

THE EFFECTS OF COMPETITIVE STRATEGIES ON PERFORMANCE OF
PUBLIC UNIVERSITIES OPERATING WITHIN NAIROBI COUNTY

By

Kyungu. M. Hellen

A THESIS SUBMITTED TO OFFICE OF THE GRADUATE SCHOOL IN
PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF THE
DEGREE OF MASTER OF BUSINESS ADMINISTRATION, STRATEGIC
MANAGEMENT OF PAN AFRICA CHRISTIAN UNIVERSITY

SEPTEMBER, 2018

DECLARATION

I declare that this thesis is my original work and that it has not been presented for examination in any other university or institution of higher learning.

Signature _____ Date _____

Kyungu Mwendu Hellen

Reg. no: MBAD/7643/16

The research thesis has been submitted for examination with our approval as the university supervisors.

Signature _____ Date _____

Dr. Wilson Odiyo

Department of Business Administration

School of Leadership, Business and Technology

Pan Africa Christian University

Signature _____ Date _____

Dr. Walter Ongeti

Department of Business Administration

School of Leadership, Business and Technology

Pan Africa Christian University

TABLE OF CONTENTS

DECLARATION.....	ii
TABLE OF CONTENTS.....	iii
DEDICATION	iv
ACKNOWLEDGEMENT	v
ABSTRACT	vii
LIST OF TABLES	viii
LIST OF FIGURES	ix
ABBREVIATIONS AND ACRONYMS	x
DEFINATION OF TERMS	xi
CHAPTER ONE.....	1
INTRODUCTION AND BACKGROUND TO STUDY.....	1
Introduction	1
Background of the Study	1
Competitive Strategy	2
Oragnizational Performance	4
Universities in Kenya.....	5
Statement of the Problem.....	7
Objectives of the Study.....	8
Hypothesis.....	9
Assumptions of the Study	9
Justification of the Study	9
Significance of the Study	10
Scope of the Study.....	10
Limitations and Delimitations of the Study	10
Chapter Summary	11
CHAPTER TWO.....	12
LITERATURE REVIEW	12
Introduction	12
Competitive Strategies.....	12
Generic Strategies.....	14
Differentiation Strategy	15
Cost Leadership Strategy	16
Focus Strategy	17
Organizational Performance	18
Causes of firm Performance	19
Competitive Stratgies and Performance	19
Theoretical Framework.....	21
Porters Generic Strategies	21
Porters Five Forces	22
Summary of Knowledge Of Gaps	24
Conceptual Framework.....	27
Chapter Summary	27
CHAPTER THREE	28
RESEARCH METHODOLOGY	28
Introduction	28
Research Design	28
Population of the Study.....	28
Sampling Frame	29
Data Collection.....	30

Validity testing	30
Reliability testing	31
Data Analysis	32
Ethical Considerations	33
Chapter Summary	33
CHAPTER FOUR	34
RESULTS AND DISCUSSION	34
Introduction	34
Response Rate	34
Demographic Information	34
Competitive Strategies	36
Performance	38
Hypothesis Testing	39
Differentiation and Performance	39
Focus and Performance	40
Cost Leadership and Performance	42
Discussion of findings	43
Descriptive Statistics	43
Differentiation and Performance	44
Focus and Performance	44
Cost Leadership and Performance	45
Chapter Summary	46
CHAPTER FIVE	47
SUMMARY OF FINDINGS, RECOMMENDATIONS, AREAS FOR FURTHER RESEARCH AND CONCLUSIONS.....	47
Introduction	47
Summary of Findings	47
Implications.....	48
Recommnedations	48
Future Studies	49
Final Conclusions	49
REFERENCES.....	51
APPENDIX I:THE RESEARCH QUESTIONNAIRE	58
APPENDX II: RESEARCH AUTHORIZATION LETTER.....	61
APPENDIX III:RESEARCH PERMIT FROM THE NATIONAL COUNCIL FOR SCIENCE,TECHNOLOGY INNOVATION	62
APPENDIX IV: LETTER OF INTRODUCTION FROM THE UNIVERSITY	63

DEDICATION

I dedicate this work to the Most High, who has been my source of strength, patience and understanding. Additionally, I also dedicated it to my family who have been a pillar and a source of encouragement all through. God bless you

ACKNOWLEDGEMENT

I am most thankful and grateful to the almighty God for the knowledge, strength and wisdom that has been my driving force this far. I am especially indebted to my supervisors Dr. Wilson Odiyo and Dr. Walter Ongeti who have continually guided me and provided me with their valuable input for this thesis to be a success. Moreover I am thankful to all my lecturers at PAC University who have been supportive throughout my coursework.

I wish to also thank those that I have worked with throughout my studies, my classmates. We have worked hard to get to this point. I would especially like to thank my dear friend Florence, for all the support and encouragement as we began this journey together and have walked through it together. Finally, I would like to express special thanks to my family from my parents and sisters who have supported me in every step, to my partner and kids who have encouraged me and pushed me to do my very best.

ABSTRACT

Competitive strategy is an important area of strategy that stems from the understanding of the influence of competition and industry attractiveness on the performance of the firm. Learning how organizations use competitive strategies as a tool for success has been a core issue in strategic management. A firm's competitive strategies are what make it better than the competition. Competitive strategies can be applied in businesses, employees and even countries. The central objective of the study was to investigate the effects of generic strategies on the performance of Public universities operating within Nairobi County. The specific objectives included; to establish the effects of differentiation strategies on performance of Public universities operating within Nairobi County, to find out the effects of cost leadership strategies on performance of Public universities operating within Nairobi County, to examine the effects of focus strategies on performance in Public universities operating within Nairobi County. The study was based on Michael Porters generic business strategies theory, that includes; Differentiation, Cost leadership and Focus strategies. The study used a cross sectional descriptive survey research design. Both qualitative and quantitative data was collected. The sample target population of the study was 150 from the administrative section of the universities. The response rate was 80% and the data was summarized by use of SPSS version 24. Data collection from primary sources was done using semi structured questionnaires and was analyzed using descriptive statistics that used standard deviation and mean and inferential statistics that used regression analysis. The findings rejected all the hypotheses and showed a significant association between the independent variables and dependent variable. Hence the conclusion that generic competitive strategies; differentiation, focus and cost leadership have a significant positive effect on performance. The conclusions are best suited to inform decisions of policy makers. Future studies should be carried out on competitive strategies in other counties in Kenya.

LIST OF TABLES

Table 2.1: Summary of Knowledge of Gaps.....	25
Table 3.1: Population of Study.....	29
Table 3.2: Cronbach’s Alpha	31
Table 3.3: Item Total Statistics	32
Table 4.1: Demographic Information	35
Table 4.2: Descriptive Statistics – Competitive Strategies	37
Table 4.3: Descriptive Statistics – Performance	38
Table 4.4: Differentiation Regression Analysis	39
Table 4.5: Focus Regression Analysis	41
Table 4.6: Cost Leadership Regression Analysis	42
Table 5.1: Summary of Findings.....	47

LIST OF FIGURES

Figure 2.1: Conceptual Framework.....	27
---------------------------------------	----

ABBREVIATIONS AND ACRONYMS

ANOVA - Analysis of Variance

CLS- Cost Leadership Strategy

DS – Differentiation Strategy

FS- Focus Strategy

JAB - Joint Admissions Board

KUCCPS - Kenya Universities and Colleges Central Placement Service

NACOSTI – National Commission for Science, Technology and Innovation

P- Performance

PSU- Primary Sampling Unit

SPSS - Statistical Package for Social Sciences

DEFINITION OF TERMS

Competitive strategy: Refers to a competitive position adopted by a firm in a given industry to achieve a profitable and sustainable performance against forces within the industry (Porter, 1985).

Cost leadership: Refers to a competitive strategy where a firm operates on a low cost model in the industry. (Porter, 1985).

Differentiation: Differentiation strategy is focused on the creation of unique products or services that are perceived as better than that of competition (Leger, 2018).

Focus: Focus strategy is such that the firm targets a specific segment (Porter, 1996).

Performance: Refers to the financial and non- financial effectiveness of the firm with the aim of achieving a shared goal. (Barney, 2001).

Strategy: Strategy is a plan a means of getting from here to there. (Mintzberg, 1994)

CHAPTER ONE

INTRODUCTION AND BACKGROUND TO THE STUDY

Introduction

This chapter introduces the study through a research background, the statement of the problem that captures the contextual, conceptual and methodological gaps as well as outlining the main and specific objectives respectively. It also identifies the hypothesis and gives assumptions of the study and justification for the study. In addition, the importance of the study, the scope of study and limitations and delimitations are also addressed.

Background of the Study

The business environment has evolved over the years and has become extremely competitive as firms make an effort to outshine each other. It is important for them to develop sustainable competitive strategies that give advantage. Atikiya, Muluku, Kihoro and Waiganjo (2015) state that firms that have the right competitive strategies can exploit opportunities hence guaranteeing them a ready market over their rivals. Atikiya et al add that broad strategies used by firms in an effort to improve performance are pure and hybrid strategies. The pure strategies include Porters generic strategies used as a single unit. Whilst the hybrid or paradoxical are as a result of having a combination of these strategies. Porter's approach states that strategy targets three things; Cost leadership, Differentiation and Focus strategies. Porter describes an industry as one that has multiple units that a firm can target, making this the competitive scope. In order for a firm to achieve advantage over rivals, it should choose a form of competitive strategy that it will use and the boundaries within which this is attainable.

This concept brings a different perspective on strategy as it was influenced by factors such as the experience curve (Porter, 1980).

Higher education in Kenya is regarded highly as a vital component of the education system. This is due to the fact that higher education helps to create new knowledge and skills through teaching and research. This study is built on Porter's (1985) model of generic competitive business strategies using the five forces. Kenyan universities have undergone challenges in the past including; poor management, decline in quality of output and also competition from emerging entrants (Kamau, 2013). However, in recent years the higher education sector in Kenya has expanded to accommodate a growing number of enrolments in both public and private universities. As a result, the competition for market survival has intensified. This has led to the need to have strategies put in place to effectively minimize costs and maximize profits in order to gain competitive advantage (Kamau, 2013).

Competitive Strategy

Strategy is defined by different theorists like Mintzberg (2007) who states that strategy is a plan, ploy, perspective, pattern and position in a stream of decisions. Porter (1966) describes strategy as a way of being unique: intentionally choosing a different set of actions to deliver a unique combination of value. Chandler (1963) says it is the setting out of the long term goals and objectives of a firm, the adoption of plans of action and the provision of resources necessary for implementing these goals. Each theorist points out a distinct element of strategy Chandler (1963) emphasizes a logical flow, Porter (1966) says strategy is about deliberate choices, difference and competition, whilst Mintzberg (2007) points to pattern, ad hoc ways of doing things. Barney (2001) adds that strategy is the philosophy of the firm on how to contest effectively. Favaro (2012) describes strategy as the result of choices managers make on

where to operate and how to be successful, so as to maximize sustainable value. Where to play, is the target market and the needs to be met. Additionally, according to Nickols (2016), strategy refers to a general plan of action achieving ones goals and objectives.

Strategy is important in an organisation as it helps to define and communicate an organisations unique position. Strategy determines the way an organizations resources, skills and competences can be put together to create competitive advantage (Ovans, 2015). There are three main levels of strategy; corporate level strategies that are concerned with the overall organisation scope and how value is added a whole: Business level strategies that are concerned with how the specific businesses compete in their specific marketplaces. This strategy is also called competitive strategy. Thirdly, operational strategies that are focused on how the other two strategies are delivered in terms of resources, processes and people. Factors such as performance are influenced by strategy as successful competition can be attributed to having satisfactory performance (Barney, 2001). An organization's success can be determined by the response it has towards the external environment and business environments (Ovans, 2015).

