobi, Kenya

evans1982@uonbi.ac.ke

Kibera N. Francis

Professor of Strategic Marketing Management, School of Business,

Department of Business Administration, University of Nairobi, Kenya

Aranga M. Joseph (The late)

Lecturer, School of Business, Department of Business Administration,

University of Nairobi, Kenya

Iraki X. N.

Associate Professor, School of Business, Department of Management Science,

University of Nairobi, Kenya

Abstract

The objective of the study was to establish the moderating effect of firm age on the relationship between market orientation and non-financial performance of private security firms in Kenya. The study targeted 39 firms that were members of the Kenya Security Industry Association (KSIA) and a census was done because the population was relatively small. A cross sectional design was adopted in which 37 firms participated. Data was collected from key informants using a semi-structured questionnaire. Data analysis was done using simple and hierarchical regression analysis. The results indicated that market orientation explained 50.4% of the variation in non-financial performance and this was significant (p = 0.000). The moderation test

results indicated that the interaction term in the regression model was not significant (p = 0.617). This led to the conclusion that firm size had no moderating influence on market orientation and non-financial performance. This implied that regardless of firm age, both new and older firms practice market orientation. The authors recommend that managers of private security firms should consider market orientation as a resource that enhances the dynamic capabilities of the firm. The authors suggested that future studies should consider conducting qualitative studies and corporate reputation be studied as a moderator variable.
Keywords: Market orientation, Firm age, Non-financial Performance, Private security firms, Kenya

INTRODUCTION

The relationship between market orientation (MO) and firm performance has been at the center of marketing thoughts by scholars and the existing marketing literature identifies market orientation as a central pillar of the marketing function. The marketing concept is the origin of market orientation and Van Raaij and Stoelhorst (2008) stated that it is the foundation of all marketing activities. The two widely recognized conceptualizations of market orientation are those by Kohli and Jaworski (1990) and Narver and Slater (1990). Market orientation is defined as the firm-wide process of generating marketing intelligence relating to competitors and customers and then ensuring that the intelligence is disseminated internally to drive the proactive and reactive responses of a business organization. Narver and Slater (1990) viewed market orientation as an organization culture that enables firms to create superior value for customers effectively and efficiently. This perspective of market orientation is measured in terms of a firm's customer orientation, competitor orientation and inter functional coordination.

Recent definitions of market orientation have been put forward by researchers and Yu et al. (2016) posited that market orientation is a process through which firms collect market information and share it throughout the firm for purposes of using it to develop organizational responses to market changes while Kajalo and Lindblom (2015) define market orientation as the ability of a firm to create value for customers using customer and competitor intelligence. Firms that are market oriented are able to gain competitive advantages and achieve superior business performance. Firm age is considered by researchers to be an important predictor of firm performance and it can be conceptualized in terms of the number of years the firm has been in operations. Firm age affects firm performance since older firms may have more customers which may drive economies of scale (Usman & Zahid, 2011). Firm age (FA) can be linked to the learning curve and therefore older firms have more market experience than new comers (Kisengo & Kombo, 2012). In a highly competitive and dynamic industry, firm age may influence

a firm's credibility in the eyes of customers. Gonewe and Sunny (2013) argue that firm age serves to buttress and validate the trust building capability of a firm which makes the firm's activities more credible and effective. Similarly, firm age also implies that the firm has greater knowledge which it has gained from learning and experience and this influences its performance.

Firm performance is the degree to which a business is able to achieve its objectives. Firm performance can be measured non-financially or financially. Non-financial performance measures include customer acquisition, customer retention, customer satisfaction and employee satisfaction. Financial performance measures can be found by evaluating the figures provided on an organization's financial statement and this includes sales revenue and profits generated by the firm. The arguments of Kaplan and Norton (2008) asserted that non-financial or qualitative measures of performance usually indicate a firm's future financial performance better than lagged financial measures. Similarly, Wiersma (2008) indicated that non-financial measures tend to have more information about firm activities than financial indicators which only partially reflect the effect of the current actions of a firm's managers. The implication is that financial measures only indicate what the firm has achieved in the past.

