

## Relationship between Inter-Functional Coordination On Performance Of Universities In Kenya\*

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### Abstract

Inter-functional coordination is one of the market orientation components which is based on the the customer and competitor information entailing a business's coordinated efforts involving not only marketing department, but all the organizations' departments and resources in order to create superior value for customers. The main purpose of the study was to analyse the relationship between inter-functional coordination on performance of universities in Kenya. The philosophical foundation of this study was positivism. Descriptive and correlation designs design was adopted for the study. The target population for this study was 63 universities in Kenya. A total of 115 respondents who include 3 staff and 2 students were selected from a sample of 23 universities. Both stratified sampling and purposive sampling were used in selecting respondents from the population. A structured questionnaire, administered through drop and pick was used in collecting data. Descriptive and inferential statistics were used in analysing data through the multiple linear regression by using of Stata software, SAS System and Statistical Package for Social Sciences. The relationship between market orientation and university performance were analysed using correlation analysis. The analysed data was presented in frequency tables, pie charts, graphs and percentages. The results show that there was a significant positive relationship between inter-functional coordination and university performance at 1% level of significance respectively. This mean that the independent variable inter-functional coordination was significant in performance of universities. The study concludes that universities in Kenya were market oriented through inter-functional coordination. Implying that that inter-functional coordination is an important market orientation concept that needs to be adopted and implemented by universities in Kenya. This study recommends that universities in Kenya should make an effort and focus more on ensuring smooth flow of communication and sharing of information across all the university's departments. The university management need to know that their institutions would perform well if they develop inter-functional coordination capabilities that will support competitive behaviour of innovativeness.

**Key words:** Market Orientation, Inter-functional Coordination, Performance

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### Introduction

Market orientation (MO) is the implementation of the marketing concept, which holds that the key to attaining organizational goals is by generating, delivering and communicating superior customer value to potential and current markets/customers better than competitors (Kotler & Keller, 2009). Its definition has been operationalized by (Kohli & Jaworski 1990) in three components; intelligence generation, dissemination and responsiveness. Narver and Slater (1990) viewed MO from an organizations' cultural perspective of customer orientation, competitor orientation and inter-functional coordination. Among the market orientation

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components is inter-functional coordination, which is a significant marketing concept in organizations. Market orientation is aimed at external elements that particularly relates to customers, suppliers, distributors and competitors as well as internal factors, which include inter-functional coordination and employees' activities influencing a company (Tomaskova 2018). Inter-functional coordination (IFC) is defined by Tay and Tay (2007) as the harmonization of all processes and functions within an organization. According to Lado and Rivera (1995), it is the responsibility of firms to analyze their markets, environment and competitors, use the collected information to co-ordinate all organization's departments, and develop competitive actions in order to maintain the sustainable competitive advantage.

Irrespective of organizations operating in a dynamic competitive environment, they also face different challenges such as marketing problems, limited resources and changes in customer needs and wants (Rivera-Camino & Ayala, 2010). Due to these challenges encountered, organizations need to look for ways of managing their target markets more efficiently and effectively better than their counterparts through the implementation of the marketing concept through inter-functional coordination. Organizations that embrace and implement the marketing concept are likely to be successful enabling them to achieve superior organizational performance.

Literature on market orientation in higher education broadly recognize the fact that universities currently are faced with threats and for universities to survive depends on how well they respond to environmental challenges such as competing for both students and resources from the same education target marketplace (Newman, 2002; Oplatka, Foskett & Hemsely-Brown, 2002). As a result of marketization and deregulation of universities globally, marketing theories and concepts which are used in the business world in an effort to gain a larger share of the international market have been adopted (Hemsley-Brown & Oplatka, 2006). Akonkwa (2009) states that universities should not be construed as mere commercial organizations but that the marketization philosophy can be appropriate to sustain these institutions efforts to address changes and pressures from their business environment. Canterbury (2000) claims that marketing of higher education encounters some challenges because of diverse markets and characteristics which are different from other markets of goods and services. Kotler and Fox, (1994) pointed out that the rapid development of universities both nationally and internationally, as well as the appreciation of tuition fees together with the intensification of competition in the actual education environment, has forced universities to adopt a market-oriented strategy in order to differentiate themselves from competitors.