Competitive strategy can be described as a living phenomenon, a sequence of interconnected actions and reactions unfolding over time (Hutzshenreuter & Israel, 2009). Competitive strategy is a critical area of strategy and tends to emerge from the perceptions of the rules of competition that influence the industry's attractiveness and ultimately aims at competition rules to favor a firm (Wheeler & Hunger, 1995). Riendora et al (2010) emphasized the importance of competitive advantage for an organization. Learning how organizations use competitive strategies as a tool for success has been a core in strategic management (Kufaine, 2014). A firm's competitive strategies are what make it better than the competition. Competitive strategies can be

applied in businesses, employees and even countries (Amadeo, 2017). This study seeks to establish how competitive strategies have affected the performance of public universities within Nairobi County.

Organizational Performance

Performance according to Barney (2001) is the association of assets that are productive including human, physical and capital resources for the aim of attaining a shared goal. According to Salem (2003) it is the outcome of work, as it provides a strong link to the deliberate goals of an organisation, customer satisfaction and economic contribution. Organizational performance is linked to the successful performance of an organization or group of people (James, 2012). It involves analysing an organization against its set goals and objectives. Organizational performance is also described as a frequent evaluation of the set objectives and goals in relation to the achievements (Jentabadi, 2015). James (2012) adds that the results can be measured in different ways; financial performance, market performance and shareholder value. It is important to know its elements characteristics to each area. To have high organizational performance it is essential for an organization to ensure it produces adequately using the least possible inputs.

For an organisation, continuous performance is the focus as it is only through performance that there is growth and progress. For any organization, performance is related to the organizational objectives and all firms strive to achieve the pre-determined goals using the available resources (Jentabadi, 2015). Thus, performance is a very important variable in management and is a contextual concept that is associated with the issue being studied (Lebans & Euske, 2006). Consequently, the rationale for performance is the ability of the firm to create value. Due to the rapid expansion, increased higher education demands and competitive pressures, Kenyan universities are

facing challenges including; compromised quality of education indicated by the kind of facilities; library, teaching, research and staff dissolution.

These challenges may affect sustainability of performance, thus remaining an elusive goal (Wainaina, 2014). The competitive edge, has introduced frameworks that enhance strategic management or the inclusion of vision, mission and objectives as vital elements of the organisations direction. The government is also in the process of reviewing the performance metrics of universities with the aim of implementing measures that are able to quantify activities such as innovations and research, superior and modern teaching techniques as a result increasing the institutions ranking (Wainaina, 2014). Organizational performance is essentially growth and long term survival and for any organization it is the ability to translate its strategic intent to a clear goal (Jentabadi, 2015). Accordingly, this study examined performance of public universities based in Nairobi and the competitive strategies they employ and how they affect performance.

Public Universities in Kenya

Weidman (1995) states that higher education in Kenya began developing in 1961 when the Royal College in Nairobi was promoted to a University college in conjunction with the University of London. The University college of Nairobi then attained university status in 1970. This is when the government focused on a policy of ‘Africanising’ the civil service by investing in higher level skilled manpower training. Since then, the system has grown commendably in both the private and public institutions. Over the last few years the numbers of chartered universities have increased. The current number of higher education institutions in Kenya comprises of 31 chartered public universities and 6 constituent colleges that are government funded, religious affiliated universities funded by religious agencies and private universities

that are privately owned that make up 18 chartered and 5 constituent colleges and 14 with letter a of interim authority bringing the total to 74 universities countrywide (Kipkoech & Boit, 2012). This variation brings different approaches to conducting business and services in the higher education sector (Kipkoech & Boit, 2012).

Additionally, the growth has affected many tertiary level colleges because the number of student enrolments in universities have increased, due to the fact that university education is a critical issue in the 21st century (Mbirithi, 2013). One of the key reasons of the rapid expansion in education has been the consistent growth in public spending on education (Kipkoech & Boit, 2012). Hence, the growth in universities can be attributed to aggressive competition across the country by use of different strategies to attract potential business (Kaburu & Embeyha, 2014). Kotler & Murphy (1981) say that for universities and colleges to survive in years ahead, a firm emphasis is needed on planning appropriate survival and marketing techniques due to competition.

Public universities in Kenya are organizations that charge fees in accordance with the market forces. Over 60,000 students qualify for admissions every year. However, these numbers are shared amongst the various universities. Some go through the Kenya universities and colleges central placement service (KUCCPS) that succeeded the Joint Admissions Board (JAB), under the Universities Act 2012. Whilst the rest who can afford to pay for the privates and parallel courses are absorbed by the wide array of universities. Therefore, aggressive competition from universities is applied (Kamau, 2013). Wainaina (2014) also notes that all universities face various challenges. The public universities may have issues like; inadequate funding, poor infrastructure, maintaining quality standards, societal demands, student unrest and lecturer strikes that lead to prolonged closures, and as a result, the institution may face diminished public confidence and stiff competition.

Whilst the private universities may face similar challenges, they also have to contend with issues such as maintaining a steady supply of students who can access the higher education fees and also lacking a wide research base comparable to that of the public institutions, leading to specific and narrow programs; thus, not much variety. This study pursued to determine the various competitive strategies used by public universities in Nairobi based on theories developed by scholars and empirical studies.

Statement of the Problem

For a firm to have the largest market share in a growing economy, performance is of utmost importance (Sumer & Bayraktar, 2012) .There is an increase in competition in the education sector in Kenya compared to a decade ago. Some of the reasons for increased competition include the ease of student selection allowed by the Commission for Higher Education and other factors such as privatization of higher education, government policies and a changing economy. Previous researchers have provided mixed results taking into consideration different variables of measurement. Kamau (2013) and Kitoto (2005) investigated competitive strategies adopted and the challenges faced in implementation by both private and public universities in Kenya. These studies focused on the adoption of competitive strategies but not their effects. Kiptum & Ombui (2015) researched on the role of competitive strategies but focused on a case study of Mount Kenya University.

Gatembe (2012) researched on competitive strategies but focused on private universities in Kenya. Waema (2013) researched on impacts of competitive strategies in the dairy firms industry in Kenya. In her findings, the effects of these strategies were not brought out. Sifuna (2014) researched on competitive strategies and their effects on performance in public universities in Kenya using a different population of study. The population included Deans, administrative staff heads, research managers and heads of

student affairs. This study, on the other hand, sought to obtain data from core members of the university management teams, the level at which strategic decisions are made. The population includes Directors of campuses, Registrars/ Senior / Deputy Registrars, Administrative staff heads and Administrators.

Moreover, the dynamics of competition have also been greatly affected, due to the government introducing new cutoff points in 2016 for tertiary education, changing how universities operate and compete. It is evident that the previous researches have not narrowed down to public universities in Nairobi County specifically. Therefore the study sought to fill the gap on how public universities in Nairobi County have sharpened their competitive strategies in this new era of competition, and how effective they have been considering that foreign universities offering degree programs in partnership with institutions like Edu link and others based in Nairobi have taken advantage and penetrated the free local environment, bringing competition to the door of local universities. The study sought to find out the effects of competitive strategies on performance of Public Universities operating within Nairobi County.

Objectives of the Study

The main objective of the study was to establish the effects of competitive strategies on the performance of public universities operating within Nairobi County.

Specific objectives included:

- a) To determine the effects of Differentiation strategies on performance of public universities operating within Nairobi County
- b) To determine the effects of Focus strategies on performance of public universities operating within Nairobi County
- c) To determine the effects of Cost leadership strategies on performance of public universities operating within Nairobi County

Hypotheses

H₀₁; Differentiation strategy has no significant effect on performance of public universities operating within Nairobi County

H₀₂; Focus strategy has no significant effect on performance in public universities operating within Nairobi County

H₀₃; Cost leadership strategy has no significant effect on performance in public universities operating within Nairobi County

Assumptions of the Study

The study assumed that the respondents were willing to give their time and information regarding the concepts in question. It also assumed that the respondents accepted to answer the questions truthfully, and had the assurance that their responses will be confidential and anonymity will be upheld as they shall not be required to give personal details. Despite the fact that not all the responses were received, the study assumed that the data collected from the participants was a true representation of the projected target population and was enough to adequately draw conclusions.

Justification of the study

The proliferation of private and public universities due to the growing pace of economic liberalization, development and government policies has made the industry highly competitive. This has led to the Universities seeking for strategies to enable them compete favorably in a highly competitive market. The universities largely offer similar courses and services and therefore need to improve performance. The extent to which these strategies give advantage, allows for an extensive study. Previous studies have reviewed competitive strategies adopted in either public or private or both types of universities; however few have looked into the effects of these competitive strategies

employed by public universities in the recent past. Due to the dynamic and changing environment, this study sought to find out the current effects of these adopted strategies.

Significance of the Study

The study findings are aimed at improving the researcher's knowledge and skills in relation to competitive strategies and performance. It will assist in the understanding of how competitive strategies applied; affect public university performance. The findings will also contribute to the existing theories of competitive strategies providing worthwhile knowledge in the direction of managerial practices.

This study will also benefit the following groups: The management of the public universities will use it to understand how competitive strategies affect performance of public universities, and how beneficial they are. The government, more so the Ministry of Education will use the findings for purposes of policy recommendations and formulations. Other stakeholders in the education sector will use it to understand the importance of competitive strategies in Universities. Lastly, other researchers in this area will use it to borrow ideas for further studies.

Scope of the Study

The study majorly looked at Porter's competitive strategies which include: Differentiation, Cost leadership and Focus strategies applied by public universities in Kenya and how they influence their performance. The target population was made up of administrative members of staff including; Directors of campuses, Registrars/ Senior / Deputy Registrars, Administrative staff heads and Administrators from various public universities based in Nairobi.

Limitations and delimitations.

Limitations are the factors that are beyond the researcher's control. The key limitation is the fact that focus was on the use of self-reported measures of performance.

In particular, performance on the research instrument was measured by ranking, student numbers and income among others. These were self-reported measures and not actual data on the performance of the universities. Self-reported measures tend to be subjective in nature and hence there is need for further research with the use of objective measures in order to enhance the study outcomes. Income could be measured by revenues of the universities enhancing the overall findings of the study. This study solved this problem by using a number of measures in measuring performance of public universities. This helped to improve objectivity of the responses received and hence ability to use the findings to conduct the analysis.

A second limitation is that this study was focused on a sample of university participants situated in Nairobi County. However, most universities have campuses across the country. Therefore, the findings were evaluated with care as the participants were only limited to those that operate in Nairobi. Future studies can focus more on a representative sample of universities across the nation. Additionally, other limitations occurred due to the reluctance of some respondents to take part in research. This was a challenge because the whole population was not studied as had been anticipated. This therefore was solved by ensuring that more than three quarters of the participants took part in the study. Lastly factors such as technological issues and time constraints limited the research due to the respondent's availability. Time constraints were addressed through proper time management that ensured that the study was completed on time.

Chapter summary

This chapter comprises of the introduction of the study and discussed the background of the study, problem statement, the hypothesis, justification and scope of the study. Moreover the chapter looked at the limitation and delimitations of the study. Chapter two reviews literature in line with the objectives.

