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## The Moderating Effect of Ethical Values in the Relationship between Competitive Strategies and Performance of Accredited Universities in Kenya

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### Abstract

Accredited universities in Kenya have experienced dynamic growth and challenges among them ethical concerns, that touch on the quality, relevance of university curricula and capacity to pursue research effectively over years (GoK, 2019; World Bank, 2020). The objective of this study was to examine the influence of ethical values on the relationship between competitive strategies and performance of accredited universities in Kenya. The corresponding hypothesis stated that ethical values have no significant moderating influence on the relationship between competitive strategies and performance of accredited universities in Kenya. The study was anchored on the stakeholder's theory and complemented by virtue ethics theory. The research was grounded on the positivist philosophy. A descriptive cross-sectional survey design targeting a population of 53 accredited universities in Kenya was applied. Primary data was collected using semi-structured questionnaires. The response rate from completed questionnaires was 66.6%. Data was analysed using step wise regression analysis. Findings from this study were that ethical values did not moderate significantly the relationship between competitive strategies and performance of accredited universities in Kenya. Future research could include other respondents such as staff and students to eliminate single source bias to enrich the study. Other methods such as longitudinal design could offer richer data and greatly support the research design and the outcomes.

### Keywords

Ethical Values, Competitive Strategies and Performance of Accredited Universities in Kenya

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## 1. Background of the study

Accredited universities in Kenya have experienced various challenges associated with heightened demand for university education and increased competition for student market share due to declines in student admissions caused by stringent measures such as placing punitive measures against plagiarism by the Commission for University Education (CUE) on Form Four examinations and grading, complete overhaul of the Kenya National Examinations council (KNEC), changes in exam planning and paper setting, limitation of number of people in examination centers and deployment of officers and invigilators of high integrity as well as introduction of new rules and processes for exam administration; inadequate infrastructure; financial bottlenecks and governance issues in the last two decades. These problems have adversely impacted quality and relevance of education (Government of Kenya, 2019). Growing concerns as to whether they still remain as centers of excellence by stakeholders and oversight bodies have since been raised (CUE, 2016). Likewise, concerns of whether universities still satisfy the mandate of developing Kenya's human resource has been raised (Mukhwana, Too & Kandie, 2018). Other challenges which impacted negatively on university education were the Corona Virus Disease 2019 (COVID-19) endemic, that caused worldwide shocks through declines in real Gross Domestic Product (GDP), and in turn affected funding for universities in many countries, among them Kenyan universities (World Bank, 2020). Equally, the Russia-Ukraine invasion, affected the country's dollar liquidity which in turn led to a runaway inflation poised at 8.75% by the Central Bank of Kenya; global oil price shocks and extreme weather patterns also caused drought in most of the arid places, severely impacting the government of Kenya's ability to fund university education (World Bank Group, 2022). These occurrences amplified turbulence in this sector while raising heightened ethical concerns on university education in Kenya.

### 1.1 Ethical Values

Generally, there is no universal definition of ethical values permitting persons or events to be uniformly judged as moral or immoral. Different authors have defined ethical values differently based on their knowledge and experience as well as their ethical outlook. Ethical values and ethics are usually used synonymously (Ojo, 2008). Showalter (1997) described ethical values as important and suggested that they acted as a guide for ethical behavior. "Ethical values" in this explanation corresponded to the "moral values" that have an interpersonal focus on right or wrong behavior. Johnson (2015) posited that ethical behaviour in an organization is shaped by adherence to prevailing ethical values. According to Yatich (2018), ethical values impacted negatively on performance if not practiced.

Several researches have been done raising different arguments with some results revealing that ethical values exerted an indirect or direct impact on performance. In this study, Ethical values was categorized as respect, justice & fairness, trustworthiness or having a sense of corporate citizenship. A study by Malik, Timsal, Awais and Qureshi (2016) on the impact of ethical direction on staff aggregate performance and moderated by organizational values, established that organizational values, moderated the relationship. Thus, it can be concluded that a leader has to have competency alongside moral norms in order to succeed and perform various tasks suggested. Singh and Singh (2012) viewed ethical values as an intangible asset that leads to competitive advantage which segregates one firm from other firms, and enhanced performance (Singh & Singh, 2012). Furthermore, Cuadrado-Ballesteros, Rodríguez-Ariza and García-Sánchez (2017), in their study on the mediating effect of ethical codes on the link between family firms and their social performance, results revealed that ethical values exerted an indirect outcome on negative relationships in family firms and their social performance. The varied results from various studies on ethical values were due to inconsistencies in measurement and variable definition hence, revealing that there is still room for further research. This study offered such an opportunity. This is because increasing attention is being paid to the ethical values variable as key in promoting long term success in most civic institutions, and universities are not an exception. This study, thus proposed ethical values has moderator effects on the link between competitive strategies and the performance of Kenyan accredited universities.

