

**STRATEGIES EMPLOYED BY THE UNIVERSITY OF NAIROBI  
TO SUSTAIN COMPETITIVE ADVANTAGE**

**By**

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## **DECLARATION**

This research project is my original work and has not been presented for award in any other university/ institution.

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**D61/84086/2015**

This research project has been submitted for examinations with my approval as the supervisor.

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## **DEDICATION**

To my lovely children Beverly and Alfred,  
I wish them the best in their quest for academic excellence

To my Parents,  
You are my daily reminder of all that is good in this world

To my Husband Bernard,  
For allowing me to venture into this self actualization path

To all my Siblings,  
For always being there for me, and for your endless support

To Clare, and Mercy  
As you follow in my footsteps

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I am forever indebted to God Almighty, my Fortress and Pillar of Strength.

To my lovely children Beverly and Alfred; besides enduring my absence during the study period, thanks for your Patience, Fervent Prayers and Support. Your warmth and love kept me going and rekindled the passion to keep going and to stay on course even when I was in a quagmire.

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To my interviewee's and all others who selflessly offered their support in one way or another, profound thanks! Your participation and contribution is immensely appreciated, God bless.

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## **ABSTRACT**

Today's organizations operate in a very dynamic and highly competitive environment. Owing to shifting paradigms in the institutions of higher learning, the revolution in the information communication and technology, the world has turned into a global labor market. The shifting paradigms have compelled the university to re-access its strengths and weaknesses and respond appropriately by adjusting to the environment in order to align itself with the ever changing environment. Also, the ever changing dynamics of the external environment has led to increased competition for limited resources and market share. The emerging trends have imposed competitive challenges hence obligating the University of Nairobi to review its competitive strategies in order to maintain and further sustain its competitive advantage. The universities have been obligated to redefine their mission and constantly review their strategies in order to maintain sustainable competitive advantage. In embracing dynamism, the universities are required to produce holistic graduates with global skills. Development of strategies to counter emerging threats and exploitation of the new emerging opportunities has proved vital for survival of the university. The objective of this study was to examine the strategies adopted by the University of Nairobi to maintain sustainable competitive advantage. Sustainability of competitive advantage has been the key factor in ensuring that the university maintains its leadership position in the Higher Education Sector domain. In order to achieve the study objective using an interview guide, the researcher booked an interview appointment with carefully selected interviewees who are section heads in various units and therefore; key policy makers. The findings from this study will help other players to simulate and build relevant skills, improve conceptual knowledge and gain a better appreciation of business strategy and systems in order to improve on their performance. Case study research design was adopted with the help of an interview guide. The data was collected from primary and secondary sources. The primary data was collected from interviews and the secondary data was obtained from the strategic plan of 2013 - 2018. Content analysis was used for data analysis by interpreting the main concepts and contents relevant to research objectives. This study revealed the various strategies employed by UoN which was positively correlated by the findings to sustainable competitive advantage



## **ACRONYMS AND ABBREVIATIONS**

<b>CHE</b>	Commission for Higher Education
<b>CIPL</b>	Centre for International Programmes & Links
<b>CODeL</b>	Centre for Open Distance e-Learning
<b>EL</b>	E-Learning
<b>ICT</b>	Information and Communication Technology
<b>ICTC</b>	Information and Communication Technology Centre
<b>ICU</b>	International Colleges & Universities
<b>IGU</b>	Income Generating Unit
<b>ISO</b>	International Organization for Standardization
<b>MoHEST</b>	Ministry of Higher Education, Science & Technology
<b>OdeL</b>	Open Distance & e-learning
<b>SWOT</b>	Strength, Weaknesses, Opportunities and Threats
<b>UoN</b>	University of Nairobi

# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 Background of the study**

Prahalad and Hamel (1990) defined competitive strategies as including high quality products, superior customer service and achieving lower costs than competitors. Competitive strategy is always founded on consistently understanding and predicting changing market dynamics and customer needs and service. The goal of business strategy is to achieve a sustainable competitive advantage. A competitive advantage exists when a firm is able to deliver the same benefits as competitors but at a lower cost through cost advantage, cost leadership, or deliver benefits that exceed those of competitors (differentiation advantage).

This study is anchored on resource based view theory and product based view theory. Resource based view theory, is an approach that is used to achieve competitive advantage through examining the company to establish the sources of competitive advantage within; instead of looking at the competitive environment for it. According to Wikipedia, resource based view theory, is an economic tool used to determine the strategic resources available to a firm. These resources can be exploited by the firm in order to achieve sustainable competitive advantage. In consonance Garvin (2002), product based view is one of the key approaches to defining quality. Product based view opines that quality is viewed as quantifiable and measurable characteristics or attributes. However, there are different principal approaches to defining quality.

This study was aimed at analyzing the sustainability of competitive advantage, and how to maintain the advantages in order to survive in the market. Today's dynamic markets and technologies have called into question the sustainability of competitive advantage. Therefore, under pressure to improve on productivity, quality, and speed, organizations have had to embrace tools such as total quality management (TQM), benchmarking, and reengineering (Shapiro, 1989). The environment in which the universities in Kenya operate in, has become increasingly dynamic owing major paradigm shifts, stiff competition and the changing business environment. Over the years, the university has had to respond continuously to the dynamism in the environment in order to stay relevant. New opportunities and challenges have emerged which have compelled the universities to keep reviewing their competitive advantage strategies; hence the need to examine the strategies for competitive advantage.

### **1.1.1 Strategy and Sustainable Competitive Advantage**

As stated by Benjamin Tregoe and John Zimmerman (2001), strategy is "the framework which guides choices that determines the nature and direction of an organization. Grant (2002) reiterates that long term strategy is a firm's attempt to seek and sustain a competitive advantage based on one of the three generic strategies. These are cost leadership, differentiation and focus strategies. Strategy guides in providing strategic responses to various situations in organizations as may arise. Strategic responses are the set of decisions and actions that results in the formulation and Implementation of plans designed to achieve a firm's objectives according to peace and Robinson (2007).

As stated by Burns and Stalker (1998), when businesses see their environment as turbulent and complex, they respond appropriately in order to align with the environment. The benefit could be measured in terms of the value added to make the product or service stand out better than competitors. Be it a good or a service offered, the customers must derive real value either through the products features or quality.

### **1.1.2 Competitive Strategies**

In line with the opinion of Porter 1996, a firm's relative position within its industry determines whether a firm's profitability is above or below the industry average. The preferred criterion of the above average profitability in the long run is sustainable competitive advantage. As opined by Porter 1996, the two basic types of competitive advantage a firm can possess are: low cost or differentiation. The mentioned competitive advantage strategies combined with the scope of activities for which a firm seeks to achieve, leads to three generic strategies for achieving above average performance in an industry namely; cost leadership, differentiation, and focus. The focus strategy has two variants, cost focus and differentiation focus.

Pursuant to Cross (1999), in cost leadership a firm sets out to become the lowest cost producer in its industry. The sources of cost advantage are varied and depends on the structure of the industry (Porter 1987). For instance, the UON has focused on the pursuit of economies of scale in all operations and proprietary technology as its core success factors. According to M. Porter 1996, the generic strategy of focus rests on the choice of a narrow competitive scope within an industry. The focuser selects a segment or group of segments in the industry and tailors its strategy to serving them to the exclusion of

others. The focus strategy is two fold. In cost focus a firm seeks a cost advantage in its target segment; while in differentiation focus, a firm seeks differentiation in its target segment. Both variants of the focus strategy rest on differences between a focuser's target segment and other segments in the industry. The target segments must either have buyers with unusual needs or else the production and delivery system that best serves the target segment must differ from that of other industry segments. Cost focus exploits differences in cost behaviour in some segments, while differentiation focus exploits the special needs of buyers in certain segments.

