

**"BASES OF COMPETITIVE ADVANTAGE OF THE SCHOOL OF
BUSINESS OF THE UNIVERSITY OF NAIROBI"**

BY:

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DECLARATION

This project is my original work and has not been presented for a degree in any other university.

Signed: ----- Date: 09/10/06-----

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This research project has been submitted for examination with my approval as the University Supervisor.

Signed: ----- Date: 10th October 2006-----

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DEDICATION

To my dear parents

Gibson Njimu and RoseJean Wangechi

Whose love for education and wholehearted support encouraged me to pursue higher education.

To my sisters and brother

Mercy, Charity, Purity and Samuel

Who underwent pains to ensure I got the best in education

To my uncle and aunt

Robert Ndegwa and Theresa Ndegwa

Without whose support I would not have made it through the course.

To my dear friends

Mrs. Jane Kungu and Monicah Nyawira

Who were a true source of inspiration, support and encouragement throughout the course.

May God bless you all.

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ABSTRACT

The major purposes of this study were to document the bases of competitive advantage of the University of Nairobi's school of business and the extent to which the school of business has reflected these bases of competitive advantage in its current strategic plan. This was a case study and descriptive statistics was used in the analysis to display data in frequencies tables. Mean Scores and Standard Deviation were also computed.

In the conclusion, the results from data analysis and findings of the research imply that building university name identification and ensuring major effort to insure adequate courses availability create very important bases of competitive advantage which leads to high credibility and increase in revenue into the school of business. Results from the study imply that the least important bases of competitive advantage and the barriers that have impacted on the progress of sustainable competitive advantage initiatives in the school must be reviewed to remove hindrances to successful implementation to ensure potential increase in competitive advantage hence expansion of the school of business to met acceptable world standards and ensure there is no decline in potential profit growth over time.

Secondly, the major barriers that have impacted on the progress of sustainable competitive advantage initiatives in the school are resistance to change, organizational structure and lack of funding, lack of support from university administrators, lack of data access and lack of interdisciplinary research.

Lastly, the bases of competitive advantage that have been reflected on the school's and the university of Nairobi's strategic plans as a whole, so as to remain competitive and effectively differentiate themselves from other schools and institutions of higher learning, and the responses were: building university name identification in the current strategic plan, developing and

refining existing service/product offerings, broad service/product range, new service/product/degree development, major effort to insure adequate courses availability, strong branch/campus network, specific efforts to insure a pool of highly trained/experienced personnel, concerted effort to build the organization's reputation within the industry, and following the actions of competitors. Indeed the current strategic plan meets the dimensions of what a strategic plan should be, covering all the strategic variables.

The following recommendations were also made to the school of business' management staff: that they should change the culture of status quo, restructure their operations and way of doing things, seek other sources of funding to run their projects and operations, emphasize support from university administrators, create awareness, interest, and involvement of everybody in the strategic planning process, ensure efficient data access and interdisciplinary research and emphasize the issues of training and set achievable/clear performance indicators. The only limitation was time and financial constraints in carrying out the research.

CHAPTER ONE: INTRODUCTION

1.1 Background

Globalization of world economies has resulted in high environmental volatility coming in unpredictable ways. Environmental changes such as technological and innovation, competition, globalization, regulation and de-regulation and consumer behaviour have affected many organizations in that organizations have been forced to enhance their business processes in order to survive in an environment which has become increasingly competitive (Ansoff, 1987). Organizations are therefore undertaking strategic changes in order to align their business strategies to the environment thereby matching the resources and activities of an organization to that environment (Johnson and Scholes, 2002).

The world market for international education is measured by the number of students enrolled in education institutions outside their own country. The United Nations Educational, Scientific and Cultural Organization (UNESCO) collect data on international student movements from countries that receive such students in large numbers. According to UNESCO, there were 1.3 million foreign students, studying at the higher education level, in 50 host countries during 1993 (UNESCO, 1996). However, their numbers are significant and would substantially increase the total, making the “education industry” an even larger international sector.

Despite the importance of services, such as education, to national economies they have tended to be ignored or overlooked, due largely to their intangible nature (LEK, 1994). One reason for this is the difficulty associated with the classification of services as “basically the range of services is too broad to allow meaningful, in-depth analysis of the entire field” (Lovelock, 1991). The importance of services within most economies grew during the decades following the Second World War, the level of interest in services as a distinct field of study increased (Berry and Parasuraman, 1993). A major concern at this time was whether services should be viewed as a separate field with its own distinct set of problems (Regan, 1963; Judd, 1964; Blois, 1974). Donnelly (1976) identified the different problems facing the distribution of services, which were distinct from those of goods.

Bharadwaj *et al.* (1993) emphasize that: Superior skills and resources do not, however, automatically give a business a competitive advantage. They only provide the business an opportunity to leverage its skills and resources to achieve competitive cost and/or differentiation advantages. Indeed, the pursuit of multiple skill or resource based competitive methods is critical to strategic success (Aaker, 1989; Bharadwaj *et al.*, 1993). The unique set of specific skills and resources that a firm implants in the marketplace is an important tenet of the resource-based view of the firm (Barney, 1991). From the resource-based view, the university of Nairobi's school of business's aggregate inventory of skills and resources can be used to define its strategic position and provide a basis for superior performance.

1.1.1 Bases of Competitive Advantage

Competitive advantage can result either from implementing a value-creating strategy not simultaneously being implemented by any current or potential competitors (Barney, 1991; Barney *et al.*, 1989) or through superior execution of the same strategy as competitors. Hofer and Schendel (1978) described competitive advantage as "the unique position an organization develops vis-a-vis its competitors". Competitive advantage is mainly derived from resources and capabilities. Resources have been termed "assets", "strengths and weaknesses" and "stocks of available factors" (Amit and Shoemaker, 1993; Wernerfelt, 1984). The capabilities of a firm are what it can do as a result of teams of resources working together. Examples of capabilities include product development, market research, fast development cycles and brand management (Amit and Shoemaker, 1993).

A competitive advantage (CA) can be something a firm does that is different from its competitors, or superior to its competitors. Kurtz&Clow (1999) highlight four requirements for a competitive advantage to qualify to be sustainable: the concept must be valued by customers as to result to additional sales, it must be non substitutable, the firm must have the resources and capability of delivering CA to customers and finally it must not be easily copied by customers. The extent of the return a firm can obtain from a competitive advantage, however, depends upon the sustainability of the competitive advantage, which the resources and capabilities confer upon the firm. Porter (1985) suggested that sustainability could be achieved when "advantage resists erosion by competitive behaviour". This was because of the existence of barriers that make imitation difficult.

The potential bases of competitive advantage are many and varied. Bharadwaj *et al.* (1993) outline the potential bases of competitive advantages for service organizations. For example corporate culture, scale, brand equity and functional skills are all hypothesized as being potential areas for CA. Importantly, however, Bharadwaj *et al.* (1993) suggest that information technology and implementation skills are two other opportunities for sustainable competitive advantage. The bases of competitive advantage were works of Porter (1980, 1985) Dess and Davis (1984) Kim and Lim (1988) Robinson and Pearce (1988) Bush and Sinclair (1992) and could be adapted to the education sector. The following are therefore the bases of competitive advantage: Pricing below competitors; Continuing, overriding concern for lowest cost per unit; Narrow, limited range of services/products; Developing and refining existing service/product offerings; Major expenditure on technology based delivery system to lower costs; Economies of scale achieved through merger or consolidation; Outsourcing functions or entering into joint ventures to control cost; Extremely strict service/product quality control procedures; Specific efforts to insure a pool of highly trained/experienced personnel; Concerted effort to build the an organization's reputation within the industry; Following the actions of competitors.

Others include, building university name identification; Strong branch/campus network; Promotion/advertising expenditures above the industry average; Major expenditure on technology to differentiate services/products; Extensive customer service capabilities; Innovation in marketing techniques and methods; Broad service/product range; Maintaining lending capacity and flexibility; Major effort to insure adequate courses availability; New service/product/degree development; Only serve specific geographic markets; Emphasis on the offering of specialty services/products/courses; Services/products/courses offered in higher priced market segments; Services/products offered in lower priced market segments; Emphasis on training, education, and institutional learning.