### 1.2 Competitive strategies

Competitive strategies are described as the deliberate selection of various sets of activities that will deliver a unique mix of value over competitors or taking defensive actions so as to develop a defensible position in a sector, in order to fruitfully manage the five competitive forces and thereby, producing exceptional investment returns for the company (Porter, 1980). According to Prahalad and Hamel (1980), competitive strategies are engaged by businesses to achieve or improve performance and competitive advantage in the industry. Consequently, the goal of competitive strategies is to innovate and gain market and industry supremacy by satisfying consumers' needs and preferences, and

responding to stakeholders' sensitive needs. Various approaches have been discovered to this end by different organizations. Ultimately, the paramount strategy for any organization is a unique structure reflecting its specific circumstances.

Competitive strategies in general, exercise a great influence on firm performance (Ansoff, 1965; Spanos et al., 2004). Firms develop actions to establish a strategy for achieving competitive advantage to earning of above average returns to stakeholders (Barney, 2002:13). Diverse firms, even within the same industry, may be in need of different strategies to succeed. This is because there can exist a great difference between the abilities of a firm to succeed as there are vital inequalities among most competitors. Thus, there are many competitive strategies open to firms to give them sustainable competitive advantage for long term business success (McGee, 2015). This study proposed Porter's strategy types (1985), growth strategies by Ansoff (1965) and Strategic alliances (Dussauge & Garrette, 1995) to achieve success for accredited universities in Kenya.

### 1.3 Performance of Accredited Universities in Kenya

Short and Palmer (2003) describe organizational performance as how a successful organization seeks to achieve its vision, mission, and goals. According to Machuki and kamala (2019), it entails effectiveness and efficiency of a company. Richard, Devinney, Yip and Johnson (2009) suggested that an assessment of organizational performance is an important aspect of strategic management in which managers understand that in order to make strategic changes, where necessary, they should be aware of the performance of their organizations. Also, a review of past studies shows that organizational performance is a multidimensional concept that means different things to different organizations. This explains why there is variation in indicators of performance between different organizations in the economy, which tend to lead to variations in measuring performance. Indicators of performance are said to mostly rely on the main aim of the business and the justification for their presence (Richard et al., 2009).

According to Wang (2010), university performance should be measured based on the goals to be achieved. The performance of universities was captured using comprehensive dimensions that capture the key performance areas derived from functions, to the extent to which each achieved university goals. Based on this argument, two dimensions were developed, namely the academic and management dimensions. The two dimensions were further divided into four sub-dimensions: research effectiveness, teaching effectiveness, finance and community outreach. Financial/quantitative indicators were measured by gauging how effective universities managed financial resources to serve academic purposes as well as raise the same using indicators such as research grants, tuition fees, entrepreneurial income earnings or government funding. Non-financial/qualitative indicators were linked to outcomes from university objectives. This study adopted measures proposed by Wang (2010) and Muraguri (2016).