Firms need competitive strategies to enable them overcome the competitive challenges they experience in the environment where they operate in. A competitive strategy therefore enables a firm to gain a competitive advantage over its rivals and market sustainability. Firms that do not have appropriate strategies cannot exploit the opportunities available in the market and is inevitably bound to fail. A company has a competitive advantage whenever it has an edge over its rivals in securing and defending against competitive forces (Thompson and Strickland, 2002).

### **1.1.3 Competitive Advantage**

Porter (1996) affirms that competitive advantage is ideally the aspect that makes an individual or a firm better than other competitors on the same market in the client's mindset. However, there are three determinants for competitive advantage; the benefit, the target market and competition (Porter 1996). Knowing the target market helps firms to know their clientele and how they can make their life better. Then the shifting patterns of the demand; which is the driver of all economic growth can be created (Rumelt 1984).

Competitors normally offer similar products or services. Therefore, in order to attain competitive advantage, a firm should be able to stand out from other competitors (Shuen 1997). In so doing, they may need to communicate the value added in their products and services to their target market. The communication should explicitly state what makes their products better than other competitors are offering (Ghemawat 1986). They can do so through advertising, public relations, sales aids or any other effective channels for communication. Because of the emerging trends and the shifting consumer tastes and preferences, firms should ensure that their competitive advantage is sustainable. Maintaining market leadership requires clear goals, strategies and efficient operations. Also, the organization's corporate culture as well as the values of the employees must be in alignment with the strategic goals (Barney 1991).

(Brown 2005, Kennedy, Goolsby, and Arnould 2003 postulate a positive perfect relationship in lieu of strategy and competitive edge in any particular organization. Thereby, adding value both in decision making, performance and formulation of various strategic approaches towards the management of the organization's most valued assets; the employees. However, Dooley, Fryxell and Judge (2000) established that strategic adoption and implementation has a distinct correlation with various institutional dependent variables, for instance: Competitive advantage and enhanced performance. Dooley, Fryxell and Judge (2000) further endorsed that there is a positive association between strategic fit and firm's competitiveness.

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mindset. However, there are three determinants for competitive advantage; the benefit, the target market and competition. Knowing the target market helps firms to know their clientele and how they can make their life better. Then the shifting patterns of the demand; which is the driver of all economic growth can be created. Competitors normally offer similar products or services. Therefore, in order to attain competitive advantage, a firm should be able to stand out from other competitors (Porter 1987). In so doing, they may need to communicate the value added in their products and services to their target market. The communication should explicitly state what makes their products better than other competitors are offering. They can do so through advertising, public relations, sales aids or any other effective channels for communication. Because of the emerging trends and the shifting consumer tastes and preferences, firms should ensure that their competitive advantage is sustainable. Maintaining market leadership requires clear goals, strategies and efficient operations. Also, the organization's corporate culture as well as the values of the employees must be in alignment with the strategic goals (Cross 1999).

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#### **1.1.4 Universities in Kenya**

The development of university education in Kenya can be traced back to 1922 when Makerere College was established as a technical college which grew into an inter-territorial institution admitting students from Kenya, Uganda, Tanganyika and Zanzibar. In 1949 Makerere College entered into a special relationship with the University of London in order to enable its students to study for the degrees of the latter university.

Strategy is one of the major steps the universities can take to address the challenges they face. As opined by Muchiri (2010), 'today, most universities are collaborating with other institutions and industries to enhance performance'. As at now, Kenya has a number of universities and other institutions of higher learning. There are 22 public universities, 14 chartered private universities and 13 universities with Letter of Interim Authority (LIA).

Chacha (2002) argues that universities all over the world are supposed to be characterized by quality and excellence, equity, responsiveness and effective and efficient provision of services, good governance and excellent management of resources. From the 1990s, many universities in Africa have undergone a difficult phase of increasing enrolments in an environment of declining educational quality as reported by (Ajayi, 1996). This rapid increase in enrolments is perhaps; the most significant contributor to the deterioration in quality because it has caused a strain on university finances resulting into neglects of key inputs in instruction and research (Chacha, 2005).

The environment in which the universities operate in, have become increasingly dynamic owing to stiff competition and the business environment. Over the years, the universities



have had to respond continuously to the dynamism in the environment in order to stay relevant. The competition in the higher education sector have intensified especially with the recent award of charters to 42 public and private universities

### **1.1.5 University of Nairobi**

The University of Nairobi is one of the largest universities in Kenya. With an enrolment of about 62,000 students, the university is one of the biggest in the continent. The university's performance has been exemplary over the years. The University of Nairobi (UoN) is confirmed as the top ranked University locally according to Webometric Ranking of World universities. UoN is ranked 2nd in East Africa, 17th in Africa and 1,367 worldwide, a massive improvement from previous rankings and the best position ever attained by a local university. The outstanding performance has been credited to concerted hard work by staff, students and other stakeholders. The university has employed consistent and focused hard work in its desire to achieve academic excellence.

Over the years, the university has had to respond continuously to the dynamism in the environment in order to stay relevant. Owing to the dynamism, the university has continuously faced new opportunities and challenges which have required strategic direction to address. The university has embraced strategic planning to address challenges arising from the dynamism in the environment in order to gain competitive advantage. Nonetheless, the dynamism has required re thinking of old assumptions of university education systems that may have worked well in the past but could immobilize the institution in the future. Therefore, the University of Nairobi has had to constantly come up with unique strategies to enable it to maintain its competitive advantage. This study is

aimed at highlighting the strategies employed by UoN, and how the Strategies have been linked to its competitive advantage.

The Strategy of the University of Nairobi is engraved in its Vision, Mission and its stipulated core values. The Strategy for UoN is developed and reviewed through a highly participatory and inclusive process; with views sought from a wide cross section of internal and external stakeholders. This approach has enhanced ownership and support in the implementation of the plan. Therefore, this study unveils the strategies employed by the University of Nairobi to maintain sustainability of its competitive advantage; hence linking the influence of strategy on sustainable competitive advantage.

## **1.2 Research Problem**

Despite the recent theoretical and empirical studies conducted by (Aaltonen and Ikåvalko, 2002, Bourgeois and Brodwin, 1984) on competitive strategies, still, there exist eminent knowledge gaps to determine the adopted strategies for maintaining sustainable competitive advantage. Specifically by undertaking a focus on a case study of the University of Nairobi, this study intends to unearth the strategies which the University of Nairobi has adopted to maintain sustainable competitive advantage.

The University of Nairobi (UoN) is inherently tasked with the role of providing leadership in the domain of Higher Education sector in the country (Kenya). This role however, has to be fulfilled to suit the context of changing paradigms. This is because the leadership expected from the university has to be demonstrated in the context of national and global arenas. Lately, there have been dramatic changes in the local and external environment. The university has had to adequately adapt itself to the changes brought by

the dynamic environment. However, the dynamism has also brought about new opportunities and challenges. Therefore, this research is also aimed at understanding how the University of Nairobi has embraced the dynamism brought about by the shifting paradigms.