According to the Commission for University Education (2014) the growing demand for university education in Kenya triggered the establishment of many institutions and alternative modes of delivery. The Kenyan government, under its vision 2030 plan, pledged to have quality university education in the production of valuable human resources required for implementation of Vision 2030 (Commission for University Education, 2014). The result of this tremendous growth has heightened competition among the universities for students drawn from the same market. Given the aggressive competition, globalization and varying customers' needs and wants, universities need a strong market orientation and strategic marketing approaches to stay relevant in the competitive market place. To the researchers' knowledge, no study has analyzed the relationship of market orientation component inter-functional coordination on university

performance in a Kenyan context. Therefore, the importance of considering how inter-functional coordination manifests itself in relation to university performance is a knowledge gap that exists. This study therefore, proposed to fill this gap by carrying out a study on the relationship of inter-functional coordination and performance of universities in Kenya.

*H<sub>0</sub>: There is no relationship between inter-functional coordination and performance of universities in Kenya.*

## **2. Theoretical background**

Inter- functional coordination (IFC) is a fundamental component of market orientation which includes gathering and disseminating information about the market, integration of knowledge, and the coordination and response to this information Mohr et al., (2014). According to Tomaskova (2018), IFC makes up a significant part of the internal factors of market orientation and the implementation of market orientation cannot be possible without IFC and is the fundamental part of market orientation Mohr et al. (2014). The goal for inter-functional coordination is to ensure that there is coordination of all processes and activities in a company that allow the effective flow of information within and outside the company. Inter-functional coordination when approach from a market orientation perspective helps in the cooperation of customers, takes care of information obtained from the market, investigates current and potential resources and helps with the formulation of business strategy (Tomaskova 2018).

Zebal and Goodwin (2011) pointed out that if companies wants to remain competitive and serve the market better than its competitors, companies need a continuous collection of information regarding the existing and perceived future needs and wants of customers. Information gathering could be the responsibility of all the departments within a university and exchanging/disseminating of this information between departments of a university could lead to adapting to the needs of the market (Kohli & Jaworski, 1990). As stated by Kaoutar and Bouchra (2013) market intelligence generation mean that all organizational services and departments together, horizontally and vertically collect current and future needs of consumers as well as exogenous factors such as competition, regulation, policy, technology and other environmental factors that affect the needs. IFC has been perceived and connected with internal marketing (Kaura et al. 2015), as communication (Woodside, 2005); helps companies with the transformation to learning organisations (Baker and Sinkula, 2009). IFC helps in the relationship with employees and on the flexibility that are limited to strategic, financial and human resources management (Mohsen & Eng, 2012; Tovar, 2016).

Universities that seek effective inter-functional coordination do so from the understanding that synergy among institutions' members is required and value for customers is created. As pointed out by Tay and Tay (2007), different departments or functional areas of an organization should cooperate to work together to achieve certain objectives of the organization. For instance, attracting students and sustaining recruitment should not be solely the responsibility of faculty management, but is the responsibility of everyone in the university community; which can be achieved through the integration and coordination of the higher education institutions' resources (Hemsley-Brown & Oplatka, 2010). The practice of IFC in organizations helps in the

cooperation of customers, takes care of information obtained from the market, and examines current and potential resources and assist with the formulation of business strategy.

The study was guided by the Social Capital Theory, which was first introduced in the 80s by Pierre Bourdieu who defined the concept as “the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance or recognition” (Bourdieu 1995; 1980). The concept springs from social network theory that plays a pivotal role on firm competitiveness by providing valuable information access (Kwon and Adler, 2014). The concept of social capital theory emphasize on the benefits accruing to individuals by virtue of participation in groups and on the deliberate construction of sociability for the purpose of creating competitive advantage. It focuses on aspects of social life that help the members to work together in achieving shared goals (Chou, 2006). In the organizational context, social capital is defined as an organizational value formed grounded on the relationships between its members in order to cooperate in collective activities (Freel, 2000) as well as providing a positive work environment (Duffy, et. al. 2012) and greater life satisfaction (Lim & Putnam, 2010). The theory of social capital supports market orientation component of inter- functional coordination and can be applied to organizations. The theory according to (Nahapiet & Ghoshal, (1998) states that networks within an organization create value for the organization by providing different departments of an organization get access to social resources. This theory is relevant to this study as it suggest that inter-functional can be understood as a tool within an organization for encouraging teamwork and common goal within the organization and among employees. This suggests that inter-functional coordination seen as a way to better an organizations communication and collaboration between the different departments of an organization and hence improve performance.