### 1.4 Accredited Universities in Kenya

Universities in Kenya are categorized into two broad groups: public and private (Gok, 2012). A public university is wholly owned and subsidized by the Kenyan government whereas a private university is mostly maintained out of private funds by private investors and tuition fees from student, and, recently, funds from state funding of students in those private universities (Gok, 2017). In the last two decades' universities have undergone dynamic growth and changes in Kenya. For instance, student numbers in public universities have increased exponentially over the years with average admission rates changing from 4% in 2009 to 7.5% in 2014 and 13.1% in the year 2020/21 (GoK, 2019). Increasing enrollments have strained the available physical infrastructure, particularly in public universities, leading to overcrowding in classrooms, a shortage of qualified staff with a staff/student ratio of 1:70, notable cases of plagiarism, declining research and administrative funding leading to compromised quality and (ir)relevance of curricula and effective education models (CUE, 2016; GoK, 2019). Under the current precarious economic conditions, where funding to universities was reduced by 26% by government struggling to balance its budget, the private and public universities are required to find alternative innovative approaches to raise funds (KNBS, 2021). Other drawbacks have included employers' discontent with the caliber of graduates seeking employment; constant closures due to student unrest and industrial actions by staff; and lawsuits by students due to governance problems (World Bank, 2019; Kenya Law, 2019). The Ministry of Education, thus, suggested the need to prioritize expenditure, to determine suitable funding, determine the right staffing model, and the need to rationalize university education with a view to preserve and restore the credibility of universities (GoK, 2019).

On the other hand, in private universities, a policy introduced by the government in 2016 to sponsor students with university entry grades of C+ and above, attracted aggressive competition for the student market share ([Kuccps News, 2016](#)). Another challenge comprised declining funds as these are raised from private sponsorship; mostly backed by religious organizations or fees charged to their limited number of students who can afford comparatively higher fees. Furthermore, there was evidently a lack of focus in research; heightened rivalry from their counterparts in public universities offering parallel degree courses; intensified rivalry with international universities who recruit local students by way of aggressive campaigns; and offer of specialist unique programs (Oketch, 2004; [World Bank, 2020](#)). Likewise, recent disruptions in the global market by COVID-19 caused all universities to suspend contact learning for nine months, which happened after the first case was reported in March 2020, upsetting the teaching and learning calendar. Only a few institutions with an online information system and technology were able to carry on ([Kenyans.co.ke, 2020](#)). In their efforts to remain afloat, developments that raise ethical concerns and universities' corporate reputation would likely play integral role in the expected implications of performance of the competitive strategies the universities could adopt.

#### 1.4.1 Competitive Strategies, Ethical Values and Organizational Performance

Unsettled results from studies on the influence of competitive strategies on performance show that competitive strategies are not able to explain adequately how competitive advantage is developed for achieving sustainable competitive advantage ([Munyoki, 2015](#)). Therefore, there was a suggestion to find alternative strategies that strengthen this connection. Scholars such as [Wernefelt \(1984\)](#) and [Barney et al., \(2011\)](#) conceptualized leveraging of firm resources for developing strategy to form a defensible position for sustainable competitive advantage over time. A resource such as ethical values was considered to differentiate one firm from another as they were said to be critical in eliminating immoral practices and numerous scandals that end up being very costly for an organization ([Saleem, 2014](#)). In addition, ethical values were viewed as key to increasing organizational success ([Ebitu & Beredugu, 2015](#)).

Numerous studies on ethical values and their linkage to performance show an array of inconsistent results. [Hitt and Collins \(2007\)](#) in their study, "Business ethics, strategic decision making and firm performance" sought to review recent efforts to come up with conceptual and empirical links between business ethics and firm performance. The study established that ethical decision-making ought to be viewed as a vital, though an insufficient condition for development of a competitive advantage. A similar view was held by [Eisses \(2017\)](#), who investigated the effect of corporate ethics on corporate financial performance with a focus on internal stakeholders. The results showed that corporate ethics did not affect financial performance whilst focusing on employees.

Contrary results by [Ebitu and Beredugu \(2015\)](#) discovered that a code of ethics increased performance in the service industry at Cross river in Nigeria. Similarly, [Makinde, Omidiji, Uhuaba, Ogunsola and Asikhia \(2021\)](#) in an empirical investigation on business related ethics and performance of the Nigerian banking sector, supported the notion that ethical values had a strong correlation with performance. Thus, it can be said that studies linking ethical values to firm performance have produced inconclusive findings. Whereas some studies suggested a direct relationship with performance [Makinde et al., \(2021\)](#), others showed an indirect relationship ([Eisses, 2017](#)). This means that there is room for probing further this effect. This study proposed ethical values to moderate the link between competitive strategies and performance of accredited universities in Kenya.