1.1.2 Characteristics of Education Services

Lovelock (1983) had offered a useful conceptual foundation that involves five criteria, each of which can be examined on four dimensions. Using Lovelock's framework, education services can be described as having the following characteristics: *The nature of the service act* – the education service act is directed at people (their minds rather than their bodies), it is primarily “people based” rather than “equipment based” (Thomas, 1978), and involves largely intangible

actions (Shostack, 1977). *The relationship with the customer* – education involves a lengthy and formal relationship with the client and a continuous delivery of the service. Students have what Lovelock (1983) refers to as a “membership” relationship with the service provider, offering an opportunity to develop strong client loyalty and enhanced client services.

The level of customization and judgement in service delivery – some services require greater customization and judgement on the part of service providers than others. The extent to which education services are customized is variable. Small tutorials or individual supervision are more customized than mass lectures. In most cases, the extent to which a service provider exercises judgement in meeting the needs of individual students is high. This is particularly the case with teaching staff. A problem arising from this is the possibility that quality can be affected by the variability of service delivery (Nicholls, 1987). *The nature of demand relative to supply* – a service can involve a widespread demand (e.g. electricity) or a narrow demand (e.g. insurance). At the same time, the ability to alter supply quickly, to meet demand fluctuations, varies. In education, demand is subject to relatively narrow fluctuations over time. However, supply can be difficult to manage, with limitations on the availability of staff and places in courses.

The method of service delivery – the delivery of services may be classified into those requiring single or multiple site outlets and the nature of the customer interaction with the service. Customers may move to a service provider, or a service provider may move to meet them. International education services traditionally required the student to come to the institution to complete their courses. However, this is changing, with the establishment of offshore teaching programs and distance education (Soutar and Mazzarol, 1995) and modern technologies (Hamer, 1993)

1.1.3 School of Business of the University of Nairobi

Formal education in Kenya dates back to the colonial times. At independence, the government took over the education sector. Kenya has since attached education to economic and social development (Sifuna, 1998). The University of Nairobi, a body corporate established by an Act of Parliament Cap 210 of the Laws of Kenya is the pioneer institution of University education in Kenya and the region. Being the only institution of higher learning in Kenya for a long time, the University of Nairobi responded to the national, regional and Africa's high level manpower

training needs by developing and evolving strong, diversified academic programmes and specializations in sciences, applied sciences, technology, humanities, social sciences and the arts. To date, the range of programmes offered number approximately two hundred. The University has benefited from its location, in the country's capital, Nairobi, as well as, from the efforts of the nation's diverse population (www.uonbi.ac.ke)

The School of Business formally Faculty of Commerce came into existence in the academic year 1956/57 as part of the former Royal Technical College, which was inaugurated in 1956. The Faculty had special academic and professional relationship with the University of London between 1961 and 1965. During the foregoing period, Commerce subjects were taught under the Faculty of Special Professional Studies, which largely prepared students for the Intermediate Examinations of the Chartered Institute of Secretaries (UK), Association of Chartered and Corporate Accountants (UK) as well as other professional courses. Most of these courses were provided on part-time basis, particularly for students preparing for the Association of Certified and Corporate Accountants at both Intermediate and Final Levels. The conduct of these professional courses marked the beginning of the School of Business's academic history.

In 1964 when the University of East Africa was formally constituted, the Faculty became one of the first few faculties to be established with four departments namely, Accounting, Business Administration, Law and Home Economics with a student population of 50. In 1970, the University College Nairobi transformed into the first national University in Kenya and was renamed the University of Nairobi. In view of the rapid expansion, The University underwent a major reconstruction in 1983 resulting in decentralization of the administration, by creation of six campus colleges headed by principles of colleges being: College of Agriculture & Veterinary Sciences situated at Upper Kabete Campus; College of Architecture & Engineering situated at the Main Campus; College of Biological & Physical Sciences situated at Chiromo Campus; College of Education & External Studies situated at Kikuyu Campus; College of Health Sciences situated at the Kenyatta National Hospital; College of Humanities and Social sciences situated at the Main Campus -Faculty of Arts; Parklands-Faculty of Law; Lower Kabete Campus -Faculty of Commerce. Since then, there are seven Universities and seventeen private Universities competing with University of Nairobi (www.unobi.ac.ke).

Up to 1972, the Faculty offered only the Bachelor of Commerce degree program with two options namely, Accounting and Business Administration. From 1972/3 academic years, the Faculty started offering the Master of Business and Administration program and subsequently the PhD studies. The University of Nairobi records the largest number of student admissions for degree course per annum. It started offering MBA as early as 1972 on a full-time basis, alongside the B.com degree, which started a bit earlier. The part-time programme was launched in 1998.

In 2006, the faculty of commerce became School of Business with the **Vision:** To be a world-class business school providing business education, research and consultancy with an African touch. **Mission:** To provide leadership in the pursuit of business and management knowledge and application through relevant and enriching teaching, research, consultancy and partnership with the wider community for the betterment of the Kenyan society.

The School is currently organized along three departments, namely: The Department of Finance and Accounting; the Department of Business Administration and the Department of Management Science. Each of these departments is headed by a Chairman and the Faculty's chief executive is the Dean assisted by two Associate Deans. The School, in addition, has an Assistant Registrar and a Senior Administrative Assistant to compliment the administrative functions. The School is under the College of Humanities and Social Sciences headquartered at the Main Campus of the University of Nairobi. Since 1988, the School moved to Lower Kabete where it has continued to operate and expand from. Currently, the School runs its programs in four locations, that is, Lower Kabete Campus, the Main Campus, Chiromo Campus and at Bandari Campus in Mombasa. The School currently offers the following specializations at all its academic degree programs (Bcom, MBA, PHD). Accounting; Finance; Human Resources Management; Marketing; Strategic Management; Operations Management; International Business Management and Insurance. A Departmental Chairman, supported by a Program's Coordinator and a team of Academic Advisors, manages each of the degree programs. (www.uonbi.ac.ke)

Superior skills can be defined in terms of staff capability, systems, or marketing savvy not possessed by a competitor. A superior resource is defined in terms of physical resources that are

available to help strategic implementation, such as operating scale, location, comprehensiveness of a distribution system, brand equity, or processing assets. The successful conversion of skills and resources into a unified set of competencies is the basis for a cost or differentiation strategy that succeeds in the marketplace. The bundle of competencies that a firm takes to the marketplace must not be available to competitors (Barney, 1991; Mahoney and Pandian, 1992; Bharadwaj *et al.*, 1993). The University of Nairobi, school of business like most higher learning institutions in Kenya is faced with the need to control an ever large and rapidly changing strategic environment. Performance is a function of competitive advantage achieved by turning a source advantage resulting from superior skills and resources into a competitive advantage (Day and Wensley, 1988).

1.2 The Statement of the Problem

Some of the problems facing the University of Nairobi include: brain drain, overstaffing in some units while others are understaffed. This has been coupled with other major challenges such as: Other universities relocating to Nairobi through having strategic alliances like Makerere (Uganda) linking with The Regional Institute in the city centre; inadequate funding especially for research and development, none-existence of clear strategic plans, poor performance measurements methods, Quality and Relevance, Inadequate use of ICT, Lack of a unified accreditation system, un-harmonized legal frameworks, Inadequate management capacity, Drug and substance abuse. The most recent is the Lecturers' strikes (one of 2003) because of poor compensation (<http://www.eastandard.net/>).

Competitive advantage is important to superior performance in service industries (Bharadwaj *et al.*, 1993). In order to establish a competitive advantage, firms must nurture a unique set of skills and resources in a way that competitors cannot imitate (Day and Wensley, 1988; Barney, 1991; Rumelt, 1991; Mahoney and Pandian, 1992). Marketing has a key role to play in the competitive advantage process (Day and Wensley, 1988; Bharadwaj *et al.*, 1993) by helping firms select and implement skills and resources that will create marketplace uniqueness (Rumelt, 1991).