The legal frameworks for the universities have significantly changed with the implementation of the new constitution. The establishment of the Universities Act and the Commission for University Education has taken the legal framework to a new dimension. The Universities have had to meet the stipulated requirements in order to be awarded Charters. In the recent past, there has been an increased competition between public and private universities in Kenya. There has also been an increased presence of foreign universities in the country. These developments have led to increased competition for qualified staff, scholarships, and research and development funds.

Unlike other public universities, the University of Nairobi offers the majority of programmes whose unit costs are far much higher than the current capitation received from the government for undergraduate sponsorship. Currently, the funding from the government is not sufficient to finance university activities in its match to top world class status. Therefore, the university is tasked with mobilizing funds and other additional resources in order to maintain its relevance and competitiveness. In its quest to mobilize funds, the university has sought to diversification by utilizing the untapped potential of real estate resources.

The teaching, learning and research facilities in some units at the University of Nairobi are generally stretched owing to the tremendous growth of the student population.

Therefore there has been increased demand for facilities. The university has had to continuously work on upgrading the stretched physical infrastructure and improving the quality of the University's academic programmes. This move has been aimed at enhancing public confidence however; it poses a financial implication and constraint. Despite all this challenges, the University of Nairobi is tasked with the challenge of maintaining and sustaining its leadership position. This study therefore sought to answer the following question: what are the strategies adopted by the University of Nairobi to maintain sustainable competitive advantage? By conducting a case study approach to fill the knowledge gap in the area of Strategy and sustainable Competitive advantage.

### **1.3 Objective of the Study**

This study was aimed at establishing the Strategies adopted by the University of Nairobi to maintain Sustainable Competitive Advantage.

### **1.4 Value of the Study**

This study contributes to theory by adding to the existing body of knowledge in the area of Strategy and Competitive advantage in the public universities. The recommendations from this study serve as a springboard for further research by academicians.

The findings from this study, adds to the existing knowledge and guides the managerial practices adopted by the public universities in order to maintain their competitive advantage. This study recommends that the managerial practices are to be guided by an inclusive approach where all stakeholders participate in order to enhance ownership and participation. The findings from this study will guide the strategy development and

review process for the public universities to ensure that the process is highly inclusive and participatory.

The recommendations from this study will guide the policies adopted by the public universities in Kenya. The findings and recommendations from this study will highlight the various strategies that can be used for competitive advantage. Given the stipulated requirement for the award of charters, the universities will ensure adherence and compliance to the set policies; hence the study findings will demonstrate the correlation strategy and competitive advantage.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter examined the literature that was relevant to the study. The purpose of this literature review was to determine the competitive strategies used by the University of Nairobi, to ascertain their link on the institution's competitive advantage, to assess the relevance of resource based view on competitive advantage and to establish the implications of quality based view in defining quality, and to have a critical review of the whole research.

The summary of the whole research and related studies provided the basis for which the study was conducted and highlighted some knowledge gaps which the study attempted to fill.

#### **2.2 Theoretical Foundation**

In conformance to resource-based view (RBV), strategic planning uses organizational resources to generate a viable strategy. The RBV theory involves first identifying the firm's potential key resources and deriving a strategy to apply in order to create a synergy. As opined by Barney (1991), firms achieve their sustainable competitive advantage by emphasizing on strategies that exploits their internal strengths, while decreasing their external threats and internal weaknesses. Therefore, resource based view tries to identify and benefit from those resources that helps the organization to develop

competitive advantage with a primary focus on those sources that are more static and unchanging.

Product based perspective views quality as quantifiable and measurable characteristics or attributes. For example durability or reliability can be measured (e.g. mean time between failure, fit and finish), and the engineer can design to that benchmark. Quality is determined objectively. As stated by Conner (1991), performance variance between firms depends on its possession of unique inputs and capabilities.

As specified in the competitive advantage theory, when a firm sustains profit margins that exceed the average for its industry; then the firm is said to possess a competitive advantage over its rivals (Porter 2005). Therefore, this study intended to unearth the value of resource base, and quality and to ascertain their correlation to the sustainability of competitive advantage.

### **2.2.1 Resource based theory**

The RBV was popularized by Hamel and Prahalad (1996) in their book, “Competing for the Future”. The resource-based view (RBV) of strategy holds company assets as the primary input for overall strategic planning, emphasizing the way in which competitive advantage can be derived via rare resource combinations. Resource Based View (RBV) analyzes and interprets resources of the organizations to understand how organizations utilize resources at their disposal to achieve sustainable competitive advantage.

Resources that cannot be easily transferred or purchased, that require an extended learning curve or a major change in the organization climate and culture, are more likely

to be unique to the organization and, therefore, more difficult to imitate by competitors (Prahalad 1996). As reported by Conner (1991), performance variance between firms depends on possession of unique inputs and capabilities. The RBV takes an ‘inside-out’ view or firm-specific perspective on why organizations succeed or fail in the market place (Dicksen 1996). Resources that are valuable, rare, inimitable and non substitutable according to Barney, (1991); make it possible for businesses to develop and maintain competitive advantage.

### **2.2.2 Quality Based View**

The quality-based view holds that firms should always endeavor to improve quality (Turner 1997). The traditional view of quality as reported by Garvin 1984 reports that improving quality entails increasing costs, but the quality-based view states that firms should attempt to improve quality always. As opined by Garvin 1984, quality based view operates under the assumption that with quality products come great customers and the benefit of sustainable competitive advantage.

According to Turner 1997, the concept of quality is a well-established topic and the concept of quality assurance (QA) and quality enhancement (QE) are widely used in the higher education institutions (HEIs). However, defining quality is difficult, as it is an elusive concept (Brink 2010). According to Garvin 2002, a product-driven environment involves the business developing a product first, and then searching for a market for it. When it comes to higher education, quality is a matter of utmost significant concern for accrediting bodies (Wilberg 2006). Previous research conducted have revealed that although monitoring techniques have been used in the education system widely and for a



long time, insufficient account has been taken of the opportunities emerging from their direct impact on the effectiveness of education quality (Altman 2014). In using monitoring as a tool for assessing higher education quality, various problems have arisen but however; monitoring may not be a universal tool but it is adequate for quality assurance (Cheng 2010). Hence, if the results are used correctly then monitoring can essentially improve the quality of the education process and of its outcomes.

When it comes to higher education, quality is a delicate issue because there are many ways of interpreting quality and many models of performance indicators used to try to quantify and evaluate quality (Biggs 2001). As the literature suggests that quality is not a unitary concept, many authors have defined it through a variety of approaches (Van Kemenade *et al.*, 2008; Newton, 2002, 2000; Harvey and Green, 1993). A widely cited piece of literature, Green (1994), pointed out the following approaches to the definition of quality. Quality as the conformance to standards approach is usually used in the public services. In this sense, the quality of a product is measured in terms of its conformance to the specifications, to see if it meets the standards set (Green, 1994, p. 13).

In the higher education sector, “standards” refers to conditions that should be met by institutions in order to be accredited by an accreditation agency (Chea, 2002). This indicates that if quality is the answer to the question “is it good?”, then standards give the answer to the question “is it good enough?” (Brink, 2010, p. 142). Quality is about process, and standards are about outcomes, so the job of QA is to check that the educational process will ensure high standards.