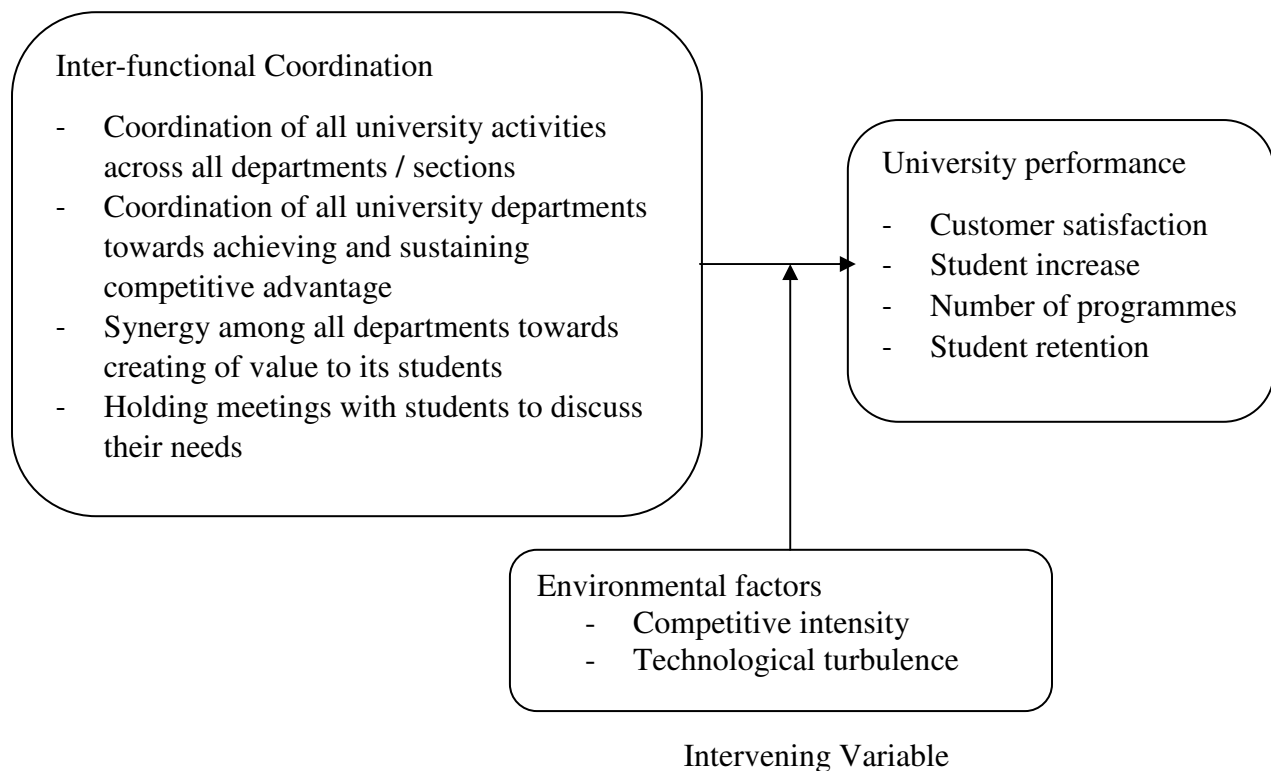
Considerable research has been undertaken to determine the influence of inter-functional coordination. A study by Kanovska and Tomaskova (2014) on market orientation and strategic behaviour at high-tech companies with the aim of establishing relationship between IFC and innovations. The study established that IFC has a positive impact on innovations. Another study conducted by (Kozlowski and Bell 2003) on the analysis of the relationship between IFC and business performance established that the implementation of IFC leads to the creation of a cross-functional team that may lead to better team performance. Kozlowski and Bell (2003) study was further supported by Dezso, Grohsjean and Kretschmer (2012) who emphasized that IFC helps to coordinate the expertise and activities of managers more effectively. Tomaskova (2018) also conducted a study on inter-functional coordination and its influence on customer success established. The research found that the implementation of IFC in a company has a positive relationship on the success of its customers. Gurkov (2010) also established that the practice of inter-functional coordination has impact on the strategy of a company. Studies by Zhou et al. (2009) emphasized that IFC enables the coordination of customer oriented activities and their resources within a company. It has also been established that IFC is important in that it is seen to creating customer value and leading to business performance (Jüttner et al. 2007). Inter-functional coordination has also been found to help offer special value for (Tsiotsou, 2010). Based on the various studies and results, hypothesis was formulated: “*There is no relationship between inter-functional coordination and performance of universities in Kenya*”.

