

**CHALLENGES FACED BY MONTESSORI COLLEGES IN KENYA
IN IMPLEMENTING COMPETITIVE STRATEGIES**

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DECLARATION

This management research project is my own original work and has not been submitted for award of a degree in any other university.

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DEDICATION

This study is dedicated to my loving husband Jackson Macharia and my sons David and Joel Macharia.

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I wish to convey gratitude and appreciation to all who have made this study a success.

To the Almighty God who has brought me this far and given me abundant life. To my supervisor, Jackson Maalu for his experience, professional guidance, advice and constructive critiquing throughout the entire period of writing this MBA project. I also want to express my appreciation to my lecturer Dr. Martin Ogutu for his encouragement and support that was crucial from the onset of this project and also the School of Business MBA lecturers for their contribution during class sessions.

I must also acknowledge the support and help of all those who responded to my questionnaire and relevant feedback. I may not mention them by name but many thanks. I am also profoundly thankful for my husband's support. Jack, you tolerated my many hours of studying and you made me keep going even when the going was rough. Your unwavering encouragement, material and moral support and tireless sacrifice in taking care of the family enabled me achieve the MBA degree.

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MAY GOD BLESS YOU ALL WITH ABUNDANT BLESSINGS THAT YOU CAN NOT CONTAIN

ABSTRACT

The purpose of this study was to establish the challenges faced by Montessori Colleges in Kenya in implementing competitive strategies. The study used descriptive survey design. The target population for the study were the 16 colleges that offer Montessori course only. Twelve colleges responded representing a 75% response rate. A semi-structured questionnaire consisting of closed and open-ended questions was used to collect data using the drop and pick method.

The study revealed that operational costs, high competitive levels, and no marketing budget were the major challenges. In addition, strategies like low cost staff, part-time teachers hired on a needy basis, taking advantage of any attractive opportunity and use of using the students to market the college and were used heavily in the colleges.

Based on the findings, it was recommended that cost leadership strategy be taken into account to maintain competitiveness. This is because cost being a major challenge requires that firms pay a great deal of attention to discretionary costs and look for ways of bringing the costs down. According to Porter (1985) pp 13, "a cost leader, however cannot ignore the bases of differentiation. If its product is not perceived as comparable or acceptable by buyers, a cost leader will be forced to discount prices well below competitors' to gain sales." This may result in the firm invalidating the advantages of its cost position.

TABLE OF CONTENTS

	Page(s).
Declaration.....	ii
Dedication.....	iii
Acknowledgements.....	iv
Abstract.....	vi
List of tables.....	x
List of figures.....	xi
CHAPTER ONE: INTRODUCTION.....	1
1.1 Background.....	1
1.1.1 Competitive Strategies.....	1
1.1.2. Montessori Training Colleges.....	2
1.2 Statement of the Problem.....	4
1.3 Objective of the Study.....	6
1.4 Importance of the Study.....	6
CHAPTER TWO: LITERATURE REVIEW.....	8
2.1 The Concept of Competitive Strategy.....	8
2.2. Generic Strategies.....	12
2.2.1 Overall Cost Leadership Strategy.....	13
2.2.2 Differentiation Strategy.....	13
2.3. Challenges and Constrains of Implementing Competitive Strategies.....	15
CHAPTER THREE: RESEARCH METHODOLOGY.....	18
3.1 Introduction.....	18
3.2 Research Design.....	18

3.3 Population.....	18
3.4 Sample size.....	18
3.5 Data Collection Procedure.....	19
3.6 Data Analysis.....	19
CHAPTER FOUR: DATA ANALYSIS AND FINDINGS.....	20
4.1 Introduction.....	20
4.2 Profile of Respondents Organizations.....	20
4.2. 1 Personal Details.....	21
4.2.2. College Details.....	21
4.2.3 Location.....	23
4.2.4 Students Population.....	23
4.2.5 Number of Branches.....	25
4.2.6 Number of Teachers.....	26
4.3 Competitive Strategies Adopted.....	27
4.3.1 Cost Leadership.....	28
4.3.2 Differentiation Strategy.....	33
4.3.3 Focus.....	39
4.3.4 Overall Strategies.....	41
4.4 Challenges Faced in Strategy Implementation.....	41
4.5 Discussions of Findings.....	46
CHAPTER FIVE: SUMMARY, DISCUSSION AND CONCLUSIONS.....	48
5.1 Introduction.....	48
5.2 Summary of the Findings.....	48
5.3 Recommendations.....	51
5.4 Limitations of the Study.....	53