Quality as fitness for purpose was adopted by most policymakers in the higher education sector, as it argued that quality had no meaning except in relation to the purpose of the product or service. However, the fitness for purpose approach has been refuted by many scholars. Thus, Gibbs (2011) suggested an alternative approach to definition that he called the “good-enough practice”. He highlighted that the application of good-enough practices has superficial similarities with fit for purpose. Quality as effectiveness in achieving institutional goals” was one version of the “fitness for purpose” model that focused on evaluation, as quality in this approach viewed high-quality institution, as one that had a clear mission and knew how to meet its goals (Green, 1994, p. 15). Quality as meeting customers is the anticipation of the customer’s needs and the importance of knowing who the customers are, what their needs are and how to satisfy them.

### **2.3 Types of Strategies**

Porter 1985 argues that companies must be competitive so as to uphold their market leadership position through the generic strategies. Differentiation is one of the generic strategies; where a company focuses its efforts on providing unique products or services (Cross 1999). As a result of the uniqueness in service delivery or product’s attributes, customer loyalty is achieved. According to Hlavacka et al 2001, differentiation strategy is implemented efficiently when firm is able to produce unique products with greater value to the client through product quality, features or after sales maintenance. The differentiation strategy is appealing to refined and well-informed consumers who are willing to consequently pay a higher price. A key step in devising a differentiation

strategy is to determine what makes a company different from a competitor's (Tuminello 2002).

Cost leadership is also one of the generic strategies according to (Malburg 2000). This strategy focuses on gaining competitive advantage by having the lowest cost in the industry (Cross 1999). In order to achieve a low cost advantage, an organization must employ a low cost leadership strategy (Malburg 2000). For an effective cost leadership strategy, a firm must have a larger market share (Hyatt 2001). Cost leadership can be achieved through mass production, mass distribution, technology, economies of scale, product design, input cost, capacity utilization of resources and access to raw materials (Davidson 2001). According to Porter (1985), lower costs and cost advantages can result from process innovations, learning curve benefits, economies of scale, product designs reducing manufacturing time and cost, and re engineering activities. Therefore, firms do not have to sacrifice to be the cost leader since high revenue is achieved through obtaining a large market share (Helms et al 1997).

A firm targets a specific segment of the market in the focus strategy (Cross 1999). Firms can choose to focus on a select customer group, product range, geographical area or service line (Hyatt 2001). Focus can be based on adopting a narrow competitive scope within an industry (Stone 1995). It is aimed at growing the market share through operating in a niche market or in markets that could have been overlooked by larger competitors. However, according to Porter 1980, a successful focus strategy depends upon an industry segment. The segment should be large enough to have good growth potential but not of key importance to other major competitors. As opined by David

(2000), focus strategies are most effective when consumers have distinct preferences and when the niche has not been pursued by rival firms.

Organizations could choose to employ a combination of any of the above generic strategies. For instance, a firm may choose to have a focused differentiation strategy by offering unique products to a target market segment. A firm could also choose a focused cost leadership strategy by employing a cost leadership strategy targeted to a specific market segment. However, there is still much debate as to whether the company can employ a differentiation strategy and low cost strategy at the same time (Helms et al 1997).

#### **2.4 Strategies for Sustainable Competitive Advantage**

Strategy should be created in a way that results in sustainable competitive advantage. According to Welch 2005, once a best practice is out there in the market many will try to imitate it. However, imitating and improving results in a sustainable competitive advantage. The development of sustainable competitive advantage is dependent on strategy development according to (Lynch 1997). Sustainable competitive advantage can only be developed over time because it is based on steadiness and continuity in relationships between diverse components of a firm (Scholes 2003). Sustainability of competitive advantage involves every aspect in the way the firm competes in the marketplace (Porter 2002). It is important to analyze competitors in order to be able to develop the competitive strategies in order to counter competition (Pearce and Robinson 1997).

To achieve competitive advantage, firms need to constantly focus on the identification of differential product strategies, building or reshaping core competencies, acquiring unique technologies, and accumulation of intellectual property, all of which can all be harnessed to make the company successful in a highly competitive marketplace (Prahalad & Hamel, 1990; Aaker, 1989).

## **2.5 Knowledge Gaps**

This research looked at the empirical and knowledge gaps especially in the utilization of strategies for sustainable competitive advantage in the context of embracing paradigms.

Strategy exclusively is not enough to cope with competitive environment. Strategy should be developed in a way that leads to sustainability of competitive advantage. According to Welch 2005, once a best practice is out there in the market many will try to imitate it. But job if imitating is not easy at all, however winners are doing two things; imitating and improving hence resulting in sustainable competitive advantage

This research intended to shed highlights on some key concepts with regards to the issue of quality in higher education.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This details the methodological steps which were utilized in the study. A description of the target population, research design, sampling procedures, data collection and analysis are presented herewith.

#### **3.2 Research Design**

Research design refers to a scheme, outline or plan applied to compute answers to the research problems at hand. It is the way data gathering and analyses are structured to achieve research objectives via empirical evidence (Cooper and Schindler, 2006). A research design provides the glue that holds the research project together. This design is used to restructure the research, showing how all the major parts of the project which includes; samples or groups, measures, treatment or programmes and methods of assignment that work together to try and address the central research questions (Mugenda and Mugenda, 2009). This is because this study sought to establish a relationship between variables.

This study did not only apply to descriptive statistics, but it also used a case study to achieve the intended objective. Descriptive statistics is normally based on summarizing data in a way that allows a particular pattern to be observed and therefore; conclusions to be deduced from the data (Orodho, 2005). The main aim of descriptive statistics is to explain the characteristics of the information as gathered from the population. Thus,

descriptive statistics allows a logical way of presenting data for simple exposition. This nature of research design is beneficial because it enables the researcher to cost effectively gather data from a large population in order to examine the impact of independent variables on dependent variables (Mugenda and Mugenda, 2003).

A case study is a research methodology that uses an empirical inquiry to investigate a phenomenon in its real life context. The findings from a case study are normally based on in-depth investigation on a single individual or a group to explore causes of underlying principle. The findings from the case study provided guidance to this study by giving some indications hence allowing further elaboration and creation of the research topic. The expected findings from the case study provided more realistic responses than a purely statistical survey. This study was aimed at testing a theory with a typical case study hence determining strategies adopted by the University of Nairobi to maintain competitive advantage.

### **3.3 Data Collection**

According to Mugenda & Mugenda, (2011), a population is a well-defined set of people, services, elements and events, group of things or households that are being investigated. The researcher gathered information from primary and secondary data. The data from primary source was collected using interview guide. The various heads of sections of departments of UoN were interviewed as the researcher had set relevant questions that guided the interview. This mode of data collection proved effective since the researcher was able to clarify issues and further probe the interviewee to provide more information as was required.

The researcher also collected data from secondary and primary sources. The primary sources were collected with the help of an interview guide and the secondary information was sourced from the UoN's Strategic Plan. The researcher opted for a case study as a flexible approach as compared to quantitative data collection methods. The findings from the case study have guided this study by giving some indications hence allowing further elaboration and creation on the research topic. The findings from the case have yielded to a more realistic response than a purely statistical survey.

### **3.4 Data Analysis**

Data analysis entails the exploration of the accumulated information based on the objectives to be achieved. It involves sorting, classifying and coding to generate units of measures for assessment (Cooper and Shindler, 2006).