### **3. Conceptual framework**

Figure 1 shows the conceptual framework. The independent variable consists of inter-functional coordination and the dependent variable is university performance, measured in terms of customer satisfaction, student increase, number of programmes and student retention. The independent variable, inter-functional coordination, is whereby pertinent information and ideas are allowed to flow freely across the university departments. The study conceptualized that the coordination of all university activities across all departments/sections, towards achieving and sustaining competitive advantage, and synergy among all departments towards creation of value to its students, as well as holding meetings with students to discuss their needs, would lead to performance in universities in Kenya. In addition, the collected information and ideas communicated across all institutions' departments, being responsive to student needs and requests. Technology turbulence and competitive intensity are intervening variables proposed by Kohli and Jaworski (1990) that influence the linkage between competitor orientation and performance.

Independent Variable

Dependent Variable



**Figure 1: Conceptual Framework**

#### 4. Methodology

The research design adopted for this study was descriptive and correlation designs. The target population is 63 universities in Kenya. A total of 115 respondents were selected from a sample of 23 universities. Both stratified sampling and purposive sampling were used in selecting respondents from the population. A structured questionnaire, administered through drop and

pick method was used in collecting data. Descriptive and inferential statistics were used in analyzing data using Stata and Statistical Package for Social Sciences (SPSS). Descriptive statistics was used to present the main characteristics of the sample and involved the use of frequency tables, pie charts, graphs and percentages. Inferential statistics were used to test hypotheses of the study; these included Pearson correlation analysis and regression analysis using SPSS software.

The measure of inter-functional coordination was adapted from a scale by Narver and Slater (1990). This study's measure of inter-functional coordination comprised four items measuring inter-functional coordination, which were refined to suit a university set up. University performance was measured by four measures of performance namely customer (student) satisfaction, student increase (growth), number of academic programs and student retention. These performance measurement were propounded by (Caruana, Ramaseshan & Ewing, 1998).

To achieve the objectives of the study, we use both descriptive and inferential statistics to analyse data. Factor analysis was performed for all the 5-point Likert scale items in each variable in order to explore the underlying variance structure of a set of correlation coefficients. We also performed normality test to assess whether data set are normally distributed or not. Multicollinearity test was performed using pairwise correlations among the variables to test if independent variables are correlated to each other. The hypothesis was tested using regression analysis and data analysed using Stata and Statistical Package for Social Sciences (SPSS). Regression analysis allows the determination of the overall fit of the model and the relative contribution of each of the predictors to the total variance.

The reliability of the study variable was checked using Cronbach's alpha which is a method used as a coefficient of internal consistency among research instruments (Cronbach 1951). Cronbach alpha coefficients for four dimension of competitor orientation individually and for overall market orientation tool. In this study we adopted a cut off value of 0.5 for Cronbach's coefficient according to Nunnally (1968) as well as (Nunnally 1967). The cut off value of 0.5 was used not without precedent; as (Bankson & Stoke, 2000; Blankson & Cheng, 2005) had embraced it in other related studies. Construct and Content validity tests were performed for this study.