Non-financial measures are effective in examining performance because they allow for comparison across contexts, firms and economic conditions (Song et al., 2005) and they are a good alternative to financial measures if they are focused on the current condition of the organization (Kim, 2006). Carton (1996) argued that there is no common position among authors on the best measure of firm performance. However, financial and non-financial measures were found to be correlated positively by Wall et al. (2004) and Dalves (1999). To evaluate firm performance, this study adopted the use of non-financial performance measures performance measures based on the arguments of Wiersema (2008) and Kaplan and Norton (2008). The government of Kenya is the most powerful force in security matters but it faces serious limitations in terms of the resources required to secure people and businesses from threats to life and property. The private security industry exists in Kenya and elsewhere as a consequence of the security gap caused by the resource limitations of the government (Mkutu & Sabala, 2007). The threat of terror attacks and other forms of insecurity at shopping malls, hospitals, educational institutions, airports, hotels and residential homes have driven up the demand for private security services. The private security industry is also a significant employer and Nkaari (2018) stated that more than 500,000 people are employed by private security firms in Kenya with an annual turnover that is estimated to be Ksh. 300 billion.

The Research Problem

Despite the significant value of private security firms to the economy, the market orientation construct has not been studied in the private security industry in Kenya. The existing marketing literature lacks conclusive evidence on the impact of market orientation and firm performance. Many studies have been done on market orientation and firm performance with the findings indicating that market orientation has a positive and significant effect on firm performance. However, other studies have reported findings of a negative effect of market orientation on firm performance while others have found market orientation having an insignificant impact on firm performance. A study by Long, Kara and Spillan (2016) analyzed the influence of market orientation on performance of Chinese IT firms and findings showed that market orientation positively impacting performance of IT firms. This contradicts the study findings of Gholami and Birjandi (2016) who evaluated the effect of market orientation on performance of small and medium enterprises using a descriptive design of 350 SMEs in Iran and found that the influence of market orientation on performance of small and medium enterprises was insignificant.

A negative effect of market orientation on firm performance has also been found by various scholars. Aliyu, Ahmed and Utai (2015) evaluated the business environment's moderator influence on the relationship between market orientation and performance of small and medium enterprises in Nigeria. Their findings indicated that market orientation had a negative influence the performance of small and medium enterprises. Few studies have also been done to evaluate the moderating influence of firm age on the relationship between market orientation and firm performance. The inconsistency of research findings among authors regarding the influence of market orientation on firm performance and the fact that few studies have been done on the influence of firm age on the relationship between market orientation and firm performance is an indication of the need for further studies to be conducted.

LITERATURE REVIEW

Theoretical review

The Dynamic Capabilities Theory

The Dynamic capabilities theory (DCT) is a theory of competitive advantage that was proposed by Teece, Pisano and Shuen (1997). The dynamic capabilities theory grew as an extension of the Resource Based Theory (RBT) that argued that firms with resources that are valuable, rare, inimitable and non-substitutable will perform better in the market place than their competitors. Since the resource based theory's emphasis was on the resources of the firm, it was criticized by scholars for only being able to explain to the competitive advantage of firms in

a static environment and hence Teece et al. (1997) responded by extending the resource based theory to dynamic business environments. Their argument is that in an unpredictable and dynamic environment where the competitive landscape is likely to be shifting frequently, the firms that have dynamic capabilities are able to effectively integrate, build and re-organize their internal and external competencies to cope with environmental changes and in doing so, thy will be able to build and sustain a competitive advantage.