#### 1.5 Research Problem

Literature review associated with studies on competitive strategies and organizational performance reveal an absence of consensus, thus evidence that is empirical appears to be inconclusive ([Nandakumar et al., 2011](#); [Munyoki & K'Obonyo, 2015](#)). This then provided an argument for the application of ethical values as a moderator in the link that exists between competitive strategies and organizational performance. Numerous studies on ethical values and their linkage to performance show an array of inconsistent results. [Hitt and Collins \(2007\)](#) in their study, "Business ethics, strategic decision making and firm performance," sought to review recent efforts to come up with conceptual and empirical links between business ethics and firm performance. The study established that ethical decision-making ought to be viewed as a vital, though an insufficient condition for development of a competitive advantage. A similar view was held by [Eisses \(2017\)](#), who investigated the effect of corporate ethics on corporate financial performance with a focus on internal stakeholders. The results showed that corporate ethics did not affect financial performance whilst focusing on employees.

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## 1.6 Research Objective

To examine the effect of ethical values on the relationship between competitive strategies and the performance of accredited universities in Kenya.

## 2. Theoretical framework

### 2.1 Stakeholder's Theory

[Freeman \(1984\)](#) was the first to advance the stakeholder theory in response to concerns raised by corporate executives at the height of environmental unrest and transformation witnessed, especially in the nineties. The theory was discussed under three approaches: descriptive approach, which explained how the organization was operated in terms of stakeholder management; instrumental approach, which divulged the ways an organization attained its goals; and the normative approach, which described how businesses ought to function, especially regarding ethical values ([Friedman & Miles, 2006](#)). The normative approach, which identifies the morals, values and philosophic purposed principles in the management of an organization, took center stage in this study ([Harrison et al., 2015](#)). The key assumption in this approach is that if a manager treated an organization's stakeholders ethically, the organization may succeed in the long run as managers commit to developing a positive ethical culture through applying ethical values to their stakeholders, evidenced by way of responsibility, honesty, fairness and objectivity with their stakeholders. To sustain performance, an adoption of ethical ways of doing business enshrined in pursuing stakeholder relationships is expected ([Lashley, 2016](#)).

Critiques of the stakeholders' normative approach such as [Friedman \(1970\)](#) posited that the goal of a firm is to make revenue to the advantage of investors, whereas the key concern of managers rested with fiduciary obligations to the stockholders. Another argument raised about this approach is the conflicting duties of firm administrators to various stakeholders, leading to the question: what is "business without ethics?" This question created a stakeholder paradox ([Friedman, 1970](#)). [Goodpaster \(1991\)](#) also argued that the use of stakeholder analysis did not essentially suggest ethical behavior. On the contrary, the argued, the stakeholders' approach was impartial thus, their moral application was dependent on managers' behavior. To others, this argument implied that much of the normative discourse is supported by an instrumental profit/performance-linked impulse rather than the other way around. Because of identified limitations in the IO (external environment), the stakeholder theory (internal environment) provided support to IO theory in line with the study objective related to competitive strategies, ethical values and performance of accredited universities in Kenya.

#### 2.1.1 Virtue Ethics Theory

Ethically oriented theories that are strongly linked to corporate governance comprise of: virtue ethics; business ethics; discourse ethics; feminist ethics and postmodern ethics theories. Of these, virtue ethics theory closely resonates with the stakeholder normative approach theory and was, thus, applied to complement it ([Abdullah & Valentine 2009](#)). Virtue ethics theory was founded by Plato and Aristotle from the East and from the West; it could be traced back to Confucius and Mencius. The theory emphasized the importance of a person's character and values in influencing ethical decision-making ([Hurst house & Pettigrove, 2003](#)). Virtue ethics theory highlights a virtuous character as concerned with developing positive behavior morally (Crane & Matten, 2007). Ethical behavior is founded on virtues such as honesty, justice, empathy, respect, integrity, fairness, among others. Virtue ethics is described as a condition to take action in a certain state of affairs not based on custom devoid of conscious decision-making ([Annas, 2004](#)). Aristotle called this state a disposition with choice or decision where a person's moral character was said to influence decision-making. He further noted that virtues could be instilled by exposure to good virtues and through processes of

education, which would then lead to the growth of ethical values in a child. Therefore, if an individual was subjected to constructive ethical standards that exhibited sincerity, justice and equality, they were expected to exercise these standards as they are embedded in them to execute the appropriate thing at any given opportunity. Virtue ethos is well-known to represent the organization's intangibles ([Hurst house & Pettigrove, 2003](#)).