The data gathered from this study was largely qualitative; hence content analysis was used as a method of data analysis. Content analysis was preferred because it allowed shifting through large volumes of data in a systematic manner with relative ease. According to (Berelson 1974), content analysis is a research technique for the objective, systematic, and quantitative description of manifest content of communications. The interview guide provided precise questions to be asked in order to determine the exact information needed from the interviewee.



## **CHAPTER FOUR**

### **DATA ANALYSIS, FINDINGS AND DISCUSSION**

#### **4.1 Introduction**

The objective of the study was to examine the strategies adopted by the University of Nairobi to maintain competitive advantage. This study focused on the competitive strategies adopted by UoN, how the various strategies were implemented, the challenges faced in implementing the strategies, the effectiveness of the strategies adopted and how the strategies have enabled the university to sustain its competitiveness.

The primary data was collected through personal interviews with carefully selected senior section heads who are policy makers in the university guided by a prescribed interview guide. The qualitative data was objectively analyzed through content analysis and findings correlated with the study objectives.

After careful scrutiny of the University of Nairobi's strategic plan, the researcher came out with the following issues which have been positively correlated by the research findings to the sustainability of competitive advantage.

#### **4.2 UoN's Strategic Plan and its contribution to Sustainable Competitive Advantage**

The University of Nairobi has developed a strategic plan to guide the university as it moves to world class status. The strategic plan has been developed through a highly participatory and inclusive process. Therefore, ownership and support in the

implementation of the plan by stakeholders is enhanced. The strategic plan guides the university's operations and it is synchronized to the attainment of vision 2030 goals.

Strategic plan was developed for short term and long term because strategy is essential in providing the much needed direction and focus of any institution. It specifically specifies how an institution will move from its present situation to a desirable future, and it clarifies the institutions positioning and how competitiveness will be attained. Owing to the dynamism, the strategic planning helps institutions to effectively align to the ever changing environment. In order to deliver on the theme of its strategic plan, that is, sustaining progress to world class, the university will require resources far in excess of the government grants that the university currently receive. Consequently, resource mobilization will play a critical role in the universities quest to maintain its competitive advantage. In this regard, the university endeavor's to actively engage the private sector, alumni and other stakeholders in its effort to mobilize resources.

According to the strategic plan for 2013 -2018, the university revolves mainly around six strategic issues as follows;

#### **4.2.1 Governance, Leadership and Culture**

The University Council is the apex body in the governance structure of the university. The executive management is overseen by the vice-chancellor through the University Management Board and the senate. Therefore, decision making organs have been sufficiently provided for in the colleges, schools/faculties/institutes and departments.

The government has provided basic legal framework upon which the university of governed and managed. Various legislations have been subsequently reviewed and

therefore the legal landscapes upon which the universities operate have dramatically changed. In line with that, UoN have repositioned itself to fully fulfill the new demands as well as utilizing novel opportunities in its operating environment. It has been vital that the structures and processes concerning governance and management be addressed for the university to set itself for maximum growth and competitiveness.

Best practices and developing national philosophies have been to a great extent informing the way the university is governed. The strategies under the governance, leadership and culture are as follows; Review of administrative structures and systems, creating a culture of ownership and effective strategy and policy execution, creating mechanisms for entrenching the core values of the university among staff and students and ornamental leadership and management capacity at all levels. Consequently, the expected outcomes are as follows; Improved competence and effectiveness, effective monitoring and evaluation and enhanced dedication and loyalty to the university.

#### **4.2.2 Resources, Facilities and Infrastructure**

The ability of the university to deliver on its mandate depends on the resources available and the efficiency of their deployment. The resources are the finances, human capital, physical assets and the total support infrastructure. According to the strategic plan, up scaled levels of resources are needed to deliver the planned outcome. Physical facilities and infrastructure requires major investment for upgrading and expansion. Also, the issue of staff compensation and welfare is to be given exceptional attention otherwise the performance will be sub optimal.

The strategy to expand the university's resource base and enhancing productivity is to increase the university revenue, improve and upgrade the university's physical facilities and infrastructure, entrenching the use of ICT in the university's academic and administrative functions and improving staff motivation and productivity. Consequently, the expected outcome is increased and sustainable financial performance, increased and improved quality of physical infrastructure, effective use of ICT in teaching, research and administration and productive and motivated workforce.

#### **4.2.3 Teaching and Learning**

The university is greatly endowed with human capital and diversified academic programmes. It therefore endeavors to play a leading role in the generation and the propagation of knowledge to meet the national developmental challenges of the 21<sup>st</sup> Century and afar. The university is positioning itself accordingly in order to contend favorably regardless of the challenges of globalization. Given its positioning, the university is playing its anticipated pivotal role in national development by equipping learners with relevant knowledge, skills and value systems while mentoring emerging peer institutions.

Given that teaching and learning is the core business of the university, excellence in service delivery of the same guarantee's survival in and success in a cutthroat environment. The student welfare and support services comprise significant components in the delivery and the continual enhancement of merit in teaching and learning. The university has well recognized student welfare services and facilities. This includes strategically located halls of residence, catering services and state of the art sports and

games facilities. These facilities and amenities are essential in enhancing the production of excellent and holistic graduates. The quality graduate is delivered in totality based on well defined co-curricular activities and the academic curricula so as to produce citizens who can contribute to the general societal welfare.

The rationale is to produce quality and holistic graduates in diverse fields. In doing so, the university has reviewed and re engineered academic processes, worked on delivering diversified, novel, excellent and relevant academic programmes associated with vision 2030, enhancing growth of postgraduate programmes and mainstreaming co curricular events into student academic life and providing quality students welfare services.

Consequently, the anticipated outcomes are; enhancement of quality academic programmes, increased alignment of programmes to vision 2030, growth in postgraduate enrollment and improved quality and production of holistic graduates.

#### **4.2.4 Innovation, Research and Technology**

Innovation, research and technology transfer are main strategic issues being addressed by the university so as to remain relevant in its quest of extending the frontiers of knowledge development and knowledge application. This enables the university to contribute towards the vibrant social needs that are the trademark of civilization, development and enhancement of human life through its involvement in sustainable national development.

Research, innovation and technology transfer have the great potential for wealth creation and contribution to sustainable national development. The university is exploiting this potential in order to realize the national agenda and the aspirations of Vision 2030 goals.

As a result, the expected outcomes are as follows: enhanced research output, enhanced

grants collaboration, improved efficiency in grants management and increased innovations and impact of research output.

#### **4.2.5 Competitiveness and Image of the University**

The university endeavors to produce a strong affirmative image in the minds of past, current and probable students as well as all stakeholders by answering a number of key questions as to what it stands for, particularly in the present competitive, innovative and dynamic world. The university is working on up scaling its brand and further improving its image and marketing its positive cultures which can be extended as a product when the students become alumni.

In order to enhance the competitiveness and the image of the university, UoN employs the following strategies: enhancing the university's image, entrenching internalization of the university and improving the university's global ranking. Consequently, the expected outcomes are; increased visibility of the university, improved institutional performance and ranking and consistent positive corporate image.