## **5. Analysis and discussion of results**

### *5.1 Descriptive analysis results*

Out of the 115 questionnaires administered to both members of staff and students, 106 were filled and returned. This represented a response rate of 92%. The majority of the respondents were from faculty members (35.48%), Marketing/Corporate Affairs (33.87%) and Academic Registrar/Admission (30.65%). With regard to the length of service, and year of study for student leaders, the majority of the staff respondents had been in the service for a period of 1 to 5 years while majority of students leaders were 4<sup>th</sup> year students. In addition, when universities were categorized into private and public universities, majority of the respondents in private universities have only worked for not more than 5 years while in public universities, majority have been in the service for a period of between 6 to 10 years. Another notable difference was

that public universities had respondents who had been in the service more than 21 years unlike private universities, which did not have any respondent in that category. It was also established that the level of study for the student's representative indicated that majority of the respondents were 4<sup>th</sup> year students representing 50% of the respondents.

This study sought to establish the extent in which Kenyan universities have adopted inter-functional coordination by sharing information gathered across all the functional areas of university to create value for its customers (students). The results indicated that both private and public universities share the gathered market information across all university departments. The results were also similar when universities were categorized according to private and public, where it revealed that both share the gathered information across all the university departments. Furthermore, when the respondents were asked whether there were other ways their respective universities share the gathered market intelligence across the university departments, the respondents mentioned the use of consultative meetings.

When respondents were asked whether their respective universities have service charters, majority of the respondents indicated that they have service charters. The respondents also indicated that the frequency of evaluating and analyzing the delivery of services as per the service charter are done either on a "quarterly basis" or "bi-annually". The results also indicated that universities solicit information on customer satisfaction from all the sections of the universities on "quarterly basis". In addition, when universities were grouped in terms of private and public, the results were the same in relation to soliciting information "across university department".

The study sought to find out the extent of agreement regarding respondents' opinion on some of the statements regarding inter-functional coordination in their respective universities. Using a 5-pointing Likert scale item, the respondents were asked to indicate the level of agreement on some statements regarding inter-functional coordination. The results in Table 1 revealed that inter-functional coordination practices have been embraced in all the sections and departments of the university.

**Table 1: Staff Responses on Extent of Inter-functional Coordination in University**

Inter-functional coordination	SD	D	NS	A	SA	CHISQ	P>CHISQ
There is coordination of all university activities across all departments / sections of the university	-	4.84	8.06	61.29	25.81	49.87	<.0001
There is coordination in all sections / departments towards achieving and sustain competitive advantage	-	1.61	8.06	58.06	32.26	49.1	<.0001
There is synergy among all the departments/sections in the university towards creation of value to its customers (students)	-	6.45	8.06	61.29	24.19	48.32	<.0001

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University faculty members / departments hold meetings with students to discuss students' needs	3.23	6.45	12.9	58.06	19.35	60.9	<.0001
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**Source:** Research Data, 2018

The results in Table 1 show that there is coordination and synergy among all the university's departments in try to meet students' needs. The Chi-square tests for the items regarding inter-functional coordination in universities in Kenya showed that all the respective universities targeted agreed with inter-functional coordination indicating that universities have embraced the idea of inter-functional coordination across universities departments. In addition, the results from students' representative/leaders agreed that their respective universities responds to competitors' actions and strategies. The respondents agreed to the fact that practicing inter-functional coordination positively influenced student satisfaction, student growth, increased programmes and student retention and competitor orientation is thus significant. The results imply that the inter-functional coordination is practice in all the sections/departments of the universities. These results correspond to the studies by Ashour (2014), who established that the success of market orientation practices requires a firm's ability to integrate and coordinate its resources and competencies through inter-functional activities in order to enhance its overall performance. In addition, Akonwa (2009) agreed that creating value for customers is more than just a marketing function as it is a job for the whole organization where every organizational function and every organizational member is concerned with the sharing of information necessary in improving customer satisfaction. The  $p < 0.0001$  indicates that the variable items are significant. The descriptive results indicated that there existed a relationship between inter-functional coordination and performance of universities in Kenya.