CHAPTER TWO

LITERATURE REVIEW

Introduction

This chapter provides a review of the available literature based on the concept; effects of competitive strategies on performance. The literature aims to summarize empirical works done on the concept using the theoretical framework of Michael Porter (1980) that has three main categories. Accordingly, the chapter also categorizes the reviewed literature into concepts, context and methodological gaps, and also defines the conceptual framework with the independent variable being competitive strategies and dependent variable being performance.

Competitive Strategies

According to Thompson, Strickland and Gamble (2010), competitive strategies are the plans organizations develop to attract and retain clients and to stand firm in the midst of external pressure, hence gaining a bigger market share. In addition, Podder & Gadhane (2007) define competitive strategies as the advantage a firm has that helps to increase its market share. Porter (1985) suggests that competitive strategies used by a firm can help it attain competitive advantage. Competitive advantage is whereby organizations gain advantage by offering greater value for the goods and services they provide. Johnson (2014) states that having a competitive strategy is based on how businesses achieve advantage in the domain of activities they have. Agreeably, Kimando, Njogu, and Sakwa (2012) say that having competitive advantage is key for a firm's operations and competition in a market but what is critical is the sustainability of that advantage.

The creation of competitive strategies emerge from factors such as; threats of entry by new competitors, rivalry intensity among existing competitors, pressure from

substitute products and the bargaining power of suppliers and buyers (Porter 1996). According to Porter (1996) and Prahalad and Hamel (1993), successful implementation of competitive strategies requires some pre-conditions such as; technological context, organizational structure and performance, regulatory context, competitive action and product and market context. The external environment can also affect organizational performance by either facilitating or inhibiting performance. Some of the key macro environmental forces that affect an organization like a University include; legal, administrative, political, economic, technological, social and stakeholders. Hence an analysis of the external environment helps when choosing which strategies to use (Kufaine, 2014).

As a result subsequent competitive actions depend on the market and not only the organizations performance (Chen, Kaita, McDonald and Einshade, 2010). Organizations that perform highly may seek to remain at the top, conversely organizations that underperform, may seek to rise disrupting the status quo requiring different strategies in different markets (Weerawardena, 2003). In order for an organization to gain competitive advantage, there are three determinants: The benefits; need to be clear on the product/ service and how it will promote the customers. The target market; need to know who the customers are and how to make their life better by creating demand which is a driver of economic growth. Competition; establish who the competition is and what they do to meet the customer's needs and do it better (Amado, 2017).

Competitive strategies adopted by firms will vary significantly from each other. Studies by Porter (1980) show that competitive strategies include; cost leadership, differentiation and focus strategies. These are generic strategies. Porter (1980) says that a firm would have to decide on which one of the strategies they would like to use for

their organization. However, Thornhill & White (2007) say that these strategies can be used together in order to be more effective. This approach is known as hybrid strategy. Hybrid strategies are highly effective and offer greater performance in a highly competitive environment. Porter (1980) disapproves stating that the combination of the three strategies leads to a 'stuck in middle' situation whereby there is no clear direction and as a result the firm will have low performance. This is disputed by Amali, Vasilika and Enide (2015) who say that a combination of the three strategies work together well. In order to gain advantage, a firm should combine both offensive and defensive actions (Amadeo, 2017). Apart from having various meanings, competitive strategy shows variations in rationale and purposes attributed to concept in different situations and organizations (Chen et al, 2010).

Generic Strategies

A firm's position in a given industry dictates whether it will perform below or above average. Firms can choose from two forms of competitive strategies; low cost or differentiation. Njuguna (2015) states that differentiation strategy is used by the organization competitively by offering a variety of products that seek to differentiate the company's products from others whilst cost leadership is a strategy used by organizations that have the ability to produce at lower costs than the competition with the aim of getting more profits when selling the products in high quantities. He adds that focus strategy is where a firm selects a given market segment but applies differentiation or cost leadership to this market segment. Porter (1985) states that the generic strategy model, remains one of the most useful models in the strategic management literature. He adds that, a firm can choose which strategies to use and how it will use them to influence customer satisfaction and exceed their expectations.

All three of the generic strategies have the ability to enhance customer satisfaction. On the other hand, they may not all be suitable for a firm because they differ on a number of dimensions and also pose different requirements (Auka, 2014). To successfully position itself, a firm must leverage its strengths. Porter (1985) indicates that the strategies are viewed as generic because they are industry or firm independent. He argues that companies that combine the generic strategies are likely to go through a 'stuck in the middle' position, leaving their competitors with a well-defined position as they take advantage to offer more value be it in price or features, hence gaining a competitive edge. He adds that if a firm combines all strategies they may not be compatible and in the end no advantage may be achieved (Porter, 1985). Porter argued that it is possible for firms to succeed at multiple strategies if they create separate business units for separate strategies. This strategy allows the firm to eliminate the potential for being 'stuck in the middle'.

Differentiation Strategy

Firms that employ differentiation strategy are focused on the creation of unique products or services that are perceived as better than that of competition (Leger, 2018). Such a strategy allows the organization to come up with products often perceived as different in multiple ways and hence cost is not a key issue for consumers as customers are ready to pay for the added value (Waema, 2013). According to Thompson (2007), a firm can use differentiation strategy in various ways; to offer prestige, uniqueness, product reliability, special features, product spare part availability, technological leadership, rapid product innovation and faster delivery, hence gaining a competitive edge. A firm that uses this method, can charge a premium price, and usually has a higher profit margin. The company's image is important as it influences customer perceptions,

because the perceived image or difference makes the customer more aware and sensitive towards the buying process (Allen & Helms, 2006).

Moreover, differentiation strategy is best used in a market where buyer's needs and likings are too varied and cannot be satisfied by an identical product. Differentiation creates a relationship between the organization and the buyer through product personalization, adaptation to the buyer's characteristics and after sales services (Waema, 2013). For this strategy to be successful, it is important that the organization learns buyer's needs, behaviors and values and what they are willing to pay for (Waema, 2013). According to Porter (1985), the benefits a firm gets due to implementing differentiation strategy include; getting higher income compared to the competition due to brand loyalty, quality and lower demand elasticity of consumers.

Cost Leadership Strategy

Cost leadership is a distinct strategy among the three strategies. It entails offering a lower price to customers, compared to what the competition offers (Porter, 1985). This strategy enables a firm to operate efficiently and in turn become an effective price leader. As a result of lower prices, competitor's growth is suppressed hence leading to price wars or undercutting of competitors profits (Auka, 2014). By having lower cost of sale and raw materials, an organization can lower prices or offer higher quality or both. Also, cost savings can be achieved by outsourcing manufacturing and services from suppliers who offer lower cost products and services. This aids in a firm being able to challenge the price of opposing firms to gain cost leadership (Auka, 2014).

Thompson and Martin (2005) support cost leadership and state that in order to achieve considerable rewards from this strategy, the firm must be the cost leader and unopposed in this position. In addition, Porter (1985) adds that the logic behind cost leadership typically needs that a firm be a cost leader. More importantly, Thompson

and Martin (2005) say that cost leadership as a generic strategy should not infer that products being marketed are the lowest priced product or services because quite often the product may be perceived as inferior and may only appeal to a certain portion of the market. Not only can an organization use cost leadership to attain competitive advantage, but can also use it to improve products and services by adding value to products and services using the value leadership strategy to gain customer satisfaction (Auka, 2014).

Focus Strategy

Focus strategy is meant for small specific niches that need specified features. The strategy is used as a means of penetrating a market by choosing a segment or group of segments within an industry for which it is customized (Getemba, 2012). Focus is mainly directed towards achieving competitive advantage in the segment and not overall. There are two types of focus strategies; cost focus and differentiation focus (Davidson, 2001). In cost focus, the firm gains advantage by reducing cost and in differentiation focus the firm seeks to attain differentiation within the segment. Cost focus depends on the buyer segment that needs to be satisfied at a lower cost, moreover, focus strategy that is based on differentiation relies on a unique buyer segment that requires specific product attributes (Getemba, 2012).

Therefore the focus strategy is such that the firm targets a specific segment (Porter, 1996). This can be either as a product range, geographical or select customer group (Kamau, 2013). This strategy focuses on market share growth through operating in markets that are overlooked by larger competitors or the less attractive markets. They are the most effective when the consumers have distinct preferences and when the market has not been penetrated by competitors. However, in order to have a successful

focus strategy, the industry segment should be big enough to have growth potential but not of vital importance to other major competitors (Kamau, 2013)

Organizational Performance

Organizational performance refers the actual output of a firm, compared to its intended output, goals and objectives (Jon & Randy 2009). Sharna & Khandeka (2006) say that organizational performance is the outcomes that indicate or reflect the organizations efficiencies or inefficiencies in terms of corporate image, competencies and financial performance. Rehman (2012) adds that organizational performance is a broad indicator that includes productivity, quality and consistency that enable a system to execute its routines effectively. According to Carton & Hofee (2006) performance creates value. Creation of value is a blend of financial and non-financial goals as behavioral outcomes. Performance is a complex concept that requires a lot of attention. Organizations are continuously trying to adapt, survive, perform & influence. Nevertheless they are not always successful.

A firm's performance is described by Sifuna (2014) as the measure of the perceived effectiveness, efficiency and environmental responsibility. Other measures include cycle time, productivity and ability to meet regulations. According to Porter (1998), a firm's ability to outperform its competition depends on five major factors which include capturing markets, pricing, innovation and ability to take advantage of market trends. The two main items that can be used to measure performance within an industry are the firm's market share and profitability. These ratios involve the firm's cash flow ratio, assets management, financial leverage and return on investment. These can be measured by Kaplan & Norton (2011) balanced score card. The balanced score card has a strategy cause and effect relationship that provides a framework that organizes strategic objectives into financial perspective in conjunction with vision and

mission. Other items linked are customer service, financials, satisfaction index, learning and growth and internal business processes (Sifuna, 2014).

Causes of Firm Performance

The key factors that make some firms more successful than others have been a central question in strategic management studies since the beginning of the field in the 1950s(Rock & Ahmed, 2014). According to the classical answers, industry structure is the main determinant of both a firm's strategy and its performance. Later studies, however, demonstrate that industry characteristics alone cannot explain all variation in firm performance(Díaz-Fernández, González-Rodríguez, & Paddison, 2015; Lin & Cheng, 2013). These findings lead to the query why firms within the same industry perform differently.

Stimulated by research on firm resources and competitive strategy a multitude of studies have analyzed the impact of industry structure versus firm resources(Rock & Ahmed, 2014). During recent years, a consensus has emerged that firm strategy and resources tend to be more important than industry structure in influencing performance, at least in developed economies (Kauer, Prinzessin zu Waldeck, & Schäffer, 2007; Lin & Cheng, 2013). An increasing number of firms competing in global and national markets originate in emerging countries, however, as Kim and Lim (1988) noted more than twenty years ago, these economies tend to have different institutional structures, and these differences may have significant consequences for firm performance (Díaz-Fernández et al., 2015; Farías, 2014). Therefore, industry structure, firm resources, competitive strategies and institutions are perceived to have an effect on firm performance.

Competitive Strategies and Performance

Successful strategies share common elements that are based on simple consistent long term objectives. Organizations need competitive strategies to assist in overcoming competitive challenges in their respective environments. Organizations that do not have appropriate competitive strategies may fail to exploit opportunities in the markets and eventually fail (Getemba, 2012). Therefore competitive strategies are very crucial factors for success in a market and play a role in the performance of a firm. Irhass (2010) says that firms' competitive strategies, strategic orientation and organizational structure have an influence on performance. Barner (1995), cited in Gatembe (2012) adds that a company that develops a management style that seeks sustainability by over thinking and outperforming the competition with better strategies is able to achieve competitive advantage ,thus better performance.