The dynamic capabilities theory recognizes that having resources is not enough for a firm to gain and maintain a competitive advantage especially in a changing environment but instead, it is what the firm is able to do with the resources it has that can lead to achievement of a sustainable competitive advantage. Dynamic capabilities are defined by Teece et al. (1997) as the firm's ability to integrate, build and reconfigure internal and external competencies to respond to changes in the business environment. Helfat and Martin (2015) define dynamic capabilities as the capacity of business firms to intentionally create, extend or modify its resources in a way that responds to changes in the business environment and allows firms to gain a competitive advantage. Another definition of dynamic capabilities is provided by Eisenhardt and Martin (2000) who defined them as the ability of a firm to explicitly acquire, transfer or recombine the resources it has in reaction to market changes.

The definitions of dynamic capabilities provided by different authors indicate that dynamic capabilities are organizational processes whose main role is to change the resource base of the firm to cope with environmental changes. In response to the question of how dynamic capabilities are formed, Morgan (2012) stated that dynamic capabilities are formed when individuals and teams in an organization use their knowledge and skills to acquire, combine and transform the available resources within the firm so that it can cope with the changes taking place in the environment. Makadok (2001) argues that dynamic capabilities are built by firms and not bought and they are organizational process that are used to modify the resource base of a firm by doing away with resources that have lost value or recombining old resources in creative and new ways. The assumptions of the dynamic capabilities theory are similar to those of the resource based theory and they are resource heterogeneity and resource immobility. Resource heterogeneity implies that firms may possess different resources even though they operate in the same industry and hence some firms will have better resources than others and this will make then to be able to undertake certain operations more effectively and skillfully than others (Peteraf & Barney, 2003). The assumption of resource immobility means that it is difficult to trade resources across firms and this makes it possible for firms to enjoy the benefits of having heterogeneous resources (Barney & Hesterley, 2006). The dynamic capabilities of a firm allow the management team to deploy resources accordingly and this

requires the use of implicit and explicit knowledge and this capacity is not transferable to other firms easily (Wang & Ahmed, 2007).

Dynamic capabilities can be grouped into sensing capabilities, seizing capabilities and reconfiguration capabilities (Teece, 2007). Identification and assessment of market opportunities and threats is made possible through the sensing capabilities which make it possible for the management of a firm to scan the business environment to identify changes in customer needs and other issue such as competitor actions. This requires managerial and employee cognitions, skills, knowledge and experience to enable them to sense the market opportunities and take the relevant action (Zitkiene et al., 2015). Seizing capabilities enable the firms to exploit the market opportunities and it involves ensuring that the business model and organizational structure of the firm are ready for the exploitation of the market opportunities. This calls for a strategic response such as customizing the firm's product offers to fit individual and corporate customer needs. The reconfiguration capabilities enable the management team of the firm to enhance, protect and modify its tangible and intangible assets so that it can gain and maintain a competitive advantage over other firms in the industry (Fischer et al., 2010). The reconfiguration can be done by replicating resources being used by the firm in one operational area into a new one or simply acquiring new resources that the environmental changes are calling for.

The dynamic capabilities theory supports the link between market orientation firm age and firm performance because market orientation gives firms a sensing capability which they can use to identify and assess customer needs and competitor activities in the industry. Market orientation enables organizations to do this this through its customer and competitor orientations after which the customer and competitor information that is collected through the sensing capabilities is then shared among the various departments within the firm to facilitate the management to develop response strategies that will be used to exploit the market opportunities and avoid the threats. The inter-functional coordination dimension of market allows managers to make decisions on what resource the firm needs to reconfigure in order to cope with the market changes. The age of the firm can also affect the dynamic capabilities of the firm especially for older firms that may need to reconfigure their resources to respond to environmental changes.