The skills and resources that customers' value grows from competitive methods (Dess and Davis, 1984; Kotha and Vadlamani, 1995) or drivers of competitive advantage (Porter, 1985) that a firm employs in its strategic effort. Sustainable competitive advantage is an important goal for the

public universities. This climate is only likely to intensify in the foreseeable future. Finding and capitalizing on opportunities for competitive advantage is important, therefore. The deployment of clear strategies within public universities where funding from the exchequer is on the decline and the courses offered are highly imitated by other institutions of higher education is one such opportunity. To date, this opportunity has not been completely utilized (Brien, 1968)

Prior studies separated firms by strategic position using a Likert-type scale to capture the degree of emphasis placed on various bases of competitive advantage available in the industry under study (Dess and Davis, 1984; Kim and Lim, 1988; Robinson and Pearce, 1988; Calingo, 1989; Bush and Sinclair, 1992). This stream of research has generally established a link between an organization's use of competitive methods, its resultant strategic position in the marketplace, and higher levels of performance. Although a number of researches have been done on the bases of competitive advantage, there is none that has been done on the bases of competitive advantage in the University of Nairobi, school of business. This study therefore sought to determine the bases of competitive advantage of the University of Nairobi's school of business in the globalized higher education arena. It also determined the extent to which the school of business has reflected on these bases of competitive advantage in its current strategic plan.

1.3 Objectives of the Study

The study aimed to achieve the following objectives:

- a) To determine the bases of competitive advantage of the University of Nairobi's school of business.
- b) To determine the extent to which the school of business has reflected these bases of competitive advantage in its current strategic plan.

1.4 Significance of the Study

The findings of the study will be useful to the following stakeholders:

- a) Researchers/ Academicians as the findings from the research will assist them to broaden their syllabus on the bases of competitive advantage and sustainable competitive advantage.

- b) The University of Nairobi in policy formulation and implementation in their strategic plan with respect to quality and standards in the school of business.
- c) Other Universities and academic institutions in policy formulation and implementation with respect to quality and standards in their strategic plans.

CHAPTER TWO: LITERATURE REVIEW

2.1 The Concept of Strategy

Strategy can be defined as the establishment of the long-term goals and objectives of an organization, including the taking of actions and allocation of resources for achieving these goals (Chandler, 1962). Due to the scarcity of resources, the strategy that is chosen should be one that optimizes these resources in the pursuit of the organizational goals and objectives. According to Andrews (1971), “strategy is a pattern of objectives, purposes, or goals and the major policies and plans for achieving these goals stated in such a way as to define what business the company is in or is to be in and the kind of company it is or is to be”. Strategy, therefore, not only focuses on the goals and objectives of organizations and the means of achieving them, but also gives an indication of the nature of the company and its business, both in the present and in the long-run.

Quinn (1980) identifies strategy as a plan that puts together an organization’s major goals, policies and action sequences. A well-formulated strategy enables an organization to marshal and allocate its resources in a unique way on the basis of its relative internal competencies and limitations, expected changes in the environment, and contingent actions by competitors. Porter (1980) states that strategy is basically about competition and the means by which an organization tries to gain a competitive advantage. According to Ohmae (1983), the only purpose of strategic planning is to empower an organization to efficiently gain a sustainable competitive edge over its competitors. Therefore, corporate strategy implies an attempt to change, in the most efficient way, a company’s strength relative to that of its competitors.

Johnson and Scholes (1997) notes that strategy is the long-term direction and scope of an organization that facilitates the achievement of an advantage, for the organization, through the mode of arrangement of resources within a changing environment. This would enable the organization to meet the needs of markets and to fulfill stakeholder expectations. Thus, strategy is viewed as the matching of the activities of an organization to the environment in which it operates. “Strategy can be seen either as the building of defenses against competitive forces, or as the finding of positions in the industry where competitive forces are weakest” (Pearce and Robinson, 1997). Grant (2000) adds that the ability to identify and occupy attractive segments of

an industry is critical to the success of an organization. Hill and Jones (2001) conclude that the strategies an organization pursues have a major impact on its performance relative to its peers.

Strategy needs to be well defined since it would determine and communicate the direction in which the organization will move, and the level of performance it will achieve. Therefore, a strategy requires careful development and should not just be a product of the intuition of an organization's managers.

2.2 Strategic Planning

Kotler and Murphy (1982) state, "Strategic planning is the process of developing and maintaining a strategic fit between the organization and its changing marketing opportunities". They then produce a process model, which involves the systematic analysis of the external and internal environments, which leads to the formulation of the organization's goals and strategies.

Shirley (1983) modifies the work of Vancil and Lorange (1975) and identifies four levels of strategy for a college or university. Levels 1 and 2, institutional and campus-wide functional strategies are institution-wide in nature and correspond to Vancil and Lorange's "corporate" level strategies. Shirley believes it is helpful for a college or university to think in terms of six strategic variables at this level: basic mission of the institution; the target groups of clientele to be served; the goals and objectives that the institution must achieve in order to fulfil its mission and serve the needs of its clientele; the programmes and services offered (and the relative priorities among them) in order to attain the goals and objectives; the geographical service area of the institution; the comparative advantage sought by the institution over competitors engaged in similar activities. Once the institution has addressed these it should examine the use of institutional resources, governance/ decision-making structures and the maintenance/ development of the institution's human resources.

Shirley (1983) sees an important role for a higher education institution's mission statement. This affects the extent to which an institution is free to adapt to its changing environment. Doyle and Lynch (1976) see strategic planning for institutions as a planned response to meet and anticipate the needs of students within a competitive environment. They consider this changing

environment in terms of uncertain future demand, the changing composition of demand and financial pressures.

Doyle and Lynch consider the expected environmental changes over the next few years and predict decreasing staff/student ratios, differences between departments in efficiency and quality of students and conflicting organizational pressures to equalize efficiency across areas. Kotler and Murphy (1982) claim that most colleges and universities are not set up with a strategic planning capacity. They are generally just good at operations. In other words, they are most concerned with “doing things right” rather than “doing the right things”. They see the general notion of planning in higher education being at three levels: budgeting and scheduling; short-range planning, e.g. recruitment, programme modifications; long-range planning.

Thomas (1980) talks of the importance of “stakeholders” in the strategic planning process, a college’s survival being dependent on terms that are consistent with such people. It is the existence of certain stakeholders, which gives higher education its unique problem: the issue of students being both customers and products simultaneously. Lovelock and Rothschild (1980) note this phenomenon: There is a further twist in Higher Education. Students are not only consumers of educational services. They are also changed by that experience and themselves become a product of the institution in the eyes of third parties such as employers. Litten (1980) notes that the abilities and efforts of the student interact with the teaching and other resources of the college to produce the particular “educated end-product” of the college. He sees this as not unlike the process in many other spheres where the satisfaction or benefits received depend on the skills, appreciation or other states and resources that the consumer brings to the experience of the product. However, the broad range of diffuse outcomes of the educational experience and the complex nature of the extensive process create what he terms “an unusual nexus of interactions”. These, combined with the fact that the client (i.e. student) is in what is commonly viewed as an extremely formative period, make anticipation of the outcomes very difficult.

2.3 Bases of Competitive Advantage

If the international market for education is maturing it will be important for institutions that wish to remain competitive effectively to differentiate themselves from alternative suppliers. Achieving a successful differentiation strategy requires the ability to offer sufficient perceived added value to a product that consumers will willingly select it over others and even pay a premium (Murray, 1988). For institutions of higher education an essential starting point is the need to focus on quality.

The measurement and management of quality within higher educational institutions is difficult and complex. Nevertheless, the long-term viability of any international education programme relies on the ability to create a perception of quality within its chosen markets. Consumers seeking professional services such as education, require reassurance over quality in order to allay fears of making an incorrect purchase decision (Hill and Neeley, 1988; Levitt, 1986). Four out of the seven recommendations of the *International Competitiveness Study* (AGB, 1992) focused on quality. The first of these was the need to take steps to increase international awareness of a country's commitment to uniformly high standards in education, develop promotional tactics to reinforce the quality image of its education. It proposed using strategic alliances with "first-tier" institutions in "first world" countries to enhance the image of excellence for institutions.