Other studies like that of Eva et al. (2010) focused on the resource based view, found that the organizational structure of a firm does not directly affect performance of a firm but it indirectly influences performance via competitive strategies. Competitive strategies have a positive relation on performance according to Banker (2014). Banker (2014) also states that cost leadership has the ability to reduce, maintain and monitor costs leading to an increase in demand of goods and services thus, gaining customer loyalty and increasing a firms performance. Focus strategy has also been identified as an important strategy for seeking sustainable performance (Mokhtar, 2013). It is able to draw from customer data that provides relevant customer information that assists an organization engage and address customer related issues. As a result, customer satisfaction is achieved and factors such as performance spiral upwards (Assarliad & Gremyr, 2013).

Differentiation strategy also enables a firm to create a unique market offering by customizing products to suit a certain target group. This is aimed at weakening the effects of competitors and gaining a favorable image from customers so as to increase the organizations profit hence, increasing performance. Therefore, these strategies on their own influence a firm's performance. Nevertheless, a firm may choose to combine these generic strategies (Sareed & Basheer, 2015). Organizations measure their performance regularly due to the unpredictability of business environments and must be continuously measured to monitor progress and realign set goals to ensure operational success. This helps firms identify factors that may hinder their performance and take the necessary precautions. High organizational performance occurs when all the resources are channeled towards specific goals. The results can be measured in terms of value addition to customers. No single set of performance measures is universal to all organizations. (Ouma, 2016).

Theoretical Framework

This study is anchored on one theoretical framework namely: Michael Porters generic strategies that can be used for implementing and gaining competitive advantage over competitors.

Porter's Generic Strategies

Michael porter developed three generic strategies that can be used by a firm to gain competitive advantage. These are cost leadership, differentiation and focus strategies. Porter asserts that organizations must become competitive to become an industry leader. These three strategies are as a result of various environmental features that are rooted in a firms decisions (Porter, 1987). Despite the various types of organizational strategies identified, porters generic strategies have remained as one of the most commonly supported in strategic management (Olwande, 2012). Generally

strategies can either be offensive or defensive in regard to competitive forces. Defensive strategies assess the structure of the industry and align the organization to match the strengths and weaknesses. Conversely, offensive strategies are designed to alter the underlying cause of competitive forces as a result of altering the competitive environment itself (Olwande, 2012).

Porter's 5 Forces Model

This model comes from Michael Porter (1980), and is used to analyze the structure of an industry. Porter's five forces is a model that aims to explain the reason why industries possess the ability to have different levels of profitability. Additionally, Porter's model is used to measure the height of competition, attractiveness of a market and also profitability. Moreover, the five forces assist organizations to comprehend factors affecting the industry. This helps in the decision-making process, how and when to enter a new market, the requirements and the competitive strategies that can be employed (Jurevicius, 2013).

Each strategy depends on the circumstances the firm is in. Porter identifies five forces of competition; fierce rivalry, threat of new entrants, threat of substitute entrants and bargaining power of buyers and suppliers. These forces form the basis for developing the kind of competitive strategy needed. Therefore, generic strategies can be associated with organizational performance through the use of strategic practices (Ronquillo, 2012). Kitoto (2005) noted that a correct analysis of the five forces helps a firm choose what kind of generic strategy it will use to compete profitably. University management can develop winning strategies by identifying the competitive pressure existing in the market and the virtual strength of each, achieving an understanding of the industry's competitiveness in terms of structure (Sifuna, 2014).

Threats of new entrants are the force that determines how penetrable or impenetrable it is to enter a new market (Anand, 2012). For an organization that has high profits, there will be few barriers, but high competition. However when multiple organizations compete in one market, the markets share is low and profits also fall. An organization can assess when a threat is present because the following take place; lack of regulations, low customer loyalty, identical products, low capital needed to enter the market and economies of scale are easily attainable hence making it a saturated market (Jurevicius, 2013). The bargaining power of suppliers is linked to the strong power controlled by suppliers to sell highly priced or low quality materials to buyers due to; having the ability for forward integrate, many buyers fewer sellers and scarce resources (Wilson, Pergano, Henry and Pricket 2014).

The bargaining power of buyers is whereby there is an ability to demand lower prices or higher quality. Both scenarios end up with lower profits for the producers. This happens when; there are few buyers in the market and many options to choose from (Johnson, 2014). Threats of substitute are whereby a product or service can easily be substituted with better prices and higher quality at a small cost. The rivalry intensity is the competition amongst players in a market that is brought about by discounted prices, advertising and also improving services, therefore determining how competitive and profitable a market is (Porter, 2008).

Porter's model is an influential tool used to methodologically diagnose the main competitive pressures in the market and also asses how strong each one is. With the value chain approach, a firm can determine the effectiveness of the industry. Therefore using the knowledge on intensity and power of competitive forces it is possible for universities to come up with options that could impact them in a positive direction that improves their competitive position. To survive, universities should ensure they

implement strategies that will help them to address issues they face in a dynamic market place. The aim is to reduce the power of competitive forces. Despite the firms that get caught in the middle, there are those that have been triumphant in implementing and achieving high economic performance (Sifuna, 2014).

Summary of Knowledge Gaps

Empirical studies have shown three gap areas namely conceptual, contextual and methodological. The conceptual gaps tell the relationship between the concepts of competitive strategies and performance. The contextual gaps center on the context of the study, the context of this study is select Kenyan public universities operating within Nairobi County. The methodological gaps are in relation to the population, sample size and research design. Table 2.1 summarizes the gaps found in the literature review.

Table 2.1 *Summary of knowledge Gaps*

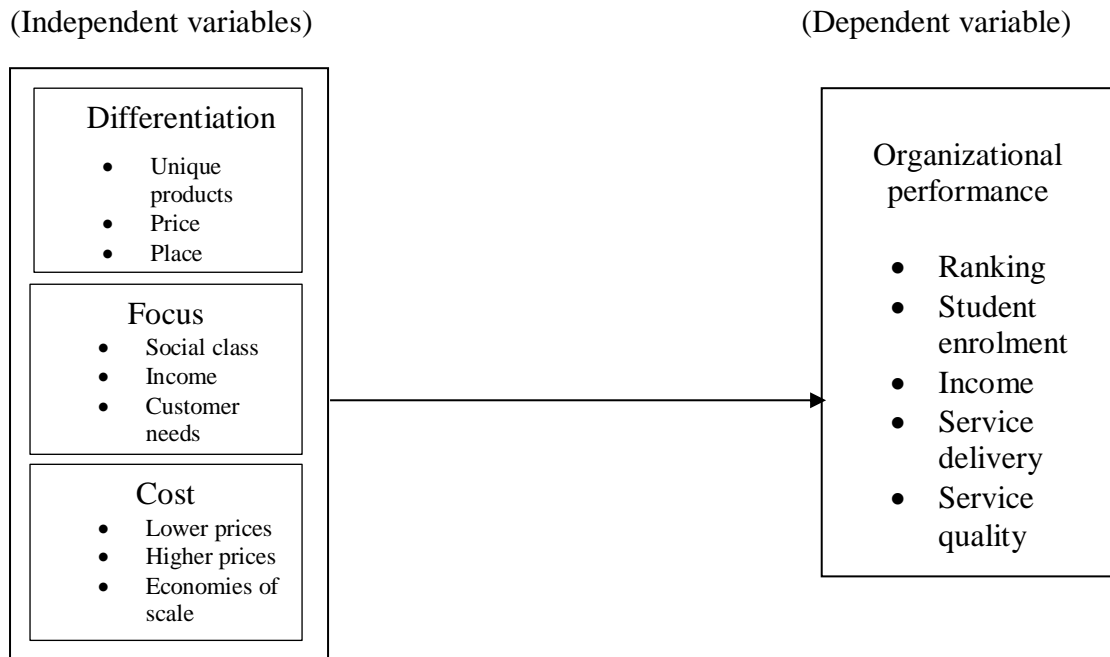
Researcher (s)	Title of Study	Key Findings	Key Gaps	How current study addresses the gaps
Kamau (2013)	Competitive strategies adopted by Private universities in Kenya	The study established a strong relationship between the competitive strategies used and performance, stating that a wide range of strategies is needed to obtain success	The study was focused on competitive strategies in the private sector. It did not extend to public universities	This study focused on public universities operating within Nairobi County
Waema (2013)	The effects of competitive strategies on performance of Dairy firms in Kenya	The study found that all three competitive strategies have a positive and significant relationship with the performance of the firms.	The study was focused on the effects of competitive in the Dairy sector and recommended the same strategies for the other sectors	This study was contextualized on public universities operating within Nairobi County
Kiptum & Omboi (2015)	The role of competitive strategies on performance of private universities in Kenya: A case of Mt. Kenya University	The study found that competitive strategy has promoted research and development added value, promoted creativity and innovation	The study was conducted from a case study perspective, and focused on the private sector	This study's approach was not a case study , it focused on public universities operating within Nairobi County

Nthiiri (2014)	Effectiveness of competitive strategies on student enrolment, staff attraction and retention in Kenyan universities: A case of universities in Tharaka Nithi & Meru counties	The study found that there was a relationship between competitive strategies more so the differentiation strategy and student enrolments/staff attraction and retention	The study was conducted from a student enrolment/staff retention perspective. It took a stakeholder approach to address the effects of competitive strategies	This study focused on universities in the public sector, more specifically Nairobi County
Sifuna (2014)	Effects of competitive strategies on the performance of public universities in Kenya	The study established that public universities in Kenya attributed their performance to the use of competitive strategies especially cost leadership strategy	The study was focused on competitive strategies in public universities in Kenya. It did narrow down to any specific region.	This study focused on universities in the public sector, more specifically Nairobi County. Moreover the study has a different population of study

Source: Developed from the reviewed literature by author (2018)

Conceptual Framework

The review of theoretical and empirical knowledge in this study shows that competitive strategies affect the performance of universities. The framework in the figure above shows how the use of competitive strategies affects performance.



Source: Derived from the reviewed literature by Author (2018)

Figure 2.1 *Conceptual framework*

From the conceptual model, there are three independent variables; Differentiation, Cost leadership and Focus whose indicators are listed in figure 2.1. The dependent variable is performance of public universities within Nairobi County whose measures are; ranking, student enrolment, income, service delivery and service quality. The study seeks to establish the relationship between the variables.

Chapter summary

This chapter analyses previous literature on competitive strategies and performance of firms in line with the set objectives. There was also a synthesis of the research gaps as well as the conceptual framework of the study.

CHAPTER THREE

RESEARCH METHODOLOGY

Introduction

This chapter centers on the research methodology used in the study. It specifies the research design used, population of study, the data collection methods, instrument pre testing, the data analysis and the ethical considerations. It details the way in which information relating to effects of competitive strategies adopted by public universities in Kenya is collected and analyzed.

Research Design

Research design is the detailed outline of the plan used to generate answers to research problems and control variance (Kerlinger, 2013). The study adopted a cross sectional descriptive survey design. A descriptive research design seeks to accurately and systematically describe a given phenomena, to understand characteristics of the phenomena and to discover associations or relationships between or among selected variables (Nayar & Stanely, 2015). Descriptive design has been identified by Borg & Gall (1996) as a suitable design due to its ability to understand a population characteristics. This study sought to describe the competitive strategies implemented by public universities operating within Nairobi and to understand the relationship between the competitive strategies implemented and the performance of these universities which made the descriptive research an ideal research design.