#### **4.2.6 Collaboration and Partnerships**

In this era of globalization, the trends emerging trends is for the institutions to foster networks, partnerships and linkages in order to enhance competitiveness. Synergy building relationships with various key stakeholders are critical to the overall success of the university. The university therefore, continues to position itself in such a manner that mutual benefits of all the parties are best achieved. Given the nature and scope of the business of the university, the various categories of relevant stakeholders that the university comes into contact with are enormous. The key stakeholders that have been

identified include the private sector, government agencies, the alumni, peer institutions, and the university's neighbors. It has emerged that the various stakeholders are positively predisposed to work on joint agenda's with the university.

In order to increase the value adding partnerships and collaborations, the university employs the following strategies; exploiting the potential of support from its alumni, improving collaborations and engagement with neighbors, and enhancing partnerships and collaborations with the public and private sectors locally and internationally. The expected outcome will be to improve on the quality of research and academic programmes, to realize increased non academic funding and to reap from cordial relationships with stakeholders.

### **4.3 Competitive Strategies adopted by the University of Nairobi to Maintain Sustainable Competitive Advantage.**

As revealed in the study and further elaborated below, UoN has been able to maintain sustainable competitive advantage through employing various strategies like differentiation, and cost leadership, through operational excellence, expansion and implementation of some unique organizational strategy.

#### **4.3.1 Differentiation Strategy**

It was established that the University of Nairobi have been able to sustain its competitive advantage through differentiating its programmes. According to the findings, it was confirmed that over the years, UoN has been able to continuously offer uniquely differentiated programs which other universities have not been able to easily replicate.

The university has managed to achieve the uniqueness of its products through the use of various distinct capabilities like having highly experienced staff, development of high quality curriculum, employment and retention of competent and experienced staff in various capacities; teaching and non teaching, quality service delivery when it comes to transmission of knowledge, continuous development of new competitive programmes and rebranding of existing programmes, improved student and staff access to ICT resources etc.

#### **4.3.2 Cost Leadership**

As compared to other public universities, the research findings revealed that UoN has consistently managed to charge reasonable fees for quality service. The lower fee has been a major factor in attracting more enrollments to the university hence, ultimately enhancing the sustainability of competitive advantage for the university. Through its continued commitment to excellence, the university has been able to continuously distinguish itself from other players in the same sector through cost leadership. The rationale behind a cost leadership strategy is to be a lower cost producer in comparison to competitors in the same industry.

UON has focused on the pursuit of economies of scale in all operations and proprietary technology as its core success factors. According to M. Porter (1985), competitive advantage exists when a firm is able to deliver the same benefits as competitors but at a lower cost through cost advantage, cost leadership, or deliver benefits that exceed those of competitors (differentiation advantage). Hence, the findings from this study revealed a



strong positive correlation between a cost leadership and sustainable competitive advantage.

#### **4.3.3 Organizational strategy**

From the strategic plan (2013 - 2018), the university has embraced strategic planning to address the challenges arising from the dynamic environment as well as embracing new opportunities brought about by the dynamism hence enabling it to sustain its competitive advantage. By continuously responding to the increasingly dynamic environment and also confronting the challenges brought about by the legal environment, the university has placed itself strategically in a position where it can sustain its competitive advantage.

It was noted from the research findings that the university management has had to continuously re think its old assumptions of the university education that may have worked well in the past but could have entrapped or immobilized the institution in the future. The continuous responsiveness to the shifting paradigms ensures sustainability of competitive advantage.

An interviewee from the Public Relations office revealed to the researcher that the university also conducts market research in order to ensure appropriate response to diverse stake holders. Through customer focus and active engagement with the society, the university is able to enhance its positive image in the mindset of the Kenyans and the world at large. In reaction to customer focus, the university has continued to offer diverse programmes, introducing new programmes, and continually reviews the existing programmes to ensure their relevance. UoN has managed to maintain good will and good corporate image by positioning itself in the global market and the general public.

The research findings also revealed that the university has embarked on a strategy of resource mobilization through active engagement with the private sector, government entities, alumni, and other stakeholders. This will enable the university to sustain its competitive advantage as the strategy will counter the challenges posed by finance limitation.

#### **4.3.4 Operational Excellence**

According to the research findings, it was noted that the university has been able to undertake cutting edge research and continually offered relevant programs which contribute directly to national development as it ensures the sustainability of quality in all its programmes. The continuous improvement in the institutional performance and ranking is a sure performance indicator for operational excellence which ultimately translates to sustainable competitive advantage. Also, according to the universities improvement in the regional, continental and global ranking, it was evident from the research findings that the university has demonstrated its operational excellence by managing to charge reasonable fee, and still offering quality service without compromising with the standards. The operational excellence is evident from the quality and holistic graduates produced by the university in diverse fields yearly. The fact that the university has produced graduates who are competitive in the local and global labour market means that the university has demonstrated its commitment to scholarly excellence through quality training.

#### **4.3.5 Expansion and Diversification Strategy**

Findings from the research have confirmed that the university has pragmatically increased the enrollment of student in order to achieve a high growth as compared to its past enrollment. In doing so, it has broadened its scope hence reaping the benefits of economies of scale as well as acquiring a larger market share. UoN has constructed an 18 storey building (University Towers) at the heart of main campus which has a bigger capacity to accommodate growth. There are many lecture theatres as well as offices in the tower. The university has also opened up many satellite campuses at strategic locations across the country as an expansion strategy as well as diversification into the untapped potential of real estate.

#### **4.4 Challenges faced by the University of Nairobi in Competitive Advantage**

##### **Sustainability**

The university faces competition from local and foreign institutions of higher learning. Locally, the number of universities has increased rapidly. There are 43 chartered public and public universities operating in Kenya. The most popular strategy used by all competitors in the higher education sector, is to increase the student numbers and academic programmes. While the university has attained a significant improvement in the international ranking of universities, there is still intense competition which has significant implications for the strategic positioning of the university hence affecting the sustainability of competitive advantage.

Generally, the university's perception of the internal stakeholders is positive. The perceptions of the external stakeholders have also improved considerably. The

tremendous improvement in virtually every aspect of the university has influenced these positive perceptions. Any external stakeholder's negative perceptions, while not as high as they were in the past, are largely informed by past disruptions of academic programmes. It is clear that some external stakeholders have not fully internalized the positive changes that have taken place at the university. This is a matter of pertinent concern as it affects the image of the university negatively. However, in this election year 2017, the academic programmes have been largely disrupted owing to political situation in the country as well as the industrial action activities. The emergence of trade unionism's among traditionally non-unionized staff and the increased number of unions in the public universities have greatly influenced the focus on terms and conditions of service of staff. There is still need to strategize effectively on how to deal with this phenomenon, as attraction and retention of staff largely depends on how their issues are handled.

The university is facing major challenges characterized by dwindling resources, against the background of an increasing demand for higher education. Given that public universities are now competing for scarce resources owing to the diminished capability of the exchequer to continue meeting the financial needs on the universities due to the budgetary pressure on the government. Also, economic downturns and the decline in government capitation, inadequate endowment funds and limited philanthropic, corporate and alumni contributions coupled with the need to ensure that tuition fees are affordable have seriously diminished the financial resources and impaired accessibility and affordability of higher education.

There is increasing demand for higher education by qualified high school graduates. Approximately 25% of the graduates who qualify for university education are offered admission to public universities through government sponsorship. Therefore, there is growing pressure on public universities to provide greater access to their programmes without compromising academic standards and to provide support services to sustain a high throughput. In addition, the government requires the universities to demonstrate their capacity to expand and sustain the programmes that they mount, while being more accountable to the public at the same time.