2.3.1 Managing quality

With respect to the issues relating to improvements in institutional quality and focus, the recent quality auditing process as conducted by the CQAHE is a national level attempt to emphasize a country's commitment to quality. Institutions that receive low ranking will experience difficulties in promoting themselves in international markets. Such pressures, coupled with the increased flow of CQAHE funding to higher ranked institutions, provides a strong incentive to earn high quality marks. However, the loose methodology used in conducting these audits raises concerns over the value of the process. Is it conceivable, for example that smaller, less prestigious universities will ever catch up to those with longer history and larger resources? Furthermore, will it be possible for all institutions to rank equal first in terms of quality? It seems improbable that either question could be answered in the affirmative, but unless an institution can hope to improve its quality ranking it will be condemned to inferior levels of quality funding

and will struggle to attract students and staff. An important focus needs to be on the promotion of a quality image for a country's education overseas. Governments at both a state and federal level can assist this process by assisting institutions of higher education to obtain sufficient funding to enable them to undertake or participate in research programmes of an international standard. The collaborative exchange programmes with "first tier" institutions suggested in the IDP *International Competitiveness Programme* (AGB, 1992) are an example of the desired action required.

2.3.2 Promotional strategies

As a professional service, the marketing of higher education requires special treatment. Paramount to the achievement of sustained competitive advantage is the development of an image of quality within the target market. Achieving this image requires a long-term strategic outlook backed up by detailed and reliable research. Higher education institutions are able to obtain reliable and timely information regarding the international students studying in their country. Less reliable data are available on the activities of other countries with whom a country apparently competes. Most institutions find it difficult to comment on the nature of their possible competitors in other countries, owing to both a lack of knowledge and the variance in national education systems (Mazzarol, 1994).

Aggressive promotion of a country's educational institutions overseas has tended to have negative effect on the image of quality (AGB, 1992). Much of this was poorly devised, with too much emphasis on glossy images and inadequate, unnecessary detail. Future promotion may need to be more carefully targeted and based on adequate market research enabling effective market segmentation. In promoting higher education internationally it will be important to increase the level of information available to prospective students, and their level of control over the decision process. Danko (1986) has highlighted the value of using testimonials featuring former students in the promotional material. Owing to the intangibility of education it will be desirable to find ways of increasing the prospective student's awareness of what the education destination has to offer at an early stage. Use of multimedia technology as a promotional tool is encouraging in this regard (Brandt, 1986; Hosie, 1987).

In many markets education exporters have relied heavily on private recruitment agents. Although most are professional, some instances of unethical practice have tarnished the image of the education institutions they represent (Davis, 1989). Word of mouth referral is one of the most successful forms of promoting professional services (Hill and Neeley, 1988). The importance of this form of promotion is widely appreciated by education exporters (Mazzarol, 1994). Generating word of mouth referrals cannot be easily achieved, although satisfied students channelled through well-resourced alumni networks is a possible strategy. Consideration should be given to developing alumni networks as a long-term strategic marketing tool.

2.3.3 Use of strategic alliances

The long-term competitiveness of higher education institutions is likely to depend on their capacity to establish and maintain international strategic alliances with overseas institutions. The system of twinning, whereby two institutions collaborate in the provision of a degree from one of the institutions, is well established (Murphy, 1987; Nicholls, 1987). Such alliances offer greater access for international students to overseas education and at a lower cost (Smart, 1988). They may also assist in enhancing the quality image of the exporting institution.

The ability of services enterprises to gain a competitive advantage through the pre-emption of strategic locations has been documented in services marketing literature (Allen, 1988; Bharadwaj *et al.*, 1993). Its use in the provision of education within an international context is less well known. Of potential importance here is the application of information technology to the delivery of education services to international markets. Porter (1980) has noted that in information complex industries a competitive advantage can be obtained via appropriate use of information technology. Properly used, information technology can assist in lowering costs, enhancing differentiation and creating new opportunities to broaden economies of scope (Porter and Millar, 1985).

2.3.4 Effective use of technology

Technologically mediated learning (TML) (Hosie, 1993) is one important way competitive advantage can be achieved. TML satisfies the criteria for delivering education which is of high quality and “defensible” in terms of ensuring effective learning strategies are employed. Its

ability to offer cost-effective interactive learning for a large number of students over long distances has already been established (Lundin, 1993).

Of all the TML available, interactive multimedia has the potential to have the most immediate impact on education. Multimedia is particularly effective for teaching mechanical and procedural skills (Fletcher, 1990). When used appropriately multimedia can reduce education time from 30 to 60 per cent compared with traditional education methods (De Bloois, 1982, 1988). The cost savings in using multimedia over more traditional teaching methods have been estimated to be around 64 per cent (Brandt, 1986).

Although unlikely ever fully to replace live instruction, multi-media can offer benefits for higher education institutions seeking to deliver teaching services and promotional messages overseas, particularly in ensuring a greater control over the quality of the service delivered - something not as certain with the use of local staff in existing twinning arrangements. As the workplace and homes throughout the world are linked by communications and information technology networks, greater use of open learning via multimedia will be feasible for higher education institutions (Lundin, 1993). However, the cost of producing quality multimedia programmes will remain high and will require a substantial investment in equipment and staff (Smith and Delahaye, 1988). Competent planning is vital if costs are to be contained and a long shelf-life of the courseware assured (Hosie, 1987). The current high level of expertise to undertake such media production in Australia is likely to be tempered by a lack of experience on the part of many educational managers as to suitable applications of the technology (Hosie *et al.*, 1991).

2.3.5 Market entry strategies

The mode of foreign market entry chosen by an enterprise is considered one of the most critical decisions in international marketing (Terpstra, 1987). Recognizing the differences between overseas markets will require institutions to adopt different market entry strategies. Some markets may be better suited to entry via strategic alliances and may demand different promotional strategies. The development of twinning arrangements in Asian markets may be the most appropriate way to expand the international education industry in this part of the world. The growth of ELICOS during the late 1980s was an example of institutional response to market

demand as well as an effective segmentation strategy. Some market segmentation is apparent in the destination of various nationalities.

2.4 Problems Deterring Competitive Advantage

It is not easy to predict the repercussion of a single or combination of barriers to a sustainability initiative. Barriers and obstacles mentioned below have impacted in different ways the progress of sustainable competitive advantage initiatives depending on the context and circumstances of the university where they are being implemented. Hence, order in the list does not represent any implied ranking of importance. However, barriers are presented from the highest to the lowest degree of incidence presented in the sources of information utilized.

2.4.1 Lack of awareness, interest, and involvement

People in charge of sustainability in higher education institutions often complain about the significant portion of the university community that is unaware or has no interest in sustainability. The lack of involvement and participation, even among more notable professors and administrators, is also seen among students, staff, and even surrounding communities. It seems that they have not completely understood their responsibility with present and future generations and their participation is often insignificant. Not turning off the lights when leaving the classroom, leaving computers turned on all day, and throwing materials in wrong recycling bins are examples of unsustainable behaviors that often are seen among the university community.

2.4.2 Organizational structure

To promote effective sustainability, “a functionally-integrative organizational structure is recommended” (Viebahn, 2000) this is because decisions can be more quickly addressed. However, the university's organizational structure is characterized by its lack of integration due to its decentralized management, bureaucracy, students and faculty turnover, and many non standardized processes. In fact, the university is a deeply conservative place (Karabell, 1998) that offers few opportunities for new paradigms. Also, the compartmentalization of science slows the progress (Cortese, 1999). Even though this organizational structure allows more people to provide inputs into decisions, consensus on campus is rarely reached. As a result, sustainability

leaders limit the scope of their initiatives to one building or one academic department (Noeke, 2000).

2.4.3 Lack of funding

Lack of financial resources is a constant constraint on most projects. The slowing economy has affected higher education institutions and they have had to cut budgets by reducing expenditures among university units. Money has been reallocated to priority goals, and sustainability is not a first priority for many universities (Velazquez and Munguia, 1999). Funding is a major concern for all involved in sustainability initiatives. Many projects are not adequately funded, putting at risk not only the achievement of all the intended goals but also the existence of those initiatives. The lack of external funds is also jeopardizing the future of initiatives related to sustainability.

2.4.4 Lack of support from university administrators

Obtaining the support from university top management should not be difficult. However, “opposition from decision-making and administrative inertia are obstacles that come in the way of instituting solid programs”(Arenas, 2000). Lack of support is presents not only with the absence of funds but also with the absence of leadership among university management.