Population of the Study

The population is a defined set of people or a group of things that are being investigated (Cooper & Schindler, 2003). The population of interest was from fifteen public universities operating within Nairobi. These include: University of Nairobi, Kenyatta University, Jomo Kenyatta University of Science and Technology, Masinde

Muliro University, Moi University, Egerton University, Maseno University, Technical University of Kenya, Maasai Mara University, Jaramogi Oginga Odinga University, Multimedia University of Kenya, Cooperative University College of Kenya, Dedan Kimathi University of Technology, Chuka University and South Eastern Kenya University.

Sampling frame

The sampling frame of study consisted of participants from the office of the Directors of the campuses, office of the registrar, administrative staff heads and administrators from different departments. After visiting the 15 public universities situated in Nairobi or with satellite campuses in the city, the sampling frame in Table 3.1 emerged. The main campuses for The University of Nairobi and The Technical University of Kenya were used instead of their satellite campuses. The rest of the participants were drawn from the satellite campuses. Using a census approach it emerged that there were a total of 150 participants in the population. A census survey collects complete information from all participants in the population. It is important to establish and maintain a complete list of the primary sampling unit (PSU) components and hence all members of the PSU must be included (Lavrakas, 2008). This study PSU was 15 public universities from where a total of 150 participants were identified. A census study was perceived as effective because of its ability to gather data from the entire population.

Table 3.1 *Sampling Frame*

Strata	No. of Respondents
Directors of campuses	15
Registrars/Deputy/Senior Registrars	15

Administrative staff heads/ Administrators	120
Total	150

Data Collection

For the purpose of this study, the data collection method was semi structured questionnaires with a 5 point Likert scale that was used to collect primary information gathered directly from the respondents. The questionnaires were distributed to the respondents by the research assistant for them to fill and were collected subsequently. Participants were given time to respond to the questionnaire which was then collected from the participants by the research assistant for analysis.

The questionnaire was the preferred method due to its many advantages. They are relatively easy to administer and analyze, also a large sample of the population can be reached easily at a low cost. Moreover, the information gathered was treated as confidential and respondents were given adequate time to answer the questions. The questionnaire consists of three sections. Section one consists of demographic information, section two focused on the competitive strategies used and section three on performance.

Validity Testing

Validity testing is important in that it measures the quality and efficiency of a test in a specific set of data collected leading to proper conclusions. A test that has a high validity leans towards the intended focus and is a descriptor of strength of a relationship between other measurements (Thompson, 2013). The research instrument was given to the supervisors to look over. Moreover, the instrument was pre tested by six respondents from the administration and the ICT departments at a university. It is important to test the instrument for validity and reliability by use of a pilot test. This

will give the researcher a better picture on the clarity, errors and any other potential issues that may arise from the feedback. The researcher was also be able to rectify any misunderstood questions and ensure they are phrased in the manner the researcher intended before the final distribution. The respondents used in the pilot stage were excluded from the population of the study. The pilot test enabled the researcher to detect and correct any errors and misunderstood statements the instrument had. This was done to confirm that the questions are well stated and easily comprehended in the intended way by the respondents.

Reliability Testing

Reliability testing is used to measure the consistency of the instrument and is mostly used when a questionnaire uses a multiple Likert scale. This is to determine whether the scale is reliable or not (Datt & Chetty, 2013). This section examined the reliability of the study instrument. Cronbach’s alpha test of reliability was conducted. A total of 23 items were entered into the model. The findings are indicated below.

Table 3.2 *Cronbach’s Alpha*

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.709	.725	23

Table 3.2 shows that the Cronbach’s alpha was 0.709. This shows a high level of internal consistency for the scale used with this sample. Table 3.3 shows the item statistics. These were important to understand the effects on the Cronbach’s alpha when an item is deleted. The findings are indicated in table 3.3.

Table 3.3 *Item Statistics*

Item-Total Statistics					
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Unique Products and services	73.97	77.083	.460	.	.677
Price differentiation	73.84	93.580	-.032	.	.723
Place differentiation	74.15	78.179	.586	.	.666
Promotion differentiation	73.07	84.793	.452	.	.686
Use of Technology	73.22	95.134	-.103	.	.731
Lower Pricing	73.35	85.692	.417	.	.689
Higher Pricing	73.13	88.974	.354	.	.696
Cost based economies	73.97	77.083	.460	.	.677
Efficiencies	73.84	93.580	-.032	.	.723
Reduced Time and Costs	74.15	78.179	.586	.	.666
Links with Service Providers	73.07	84.793	.452	.	.686
Mass product distribution	73.22	95.134	-.103	.	.731
Wide Market	73.13	88.974	.354	.	.696
Social class segmentation	73.84	93.580	-.032	.	.723
Income level segmentation	74.15	78.179	.586	.	.666
Physiological segmentation	73.07	84.793	.452	.	.686
Technology Segmentation	73.22	95.134	-.103	.	.731
Customer needs focus	73.13	88.974	.354	.	.696
Ranking Improved	72.92	95.936	-.147	.	.725
Student numbers increased	72.79	89.057	.206	.	.704
Income levels Improved	73.85	84.801	.362	.	.691
Service Delivery Improved	73.25	92.004	.109	.	.709
Service Quality improved	72.84	84.639	.578	.	.681

Source: Field Data (2018)

It was found that the removal of any question, except question 5, would result in a lower Cronbach's alpha.

Data Analysis

Data analysis is reducing accumulated data to a sensible size, summarizing, looking for patterns and statistical techniques (Cooper & Schindler, 2003). The data collected, was sorted and put in and fed into the SPSS program. In conducting the analysis there were several statistical analysis methods that were employed. On the demographic data, measures of distribution such as frequency analysis was used to

understand the distribution of the responses by the participants. Thus, the frequency tables were generated in this section. Secondly, in the variable analysis section, the focus was on understanding the participant's responses in terms of how they responded to the research statements. To analyze this information, measures of central tendency including the mean, standard deviation and cumulative variance (CV) were used. Lastly, the study analyzed the three hypothesis using a simple linear regression analysis test.

Ethical Considerations

In order to go out to the field, the researcher was granted university permission and a research permit by the National Commission for Science, Technology and Innovation (NACOSTI). Research must use the appropriate methodology and should guarantee quality, clearness and uprightness. It is of great importance that the respondents are wholly aware of the reason for the research and in what way it will be used. Moreover the researcher ensured discretion of the collected information and also endorsed facelessness of the respondents. Furthermore, those who participate will do so voluntarily and not under any duress. Moreover the complete information gathered was only available to the researcher.

Chapter summary

This chapter focused on the methodology used to carry out the research. Cross sectional descriptive survey design was used as the research design and primary data was collected by a semi- structured questionnaire. Chapter four looks at the results.

CHAPTER FOUR

RESULTS AND DISCUSSION

Introduction

This chapter discusses the findings of the data collection process and conducts an analysis of the data that was collected in order to draw meaning from it. The researcher used IBM SPSS version 24 to conduct the analysis. The data presentation in this chapter focused on two important aspects: descriptive and inferential statistics. The presentation is done using tables and graphs, under each of the study hypotheses. Under inferential analysis, the P value was assumed to be at the 0.05 level. Key statistical tests that were used include correlations, ANOVA and regression analysis. The findings are presented in the following sections.

Response Rates

The study targeted a total of 150 respondents as explained in Table 3.1 of this study. Out of the 150 participants in the study population, a total of 132 participants responded to the study questionnaire. However, upon sorting of the questionnaires, only 120 questionnaires had been fully completed. Therefore, the effective sample of 120 participants was adopted in the final analysis. This represented a response rate of 80%. Dogan (2013) suggest in this study that response rates of below 50% are poor and those above 55% can be considered good. Responses above 70% are considered extremely good for analysis. This study's higher response rate therefore implies significant participation attributed to ease of instrument administration and follow ups to the participants to take part in the study.

Demographic Information

There are various demographic measures that were used in this study. These were gender, age, years worked and number of campuses. There are various reasons for

the use of these variables in the study. First, gender was used to understand the distribution of gender within the study sample. Second is the issue of the number of years worked by the respondents. This was important because individuals who had higher number of years of working had a good understanding of the strategies implemented at the universities. The third measure was the number of campuses which was important in deciding how many participants will be used in a particular campus to participate in the study. The following tables indicate the results of the demographic analysis.

Table 4.1: Demographic Information

Gender of Respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	63	52.5	52.5	52.5
	Female	57	47.5	47.5	100.0
	Total	120	100.0	100.0	
Years Worked at the University					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-3	21	17.5	17.5	17.5
	4-6	52	43.3	43.3	60.8
	7-9	41	34.2	34.2	77.5
	10-12	1	0.8	0.8	35.0
	13-15	5	4.2	4.2	5.0
	Total	120	100.0	100.0	100.0
No. of Campuses per University					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-2	16	13.3	13.3	13.3
	3-6	93	77.5	77.5	90.8
	7-10	11	9.1	9.1	100.0
	Total	120	100.0	100.0	

Source: Field data (2018)

From Table 4.1 the findings indicated that there were 53 percent males and 48 percent females in the study population. There were slightly more males than females in the sample used. Secondly, it was established that 18% of the participants had worked

between 1 and 3 years, 43% between 3 and 6 years, 34 percent, between 7 and 9 years, 1% between 10 and 12 years and 4% between 13 and 15 years. This means that a majority of the staff had worked in the universities between 4 and 6 years. Lastly, the findings showed that 13% of the universities had between 0 and 2 campuses, 77.5% had between 3 and 6 campuses and only 9.1% had had between 7-10 campuses. This means a majority of the universities that were surveyed had between 3 and 6 campuses within the city.

Competitive Strategies

There were three independent variables from the study questionnaire. These include differentiation strategy, cost leadership and focus strategy. Table 4.2 shows the different measures that were used for each of the variables.

Table 4.2: Descriptive Statistics – Competitive Strategies

	N	Mean	Standard Deviation	Cumulative Variance
Differentiation Strategy				
The university offers unique products and services from their competitors	120	2.81	1.741	61.9
The university differentiates itself based on price of products and services	120	2.94	1.147	39.0
The university uses differentiation based on place	120	2.63	1.365	51.9
The university uses promotion/advertising to differentiate its products and services	120	3.71	1.007	27.1
The university utilizes technology as a way of innovating new products	120	3.65	0.706	19.3
Average		3.15	1.193	39.6
Cost Leadership Strategy				
The university charges lower prices than the competition	120	3.56	1.249	35.0
The university charges higher prices than the competition	120	3.43	0.976	28.4
The university uses cost based on economies of scale	120	2.81	1.741	61.9
The university focuses on efficiency	120	2.94	1.147	39.0
The university practices reducing time and costs	120	2.63	1.365	51.9
The university has linkages with service/product providers	120	3.71	1.007	27.1
The university focuses on mass distribution /production	120	3.56	1.249	35.0
Average		3.286	1.18	36.88
Focus Strategy				
The university serves a wide market segment	120	3.65	0.706	19.3
The university observes segmentation based on social class	120	2.94	1.147	39.0
The university follows segmentation based on income level	120	2.63	1.365	51.9
The university follows segmentation based on physiological aspects of customers	120	3.71	1.007	27.1
The university follows segmentation based on technological capacity	120	3.56	1.249	35.0
The university observes segmentation based on customer needs	120	3.65	0.706	19.3
Average	120	3.2	0.953	34.2
	98		6	

Source: Field data (2018)

On average, the mean of the differentiation strategy measures was 3.15 while the standard deviation was 1.19. This means that a majority of participants responded positively to the statements. Although there was a high standard deviation indicating outliers. Secondly, the average mean for the cost leadership strategy was 3.286 and a standard deviation of 1.18. This also indicated that a majority of the participants responded positively. However, the high standard deviation indicates a high number of outliers. Thirdly is that the average mean for the focus strategy is 3.29 and a standard deviation of 0.953. This means that participants responded positively with a small standard deviation indicating few outliers in the responses. These outliers can be explained by new staff or lack of understanding of the study questions.