### *5.2 Inferential statistics*

Before we conducted correlation and multiple regression analysis, we first subjected the independent variable (inter-functional coordination) to factor analysis using exploratory factor analysis (EFA) approach to establish the minimum number and nature of factors that would account for the maximum variance in the data collected. The factor analysis outcome of the process supported distinct concepts of inter-functional coordination. The total variance explanatory component for inter-functional coordination variable has an Eigen value of 1.879.

The factor analysis results for the dependent variable university performance (student satisfaction, Student growth, number of programmes and student retention) had a factor loading greater than 0.4 ranging from 0.4858 to 0.8733 meaning that all the variable items were retain for further analysis. Factor analysis was also subjected to independent variable inter-functional coordination and the results showed that the variable indicators of the independent variable inter-functional coordination had a factor loading greater than 0.4 ranging between 0.5779 to 0.7913 meaning all the variable items wee retain for further analysis.

Normality test was also performed to assess whether data set are normally distributed or not. Shappiro-Wilk test and Shapiro-Francia test as well as Q-Q test were used to test for normality. Skewness and Kurtosis for the various variables were tested to assess their normality of distribution (Ogunnaike, Akinbode, & Onochie, 2014). The result in Table 5 shows that



Skewness test and Kurtosis test indicate that the data are normally distributed. This confirmation is positive for further multiple regression analysis.

**Table 5: Normality Tests**

Variable	Shapiro-Francia		Shapiro-Wilk		Skewness Test Pr(Skewness)	Kurtosis Test Pr(Kurtosis)
	P-Value	Z-Value	P-Value	Z-Value		
Customer satisfaction	0.92545	2.926	0.93180	2.886	0.0032	0.0081
Student increase	0.94430	2.367	0.91535	3.353	0.0049	0.5623
No. of programmes	0.99111	-1.149	0.98122	0.101	0.3379	0.1612
Student retention	0.84613	4.315	0.81720	5.016	0.0000	0.0000
Competitor orientation	0.88322	3.786	0.88108	4.087	0.0019	0.0277

Multicollinearity test was also performed using pairwise correlations among the variables to test if independent variables are correlated to each other. Table 6 shows the correlation between inter-functional coordination component and university performance measures.

**Table 6: Correlation between Inter-functional coordination and Performance Measures**

	1	2	3	4	5
Customer satisfaction (1)	1.0000				
Increase number of student (2)	0.0040 (0.9756)	1.0000			
Number of Programmes(3)	0.3243* (0.0101)	0.1753 (0.1730)	1.0000		
Student retention (4)	0.1875* (0.1445)	0.2509* (0.0492)	0.4437* (0.0003)	1.0000	
Inter-functional coordination(5)	0.6830* (0.0000)	0.1021 (0.4297)	0.2331 (0.0683)	0.3041* (0.0163)	1.0000

Note: \*coefficient is significant at the 0.05 level. The P-values are in parenthesis.

According to the findings, the variable under study do exhibit a statistically significant relationship with other constructs in the correlation matrix, which warrants further investigation. The correlation between the independent and dependent variables indicate a moderately weak correlation.

#### **5.4 Regression Results**

The study identified specific objective and corresponding hypothesis tested to achieve the objective of the study. Regression analysis was used in order to determine the relationship of the independent variable on the dependent variable. The tests of hypothesis using t-values were carried out at 95 percent significant level. A decision was then made as to whether to reject or accept a hypothesis based on the p-values. Coefficient of determination ( $R^2$ ), F-Statistic values and beta values were considered during the interpretation of results and discussions. The  $R^2$  show the change in dependent variable that is explain by change in the independent variable.

Table 7 shows the regression results of the relationship between inter-functional coordination and university performance. Four dependent variables i.e. customer satisfaction, student increase, number of programmes and student retention were used in the study. Columns 1, 2, 3 and 4 present results for dependent variables i.e. customer satisfaction, student increase, number of programmes and student retention respectively.