2.4.5 Lack of time

Most of the people in charge of a sustainability projects have other primary responsibilities in the university. Professors, as well as others university members, are busy people (Orr, 2000) who devote part of their time to promote sustainability. Usually, they rely on volunteers to implement an initiative. However, even though they are helpful, volunteers have other duties to do like exams, assignments, and personal obligations. As a result, at the end of each academic period it is not possible to count on them, and projects slow down or stop progressing. Besides, most volunteers are students who often do not have the requirements to be the leader (Allen, 2000). Lack of time also affects the formal planning, evaluation, and reporting processes. Time is also a constraint to add sustainability issues to usually dense curriculum because professors find it very difficult to teach more subjects in the same period.

2.4.6 Lack of data access

Some data are not available for different reasons. There is a hesitancy of many companies to share information about sustainability practices with university members. Those promoting practices of pollution prevention in industries have found the problem that almost all the information is classified like proprietary rights; so, it is illegal to document it (Munguia, 2002). On campuses, the lack of, inaccuracy, and inaccessibility of meters is another problem that makes more difficult the measurement of water and energy consumed by the department. Information has to be estimated in order to keep advancing towards the goals of the projects.

2.4.7 Lack of training

Initiatives are also limited by the lack of specialization in sustainability of the participants. Most of those in the academic world have received little education in the field of environmental issues (Boyle, 1999). In a certain way, professors are learning and teaching about sustainability at the same time. In fact, few educators are being taught how to teach about sustainability, most of them are learning in the field, but in the process mistakes are made. In addition, the duration of the benefits of students training is short because turnover of students is considerably high.

2.4.8 Lack of opportune communication, and information

Lack of communication is another important reason for unmet goals. Owing to decentralized sources of information existing in universities (Roturier and De Almeida, 2000), key information is often unavailable or dispersed in several departments. Besides, information is rarely fluid and shared between departments resulting in efforts that are overlapped. "Many universities have some forms of regular meetings, but communication with others outside the meetings is less common" (Herremans and Allwright, 2000).

2.4.9 Resistance to change

Although complex, sustainable development has been accepted in universities as a very important issue; however, it may still adversely affect some interest groups. Customary behaviors for tenure university members are not easy to change and many of them simply do not

want to change. According to Dresner (2002) any attempt to bring about sustainability will meet enormous resistance from many people.

Groups affected see sustainability as an intruder in a specific study field that is going to change the method of education and research (Perez, 2002). Additionally, sustainable development is thought of as a theoretical model, not one that is applicable to the real world. As a result, some of the people responsible for programs have been discredited with rumors aimed at dismantling or obstructing their initiatives. Others have faced open opposition to their efforts.

2.4.10 Profits mentality

Since one or two decades ago, chancellors tended to manage the university like a private business, even though there are deep differences between university and business organizational structures. “As the institutions have become more bureaucratized in the past twenty years, presidents and chancellors resemble CEOs rather than academic leaders” (Aronowitz, 2000). It seems that fundraising is the ultimate goal for presidents of many high education institutions. University administrators try to make sure that every operation in the university maximizes profits or reduces costs in the short term. They are more likely to support an initiative if it allows them to save money (Barnes and Jerman, 2002).

Some initiatives like composting, car-pooling, and green product purchasing are unable to accomplish these goals, at least not in the short term. However, they offer other academic benefits that are intangible, often not considered, and that do not fit into cost-benefit equations. In fact, even in industry settings, pollution prevention practices need time to show cost-saving benefits.

2.4.11 Lack of more rigorous regulations

There is a need for more rigorous regulations for fostering education for sustainable development. It is also necessary to put more emphasis in the enforcement of those regulations in order to effectively promote sustainability. So far, cleaner production and pollution prevention regulations rely on voluntary actions to achieve their goals, but voluntarism has not worked well

in developing countries (Estevez, 2002). Therefore, regulations must be mandatory rather than voluntary.

2.4.12 Lack of interdisciplinary research

Stimulating the interdisciplinary research activities has been one of the most difficult tasks in universities. Often, there is insufficient coordination and collaboration among experts in the different academic units (Capdevila et al., 2002). A key problem in fostering sustainability in universities is the lack of interdisciplinary research teams capable of providing solutions from economic, environmental, and social perspectives.

2.4.13 Lack of performance indicators

Claiming the effectiveness of an initiative is very difficult because the lack of performance indicators. Since many benefits are not money-value, serious reports are nearly non-existent. Albeit, there are a number of sustainability indicators in literature, its real value still needs to be assessed. Yet indicators for sustainability are in discussion. Usually, sustainability indicators measure environmental rather social or economical variables.

2.4.14 Lack of policies to promote sustainability on campus

A policy leads the aim of the goals and objectives and also the procedures to fulfill the goals. Until a few years ago, the existence of policies for backing sustainability initiatives was rarely found in universities and when they exist, policy enforcement was lacking and not truly effective in guiding daily campus activities (Wright, 2004). The effect of this lack of policies is to significantly limit access to funds and opportunities to other supports like scholarships. However, many of the people responsible for sustainability initiatives have created their own goals without a sustainability policy and now are struggling for the creation of a policy in their institution.

2.4.15 Lack of standard definitions of concepts

The lack of standard definitions about key concepts is preventing the promotion of sustainability, cleaner production and pollution prevention not only on campus but also in industries and governmental agencies. For instance, cleaner production, pollution prevention, and eco-

efficiency are terms often used in an interchangeable way. It makes the understanding and comparison of findings as well as its duplication at different stages more difficult. Moreover, some literature either is inadequate or it does not exist for some regions, especially in developing countries (Wemmenhove and De groot, 2001). Hence, improving the process for presenting and publishing results is a priority.

2.4.16 Technical problems

A number of technical constraints can be found in sustainability reports and literature. Initiatives lacking the technical ability to apply preventive methods end in failure such as poor lighting brightness, stinky odors, and annoying pests. Others fail in reaching the control of temperature, pressure and quality.

2.4.17 Designated workplace

Finding a spot where settling the project should not be a problem, but it is. Struggling for a site on the campus is very common. In fact, the lack of space is a serious problem in many universities. Professors, staff and students must be persistent in their demands to get adequate rooms for establishing their headquarters. Machismo is a central concept that affects female sustainability leaders (Moure-Eraso, 2002). Because they are women, they suffer a lack of confidence in leading an initiative. Obviously, women have to spend more energy, time, and resources than men.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research Design

This was a case study. It was aimed at finding out the bases of competitive advantage of the School of Business of the University of Nairobi. It was also aimed at investigating the extent to which the school of business had reflected on the bases of competitive advantage in its current strategic plan. The research setting was the University of Nairobi, School of Business, Module I and II degree programmes. The choice of the University of Nairobi as the institution of study was made in consideration of the pivotal role it plays as the centre of knowledge in Kenya's higher education system (given that it is the oldest university). The fact that the University of Nairobi also offers a wide variety of undergraduate and postgraduate courses was also considered since students have a wide variety of courses from which to choose from. The target population of this study comprised of all those who are currently sitting as Deans, Chairpersons, Coordinators, examination officers and the teaching staff (lecturers).

3.2 Sample Frame

Stratified Random Sampling was appropriate to obtain a sample from the population. The strata was based on the following courses/ specializations: Finance; Accounting; Strategic Management; Marketing Management; International Business Management; Human Resources Management; Management Information System; Operations Management and Insurance Management. Based on the above, a Stratified Random Sample of 40 taking care of proportional representation was considered. This conforms to the widely held rule of thumb that to be representative, a sample should have 30 or more test units. Cooper and Emory, (1995) also observed that in a population of 10 million, a sample of 2 million would be misleading while a sample of 1000 drawn in a proper manner from the same population can be more accurate.

This technique was carefully chosen to minimize on cost, time and give acceptable results. This is because the researcher avoided the possibility of either double-counting or erroneous omissions and lack of representation of some members in the population.

3.4 Data Collection Methods

The study used both primary and secondary data. The primary data was collected using semi-structured questionnaires, which were administered through the drop and pick later method. Follow up was done through personal visits to the respective respondents and phone calls enhanced the response rate. The questionnaire was divided into 3 sections: Part A had general/Individual information; Part B had questions that obtained information on the bases of Competitive Advantage and the challenges or barriers facing the University in its efforts to achieving competitive advantage. Part C obtained information on the extent the School of Business had applied its strategic variables to reflect on its bases of competitive advantage in its current strategic plan. Secondary data regarding the strategic plan was obtained from the university's strategic plan for the year 2006/2020.