Performance

The dependent variable in this study was University performance. This was measured using five statements on the study questionnaire as indicated in the table 4.3.

Table 4.3: Descriptive Statistics – Performance

	N	Mean	Std. Deviation	Cumulative Variance
The university ranking has improved	120	3.86	0.873	22.6
Our student numbers have gone up	120	3.99	1.041	26.0
The university income levels have grown	120	2.93	1.193	40.7
Our service delivery has improved	120	3.53	0.766	21.6
Our service quality has improved	120	3.94	0.833	21.1
Average	120	3.65	0.941	26.4

Source: Field data (2018)

The above findings show that the average mean for the responses on university performance was 3.7 which indicates that a majority of the participants responded in

the affirmative on university performance. However, the standard deviation was 0.9 on average which was moderate. This can be attributed to outliers that emerge from the new staff at the Universities who may not have a clear understanding of the performance of the Universities in the last 5 years with regards to the 5 measures of performance used in the study.

Hypothesis Testing

The aim of this section was to identify the different relationships that exist from the study variables. Inferential statistics is commonly used to test and verify different hypotheses that have been developed in a given study. This study focused on three kinds of test: correlation analysis, ANOVA and Regression analysis to understand the relationships among the different variables.

Differentiation Strategy and Performance

H_{01} ; Differentiation strategy has no significant effect on performance of public universities operating within Nairobi County.

This section sought to find out the relationship between the differentiation strategy and performance of public universities. The findings of the analysis are as indicated in Table 4.4.

Table 4.4: *Differentiation Strategy Regression Analysis*

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.537 ^a	0.288	0.282	1.94450		
ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	180.823	1	180.823	47.823	.000 ^b
	Residual	446.169	118	3.781		
	Total	626.992	119			

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	10.321	1.161		8.887	0.000
	Differentiation Strategy	0.411	0.059	0.537	6.915	0.000
a. Dependent Variable: Performance						
b. Predictors: (Constant), Differentiation Strategy						

Source: Field data (2018)

A simple regression analysis test was carried out to identify the relationship between the differentiation strategy and performance of public universities. The findings of the analysis indicated that there was a moderate relationship between differentiation strategy and performance ($R = 0.537$). The findings further showed that differentiation strategy explained 28.8% of the variance in performance ($R^2 = 0.288$). The ANOVA analysis showed that the relationship was statistically significant at F ratio = 47.823. Based on these findings, given that the p value was less than 0.005, H_{01} was not supported. The study therefore rejected the null hypothesis. The relationship can be explained by the following equation.

Performance (P) = 10.321 + 0.411 DS where P is performance and DS is the Differentiation Strategy.

Based on the above findings therefore, this is a positive effect and hence it suggests that a unit change in differentiation strategy would causes a 0.403 change in performance of public universities within Nairobi County.

Focus Strategy and Performance

H_{02} ; Focus strategy has no significant effect on performance of public universities operating within Nairobi County.

This section sought to understand the relationship between the focus strategy and the performance of public universities in operating within Nairobi County. The findings of the analysis are as indicated in Table 4.5.

Table 4.5: *Focus Regression Analysis*

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.259 ^a	0.067	0.059	2.22654		
ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	42.008	1	42.008	8.474	.004 ^b
	Residual	584.984	118	4.957		
	Total	626.992	119			
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	13.895	1.513		9.185	0.000
	Focus strategy	0.265	0.091	0.259	2.911	0.004
a. Dependent Variable: Performance						
b. Predictors: (Constant), Focus strategy						

Source: Field data (2018)

A simple regression analysis test was carried out to identify the relationship between the focus strategy and performance of public universities. The findings of the analysis indicated that there was a moderate relationship between the focus strategy and performance ($R = 0.259$). The findings further showed that focus strategy explained 6.7% of the variance in performance ($R^2 = 0.067$). The ANOVA analysis showed that the relationship was statistically significant at F ratio = 8.474. Based on these findings, H_0 was not supported. The study therefore rejected the null hypothesis. The relationship can be explained by the following equation.

Performance (P) = 13.895 + 0.265FS where P is performance and FS is the Focus Strategy.

Based on the above findings therefore, there is a positive effect and hence it suggests that a unit change in the focus strategy would causes a 0.265 change in public university performance.

Cost Leadership Strategy and Performance

H₀₃; Cost leadership strategy has no significant effect on performance of Public universities operating within Nairobi County.

In this hypothesis, focus was on understanding the relationship between cost leadership strategy and public university performance in Nairobi. The findings of the analysis are as indicated in the table 4.6.

Table 4.6: *Cost Leadership Regression Analysis*

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.567 ^a	0.321	0.315	1.89941		
ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	201.278	1	201.278	55.791	.000 ^b
	Residual	425.714	118	3.608		
	Total	626.992	119			
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	10.567	1.044		10.120	0.000
	Cost Leadership Strategy	0.403	0.054	0.567	7.469	0.000
a. Dependent Variable: Performance						
b. Predictors: (Constant), Cost Leadership Strategy						

Source: Field data (2018)

A simple regression analysis test was carried out to identify the relationship between the cost leadership strategy and performance of public universities. The findings of the analysis indicated that there was a moderate relationship between cost leadership strategy and performance ($R = 0.567$). The findings further showed that the cost leadership strategy explained 32.1 % of the variance in performance ($R^2 = 0.321$). The ANOVA analysis showed that the relationship was statistically significant at F ratio = 55.791. Based on these findings, H_{03} was not supported. The study therefore rejected the null hypothesis. The relationship can be explained by the following equation. Performance (P) = 10.567 + 0.403CLS where P is performance and CLS is the Cost Leadership Strategy.

Based on the above findings therefore, there is a positive effect and hence it suggests that a unit change in the cost leadership would cause a 0.403 change in public university performance.

Discussion of Findings

Descriptive Statistics

This study looked at the gender, worked and position of the participants at the University. The findings showed that more male than females participated with most of the participants being above 30 years of age. Additionally, administrators responded to the study. These findings therefore suggest that a majority of the staff in these universities are over the age of 30 with more males than females. Previous studies have not shown any differences in the demographic profiles of the participants (Hamilton, 2009). However, these findings seem to be supported by other studies that have been done on the same.

Differentiation Strategies and Performance

In first hypothesis, findings of the linear regression analysis model showed that the relationship was statistically significant, $F(1,118) = 47.823$, $P < .001$, $N=120$. Findings of the regression coefficient analysis showed that the regression coefficient (beta) was high and significant ($\beta = 0.537$, $p < .001$). It was concluded that high levels of differentiation of the public university would lead to higher levels of performance. There are many studies that have been done previously to understand the relationship between competitive strategies and in particular, the role of differentiation in improving firm performance. Nthiiri (2014) examining the effectiveness of competitive strategies on student enrolment, staff attraction and retention in Kenyan universities: A case of universities in Tharaka Nithi & Meru county found that there was a relationship between competitive strategies more so the differentiation strategy and student enrolments/staff attraction and retention.

Other studies have also been done on the same but not within the nation. They have indicated that adopting a differentiation strategy can impact positively on the performance of the university. There is however, limited evidence on this relationship which means that this study's contribution is significant in understanding the role played by differentiation in improving the performance of Public Universities. The implication from this perspective is that the implementation of such a strategy can have a positive effect on the performance of the university.

Focus Strategies and Performance

In the second hypothesis, the study examined the relationship between the focus strategy and performance of public universities. Results showed that there was a statistically significant association between the two variables, $F(1,118) = 8.474$, $P < .004$, $N=120$. The regression coefficient analysis showed that the regression

coefficient (beta) was high and significant ($\beta = 0.259$, $p < .004$). It was concluded that high levels of the focus strategy adoption at the public university would lead to higher levels of performance. There are no previous studies that have been done to understand the impact of focus strategies on the performance of public universities.

Evidence from this study indicated by adopting a focus strategy, the public university would still enhance its performance in the long term. This means that this study is important because it provides novel findings on this relationship. Kaya (2015) on the other hand examining generic strategies used by SMEs found that corporate entrepreneurship, focus strategy and differentiation positively affect firm performance. (Yamin, Mavondo, Gunasekaran, & Sarros, 1997) examining competitive strategies in organizations found that focus strategies were important in helping enhance firm performance among firms in the retail industry. These findings are therefore important for universities because they present an important starting point in influencing the use of the focus strategies in universities to enhance performance. It points however to the need for other studies to examine this relationship in order to understand its existence.

Cost Leadership and Performance

In the third hypothesis, the study examined the relationship between cost leadership and performance of public universities. Findings of the linear regression analysis model established the relationship to be statistically significant, $F(1,118) = 55.791$, $P < .001$, $N = 120$. The regression coefficient analysis showed that the regression coefficient (beta) was high and significant ($\beta = 0.567$, $p < .001$). It was concluded that high levels of the cost leadership strategy adoption at the public university would lead to higher levels of performance. Previous studies have found a positive association between cost leadership strategies and firm performance. In particular, Sifuna (2014) examined the effects of competitive strategies on the performance of public universities

in Kenya. The study established that public universities in Kenya attributed their performance to the use of competitive strategies especially cost leadership strategy.

Nthiri (2014) examining the effectiveness of competitive strategies on student enrolment, staff attraction and retention in Kenyan universities, found that there was a relationship between competitive strategies more so the differentiation strategy and student enrolments/staff attraction and retention. However, a study by Amoako-Gyampah & Acquah (2008) examining manufacturing strategy, competitive strategy and firm performance found that quality is the only manufacturing strategy element that impact on performance. Secondly, the competitive strategy does not directly affect firm performance, but does so through quality. Therefore, from this perspective, it can be concluded that the findings of this study mirror what has been established in previous studies on this relationship. However, what is important in the current study is the ability of the study to examine the relationship from the dimension of public universities in Nairobi. Therefore, these findings are unique and provide an important perspective and understanding of the role played by cost leadership strategies in improving the performance of Public Universities in Nairobi County.

Chapter summary

This chapter highlights the results and findings of the study. The chapter looked at the response rates and demographic information in the first section. Moreover, the chapter also discussed in detail the hypothesis testing of each independent variable against the dependent variable. Chapter five entails the Summary of findings, recommendations areas for further research and conclusions.

CHAPTER FIVE

SUMMARY OF FINDINGS, RECOMMENDATIONS, AREAS FOR FURTHER RESEARCH AND CONCLUSIONS

Introduction

This chapter discusses the findings of the previous chapter and draws conclusions as well as recommendations. The findings can therefore be used in the future to guide on the application of competitive strategies in Universities. Additionally, this chapter will address the limitations of the study and areas for future studies.

Summary of the Findings

The general objective of the study is to establish the effects of competitive strategies on the performance of public universities in Nairobi. The specific objectives and hypotheses were also identified. The following table is a summary of the findings.