Market orientation, Firm Age and Firm Performance

Market orientation as a strategy contributes to greater customer satisfaction leading to improved firm performance (Long et al., 2016). Diamontopoulos and Siguaw (2002) stated that as firms age and become more experienced, they tend to be inflexible and bureaucratic and this is likely to affect the firms' market orientation. Gauzente (2002) argued that the age of a firm constitutes a determining variable of the firm's strategic choices and its ability to change. This

implies that firm age can be considered as an influential variable in the adoption and implementation of market orientation. This is because the age of a firm can either inhibit or facilitate the firm's adoption of market orientation. A negative relationship between market orientation and firm age exist based on the argument of Mintzberg (1989) who argued that older firms are not likely to change because of their inertia and bureaucratization. On the other hand, it can also be argued that older firms have survived through time because they were able to adapt and implement market orientation.

A study by Oluwatoyin, Olufunke and Salome (2018) evaluated the effect of market orientation on non-financial performance of hotels in Nigeria. They further examined if age of the hotels influenced their market orientation practices. Correlation analysis indicated that market orientation positively influenced non-financial performance of the hotels such as customer satisfaction and retention. However, the results indicated that age of the hotels moderated the market orientation and non-financial performance relationship. Another study by Doucoure and Diagne (2020) evaluated the influence of firm age on the market orientation of small food companies in Senegal. Their study adopted the behavioural perspective of market orientation by Kohli and Jaworski (1990) in terms of the firm's intelligence generation and responsiveness. The results indicated that firm age was positively and significantly related to the intelligence generation dimension but did not have a significant effect on the responsiveness dimension. The market orientation literature provides few studies that have been done to establish the moderating influence of firm age on the relationship between market orientation and firm performance and it is necessary for more studies to be done especially in an industry such as the private security industry.

Conceptual model

As depicted by Figure 1, which is the model conceptualizing the variables, market orientation and firm performance have a direct relationship. Firm age is the proposed moderating variable. .
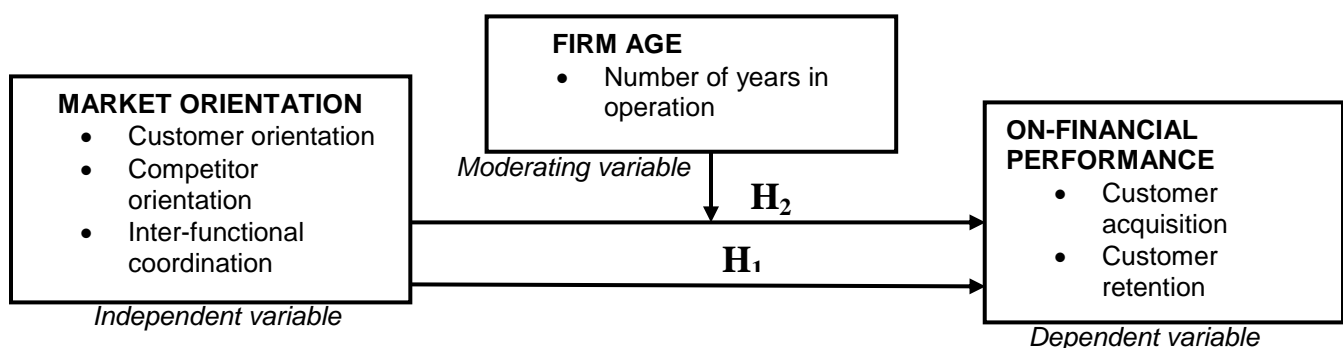

Figure 1: Conceptual model

Based on the literature review, the study derived the null hypotheses as;

H$_1$: Market orientation has no significant effect on non-financial performance

H$_2$: Firm age has no significant moderating effect on the relationship between market orientation and non-financial performance

RESEARCH METHODOLOGY

The study adopted the cross-sectional research design because the objective was to collect the data from the target respondents at one point in time. The target population included all the private security firms that were registered members of the Kenya Security Industry Association (KSIA) and they were 39 firms in number. A census was conducted since the study population was relatively small. The measurement of market orientation was done using the MKTOR scale developed by Narver and Slater (1990), firm age was measured based on the number of years the private security firms had been in operation. Non-financial performance was measured in terms of number of new customers acquired and number of existing customers retained by the private security firms. The study used the key informant approach where the marketing managers or CEOs of the private security firms were targeted because of their knowledge and expertise relating to the study variables. A semi-structured questionnaire was used to collect data.