3.5 Data Analysis and Findings

Once data was collected, the questionnaires were edited for completeness and consistency. Calculations were made using descriptive statistics i.e. Mode. Data was analysed by use of tables and percentage as the focus was on the frequency of occurrence of various parameters information that the study considers. Mean scores and standard deviation were also computed. These tools have been selected for their clarity, preciseness, ease of understanding and interpretation. The Statistical Package for Social Sciences (SPSS) was used to analyse data, make conclusions and recommendations from the study.

CHAPTER FOUR: DATA ANALYSIS AND FINDINGS

4.1 Introduction

This chapter covers data analysis and findings of the research. The data is summarized and presented in the form of proportions, tables and percentages. It documents the bases of competitive advantage of the University of Nairobi's school of business and the extent to which the school of business has reflected these bases of competitive advantage in its current strategic plan. Data was collected from a sample of forty (40). Of the 40 sampled, 32 responded, a very high response rate of 80 percent.

4.2 Respondents

4.2.1 Job Title

Table 4.1 Job Title

Title	Frequency	Percentage
Deans	1	3
Chairpersons	3	9
Coordinators	2	6
Examination officers	6	19
The teaching staff (lecturers)	20	63
Total	32	100

Source: Research data

The targeted population of this study comprised of all those who are currently sitting as Deans, Chairpersons, Coordinators, examination officers and the teaching staff (lecturers). These are the people who are involved in the management of the school and they represent the school in the University's senate and strategic planning committee. The respondents were asked to indicate their job titles and the responses are as indicated in table 4.1. From table 4.1, 3% of the respondents were deans, 9 % were chairpersons, 6% were coordinators, 19% were examination officers as 63% were the teaching staff (lecturers). Thus the respondents were proportionally represented looking at numbers from the school.

4.2.2: Number of Years Worked in the School of Business

Table 4.2: Number of Years Worked

The Number of Years	Frequency	Percentage
Less than 1 year	1	3
1 – 2 years	9	28
3 – 9 years	8	25
10 – 15 years	7	22
16 – 19 years	5	16
More than 20 years	2	6
Total	32	100

Source: Research data

The number of years one has worked in an institution has an influence on his/her experience and the responsibility to be given to him/her. For those who are likely to master the way things are done and what ought to be changed for the competitive bases of an institution From table 4.2, of those who were surveyed, 28% indicated they worked in the university for between 1 – 2 years, 25% have worked for between 3 – 9 years, 22% for 10 – 15 years, 16% for 16 – 19 years, 6% for more than 20 years 4-9 years, and 3% for less than one year. This is an indication the people who responded had rich experience on the issues that were under study.

4.2.3: Highest Level of Education

Table 4.3: Highest Level of Education

Highest Level of Education	Frequency	Percentage
Diploma level	0	0
Bachelors Degree	0	0
Masters Degree	22	69
PhD Degree	10	31
Total	32	100

Source: Research data

The level of education has an impact on one's consideration for recruitment and performance to/in the university. Majority of the management and teaching staff in the school of business are expected to have a master's degree and above. From table 4.3, 69% of the respondents had a master's degree, ~~46% had diplomas~~ 31% had a PhD Degree and none had a diploma level and a bachelor's degree. This is a clear indication that the people under investigation had a rich

academic background and thus they understood the issues that were being tested in the questionnaire.

4.2.4: Gender Distribution

Table 4.4: Gender

Gender	Frequency	Percentage
Male	26	81
Female	6	19

Source: Research data

The higher education sector is now emphasizing gender equity in its employment policy. Female academicians and scholars now are almost dominating the public universities' top management. From table 4.4, out of the 32 who were sampled, 81% were male employees as 19% were female employees. This is a poor distribution in gender although male employees have formerly dominated the natures of such duties.

4.3 Bases of Competitive Advantage

There are very many bases of competitive advantage. Different organizations have placed different degrees of emphasize on the various bases of competitive advantage available in the higher education sector. The respondents were asked to indicate what the University of Nairobi's School of Business has emphasized. The responses are indicated in table 4.5

4.3.1: Bases of Competitive Advantage and their importance

Table 4.5: Bases of Competitive Advantage

Bases of competitive advantage	(n=32) Mean	SD
Building university name identification	5.00	0.00
Major effort to insure adequate courses availability	5.00	0.00
Broad service/product range	4.72	0.46
New service/product/degree development	4.69	0.47
Extremely strict service/product quality control procedures	4.69	0.47
Developing and refining existing service/product offerings	4.38	0.95
Specific efforts to insure a pool of highly trained/experienced personnel	4.32	0.47
Concerted effort to build the organization's reputation within the industry	4.31	0.47
Following the actions of competitors.	4.31	0.47
Outsourcing functions or entering into joint ventures to control cost	4.22	0.61
Innovation in marketing techniques and methods	4.07	1.41
Emphasis on training, education, and institutional learning.	4.07	1.41
Extensive customer service capabilities	4.03	0.82
Economies of scale achieved through merger or consolidation	4.00	0.81
Strong branch/campus network	4.00	0.00
Major expenditure on technology to differentiate services/products	4.00	0.00
Promotion/advertising expenditures above the industry average	4.00	0.00
Emphasis on the offering of specialty services/products/courses	3.72	0.46
Major expenditure on technology based delivery system to lower costs	3.69	1.23
Continuing, overriding concern for lowest cost per unit	3.66	1.21
Maintaining lending capacity and flexibility	3.38	0.94
Services/products offered in lower priced market segments	3.16	1.11
Services/products/courses offered in higher priced market segments	2.94	0.76
Narrow, limited range of services/products	2.63	1.68
Pricing below competitors	2.41	1.24
Only serve specific geographic markets	2.34	1.21

Source: Research data

(Note: SD = Standard Deviation)

Competitive advantage can result either from implementing a value-creating strategy not simultaneously being implemented by any current or potential competitors (Barney, 1991; Barney *et al.*, 1989) or through superior execution of the same strategy as competitors. Competitive advantage is the unique position an organization develops vis-a-vis its competitors. From Table 4.5, using the 5-Likert scale, the very important mean of 5 indicates those that the school of business considers as very important bases of competitive advantage and the standard deviation is insignificant. These are believed to be what the school does differently from its

competitors or superior to its competitors. Out of the 32 sampled, respondents gave building university name identification and major effort to insure adequate courses availability as very important bases of competitive advantage.

From table 4.5, using the 5-Likert scale the least important mean of 2 indicate those that the school of business considers as the least important bases of competitive advantage. Respondents indicated the least important bases of competitive advantage to be: Services/products/courses offered in higher priced market segments, narrow, limited range of services/products, services/products offered in lower priced market segments, pricing below competitors and serving specific geographic markets. This affirms Bharadwaj *et al.*'s (1993) outline of the potential bases of competitive advantages for service organizations.

4.3.2 Barriers or Challenges in Achieving Competitive Advantage

Table 4.6: The Barriers or Challenges

Barriers or Challenges	Frequency	Percentage
Resistance to change	32	100
Organizational structure	32	100
Lack of funding	32	100
Lack of support from university administrators	23	72
Lack of awareness, interest, and involvement	23	72
Lack of data access	23	72
Lack of interdisciplinary research	23	72
Designated workplace	20	63
Lack of standard definitions of concepts	20	63
Lack of training	20	63
Lack of performance indicators	17	53
Lack of opportune communication, and information	14	44
Lack of time	15	47
Lack of policies to promote sustainability on campus	11	34
Profits mentality	10	31
Technical problems	10	31
Lack of more rigorous regulations	1	3
The "Machismo" (a central concept that affects female sustainability leaders)	1	3

Source: Research data

It is not easy to predict the repercussion of a single or combination of barriers in the efforts of achieving competitive advantage. The barriers impact differently on the progress of sustainable competitive advantage initiatives depending on the context and circumstances of the university where they are being implemented. The respondents were asked to give the barriers or challenges in the efforts of achieving competitive advantage and the results are as indicated in table 4.6. Out of the 32 who were sampled, 100% of the respondents gave resistance to change, organizational structure and lack of funding as the major obstacles, 72% gave lack of support from university administrators, 72% gave lack of awareness, interest, and involvement, 72% also gave lack of data access and lack of interdisciplinary research, 63% gave designated workplace, lack of standard definitions of concepts & lack of training, 53% gave lack of performance indicators, 44% gave lack of opportune communication, and information, 47% gave lack of time, 34% gave lack of policies to promote sustainability on campus, 31% gave profits mentality, technical problems as 3% gave lack of more rigorous regulations and the “Machismo” .