One of the criticisms of virtue ethics theory is that it failed to offer a person moral guidance to question what they ought to do morally. This is because ethical considerations expected to provide appropriate direction to an individual attempting to make a decision how to take action were not, principally, ethical considerations based on virtues relating to internal personality or motivation ([Das, 2015](#)). Certain philosophers criticized the concept of character traits as non-existent in the context of virtue ethics ([Doris 1998; 2002](#)). Additionally, they contended that the tendency to act was not as crucial a part of character as often assumed ([Lorraine & Besser-Jones, 2008](#)). They also argued that one could not attain virtue or become adept at moral behavior merely by studying ethical theory in books. Thus, there was an objection to the view that virtue ethics could be transmitted through education as earlier claimed ([Das, 2015](#)). Additionally, [Gowans \(2011\)](#) suggested that there are no absolute values that apply across time and across cultures because virtue ethics is relativistic. This theory affirmed a proposition by the Stakeholder theory on ethical values that it as one of the intangible assets in an organization. In the case of this research, we view it as a moderating value.

### 3. Research methodology

This section is a comprehensive explanation of the philosophical perspective, study design, target population, collection of data, reliability and validity of the data. Collection instruments, diagnostics tests, operationalization of variables and techniques of analysis of data measures, diagnostic tests, operationalization of variables and techniques for data analysis are presented in this research work.

#### 3.1 Research Design

A study design is a blueprint that directs all stages of the research process, sources of data, sample design, data collection, measurement and analysis ([Cooper & Chandler, 2010](#)). To determine whether significant relationships existed or not among variables at a particular moment, a cross-section survey design was used ([Mugenda & Mugenda, 2008](#)). Cross-sectional studies target either the complete population or just a portion of the population gathered to aid in answering study questions. A cross-section research design was selected since it was suitable for collecting data for many responses at once ([Blumberg, Cooper & Schindler, 2014](#)). The study embraced descriptive cross-sectional survey to collect primary data and accurately assess the direct impact of competitive strategies on the performance of accredited universities in Kenya, including indirect effects of ethical values and corporate reputation on the relationship between competitive strategies and the performance of accredited universities in Kenya. The inquiry was conducted at a one point in time.

#### 3.2 Target Population

The population under study entailed all universities which were fully chartered/accredited as at February 2022. The Commission for University (CUE) in Kenya defines accredited universities as those universities that have been awarded a charter, confirming their acceptance by the public and confirmation for having satisfied CUE's requirements pertaining to meeting standards of academic excellence such as having appropriate physical infrastructure, staff, library and financial resources, relevant academic programs and sound governance structures. The study involved a total of 53 chartered/accredited universities out of which 32 were public and 21 private ([CUE 2022](#)).

Owing to the fact that the population under study was small, a census study was recommended. [Saunders et al., \(2023\)](#) suggest that a census study is appropriate where the population is fairly small and readily available (Appendix II provides the list of the 53 accredited/ chartered universities in Kenya).

#### 3.3 Data collection

Collection of data relied on a questionnaire that is semi-structured. A semi-structured questionnaire includes statements for all the study variables. It allows collection of data by combining both open and closed questions. This approach allows for both quantitative data collection and qualitative insights. The questionnaire was constructed by adopting statements from related past studies. This approach followed [Dess and Davis \(1984\)](#) who recommended adoption of a questionnaire that can be modified following previous studies (1984). Semi-structured questionnaires

are a valuable instrument for collecting data since they are easier to administer and analyze for a large percentage of participants as has been revealed by past studies ([Babbie, 2013](#); [Mugenda & Mugenda, 2003](#)).

#### 4. Data Analysis

##### 4.1. Response Rate

The population targeted was 53 accredited universities in Kenya ([CUE, 2022](#)). Out of which 5 universities were randomly picked for a pilot study. The 5 included 3 private and 2 public accredited universities. The questionnaires from the 5 universities were excluded from this study. The justification for picking 5 random universities from the sample population follows a common rule of thumb for pilot study sample size which is to use 10-20% of the full scale survey sample size as guided by literature. The two public universities included University of Nairobi, Technical university of Kenya while the private universities included: United States International University Africa and KCA University. Therefore, 48 questionnaires were considered for the study. Out of these 48 questionnaires, a total of 32 questionnaires were responded to. Twenty (20) of these were received from public accredited universities and 12 from private accredited universities. The response rate is represented in Table 4.1 below. [Mugenda and Mugenda \(2003\)](#) noted that a return rate of 50% 'and' above is acceptable in research.