The Cronbach's alpha, a reliability coefficient, was used to determine how reliable the constructs on the research questionnaire were. If the Cronbach's alpha is close to 1, the items on the research instrument have a high internal consistency. Scholars have argued about the acceptable level of the Cronbach's alpha and Cronbach (1951) proposed a lower limit of 0.5 while Nunally and Bernstein (1994) stated that a Cronbach alpha coefficient of 0.7 or higher is an indicator that the measures are reliable. Bagozzi and Youjae (2012) recommended a coefficient of 0.6 or greater but argued that a lower threshold of 0.5 could also be used. However, consensus has not been reached among authors on what the lower limit of the Cronbach's alpha coefficient should be. This study adopted a coefficient of 0.6 as the cut-off point because it is above the lower limit of 0.5 proposed by Bagozzi and Youjae (2012) and Cronbach (1951). The Cronbach's alpha coefficients for market orientation and non-financial performance were found to be 0.753 and 0.698 and this was acceptable.

Content validity was ensured by adopting the MKTOR scale of Narver and Slater (1990) for measurement of market orientation based on arguments by Pelham (1997) that MKTOR is superior over MARKOR in terms of discriminant and convergent validity. Measurement items for non-financial performance were adopted from Chen et al. (2009) and financial measures were adopted from Zhou et al. (2009). Pilot testing involving 10 private security firms was done to

identify weaknesses in the design of the questionnaire and the statements were then revised accordingly. Exploratory factor analysis established that factor loadings for market orientation and non-financial performance achieved the acceptable threshold of 0.4 or higher that was proposed by Field (2013). The factor loadings of scale items fell between 0.485 and 0.798. Item to total correlations scores fell between 0.406 and 0.615 and this was above the 0.3 cut-off point proposed by Cristobal, Flavian and Guinaliu (2007). Therefore, the study variables had their construct validity confirmed.

The primary data was subjected to tests for the assumptions of regression analysis. Normality was tested using the Kolmogorov – Smirnov and Shapiro-Wilk tests, autocorrelation was tested using the Durbin –Watson test, multicollinearity was measured using Tolerance and Variance Inflation Factors (VIFs) while the Koenker test was used to check for heteroscedasticity. All the tests provided results that indicated that the data met all the requirements of the assumptions of regression analysis.

ANALYSIS AND FINDINGS

The study targeted 39 firms in a census study and 37 firms took part by filling and returning the questionnaires and this translated to a 95% response rate. Hierarchical regression analysis was used to test for the moderating influence of firm size on the relationship between market orientation and non-financial performance of private security firms in Kenya.

Table 1: Respondent characteristics

Variable	Category	Frequency	Percentage
Gender	Male	30	81.1
	Female	7	18.9
	Total	**37**	**100.0**
Educational level of	Certificate	3	8.1
respondents	Diploma	5	13.5
	Bachelors	24	64.9
	Masters	5	13.5
	Other	0	0
	Total	**37**	**100.0**
Respondent work	Below 10	14	37.8
experience in the industry	10 – 20	17	45.9
(in number of years)	Over 20	6	16.2
	Total	**37**	**100.0**

Table 1 on the respondents and firm characteristics indicated that majority of the respondents were male and this was expected since security is perceived to be a male dominated occupation. This finding was in tandem with that of Suda (2002) who examined gender disparities in the Kenyan labour market and found that female employees remained below 30% compared to male employees who held a disproportionately larger share of positions in the labour market. Majority of the respondents also had a Bachelors degree as their highest level of education. In terms of work experience, most of the respondents had worked for between 10 – 20 years and this implied that they had sufficient industry experience.