**Table 7: Regression Results of Relationship between Inter-functional Coordination and university Performance**

Variables	Customer (student) satisfaction (D1) Model 1	Increase number of students (D2) Model 2	Number of Programmes (D3) Model 3	Student retention (D4) Model 4
Inter-functional coordination	0.6918 (5.97)***	-0.0093 (-0.06)	0.2255 (1.71)*	0.2090 (1.37)
F	13.87	2.33	0.96	3.06
$R^2$	0.4933	0.1406	0.0626	0.1766
Adjusted $R^2$	0.4577	0.0803	0.0028	0.1188
Root MSE	0.6437	0.8880	0.7339	0.8472
Number of observations	62	62	62	62

The t-values are in parenthesis. The asterisks \*, \*\*, \*\*\* represent significance at 10%, 5%, and 1% respectively. Dependent 1 captures questions on customer satisfaction, dependent 2 captures questions on increase number of students, dependent 3 captures questions on number of programs while dependent 4 captures questions on student retention. Model 1, 2, 3 and 4 were run without effect of intervening variables.

The results in Table 7 show that inter-functional coordination contributes more to university performance when it comes to customer satisfaction and number of programmes and is statistically significant. Inter-functional coordination entails the coordinated utilization of personnel and other resources throughout the organization to create value to target customers and one unifying system. The findings show that inter-functional coordination confirms with the findings in the descriptive data analysis that inter-functional coordination have a positive influence on university performance. The findings are in line with (Zhao and Cavusgil 2006) that inter-functional coordination represents the integration of all functions in all organization to satisfy and serve customer needs, wants and demand. It means that in order to achieve an effective inter-functional coordination organizations needs to align all of the functional areas' incentives and the creation of inter functional dependency.

The study also sought to establish further if there could be any variation in research findings when universities are categorized into private and public universities. The results were however slightly different when universities were categorized into private and public universities. The results indicate that inter-functional coordination is statistically significant in both private and public universities (Table 8). Inter-functional coordination contributes more to university performance when it comes to customer (student) satisfaction and student retention. The results are similar with the regression analysis results when universities are lumped together. The results also agree with the findings in the descriptive data analysis that inter-functional coordination have a positive influence on university performance. When it comes to public universities, inter-functional coordination improves student satisfaction and is statistically significant. However, student increase, number of programmes and student retention show that it improves on university performance, but are statistically insignificant. Results indicate that private universities are more inter-functional coordination than in public universities. Table 8 shows the regression analysis results per university category.

**Table 8: Regression Analysis Results per University Category**

Variable	Private Universities				Public Universities			
	Customer (student) satisfaction (D1) Model 1	Student increase (D2) Model 2	Number of programmes (D3) Model 3	Students Retention (D4) Model 4	Customer satisfaction D1 Model 1	Student increase D2 Model 2	Number of programs D3 Model 3	Student retention D4 Model 4
Inter-functional coordination	0.9812 (4.65)***	-.1675 (-0.59)	0.2806 (1.34)	0.3681 (1.73)*	0.3656 (2.71)***	0.2194 (0.87)	0.1205 (0.73)	0.0509 (0.20)
F								
R <sup>2</sup>	0.0000	0.2852	0.3858	0.3921	0.0005	0.0447	0.0295	0.0105
Adjusted R <sup>2</sup>	0.5522	0.1412	0.1183	0.1170	0.6140	0.3725	0.4018	0.4668
Root MSE	0.4963	0.0339	0.0081	0.0066	0.5368	0.2470	0.2821	0.3602
No. of Observation	0.6818	0.9108	0.6780	0.6874	0.5031	0.8191	0.6173	0.9275
	37	37	37	37	25	25	25	25

The t-values are in parenthesis. The asterisks \*, \*\*, \*\*\* represent significance at 10%, 5%, and 1% respectively. Dependent 1 captures questions on customer satisfaction, dependent 2 captures questions on increase number of students, dependent 3 captures questions on number of programs while dependent 4 captures questions on student retention. Model 1, 2, 3 and 4 were run without effect of intervening variables.