**Table 4.1: Rate of Response**

Ownership	Questionnaire Distributed	Questionnaires accepted	Percent
Government owned (Public)	30	20	41.6
Privately owned	18	12	25.0
<b>Total</b>	<b>48</b>	<b>32</b>	<b>66.6</b>

**Source: Research Data (2022)**

Table 4.1 above illustrated that 41.6 % (20 out of 48) of the responses were from public or government-owned universities with 25% (12 out of 48) from the privately-owned universities, which corresponds to an overall response rate of 66.6%. The data collection tool (questionnaire) was pretested before the actual data collection process from five academic registrars that were randomly selected from five accredited universities. This process was necessary to ensure that the tool measures what it was expected to measure in this study.

##### 4.1.1. Reliability Test

The reliability and uniformity of the items in the questionnaire was determined using the Cronbach alpha coefficient ([Sekaran, 2003](#)). An alpha coefficient value of 1.0 means that all items measured, only the true score and are error free while any values between 0.5 and 0.8 are adequate for internal consistency of the instruments ([Sekaran, 2003](#)). Values of 0.7 and above were considered good enough in this study.

**Table 4.2 Summary of Cronbach Alpha Reliability Coefficients**

Variables	Indicators	Number of items	Cronbach Alpha Coefficient
Competitive strategies	<ul style="list-style-type: none"> <li>Cost leadership</li> <li>Differentiation</li> <li>Focus</li> <li>Market penetration</li> <li>Product development</li> <li>Market development</li> <li>Strategic alliances</li> </ul>	24	0.931

Variables	Indicators	Number of items	Cronbach Alpha Coefficient
Ethical Values	<ul style="list-style-type: none"> <li>• Respect</li> <li>• Justice &amp; fairness</li> <li>• Caring</li> <li>• Trustworthiness</li> <li>• Corporate citizenship</li> </ul>	10	0.868
Organizational performance	<ul style="list-style-type: none"> <li>• Financial resources</li> <li>• Teaching effectiveness</li> <li>• Research effectiveness</li> <li>• Community outreach</li> </ul>	22	0.935

In the outcomes in Table 4.2, competitive strategies have an Alpha Coefficient of 0.31, competitive advantage items have an Alpha Coefficient of 0.710, ethical aspects items have an  $\alpha$  of 0.868, , ethical aspects items have an  $\alpha$  of 0.868 and organization performance an Alpha Coefficient of 0.935. All the study variables, therefore, had an Alpha Coefficient higher than the acceptable value of 0.7 for this study. Thus, the variables were deemed reliable to be used for further analysis.

#### 4.1.2. Validity Test

Research validity describes how a research instrument measures whatever was anticipated to be measured using the instrument. The different types of tests of validity are content face, construct and criterion validity. Kaiser-Meyer-Olkin (KMO) and Bartlett's test for sampling adequacy to test diverse kinds of validity encompassing discriminant, convergent and construct validity. This study also used factor analysis for the withdrawal of common attributes from the data that are scored commonly. The KMO and Bartlett's test results on instruments validity are presented in Table 4.3 and those of the factor analysis in Table 4.3 below.

**Table 4.3: Summary of KMO and Bartlett Test Results**

Competitive strategies	0.575	354.03	253	0.000
Ethical values	0.730	108.63	45	0.000
Organizational performance	0.66	573.6	231	0.000

**Source: Research Data (2022).**

The outcomes of Bartlett's test indicated the adequacy of sampling for the variables. Competitive strategies had KMO=0.575, Chi-square=354.03, and  $p < 0.001$ ; ethical values had KMO=0.730, Chi-square=108.63, and  $p < 0.001$ . Thus, the instruments passed the validity test for further analysis. Instead, Principal Component Analysis attained, displayed the factor loadings for every item. The study used the factor loadings of the items that were equal to or above 0.5 as a threshold. Loadings with greater values indicated that the attributes elucidated a greater disparity, which was substantial. Results for communalities were highlighted in Table 4.4 below.