Firm Age

The respondents were required to indicate how long their firms had been operating in the private security industry (Table 2).

Table 2: Age of the Private Security Firms

Period of operation	Frequency	Percent
Less than 10 years	10	27.0
10-20 years	13	35.1
Above 20 years	14	37.8
Total	**37**	**100.0**

Table 2 presents results showing a minority (27%) of private security firms had operated for less than ten (10) years. However, most of the firms that took part in this study had operated for between 10 – 20 years and more than 20 years and this implies that they were not new to the industry and therefore had sufficient industry experience. The mean score for firm age of the private security firms that participated in this study was 18 years. The longevity of the Private security firms in the industry can be attributed to the insufficient resources of the National Police Service which leads individuals and business firms to hire private security firms. It may also be as a result of the National Police Service being considered ineffective by the population as suggested by Musoi et al. (2013)

Test of hypothesis, interpretation and discussion of results
Influence of Market Orientation on Non-Financial Performance

Simple regression analysis was done to establish market orientation's influence on non-financial performance. Market orientation was measured in terms of the firm's level of customer orientation, competitor orientation and inter-functional coordination while non-financial

performance was measure in terms of the customer acquisition and customer retention levels of the firms. Table 3 provides results of the summarized regression model.

Table 3: Summarized Regression Model of Market Orientation and Non-Financial Performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.710[a]	.504	.490	.63334

a. Predictor: (Constant), Market orientation

Table 3 presents results demonstrating that the coefficient of determination (R^2) was 0.504 which implied that market orientation explained 50.4% of variation in non-financial performance. Further, table 4 indicates the results of ANOVA on market orientation and non-financial performance.

Table 4: ANOVA results of Market Orientation and Non-Financial Performance

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	14.287	1	14.287	35.618	.000[b]
1	Residual	14.039	35	.401		
	Total	28.326	36			

a. Dependent variable: Non-financial performance   b. Predictor: (Constant), Market orientation

Table 4 provides ANOVA results showing that the F value was 35.618 with a p-value of 0.000 and this was significant. The regression model was therefore robust enough in explaining the relationship between market orientation and non-financial performance. This implied that the model was had good predictive power of the influence of market orientation on non-financial performance of the private security firms. Table 5 provides the regression coefficients of market orientation's effect on non-financial performance.

Table 5: Coefficients of Regression of the Influence of Market Orientation on Non-Financial Performance

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.450	.568		.793	.433
	Market orientation	.896	.150	.710	5.968	.000

a. Dependent variable: Non-financial performance

Regression coefficients outlined in Table 5 indicate that market orientation positively and significantly influenced non-financial performance of private security firms (t = 5.968, p = 0.000). The unstandardized regression coefficient also showed market orientation factors were significant (β = 0.896, p value = 0.000). Therefore, as an outcome of this analysis, the study rejected the null sub-hypothesis H_1; which stated; Market orientation has no significant influence on non-financial performance. The finding of this study that market orientation has a positive and significant effect on non-financial performance validates the market orientation literature which indicates that market orientation is a critical success factor for the performance of business organizations. This finding is in tandem with those of Doucoure and Diagne (2020), Long, Kara and Spillan (2016) and Salyova et al. (2015) whose study findings also indicated that market orientation positively and significantly affected firm performance.

Testing the moderator influence of firm age on the relationship between market orientation and firm performance