Table 5.1: *Summary of Findings*

Objectives	Hypotheses	Remark
Objective One: To determine the effects of Differentiation strategies on performance of public universities operating within Nairobi County	Ho1; Differentiation strategy has no significant effect on performance of public universities in Nairobi	Rejected: The P value is less than 0.005 H ₀₁ was not supported
Objective two: To determine the effects of Focus strategies on performance of public universities operating within in Nairobi County	Ho2; Focus strategy has no significant effect on performance in public universities in Nairobi	Rejected: The P value is less than 0.005 H ₀₂ was not supported
Objective three: To determine the effects of Cost leadership strategies on performance of public universities operating within Nairobi County	Ho3; Cost leadership strategy has no significant effect on performance in public universities in Nairobi	Rejected: The P value is less than 0.005 H ₀₃ was not supported

Source: Field data (2018)

Implications

These findings point to the growing importance of competitive strategies in organizations and more so in academic institutions. At the beginning of this study, it was suggested that the choice of a business strategy would have an effect on firm performance. However, it was not clear on which strategy when implemented would influence performance. This study has provided an important starting point for managers in the organization to help them understand how strategy should be implemented. The implications of these findings especially for university administrators is that they need to come up with the right competitive strategies to enhance the performance of public universities. This means a proper identification of the right strategies is important which may be built on the findings of this study. Secondly, this study also indicates the need for universities to stay competitive by adopting one strategic direction that they can pursue instead of adopting hybrid strategies which could impact negatively on the performance of these institutions. Basing such choices on these findings can enhance the overall success of the universities.

Recommendations

Organizations can adopt either of the Porter's competitive strategies if they seek to enhance their performance in the market. This study pointed to a positive relationship between each type of strategy and the performance of the public university. Therefore, adopting either a cost, differentiation or focus strategy would have a positive effect on the performance of the firm. Moreover, organizations would need to ensure a strategic fit between the type of strategy that they implement and the activities that are implemented by the university. For instance, when adopting a differentiation strategy,

the firm needs to ensure that there is a strong focus on differentiated activities such as unique courses, innovation among others. This will have a positive influence on the performance and the success of the firm.

Organizations need to properly structure their strategies if they seek to enhance their performance. This means that it is not only about what strategy they implement but also how they implement it that would enhance firm performance. A focus on the right implementation framework can support a firm's financial performance.

Future studies

The study looked at competitive strategies that include differentiation, cost leadership, and focus strategies. The researcher suggests a similar study should be done concentrating on other regions in the country. The focus of new studies should be on examining specific organizations that have used the different strategies in order to understand the impact of these individual studies on firm performance. For instance this study used all the three competitive strategies which in essence may not have been applied in the organization. A focus on one strategy such as differentiation could be effective in understanding its effects on performance.

Final Conclusion

Competitive strategies remain at the core of research on business strategy. The rationale behind this is that the choice of the right competitive strategy can have an important impact on the firm in terms of performance. At the same time, the lack of such a strategy can have negative implications on the success of the firm. The public universities just like any other organization seek to competitively position themselves in the market. However, most of them have not identified the right strategy that they can pursue, and this has an effect on how they perform. Building on this study, the

organizations can not only identify what strategies to use but adopt one among the three competitive strategies to enhance their performance. Choosing either of these three has a positive influence on the performance of the university. However, care must be taken to develop the right performance metrics so that such performance can be linked effectively to the chosen strategy following the recommendations suggested.

REFERENCES

- Allen, R., & Helms, M. (2006). Linking Strategic Practices and Organizational Performance to Porter's Generic Strategies. *Business Process Management*, 12(4), 433-454
- Amadeo, K. (2017). *What is competitive advantage. Three stages that work*. Retrieved from <http://www.thebalance.com/whatiscomepetitveadvantage-3-strategies-that-work>
- Amali, C., Enide, P., & Vasilika, K. (2015). The impact of generic competitive strategies on organizational performance: The evidence from Albaman context. *European Scientific Journal, October 2015 edition*, 11(28), 1857-7881.
- Amoako-Gyampah, K., & Acquaaah, M. (2008). Manufacturing strategy, competitive strategy and firm performance: An empirical study in a developing economy environment. *International Journal of Production Economics*, 111(2), 575–592. <https://doi.org/10.1016/J.IJPE.2007.02.030>
- Anand, K, A. (2012). Business of higher education: A business model for a higher education institution. *International Journal of Business and Management*, 2(2), 1-7.
- Assarliad, M. & Gremry, I. (2013). Critical Factors for Quality Management Initiatives in Small and Medium Sized Enterprises. *Total Quality Management and Business Excellence*. DOI: 10.10801148323.2013.851330
- Atikya, R. et al. (2015). *Effects of competitive strategies on performance of manufacturing firms in Kenya*. Jommo Kenyatta University of Agriculture and Technology, Kenya.
- Auka, D. (2014). Porter's generic competitive strategies and customer satisfaction in commercial banks in Kenya. *Eurasian Business and marketing research journal*, 1(1), 1-31.
- Banker, R. & Tunpathy, M. (2014). Does Differentiation strategy lead to more Sustainable Financial Performance than Cost Leadership Strategy? *Management decision*, 52 (5) 872-896
- Barney, J. (2001) Resource based theories of competitive advantage. A ten years retrospective on the resource based view. *Journal of management*, 27(1), 643-650.
- Borg, W.R., & Gall, M.D. (1996). *Educational research: An introduction*, (6thed.) England; Longman Publishing.
- Carton, R.B & Hoffer, W.C (2006). Measuring Organizational Performance: Metric for Entrepreneurship and Strategic Management Research. Retrieved from: https://www.researchgate.net/publication.28876661_measuring_organizational_performance_and_strategic_management

- Chen, E., Kaita, R., McDonald, R., & Einshade, M. (2010). Life in the fast lane; origins of competitive interaction in new vs. established markets; *Strategic management Journal*, 31, 1527- 1547.
- Cole, S.R. (2004). *Strategies for competitive advantage*. Retrieved from: www.valueadded.org/nichemarkets/competitiveadvantage
- Chandler, A. (1963). *Strategy and structure: Chapter in the history of the American industrial enterprise*. London. UK
- Commission for higher education. (2017). *A commission for university education publication*, Jan- July issue 27.
- Cooper, D.R., & Schindler, P.S. (2003). *Business research methods*. (8thed.). Boston: McGraw-Hill Irwin.
- Datt. S. & Chatty. P. (2015). Reliability test in SPSS using Cronbach's Alpha. Retrieved from: <https://www.projectguru.in/publications/reliability-test-cronbach-alpha>
- Díaz-Fernández, M. C., González-Rodríguez, M. R., & Paddison, B. (2015). Exploring the antecedents of firm performance in a Latin-American and European diverse industrial context. *Academia Revista Latinoamericana de Administración*, 28(4), 502–522. <https://doi.org/10.1108/ARLA-02-2015-0037>
- Dogan, M. (2013). Does firm size affect the firm profitability? Evidence from Turkey. *Journal of Finance and Accounting*. 4(4). Retrieved from <http://www.fiiste.org/journals/index.php/rjfa/article/view/4977>
- Drucker, P. (1969). *The age of discontinuity*. London: Heinemann.
- Eva .M. Lehn. K, & Anil, M. (2010). Performance Measures and Signals for Strategic Change. *Strategy and leadership*. 24(3) 34-38. Retrieved from: www.researchgate.net/publication/235300/eva_mva_as_performace_measures_&_signals
- Farías, P. (2014). Business group characteristics and firm operating performance: evidence from Chile. *Academia Revista Latino Americana de Administración*, 27(2), 226–235. <https://doi.org/10.1108/ARLA-08-2013-0115>
- Favaro, K. (2012). Strategy: An executive's definition. *Strategy and business*. Issue 67. Retrieved from: <https://www.strategybusiness.com/article>
- Getembe, C. (2012). *Relationship between competitive strategies and performance of chartered private universities in Kenya*. Retrieved from: www.erepository.uonbi.ac.ke/bitstream/handle/9186.getembe.relationship_between_competitive_staregies_and_performance_of_chartered_private_universities
- Hamilton, M. B. (2009). Online survey response rates and times: Background and Guidance for Industry. Response. Retrieved from <http://www.focoslatin.com.ar:8081/supersurvey-white-paper>

- Hutzshenreeter, T. & Israel, S. (2001). A review of empirical research on dynamic competitive strategy: *International journal of management review*, 11, 421-461.
- Irhas, M.E. (2010). The Relationship between Environment, Strategy, Organizational Structure and Business Performance. *Global journal of management and business research*. 10(5).retrieved from:
<http://journalofbusiness.org/index/php/GJMBR/article/view>
- James, L. (2012). What is Organizational Performance: Retrieved from:
www.growthpitcher.com/au/resources/articles/what_is_organizational_performance
- Jentabadi, H. (2015). An overview of Organizational Performance Index: Definitions and Measurements. Retrieved from: <http://posecon.ssrn.com/delivery.php/id>
- Johnson, R.B. (2014). Creative destruction of Higher Education Institutions. *Journal of Research Initiatives*, 1(2) 11-17.
- Jurevicious, O. (2013).Porters five forces. Retrieved from
<https://www.strategicmanagementinsight.com/tools/porters-fiveforces.html>
- Kabuu, J.K., & Embeya, E.H. (2014). An evaluation of quality education in Kenya during this massification era. *Mediterranean journal of social sciences*, 5,345-349.
- Kamau, M.S. (2013). *Competitive strategies adopted by private universities in Kenya*. University of Nairobi, Nairobi, Kenya.
- Kaplan, S. & Norton. (2011). *Information For Decision Making and Strategy Execution*. 6th Pearson.
- Kauer, D., Prinzessin zu Waldeck, T. C., & Schäffer, U. (2007). Effects of top management team characteristics on strategic decision making. *Management Decision*, 45(6), 942–967. <https://doi.org/10.1108/00251740710762017>
- Kaya, N. (2015). Corporate Entrepreneurship, Generic Competitive Strategies, and Firm Performance in Small and Medium-Sized Enterprises. *Procedia - Social and Behavioral Sciences*, 207, 662–668.
<https://doi.org/10.1016/j.sbspro.2015.10.136>
- Kerlinger, M. (2013). *Research design, meaning and importance*. Retrieved from:
<https://releivingmbadays.wordpress.com/researchdesign-meaning-performance>
- Khandeka, A., & Sharna, A. (2006). Organization learning and performance. Understanding Indian scenario present on global context. 48, (8/9) 682-692
- Kimando.M, Njogu.L. & Sakwa .M. (2012). *An analysis of competitive strategies employed by private universities in Kenya: A case of private Universities in Nairobi*. Retrieved from: <http://repository.seku.ac.ke/handle>

- Kipkoech, C.L., & Boit, J.M. (2012). Liberalization of higher education in Kenya: challenges and prospects. *International journal of academic research in progressive education and development*. 1(2) 2226-2348
- Kiptum. H, & Ombui .M. (2015). The role of competitive strategies on performance of private universities in Kenya: A case of Mt. Kenya University. *International journal of innovative education research*. 3(2) 21-38
- Kitoto, L.a. (2005). *Competitive strategies adopted by universities in Kenya*. University of Nairobi, Nairobi, Kenya
- Kotler, P., & Murphy, P. (1981). Strategic planning for higher education: *Journal of higher education*, 52 (5) 470-489
- Kufaine, N. (2014). *Competitive strategies in higher education: Case study of universities in Malawi*. Retrieved from: The *international journal of social science and humanities invention*, 1, 490-499 www.valleyinternational.net
- Lebans, M., & Esuke, K. (2006). *A conceptual and operational delineation of performance. Business performance measurement*. Cambridge University Press.
- Lavrakas, P. (2008). *Encyclopedia of Survey Research Methods*. 2455 Teller Road, Thousand Oaks California 91320 United States of America: Sage Publications, Inc. <https://doi.org/10.4135/9781412963947>
- Leger, R.S. (2018). *Pros and Cons of differentiation strategy*. Retrieved from www.smallbusiness.chron.com/pros-cons-differetiation-strategy-html
- Lin, W.-T., & Cheng, K.-Y. (2013). Upper echelon compensation, performance, and the rhythm of firm internationalization. *Management Decision*, 51(7), 1380–1401. Retrieved from <https://doi.org/10.1108/MD-04-2012-0291>
- Lusthaus, C., & Adrian, M.H. (1998). *Organizational assessment: A review of experience*. Universalia.
- Mbirithi, D. (2013). *Management challenges facing Kenya public universities and implications for quality of education*. Retrieved from: https://ir/library.ku.ac.ke/bitstream/handle/123456/mbirithi_managemnt_universities_performance
- Mintzberg, H. (1994). *Rise And Fall of Strategic Planning: Reconceiving roles for planning*. New York: The Free Press.
- Mintzberg, H., & Quinn, J. (1999). *The strategy process: Concepts, contexts and cases*. (2nd ed.) Eaglewood Cliffs, New Jersey: Prentice Hall.
- Mintzberg, H., (2007). *Mintzberg on management*. (2nd ed.) Eaglewood Cliffs, New Jersey: Prentice Hall
- Mokhtar. S.S. (2013). The effects of customer focus on new product performance: *Business strategy series*. 14 (2/3), 67-71.