**Table 4.4: Factor Loadings for Ethical Values**

No.	Items	Factor loadings
	My university has put measures in place to curb plagiarism.	0.4157
	My university emphasizes on competent teaching by employing competent staff.	0.2632
	My university treats its customers/students without bias based on gender or social class.	0.3971
	My university addresses student's complaints satisfactorily.	0.4527
	My university's programs are market driven (relevant).	0.6358

My university provides support services such as career guidance and counseling to the students.	0.7262
My university has embraced an open-door system with its students.	0.7389
My university handles students' complaints in ways that express justice and fairness.	0.8085
My university pursues excellence in all its activities by bench marking with other universities.	0.7359
My university has rules and regulations that guide ethical behavior.	0.6393

**Source: Research Data (2022)**

#### 4.2. Test of Hypotheses

The third specific objective, gave rise to hypothesis three which stated that the influence of ethical values does not moderate the relationship between competitive strategies and performance of accredited universities in Kenya.

**Ho<sub>3</sub>: Ethical Values do not moderate the relationship between competitive strategies and performance of accredited universities in Kenya.**

To test this hypothesis, stepwise regression model was used. The conditions for the stepwise regression model involved three steps where the criterion variable was regressed on the independent variable. In the second step the moderating variable was regressed on the predictor variable and in the third step the interaction effect for the predictor variable and moderating variable on the criterion variable was obtained. The results for the step one are presented in the Table 4.5

**Table 4.5 Regression Outcomes for the Influence of Competitive Strategies on Performance of Accredited Universities in Kenya**

Model Summary						
Model	R	R <sup>2</sup>	Adj R <sup>2</sup>	SE		
1	0.803	0.6454	0.6336	0.384		
ANOVA						
Model		SS	df	MS	F	P
1	Regression	7.8013	1	7.8013	54.61	.000
	Residual	4.2860	30	0.1429		
	Total	12.0873	31			
Coefficients						
Model		Unstandardized		Standardized	T	p
		B	SE	Beta		
1	(Constant)	1.432	0.306	0.904	4.674	0.000
	CS	0.673	0.091	0.803	7.389	0.000
a. Predictors: (Constant),						
b. Outcome Variable: Performance of Accredited Universities in Kenya						
Source: Research findings (2022)						

The results in Table 4.5 indicate that competitive strategies had a robust and positive association with organizational performance ( $R=0.803$ ). A coefficient of determination ( $R^2 = 0.6454$ ) suggest that competitive strategies explained 64.54% of the variation in performance. The overall model was significant ( $F=54.61$ ,  $p<0.05$ ,  $df_1=1$  and  $df_2=30$ ), which indicated that the model was a good fit. The regression among predictor and creditor variables was found to be significant. This suggested that competitive strategies had a strong influence on the performance of accredited universities. The first step of testing for the moderating effect was confirmed.

In step 2 Performance was regressed on competitive strategies and ethical values and was represented in Table 4.6.

**Table 4.6: Regression Outcomes for the Influence of Competitive Strategies and Ethical Values on Performance of Accredited**

Model Summary						
Model	R	R <sup>2</sup>	Adj R <sup>2</sup>	Std. Error of the Estimate		
1	0.804	0.646	0.621	0.384		
ANOVA						
Model		SS	df	MS	F	P
1	Regression	7.8045	3	2.6015	26.42	0.000
	Residual	7.8039	29	0.2691		
	Total	15.6084	31			
Coefficients						
Model		Unstandardized		Standardized	T	Sig.
		B	SE	Beta		
	(Constant)	1.344	0.665	2.153	2.020	0.053
	CS	0.661	0.123	1.059	5.378	0.000
	EV	0.02	0.14	0.047	0.150	0.882
a. Predictors: (Constant), Competitive Strategies and Ethical Values						
b. Outcome Variable: Performance of Accredited Universities in Kenya						
Sources: Research findings (2022).						

In Table 4.6 a coefficient of determination ( $R^2 = 0.646$ ) indicated that competitive strategies and ethical values explained 64.6% of variation in the organizational performance with a strong and positive correlation ( $R=0.804$ ). The overall model was significant ( $F=26.42$ ,  $P < 0.05$ ,  $df_1=3$  and  $df_2=2$ ), which indicated that the model had good fit. The regression model expression for competitive strategies and ethical values on the performance of accredited universities in Kenya was represented below:

$$OP = 1.344 + 0.661CS + 0.02EV + 0.384\epsilon, \text{ where:}$$

OP is the performance of accredited universities in Kenya;

CS is the competitive strategies and EV is the ethical values.