The moderator influence of firm age on market orientation and non-financial performance was assessed using a 3-step hierarchical regression analysis. Step 1 involved regressing market orientation against non-financial performance only. Step 2 entailed regressing market orientation and firm age against non-financial performance. In step 3, market orientation, firm age and the interaction term (Product of market orientation and firm age) were regressed against non-financial performance. The moderating influence of firm age on the relationship between market orientation and non-financial performance would be present if the interaction term produced a statistically significant regression coefficient. The moderation path for firm age is shown in figure 2.
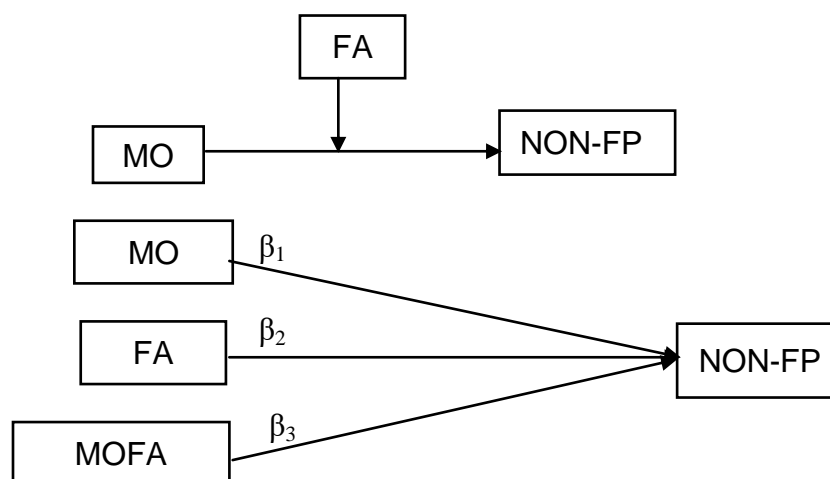

Figure 2: Moderation Path for Firm Age (Source: Fairchild and Mackinnon, 2009)

Notes for the Figure 2:

MO= Market Orientation (Independent variable);

FA= Firm Age (Moderator variable);

MOFA=Interaction term,

NON-FP= Non-financial Performance (Dependent variable);

β_1 to $\beta_{3=}$ Beta Coefficients.

Table 6 provides the model summary of the moderating effect of firm age on the relationship between market orientation and non-financial performance.

Table 6: Summarized Regression Model of Moderating Influence of Firm Age
on Market Orientation and Non-Financial Performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.710[a]	.504	.490	.63334	.504	35.618	1	35	.000
2	.710[b]	.505	.475	.64243	.000	.016	1	34	.900
3	.713[c]	.508	.464	.64959	.004	.255	1	33	.617

a. Predictor: (Constant), Market orientation

b. Predictors: (Constanta), Market orientation, Firm age

c. Predictors: (Constant), Market orientation, Firm age, Interaction term

The summarized model provided in Table 6 shows that when market orientation and firm age were entered into the regression model as predictors of non-financial performance they jointly explained 50.5% of variation in non-financial performance. However, this was not significant (p = 0.900). The addition of the interaction term (Market orientation x Firm age) to model 3 led to a 0.004 change in the R^2 change which was not significant (p = 0.617) which indicated that firm age did not moderate market orientation and non-financial performance. Based on these results, the study failed to reject the null sub-hypothesis H_2, which stated that; Firm age has no significant moderator influence on the relationship between market orientation and non-financial performance. Table 7 presents ANOVA results.

Table 7: ANOVA Results of Moderating Influence of Firm Age
on Market Orientation and Non-Financial Performance

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	14.287	1	14.287	35.618	.000[b]
1	Residual	14.039	35	.401		
	Total	28.326	36			
	Regression	14.293	2	7.147	17.316	.000[c]
2	Residual	14.032	34	.413		
	Total	28.326	36			
	Regression	14.401	3	4.800	11.376	.000[d]
3	Residual	13.925	33	.422		
	Total	28.326	36			

a. Dependent variable: Non-financial performance

b. Predictor: (Constant), Market orientation

c. Predictors: (Constant), Market orientation, Firm age

d. Predictors: (Constant), Market orientation, Firm age, Interaction term

Findings of ANOVA in Table above demonstrate that model 2 which included market orientation and firm age as predictors of non-financial performance was significant at $F_{(2, 34)} = 17.316$ and $p = 0.000$. Model 3 that had the interaction term also had an F statistic that was significant at $F_{(3, 33)} = 11.376$ and $p = 0.000$. This indicates that both regression models were robust enough in explaining the relationships between the variables. Table 8 provides the regression coefficients of the three models.