Based on the series of regression analysis and the subsequent findings in the above tests, the study rejected  $H_01$ : “there is no relationship between inter-functional coordination and performance of selected universities in Kenya” when it comes to customer satisfaction and number of programmes. However, accepted the null hypothesis when it comes to increase student number and number of programmes when universities are lumped together. When universities were categorized into private and public universities, we rejected the null hypothesis when it comes to customer (student) satisfaction and student retention in private universities. In public universities, the study rejected the null hypothesis when it comes to customer (student) satisfaction and accepted the null hypothesis when it comes to student increase, number of programmes and student retention. The study found that the independent variable (inter-functional coordination) do not have a positive relationship with all the dependent variables as some dependent variables were significant and others were not.

## 6. Discussion

The purpose of this paper was to analyze relationship between competitor orientation and university performance. The study sought to establish the extent in which Kenyan universities have adopted inter-functional coordination by sharing information gathered across all the functional areas of university to create value for its customers (students). The results indicated that both private and public universities share the gathered market information across all university departments. The results were also similar when universities were categorized according to private and public, where it revealed that both share the gathered information across all the university departments. Furthermore, when the respondents were asked whether there were other ways their respective universities share the gathered market intelligence across the university departments, the respondents mentioned the use of consultative meetings. The results are in line with studies by Tomaskova (2018) who found that the implementation of IFC in a company has a positive relationship on the success of its customers.

When respondents were asked whether their respective universities have service charters, majority of the respondents indicated that they have service charters. The respondents also indicated that the frequency of evaluating and analyzing the delivery of services as per the service charter are done either on a “quarterly basis” or “bi-annually”. The results also indicated that universities solicit information on customer satisfaction from all the sections of the universities on “quarterly basis”. In addition, when universities were grouped in terms of private and public, the results were the same in relation to soliciting information “across university department”.

The study sought to find out the extent of agreement regarding respondents’ opinion on some of the statements regarding inter-functional coordination in their respective universities. The results revealed that inter-functional coordination practices have been embraced in all the sections and departments of the university. The Chi-square tests for the items regarding inter-functional coordination in universities in Kenya showed that all the respective universities targeted agreed with inter-functional coordination indicating that universities have embraced the idea of inter-functional coordination across universities departments. In addition, the results from students’ representative/leaders agreed that their respective universities responds to competitors’ actions and strategies. The respondents agreed to the fact that practicing inter-functional coordination positively influenced student satisfaction, student growth, increased programmes and student retention and competitor orientation is thus significant. The  $\chi^2$  test for the items shows that it is statistically significant. The regression results showed that inter-functional coordination improves student satisfaction and increases number of programmes. Inter-functional coordination also improves student retention; however, the result is statistically insignificant.

The regression results show that inter-functional coordination only improved student satisfaction and also increases number of programmes. Inter-functional coordination also improved student retention in private universities when universities were categorized into private and public universities. This indicates that private universities have put more weight to inter-functional coordination towards achieving excellent performance in universities. These findings are in line with existing literature that inter-functional coordination through synergy among institutions’ members plays a role in achieving excellent performance in universities (Narver & Slater 1990, Akonkwa, 2009; Tay & Tay, 2007, Hemsley-Brown & Oplatka, 2010).

## 7. Conclusion

Our results indicate that inter-functional coordination has a significant influence on university performance and the strength of this relationship increase when it comes to student satisfaction, student retention and number of programmes. This led to the conclusion that where an institutions' management engages and involves all of an organization units in the activities of universities and work as a team in improving customer satisfaction would achieve organizations' objectives. This confirms the social capital theory, which suggests that inter-functional coordination is a tool within an organization for encouraging teamwork and common goal within the organization and among employees. Inter-functional coordination can be seen as a way to better an organizations communication and collaboration between the different departments of an organization and hence improve performance. When there is an integrated effort of all the market orientation components within universities setting, students' value would be created leading to university's overall performance.

The study also further increases the prominence of inter-functional coordination in creating and delivering value to customers (students). We hope that scholars capitalize on this extended view of inter-functional coordination to pursue more interdisciplinary research to further study its effects inter-functional coordination.

The study, therefore, recommends that universities in Kenya should ensure that there is an integrated effort and teamwork among all the employees in all organizational departments. Universities in Kenya should also ensure that there is an effective structure that would allow and enhance smooth running of operations, that would easy communication and efficient sharing of information across all the departmental structure of the organization.

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