The increasing sophistication of the Kenyan economy demands more skilled personnel to meet the needs of a more enlightened market. The global trend is that knowledge based and value adding economic activities that are increasingly becoming the stimuli of economic growth. Consequently, national economies are relying on higher knowledge to expand and sustain their economic niches and competitiveness in the national and global arenas. Further, technological advances require an ever adaptive, strategically agile and sophisticated workforce. As a result of all these changes, the employers demand workers with increased technical expertise, practical skills and enhanced abilities to learn as new technologies emerge.

The university is experiencing a challenge of increased competition. In the recent past, there has been a proliferation of public and private universities as well as an increased presence of foreign universities in the country. These developments have led to increased competition for staff, scholarships, research, donor and development funds. Also, the university is facing inaccurate public perception. Despite the strides it has made to

improve the quality of academic programmes and enhance academic excellence, the public has not fully appreciated these positive attributes. Consequently, there has been an erroneous perception of the quality of the university's academic programmes, its graduates, and its contributions to the society.

Perceived decline in the quality of the university education as well as the institutional crisis associated thereof, and the mentioned changes have been the subject of considerable analysis and debate since the 1990's. Research, conferences, workshops and commissioned studies by various stakeholders have generated abundant information and understanding. The present constraint therefore is not based on lack of knowledge or a sense of what is required, but rather on the inability to take the necessary actions occasioned by political sensitivities, financial limitations and ineffective management styles.

There is increased pressure to admit more students. The students admitted via the placement board waits for extended duration before being admitted to join the university. In an effort to rectify this situation, there is pressure to admit more students which impacts on the already stretched university facilities. The university requires state of the art ICT facilities in all aspects of university life: teaching, learning, research and administration. The high cost of computer hardware and software presents a main challenge for the university to provide widespread use of ICT.

Despite the changed landscape of university education in Kenya, the university is still expected to play a mentoring role in the sector. This will particularly be in the development of human capital. The university also is needed to strengthen its

postgraduate training, especially at doctoral level in order to fulfill this mentorship mandate. Like all major institutions, the university experiences some challenges in staff motivation which affects their morale and productivity. While the management in liaison with the staff union has addressed matters of staff remuneration, the university has a duty to continue addressing issues of staff terms and conditions of service promptly; more so in this era of increased competition for qualified staff from other universities.

#### **4.5 Measures to address the challenges faced by UoN in pursuit of sustainable competitive Advantage.**

The university's long history has given it some tried and tested traditions for its sustainable competitive advantage. The community and alumni have maintained a high profile and are proud of the institution. The pursuit of excellence in all aspects of university life has been unrelenting and has continued to receive recognition in various ways at national and international levels. Therefore, the university has a strong foundation and pillars upon which to anchor its strategies for dealing with the challenges it face.

Higher education sector faces rising expectations and demands and experiences serious resource shortfalls. Planning must therefore take cognizance of these challenges and adequate response. The university continues to demonstrate greater accountability and sensitivity to the needs of its stakeholders. There is an odd duality whereby the institution is taking on greater responsibility while the level of its financial support from the governments is dwindling in real terms. This new paradigm requires greater autonomy

for the university and a new strategic direction guided by a shared vision, strategic thinking, agility and positioning in a worldwide context.

The university has been over reliant on academic revenue. In order to strengthen its financial sustainability, the university has had to seek additional funding from other sources. This includes endowment, fundraising, non-traditional programmes, and establishing private and public partnerships as well as contribution from its alumni.

The university is reassessing its position in order to strengthen its leadership role in the higher education sector domain. In order to realize this, the university has embarked on a process of strategic change which is necessary with regards to greater relevance and efficiency in the manner in which the university fulfills its mandate. The catalyst for this fulfillment is the national agenda that requires public institutions to become increasingly attuned to their stakeholder's expectations and define their obligations afresh in the light of the strategic direction the country is taking through vision 2030 attainment.

The university has to embrace specialization as part of its endeavors to be the best and to remain competitive. This involves developing specialist centres alongside other university programmes, undertaking cutting edge research, developing non-traditional (executive) programmes and maintaining visibility in the cyberspace.

Image is everything. Therefore, the university endeavors to overcome its communication challenges and communicate its positive image to the internal and external stakeholders. Despite the university being a centre of excellence in various fields, this is not obvious to all stakeholders. The university requires a high profile public relations function as well as beefing up its corporate communication strategies.



## 4.6 Discussion

The University of Nairobi's overall performance has been generally good as it has consistently maintained a leadership position nationally and regionally. According to the government's performance contract evaluation, the university has constantly been rated as excellent. The latest global webometrics ranking rates the university as number one in the country. However, the university is faced with various challenges as well just like any other public institution; hence the need to examine the strategies that it has adopted for the sustainability of its competitive advantage.

This section elaborated on the research findings relative to theory and empirical studies. According to Wernerfelt (1984) resource based view suggests that firms have heterogeneous resources and capabilities and that if these resources and capabilities are valuable, rare, inimitable and non substitutable, they can amount to sustainability of competitive advantage. UoN has consistently utilized its unique resources and competencies hence it has been able achieve sustainable competitive advantage. All the strategies employed as discussed above have been matched to the sustainability of the competitive advantage for university.

As opined by Porter (1987), the primary factors of competitive advantage are innovation, reputation and relationships. From the findings, the University of Nairobi has capitalized on these factors and it has enabled it to sustain its competitive advantage. UoN have embraced innovative strategies in its core functions. Over the year, the university has continuously embraced the dynamism in many ways including innovating relevant and marketable programmes.

Nonetheless, strategy solely is not enough to cope with competitive environment. Strategy should be created in a way that results in sustainable competitive advantage. According to Welch 2005, once a best practice is out there in the market many will try to imitate it. But job if imitating is not easy at all, however winners are doing two things; imitating and improving hence resulting in sustainable competitive advantage.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

The objective of the study was to determine the strategies adopted by the University of Nairobi to maintain sustainable competitive advantage. The research findings from the study are summarized in this chapter, and the conclusions, recommendations for policy and practice, the limitations of the study and the recommendations for further study are also included in this chapter.

The findings from the study are also summarized below and demonstrating the association between the strategies adopted and the sustainable competitive advantage.

#### **5.2 Summary of Findings**

The findings from the study revealed that UoN has singled out key strategic issues as per the Strategic plan and have devised strategic measures to address the issues in order to achieve sustainable competitive advantage. The findings from the interviews also revealed that UoN regularly conducts SWOT analysis in order to chart out its path for the future. The analysis entails the identification of institutional strengths, weaknesses, opportunities and threats. UoN have continued to capitalize on its strength as a strong brand, its strong resources and assets base, its financial sustainability, diverse academic programmes, large alumni base, leadership in research, robust ICT infrastructure, diverse student body, highly skilled staff and is even tapping into the untapped potential of real

estate resources. All these factors have been attributed to positively correspond to sustainable competitive advantage.

It was apparent from the findings that through SWOT analysis, the university has been able to pair external threats to internal weaknesses to highlight the most serious issues/challenges faced by the organization and consequently responding to the same accordingly have enabled the sustainability of competitive advantage. The university has also capitalized on the emerging opportunities like the advancement in ICT, increasing demand for quality education, innovation and technological advances, rising demand for consultancy, implementation of vision 2030, offering mentorship with upcoming educational institutions, industry collaborations and prioritization of research by the government and many others. The university has been able to identify the obstacles it faces which are threat to its competitive advantage like inadequate funding, inaccurate public perception of the university, increased competition, high cost of ICT facilities, etc and are responding appropriately in order to maintain its competitive advantage.