Table 8: Coefficients of Regression of Moderating Influence of Firm Age
on Market Orientation and Non-Financial Performance

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	3.784	.104		36.341	.000
Market orientation	.896	.150	.710	5.968	.000
(Constant)	3.784	.106		35.827	.000
Market orientation	.897	.153	.711	5.881	.000
Firm age	.012	.091	.015	.127	.900
(Constant)	3.781	.107		35.354	.000
Market orientation	.879	.158	.697	5.556	.000
Firm age	.020	.094	.027	.216	.830
Interaction term	.065	.128	.064	.505	.617

a. Dependent variable: Non-financial performance

Table 8 provides regression coefficients showing marketing orientation was significant in model 3 (β = .697, t = 5.556, p = 0.00). However, firm age was not significant (β = .027, t = 0.216, p = 0.830). The interaction term was also not significant (β = .064, t = 0.505, p = 0.617). These outcomes imply that firm age had no moderating influence on market orientation and non-financial performance. This implies that both new and older private security firms can practice market orientation and the argument that as firms get older, they tend to understand their customers better and are able to satisfy those needs better is not justified in this study. This could be due to the nature of the private security industry where security threats evolve frequently and both new and older firms have to respond to the threats accordingly. However, the finding of this study that firm age had no moderating influence on the relationship between market orientation and non-financial performance contradicts that of Oluwatoyin, Olufunke and Salome (2018) who evaluated the moderating effect of firm age on the relationship between market orientation and non-financial performance of hotels in Nigeria. Their study results indicated that age of the hotels moderated the market orientation and non-financial performance relationship.

CONCLUSION AND RECOMMENDATIONS

The study objective was to establish the moderating influence of firm age on the relationship between market orientation and non-financial performance of private security firms in Kenya. The results of the hierarchical regression analysis indicated market orientation had a positive effect on the non-financial performance and hence the study rejected the null hypothesis H_1 which stated that market orientation has no significant effect on non-financial performance. The interaction term in the regression model was found to be insignificant and this meant that firm age had no moderating effect on the relationship between market orientation and non-financial performance. Therefore, the study failed to reject the null hypothesis H_2 which stated that firm age had no significant moderating influence on the relationship between market orientation and non-financial performance. This implies that the even though firm age has some predictive effect on non-financial performance, it does not influence the level of market orientation of private security firms in Kenya and therefore both new and older firms in the industry practice market orientation. This finding has implications for managerial practice because it shows that firms regardless of their age can adopt market orientation and can reap market benefits from it. Based on the results of the hierarchical regression analysis, the study concluded that market orientation activities have a positive and significant effect on non-financial performance. The study also concluded that the market orientation practices of the private security firms in Kenya do not differ based on firm age and

this implies that private security firms in Kenya engage in market orientation activities regardless of their age.

The study recommends that marketing managers of private security firms and other business organizations should consider market orientation as a firm resource that that can provide the firms with dynamic capabilities which enable them to respond effectively to market changes in a way that gives them a sustainable competitive advantage. This is because regardless of the firm age, firms need a market orientation to be able monitor changes in the needs and wants of customers in their target markets so that they can develop products that respond to these changes effectively. This is true for older firms and new firms because failure to be market oriented can cause both older and new firms to lose their competitive advantage to firms which implement the market orientation concept regardless of how long they have been in operation.

SUGGESTIONS FOR FURTHER STUDY

The reputation of a firm is very important in business especially in developing new products to deal with the ever changing security threats in the private security industry and future studies should establish the influence of reputation on the relationship between market orientation and firm performance. The study also used quantitative data collection and therefore future studies should consider using qualitative data collection and analysis techniques to see any similarities or differences.

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