4.3.3 Extent of Application of Strategic Variables and Bases

There are many bases of competitive advantage and they need to be reflected on the strategic plans. The international market for education is maturing it will be important for institutions that wish to remain competitive effectively to differentiate themselves from alternative suppliers. The respondents were asked to give the extent into which they have reflected the bases of competitive advantage in order to differentiate themselves from other schools and institutions of higher learning, and the responses were as in table 4.7

From table 4.7, out of the 32 sampled, 100% of the respondents indicated that they reflected building university name identification in the current strategic plan, 97% gave developing and refining existing service/product offerings, 93% gave broad service/product range, 77% gave new service/product/degree development, 76% gave major effort to insure adequate courses availability, 69% gave strong branch/campus network and 67% gave innovation in marketing techniques and methods.

Table 4.7: Bases of Competitive Advantage and the Strategic Plan

Bases of competitive advantage	Frequency	Percentage
Building university name identification	29	100
Developing and refining existing service/product offerings	28	97
Broad service/product range	28	93
New service/product/degree development	23	77
Major effort to insure adequate courses availability	22	76
Strong branch/campus network	20	69
Innovation in marketing techniques and methods	20	67
Major expenditure on technology based delivery system to lower costs	19	66
Extremely strict service/product quality control procedures	19	66
Specific efforts to insure a pool of highly trained/experienced personnel	19	66
Concerted effort to build the organization's reputation within the industry	19	66
Following the actions of competitors.	19	66
Major expenditure on technology to differentiate services/products	19	66
Extensive customer service capabilities	20	65
Continuing, overriding concern for lowest cost per unit	18	64
Emphasis on the offering of specialty services/products/courses	18	60
Services/products offered in lower priced market segments	18	58
Emphasis on training, education, and institutional learning.	17	55
Services/products/courses offered in higher priced market segments	16	55
Maintaining lending capacity and flexibility	16	53
Economies of scale achieved through merger or consolidation	13	46
Promotion/advertising expenditures above the industry average	11	36
Pricing below competitors	10	35
Outsourcing functions or entering into joint ventures to control cost	10	35
Only serve specific geographic markets	6	19
Narrow, limited range of services/products	4	13

Source: Research data

Also from table 4.7, 66% gave major expenditure on technology based delivery system to lower costs, 66% gave extremely strict service/product quality control procedures, 66% gave specific efforts to insure a pool of highly trained/experienced personnel, 66% gave concerted effort to build the organization's reputation within the industry, 66% gave following the actions of competitors, 66% gave major expenditure on technology to differentiate services/products, 65% gave extensive customer service capabilities, 64% gave continuing, overriding concern for lowest cost per unit, 60% gave emphasis on the offering of specialty services/products/courses,

58% gave services/products offered in lower priced market segments, 55% gave emphasis on training, education, and institutional learning, 55% gave services/products/courses offered in higher priced market segments, 53% gave maintaining lending capacity and flexibility, 46% gave economies of scale achieved through merger or consolidation, 36% gave promotion/advertising expenditures above the industry average, 35% gave pricing below competitors, 35% gave outsourcing functions or entering into joint ventures to control cost, 19% gave serving only specific geographic markets, as 13% gave a narrow, limited range of services/products.

Thus indeed from above, the school has a strategy of achieving a successful differentiation strategy aimed at basing an ability to offer sufficient perceived added value to a product that consumers will willingly select it over others and even pay a premium (Murray, 1988).

Table 4.8: Extent of Application of Strategic Variables

Application of Strategic Variables	(n=32) Mean	SD
Basic mission of the institution	1.00	0.00
The goals and objectives that the institution must achieve in order to fulfill its mission and serve the needs of its clientele	1.00	0.00
The comparative advantage sought by the institution over competitors engaged in similar activities	1.47	0.51
The programmes and services offered to attain the goals and objectives	1.57	0.50
The geographical service area of the institution	1.82	1.00
The target groups of clientele to be served	2.00	0.00

Source: Research data (Note: SD = Standard Deviation)

The school of business's mission is to provide leadership in the pursuit of business and management knowledge and application through relevant and enriching teaching, research, consultancy and partnership with the wider community for the betterment of the Kenyan society. The respondents were asked to indicate the extent of application of the strategic variables on the university's current strategic plan and results are as in table 4.8.

From table 4.8, the respondents indicated that they highly apply the basic mission of the institution in the strategic planning process, they highly apply the goals and objectives that the institution must achieve in order to fulfill its mission and serve the needs of its clientele, the comparative advantage sought by the institution over competitors engaged in similar activities

and the programmes and services offered in order to attain the goals and objectives. The respondents also indicated that they have just applied the target groups of clientele to be served and supported application of the geographical service area of the institution in the strategic plan. Indeed the current strategic plan meets the dimensions of what a strategic plan should be, covering all the strategic variables.

CHAPTER FIVE: SUMMARY, DISCUSSIONS AND CONCLUSIONS

This chapter presents the summary of results obtained from the study in line with the objectives of the study. The objectives were to determine the bases of competitive advantage of the University of Nairobi's school of business and the extent to which the school of business has reflected these bases of competitive advantage in its current strategic plan.

5.1 Summary, Discussion and Conclusions

The targeted population of this study comprised all those who are currently sitting as Deans, Chairpersons, Coordinators, examination officers and the lecturers. All the respondents were proportionally represented looking at numbers from the school. Most people who responded had worked for between 1 – 19 years, an indication the people who responded had rich experience on the issues that were under study. They also had a master and a PhD degree, a clear indication that the people under investigation had a rich academic background and thus they understood the issues under test in the questionnaire. The male employees have dominated the school.

In relation to the first objective, which was to determine the bases of competitive advantage of the University of Nairobi's school of business, the results from the study indicated building university name identification and major effort to insure adequate courses availability as very important bases of competitive advantage. Results from the study indicated the least important bases of competitive advantage to be: Services/products/courses offered in higher priced market segments, narrow, limited range of services/products, services/products offered in lower priced market segments, pricing below competitors and serving specific geographic markets.

The barriers that have impacted on the progress of sustainable competitive advantage initiatives in the school were found to be resistance to change, organizational structure and lack of funding, lack of support from university administrators, lack of awareness, interest, and involvement, lack of data access and lack of interdisciplinary research, designated workplace, lack of standard definitions of concepts and lack of training, lack of performance indicators, lack of opportune

communication, and information, lack of time, lack of policies to promote sustainability on campus, profits mentality, technical problems and lack of more rigorous regulations.

In relation to the second objective which was to determine the extent to which the school of business had reflected its bases of competitive advantage in its current strategic plan the results from the study indicated that the bases of competitive advantage have been reflected on the school's and the university of Nairobi's strategic plans as a whole are so as to remain effectively competitive to differentiate themselves from other schools and institutions of higher learning, and the responses were: building university name identification in the current strategic plan, developing and refining existing service/product offerings, broad service/product range, new service/product/degree development, major effort to insure adequate courses availability, strong branch/campus network, innovation in marketing techniques and methods, major expenditure on technology based delivery system to lower costs, extremely strict service/product quality control procedures, specific efforts to insure a pool of highly trained/experienced personnel, concerted effort to build the organization's reputation within the industry, following the actions of competitors, major expenditure on technology to differentiate services/products, extensive customer service capabilities, continuing, overriding concern for lowest cost per unit, and lastly emphasis on the offering of specialty services/products/courses.

The school of business's mission is to provide leadership in the pursuit of business and management knowledge and application through relevant and enriching teaching, research, consultancy and partnership with the wider community for the betterment of the Kenyan society. The school highly applies the basic mission of the institution in the strategic planning process, the goals and objectives that the institution must achieve in order to fulfill its mission and serve the needs of its clientele, the comparative advantage sought by the institution over competitors engaged in similar activities and the geographical service area of the institution.