The interviewees also revealed that the sustainability of the university's competitive advantage has been as a result of concerted work by staff, students and other stakeholders. Also, good governance, innovativeness and creativity, teamwork were among other factors mentioned. Other factors such as sustainability of quality programmes offered, staff retention, resource mobilization, and self sustainability through revenue generating programmes would yield to sustainability of competitive advantage.

### **5.3 Conclusion**

The Strategy of the University of Nairobi is engraved in its Vision, Mission and its stipulated core values. The Strategy for UoN is developed and reviewed through a highly participatory and inclusive process; with views sought from a wide cross section of internal and external stakeholders. This approach has enhanced ownership and support in the implementation of the plan.

Although the university's performance has been very good over the years as it has maintained a leadership position locally and regionally, the university must sustain this leadership position and boost its world ranking. Therefore, the university has to keep adopting appropriate strategies that will enable it to maintain sustainable competitive advantage.

The strategic planning is the process that attempts to shape the future of an organization. It is based on the fact that the future of an organization is not pre destined, and therefore it can be changed. The future of an organization is determined by the current decisions and actions in the organization. Strategic planning requires that three fundamental questions be answered; situation analysis, 'where are we now?' vision, mission, objectives, 'where do we want to be?' strategies, 'how do we get there?'. The development of a strategic plan was through a collaborative process involving all significant stakeholders. Thus, the process was all encompassing as the implementation efforts require support by all stakeholders.

## **5.4 Recommendations for Policy and Practice**

This study has the recommendations for policy, practice and recommendations for academicians as highlighted below.

### **5.4.1 Recommendations for Policy**

The recommendations from this study will guide the policies adopted by the public universities in Kenya. The findings and recommendations from this study will highlight the various strategies that can be used for competitive advantage. Given the stipulated requirement for the award of charters, the universities will ensure adherence and compliance to the set policies; hence the study findings will demonstrate the correlation strategy and competitive advantage.

### **5.4.2 Recommendations for Practice**

The findings from this study, adds to the existing knowledge and guides the managerial practices adopted by the public universities in order to maintain their competitive advantage. This study recommends that the managerial practices are to be guided by an inclusive approach where all stakeholders participate in order to enhance ownership and participation. The findings from this study will guide the strategy development and review process for the public universities to ensure that the process is highly inclusive and participatory.

### **5.4.3 Recommendations for Academicians**

This study contributes to theory by adding to the existing body of knowledge in the area of Strategy and Competitive advantage in the public universities. The recommendations from this study serve as a springboard for further research by academicians.

### **5.5 Limitations of the Study**

The data collected was qualitative in nature. The data was analyzed by the researcher using content analysis. This method is subjective and involves a lot of objective decision making; which can lead to different conclusions by different researchers while analyzing the same data.

The study was limited to the University of Nairobi; being the scope specified by the researcher to acquire the relevant information to fill the prevailing knowledge gap. The researcher was to interview only the strategically positioned section heads who happen to be key partakers in policy making. Apparently, they happen to be very busy and it took a lot of time to complete the interviews.

Also, owing to limited time, the researcher did not manage to travel to all the satellite campus to interview the section heads. Some interviewees were reluctant to be interviewed owing to their tight schedules and confidentiality issue however, eventually the researcher managed to interview the targeted respondents. The researcher dealt with this limitation by assuring the interviewees of strict confidentiality of the information obtained and further clarified that the information would solely be used for study purpose.

## **5.6 Suggestions for Further Research**

From the study, it was clear that the university needed to enhance value adding partnerships and collaborations in order to enhance its resource base. Therefore the researcher recommends a further study on the type of value adding partnerships and collaborations that the university can partake in to enhance its resource base.

The researcher also suggests further research on how innovation and technology learned from the higher education translates to societal development.



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## **APPENDICES**

### **Appendix 1: Introduction Letter**

Mary Chelule

P o Box 11491 – 00100, Nairobi

Tel: 0722 63 80 24      Email: mchelule@yahoo.com

Dear Respondent,

#### **RE: REQUEST FOR A PERSONAL INTERVIEW**

I hereby submit my request to have a personal interview with you. The interview is with regards to my MBA Project at the University of Nairobi. My research topic is on the, “Strategies adopted by the University of Nairobi to maintain Sustainable Competitive Advantage”.

I have carefully selected you as one of my interviewees owing to the fact that in your designated capacity, you are one of the key policy makers at the University of Nairobi. I affirm that the information provided will be kept strictly confidential and used only for the purpose of the research I am undertaking.

After completion of my research, a soft copy of the final report will be sent to you upon your request. Attached herewith, please find my interview guide for your perusal.

Looking forward to having an interview with you soon.

Thanks in advance.

Yours faithfully,

Mary Chelule

## **APPENDIX 2: INTERVIEW GUIDE**

### **STRATEGIES ADOPTED BY THE UNIVERSITY OF NAIROBI TO MAINTAIN SUSTAINABLE COMPETITIVE ADVANTAGE**

#### **Section A: Competitive Advantage**

- 1) Which factors have contributed to the university's exemplary performance?
  - How has the exemplary performance boosted the university's competitive advantage?
- 2) What are the challenges faced by the university?
  - Despite the challenges faced by the university, what are the strategies adopted by the university to maintain and sustain its competitive advantage?
  - How is the university responding to the challenges?
  - How is the university's response to the challenges translating to the sustainability of its competitive advantage?
  - How can the university sustain its progress towards achieving a world class status?
- 4) What measures have the university put in place to retain her best people?
  - How does the retention translate to Competitive Advantage?
- 5) Has the university achieved its mission of providing quality university education? If yes, state how?
- 6) Does the university offer a diverse range of relevant academic programmes?
  - What is the role of diverse range of relevant academic programmes on competitive advantage?
- 7) What makes the University of Nairobi most preferred over other universities?

- What are the unique competencies of the University of Nairobi as compared to other public universities?

### **Section B: Competitive Strategies for Sustainability of Competitive Advantage**

- i. How can the university maintain its leadership position locally and regionally?
  - What is the influence of the leadership position on the university's competitive advantage?
- ii. What is the university's strategy to mobilize additional resources? What is the university's position on its financial sustainability?
  - How does the financial sustainability translate to competitive advantage?
- iii. What strategies does the university employ to counter intense competition in the higher educational sector?
  - How do the strategies employed amount to the university's sustainable competitive advantage?
- iv. How has the university demonstrated its commitment to scholarly excellence?
  - Elaborate how it has distinguished itself from other players in the same sector
  - How has the scholarly excellence boosted the university's competitive advantage?
- v. How does the university excel in producing quality and holistic graduates in diverse fields?
- vi. How has the university demonstrated its responsiveness to its stakeholders?
  - Who are the stakeholders? How does the responsiveness to stakeholders translate to competitive advantage?
- vii. What are the value adding partnerships and collaborations that the university has enhanced?
  - How do the partnerships and collaborations translate to competitive advantage?
- viii. What other strategies does the university employ to enhance its competitiveness and its positive image?

**THANK YOU FOR YOUR TIME**