- Muia, I., (2017). *Effects of competitive strategies on the performance of insurance companies in Kenya*. University of Nairobi, Nairobi, Kenya.
- Nayar, S., & Stanely, M. (2015). Qualitative research methodologies for occupational science and therapy.
- Nickols, F., (2016), Strategy, Strategic management, Strategic planning and Strategic thinking. Retrieved from: www.nickols/strategy.pdf
- Njuguna, V. (2015). Effects of generic strategies on competitive advantage, evidence from SME's in Nyahururu, Kenya. Retrieved from: <http://issn.com>
- Nthiri, M.C., Gachambi, P. & Kathumi, L. (2014). Effectiveness of competitive strategies on student enrollment, staff attraction and retention in Kenyan universities: A case study of universities in Tharaka Nithi and Meru counties. *European journal of business and social sciences*, 3, 160-180.
- Olwande, P. (2012). *The application of Porters generic business strategies and performance of pharmaceutical wholesalers in Kenya*. Retrieved from www.erepository.uonbi.ac.ke/bitstream/handle/the_application_of_porters_generic_business_strategies_and_perormance_of_phamaceutical_wholeseller_in_kenya
- Ouma, O.M. (2016). *Competitive strategies and performance of insurance companies in Kenya*. University of Nairobi, Nairobi, Kenya.
- Ovans. A. (2015). *What Is Strategy Again?* Online: Retrieved from: <http://www.hbr.org..2015/05.what-is-strategy-again>
- Pearce, J. & Robinson. R. (2000). *Strategic management: Strategy formulation, implementation and control*. Chicago, McGraw-Hill Irwin; Boston.
- Podder, R., & Gadhawe, S. (2007). *Competitive advantage: An introduction*. Icfai University Press.
- Porter .M.E. (1966). *Competitive Strategy*. New York: The Free Press.
- Porter, M.E. (1980). *Competitive Strategy: Techniques for analyzing industry and competitors*. New York: The Free Press.
- Porter, M.E. (1985). *Competitive Advantage: Creating and Sustaining Superior Performance*. New York: The Free Press.
- Porter, M.E. (1987). *Advantage to Corporate Strategy*. New York: The Free Press.
- Porter .M.E. (1996). What is Strategy? *Harvard Business Review*, 74(6) Nov-Dec, 61-78.
- Porter .M.E. (1998). *The Competitive Advantage of Nations*. New York: The Free Press.

- Porter .M.E. (2008). The competitive forces that shape strategy. *Harvard Business Review*, 86(1), 34-47.
- Prahalad. C., & Hamel. G. (1993). Strategy as stretch and leverage. *Harvard Business Review*, March - April 71 (2), 75-84.
- Rehman, H. (2012). *Effects of organizational performance*. Online Retrieved from www.researchgate.net/publication/literature_reveiw_organizational_culture_and_its_perfomance
- Rock, J., & Ahmed, S. A. (2014). Resources, capabilities and export performance: multidimensional evidence of Chile. *Academia Revista Latinoamericana de Administración*, 27(1), 108–137. <https://doi.org/10.1108/ARLA-08-2013-0108>
- Ronquillo, A. (2012). *Analysis of Competitiveness of Baangas State University of Engineering Using Porters Five Forces Model*. Proceedings of AAEE Conference, Melbourne, Australia.
- Salemi, H. (2003). Organization performance management and measurement. UN economic and social council. Online: Retrieved from www.un.org.intradoc/groups/public/documents/unescwa/unpan01860
- Sareed, M.Z. & Basheer, A. (2015). Gaining Competitive Advantage & Organizational Performance through Customer Orientation, Innovation Differentiation and Market Differentiation. *International Journal of Economics and Management Sciences*. ISSN: 2162 -6359. Online Retrieved from <http://www.omicsonline.org/open-access/gaining-competitve-advantage-anad-organisational-performance-through-customer-market>
- Sifuna, I. (2014). Effects of competitive strategies on performance in public universities in Kenya. Kenyatta University, Nairobi, Kenya.
- Sumer.K. & Bayrakter.C.A. (2015). Business Strategies and Gaps in Porter’s Typology: A Literature Review. *Journal of management research*, 4 (2).
- Tanwar, R. (2013). Porter’s generic competitive strategies. *Journal of business management*. 15 (1), 11-17.
- Thompson, A.N. (2013). Reliability and Validity. Hudson Road. St. Paul. M.N. USA.
- Thompson, J.L. (2001). *Strategic management awareness and change*; 4th edition. Thompson learning, High Holborn House. Bedford, London.
- Thompson, J. & Martin. F. (2005). *Strategic management*. Cengage learning Business Press. London.
- Thompson. A.A., Strickland A.J., & Gamble J.E. (2010). *Crafting and executing strategy: The quest for competitive advantage: Concepts and cases* ;(17thed.), New York: McGraw Hill.

- Thornhill, S., & White, R. (2007). Strategic Purity: A multi industry evaluation of pure vs. hybrid business strategies. *Strategic management journal*, 28(5), 553-561.
- Waema, M. (2013). *The effects of competitive strategies of performance of dairy farms in Kenya*. Retrieved from: library.ku.ac.ke
- Wainaina, N. (2014). *Strategy implementation and performance of firms in telephony industry in Kenya*. Retrieved from www.erepository.uonbi.ac.ke/bitstream/handle/strategy_implementation_and_the_performance_of_firms_in_telephony_industry
- Weerwardine, J. (2003). The role of marketing capability in innovation based competitive strategy. *Journal of strategic marketing*, 11, 15-35.
- Weidman, J.C. (1995). *Diversifying Finance of Higher Education*. *Education Policy Analysis Archives*. Retrieved from: <https://www.epaa.asu.edu/ojs/article/view/648>
- Wilson, J., Pergano, E., Henry, T., & Prickett, J. (2014). Five trends to watch in higher education. Retrieved from <https://www.wbcg.com/publications/2014/public-sector-five-trends.aspx>
- Yamin, S., Mavondo, F., Gunasekaran, A., & Sarros, J. C. (1997). A Study of Competitive Strategy, Organizational Innovation and Organizational Performance among Australian Manufacturing Companies. *International Journal of Production Economics*, 52(1-2), 161-172. Retrieved from [https://doi.org/10.1016/S0925-5273\(96\)00104-1](https://doi.org/10.1016/S0925-5273(96)00104-1)

APPENDIX I

THE RESEARCH QUESTIONNAIRE

This questionnaire is aimed at collecting information on the effects of competitive strategies on the performance of public universities in Nairobi. The information is being sought solely for academic purposes and will be treated with strict confidence. Kindly answer the questions by ticking the boxes provided as applicable.

PART I

Demographic Information

1. University name _____

2. Position in the university _____

3. Gender : Male [] Female []

4. Age : Below 30 [] 31-40 [] 41-50 [] 51-60 [] Above 60 []

5. Years worked in the organization _____

6. How many campuses does the university have _____

PART 2.

Please tick the extent to which the following strategies are used to remain competitive in the market, using the following scale.

1. Never 2. Rarely 3. Moderately 4. Often 5. Always

Application of competitive strategy	1	2	3	4	5
Differentiation					
The university offers unique products and services from their competitors					
The university differentiates itself based on price of products and services					
The university uses differentiation based on place					
The university uses promotion/advertising to differentiate its products and services					
The university utilizes technology as a way of innovating new products					
Cost leadership					
The university charges lower prices than the competition					
The university charges higher prices than the competition					
The university uses cost based on economies of scale					
The university focuses on efficiency					
The university practices reducing time and costs					
The university has linkages with service/product providers					
The university focuses on mass distribution /production					
Focus					
The university serves a wide market segment					
The university observes segmentation based on social class					
The university follows segmentation based on income level					
The university follows segmentation based on physiological aspects of customers					
The university follows segmentation based on technological capacity					
The university observes segmentation based on customer needs					

PART 3.

Performance

How has the university performed in the following areas over the past five years

1. Not at all 2. To a less extent 3. Moderately 4. To a large extent 5. Very large extent

Organization performance	1	2	3	4	5
The university ranking has improved					
Our student numbers have gone up					
The university income levels have grown					
Our service delivery has improved					
Our service quality has improved					

Thank you for your participation

APPENDIX II

RESEARCH AUTHORITY LETTER



NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

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

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

Ref. No. **NACOSTI/P/18/37275/22660**

Date: **25th May, 2018**

Hellen Mwende Kyungu
Pan Africa Christian University
P.O Box 56875 – 00200
NAIROBI

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on *“The effects of competitive strategies on the performance of public universities in Nairobi,”* I am pleased to inform you that you have been authorized to undertake research in **Nairobi County** for the period ending **25th May, 2019**.

You are advised to report to **the Vice Chancellors of selected Universities, the County Commissioner and the County Director of Education, Nairobi County** before embarking on the research project.

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

GODFREY P. KALERWA MSc., MBA, MKIM
FOR: DIRECTOR-GENERAL/CEO

Copy to:

The Vice Chancellors
Selected Universities.

The County Commissioner
Nairobi County.

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

APPENDIX III

RESEARCH PERMIT FROM NATIONAL COUNCIL FOR SCIENCE, TECHNOLOGY & INNOVATION

THIS IS TO CERTIFY THAT:
MISS. HELLEN MWENDE KYUNGU
of PAN AFRICA CHRISTIAN UNIVERSITY,
46597-100 NAIROBI, has been permitted
to conduct research in Nairobi County

on the topic: THE EFFECTS OF
COMPETITIVE STRATEGIES ON THE
PERFORMANCE OF PUBLIC UNIVERSITIES
IN NAIROBI

for the period ending:
25th May, 2019


.....
Applicant's
Signature


Permit No : NACOSTI/P/18/37275/22660
Date Of Issue : 25th May, 2018
Fee Received :Ksh 1000




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

CONDITIONS

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


REPUBLIC OF KENYA


National Commission for Science,
Technology and Innovation

RESEARCH CLEARANCE
PERMIT

Serial No.A 18722

CONDITIONS: see back page

APPENDIX IV

LETTER OF INTRODUCTION FROM THE UNIVERSITY