In conclusion, the results from data analysis and findings of the research imply that building university name identification and ensuring major effort to insure adequate courses availability create very important bases of competitive advantage which leads to high credibility and increase in revenue into the school of business. Results from the study imply that the least important

bases of competitive advantage and the barriers that have impacted on the progress of sustainable competitive advantage initiatives in the school must be reviewed to remove hindrances to successful implementation to ensure potential increase in competitive advantage hence expansion of the school of business to meet acceptable world standards and ensure there is no decline in potential profit growth over time. Lastly, the bases of competitive advantage that have been reflected on the school's and the university of Nairobi's strategic plans as a whole, must remain competitive and effectively differentiate themselves from other schools and institutions of higher learning. Indeed the current strategic plan meets the dimensions of what a strategic plan should be, covering all the strategic variables.

5.2 Recommendations for Policy and Practice

The following recommendations are also worth making to the school of business' management staff:

The management should be should tackle the following barriers that have hindered the success of clear implementation of the bases of competitive advantage: they should change the culture of status quo, restructure their operations and way of doing things, seek other sources of funding to run their projects and operations, emphasize support from university administrators, create awareness, interest, involvement of everybody in the strategic planning process, ensure efficient data access and interdisciplinary research and emphasize the issues of training and set achievable/clear performance indicators.

5.3 Limitations of the Study

There was time and financial constraint in carrying out the research. The Deans, Chairpersons, Coordinators, examination officers and the lecturers were very busy most of the time and kept turning down the appointments.

Most of the informants were reluctant to participate in the research and had to be really convinced. Some could not fully fill the questionnaire claiming it not friendly to them and sometimes they wanted an interview and not a questionnaire to fill.

5.4 Suggestion for Further Research

This study documents the bases of competitive advantage of the University of Nairobi's school of business and the extent to which the school of business has reflected these bases of competitive advantage in its current strategic plan. Achieving a competitive advantage and ensuring its sustainability is applicable in all industries. The researcher recommends a study to be conducted to determine the extent other companies and institutions outside the higher education sector have reflected their bases of competitive advantage in their current strategic plan. Such studies will help in highlighting challenges facing Kenyan organizations in the implementation of the bases of competitive advantage in their current strategic plan.

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APPENDICES

Appendix 1: Letter of Introduction

Dear Sir/Madam _____

I am a student pursuing a postgraduate degree at the School of Business, University of Nairobi. The title of my study is “**Bases of competitive advantage of school of business of the University of Nairobi**”. You are selected to participate in this study as a categorical respondent in the University of Nairobi’s School of Business population because of your role/participation in the programme management.

The questionnaire attached asks questions about bases of competitive advantage of the School of Business of the University of Nairobi. Your participation is essential to this study and will enhance our knowledge of quality in education and strategy management practices. I also wish to inform you that the information you provide will only be used for academic purposes, alongside improving the quality in education through establishing bases of competitive advantage in the School of Business of the University of Nairobi and will be treated with strict confidentiality. A copy of the report of the findings of this study will be sent to you upon request. My address is provided below.

Thank you very much.

Njimu W. Faith

University of Nairobi

P.o Box 30197

Nairobi.

Tel: 0721-286512

Email: **faithnjimu@yahoo.com**

Appendix 2: Questionnaire

Part A: Your Personal Details

Please provide the following information regarding yourself.

1. Your title.....
2. The number of years you have been in the University of Nairobi-School of Business (please tick)

- | | |
|--------------------|-----|
| Less than 1 year | [] |
| 1 – 2 years | [] |
| 3 – 9 years | [] |
| 10 – 15 years | [] |
| 16 – 19 years | [] |
| More than 20 years | [] |

3. Name of Department _____

4. Number of years the organization/Department has been in operation

- | | |
|--------------------|-----|
| Less than 5 years | [] |
| 6 to 10 years | [] |
| 11 to 15 years | [] |
| 16 to 20 years | [] |
| More than 21 years | [] |

5. Your highest level of education (please tick)

- | | |
|-----------------------|-----|
| Diploma level | [] |
| Bachelors Degree | [] |
| Masters Degree | [] |
| PhD Degree | [] |
| Other (specify) _____ | |

6. Your Gender Male [] Female []

Part B: Bases of Competitive Advantage

1. What is the degree of emphasis placed on the following various bases of competitive advantage available in the higher education sector, particularly the University of Nairobi, School of Business?

Bases of competitive advantage	Very Unimportant	Least important	Indifferent	Important	Very Important
Pricing below competitors					
Continuing, overriding concern for lowest cost per unit					
Narrow, limited range of services/products					
Developing and refining existing service/product offerings					
Major expenditure on technology based delivery system to lower costs					
Economies of scale achieved through merger or consolidation					
Outsourcing functions or entering into joint ventures to control cost					
Extremely strict service/product quality control procedures					
Specific efforts to insure a pool of highly trained/experienced personnel					
Concerted effort to build the organization's reputation within the industry					
Following the actions of competitors.					
Building university name identification					
Strong branch/campus network					
Promotion/advertising expenditures above the industry average					
Major expenditure on technology to differentiate services/products					
Extensive customer service capabilities					
Innovation in marketing techniques and methods					
Broad service/product range					
Maintaining lending capacity and flexibility					
Major effort to insure adequate courses availability					
New service/product/degree development					

What is the degree of emphasis placed on the following various bases of competitive advantage available in the higher education sector, particularly the University of Nairobi, School of Business?

Bases of competitive advantage	Very Unimportant	Least important	Indifferent	Important	Very Important
Only serve specific geographic markets					
Emphasis on the offering of specialty services/products/courses					
Services/products/courses offered in higher priced market segments					
Services/products offered in lower priced market segments					
Emphasis on training, education, and institutional learning.					

1. What are some of the barriers or challenges facing the School of Business in its efforts of achieving competitive advantage?

Lack of awareness, interest, and involvement	[]
Organizational structure	[]
Lack of funding	[]
Lack of support from university administrators	[]
Lack of time	[]
Lack of data access	[]
Lack of training	[]
Lack of opportune communication, and information	[]
Resistance to change	[]
Profits mentality	[]
Lack of more rigorous regulations	[]
Lack of interdisciplinary research	[]
Lack of performance indicators	[]
Lack of policies to promote sustainability on campus	[]
Lack of standard definitions of concepts	[]
Technical problems	[]
Designated workplace	[]
The "Machismo" (a central concept that affects female sustainability leaders)	[]

Part C: Extent of The Application of Strategic Variables

1. Have the following various bases of competitive advantage available in the higher education sector, particularly the University of Nairobi, School of Business been reflected in its current strategic plan?

Bases of competitive advantage	Yes	No
Pricing below competitors		
Continuing, overriding concern for lowest cost per unit		
Narrow, limited range of services/products		
Developing and refining existing service/product offerings		
Major expenditure on technology based delivery system to lower costs		
Economies of scale achieved through merger or consolidation		
Outsourcing functions or entering into joint ventures to control cost		
Extremely strict service/product quality control procedures		
Specific efforts to insure a pool of highly trained/experienced personnel		
Concerted effort to build the organization's reputation within the industry		
Following the actions of competitors.		
Building university name identification		
Strong branch/campus network		
Promotion/advertising expenditures above the industry average		
Major expenditure on technology to differentiate services/products		
Extensive customer service capabilities		
Innovation in marketing techniques and methods		
Broad service/product range		
Maintaining lending capacity and flexibility		
Major effort to insure adequate courses availability		
New service/product/degree development		
Only serve specific geographic markets		
Emphasis on the offering of specialty services/products/courses		
Services/products/courses offered in higher priced market segments		
Services/products offered in lower priced market segments		
Emphasis on training, education, and institutional learning.		

2. To what extent has the School of Business applied the following strategic variables to reflect on its bases of competitive advantage in its current strategic plan:

Strategic Variables	Highly Applied	Applied	Non-Applied
Basic mission of the institution;			
The target groups of clientele to be served;			
The goals and objectives that the institution must achieve in order to fulfill its mission and serve the needs of its clientele			
The programmes and services offered (and the relative priorities among them) in order to attain the goals and objectives			
The geographical service area of the institution			
The comparative advantage sought by the institution over competitors engaged in similar activities.			

Thanks for taking your time to fill this questionnaire