Third step: The relationship between competitive strategies, ethical values and the interaction of competitive strategies and ethical values on performance of accredited universities in Kenya was tested as represented in Table 4.7.

**Table 4.7: Regression Outcomes for the Effect of Competitive Strategies, Ethical Values and Interaction between Ethical Values and Competitive Strategies on Performance of Accredited Universities in Kenya**

Model Summary							
Model	R	R <sup>2</sup>	Adj R <sup>2</sup>	SE			
1	0.809	0.654	0.617	0.386			
ANOVA							
Model		SS	df	MS	F	P	
1	Regression	7.8045	3	2.6015	17.67	0.000	
	Residual	7.5348	28	0.2691			
	Total	15.333	31				
Coefficients							
Model		Unstandardized		Standardized	T	p	
		B	SE	B			
	(Constant)	3.107	2.200	4.75	1.412	0.169	
	CS	0.005	0.803	-0.009	-0.007	0.995	
		-0.359	0.501	-0.576	-0.716	0.480	
		EV					
		-0.146	0.173	0.233	0.841	0.408	
CS*EV							
a. Predictors: (Constant), Competitive Strategies, Ethical Values and interface term among competitive strategies and Ethical Values.							
b. Outcome Variable: Performance of Accredited Universities in Kenya							
Sources: Research Findings (2022)							

Table 4.7 shows results for the interaction effect of competitive strategies and ethical values on the performance of accredited universities in Kenya. It shows that the interaction of competitive strategies and ethical values on performance of accredited universities in Kenya was negative and not significant ( $\beta$ -0.146,  $P=0.408>0.05$ ), which meant that ethical values did not moderate the nexus between competitive strategies and performance. The stepwise regression expression for the interaction between competitive strategies and ethical values on the performance of accredited universities in Kenya is represented below:

$$OP = 3.107 + -0.359EV + CS * EV146 + 0.17\varepsilon$$

Where OP is the performance,

CS is the competitive strategies,

EV is Ethical Values,

CS\*EV is the interaction between competitive strategies and Ethical values.

Thus, the null hypothesis which stated that Ethical values have no moderating influence on the association between competitive strategies and ethical values on performance of accredited Universities in Kenya, was not rejected.

## 5. Limitations of the Study

The research was conducted in Kenya, an emerging lower middle-income economy, struggling with public debt issues, which has adversely affected the performance of accredited universities in Kenya. Generalizability of research outcomes to universities in other countries may be impossible due to contextual dissimilarities. Thus, in future, further research could be conducted by obtaining data from other universities even those operating with letters of interim authority.

This study was a cross-sectional survey that collected data at one point in time. Thus, the findings were limited to that point, which restricted the researcher from obtaining realistic results devoid of bias. However, due to the cross-sectional approach embraced in the research, it was difficult to establish and make causal statements about the hypothesized relationships between the variables. Consequently, other methods such as longitudinal could be considered to offer sufficient data and really support the research structure and the outcomes.

Additionally, reliance on a single respondent per university may have resulted in a skewed or overstated view of the study variables. This may have made the study results biased. Thus, future studies may consider including other informants such as teaching staff or students to enrich findings. This study collected primary data using questionnaire via self-reporting technique, thus relying on the information shared by participants. In some instances, the technique has been claimed to lead to validity issues. Therefore, to eliminate a single-source bias as well as subjectivity, more respondents such as students and staff could be included in future studies.

## 6. Recommendations of the Study

The conceptual limitation could be addressed by recommending that variables that were found to be insignificant in moderating such as ethical values could be conceptualized differently as predictors or mediators so as to provide results that are significant. Future studies could also be carried out while focusing on either public or private accredited universities to carry out comparative studies because they are differently structured and governed, which could enrich extant literature. This study collected primary data using semi-structured questionnaire via self-reporting technique, thus relying on the information shared by participants. In some instances, the technique has been claimed to lead to validity issues. Therefore, to eliminate a single-source bias as well as subjectivity, more respondents such as students and staff could be included in future studies

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