5.5 Recommendation for Further Research.....	53
REFERENCES	54
APPENDIX I: LETTER TO RESPONDENT.....	56
APPENDIX II: STRUCTURED QUESTIONNAIRE.....	57
APPENDICES III: MONTESSORI COLLEGES IN KENYA	62

LIST OF TABLES

Table 4.1 Personal Details	21
Table 4.2 Years in operation	23
Table 4.3 students' Population	25
Table 4.4 Number of Branches	26
Table 4.5 Number of teachers	27
Table 4.6 Cost Leadership Strategies	30
Table 4.7 Differentiation Strategies	35
Table 4.8 Focus Strategies	41
Table 4.9 Challenges in Strategy Implementation	43

LIST OF FIGURES

Figure 4.2 Years in Operation	23
Figure 4.3 Location	24
Figure 4.4 Students' Population	25
Figure 4.5 Number of Branches.....	27
Figure 4.6 Number of Teachers per College	28
Figure 4.7 Strategies Adopted	42
Figure 4.8 Challenges Faced in strategy Implementation	43

CHAPTER ONE: INTRODUCTION

1.1 Background

Environmental changes shape opportunities and challenges facing organizations. Organizations need to adjust to these changes to remain successful in future. For firms to succeed they need to strategize their plans. The environment can be relatively stable or turbulent and has affected many organizations. Environmental changes affecting organizations include competition, globalization, political and legal factors, changes in consumer tastes and ecological factors.

To become competitive, organizations are becoming more aggressive in exploiting opportunities and dealing with threats. However, an organization's strength may not always bring success. Different challenges have different approaches. Competition will determine how appropriate a firm's activities will contribute to its performance, such as a cohesive culture, innovations or a good implementation (Porter, 1998). Every organization that competes in an industry has a competitive strategy. The strategy may have been developed through a planning process or may come up through the activities of the various functional departments of the organization (Porter, 1980). For a strategy to be successful, it must align well with the environment.

1.1.1 Competitive Strategies

Kotler (2003) has defined competitors as companies that satisfy the same customer need. For example, a customer who buys a word-processing package really wants "writing

ability” – a need that can also be satisfied by pencils, pens, or typewriter. Porter (1998) pp.1 defines competitive strategy as “the search for a favorable competitive position in an industry, the fundamental arena in which competition occurs.” He further says that competitive strategy is taking offensive or defensive actions to create a defensible position in an industry to cope successfully with the five competitive forces and therefore yield a superior return on investment for the firm.

Porter (1990) competitive strategies framework recognizes three generic strategies from which organizations can choose. These are cost leadership, differentiation, focus low cost and focused differentiation. A company will succeed depending on selecting the right strategies. This will be the one that will fit the resources and capabilities (competitive strengths) of the organization and the industry in it.

1.1.2. Montessori Training Colleges

Montessori is a method of education which combines a philosophy of freedom and self development for children with a practical approach. Maria (1870-1952) left this legacy of education whose central idea provides freedom for the child within a carefully planned environment. (<http://www.montessori.ac.uk>). Montessori argued that when a child is provided with the right kind of activities at the right time of his/ her development, the child will naturally have the interest to learn and also be able to absorb knowledge without effort.

Maria, whose original interest was medicine not teaching, approached education as a scientist but not as a philosopher. She spent time examining children to enable her know the best ways of helping them achieve their full potential. The Montessori Method approach became very popular and today it is the most probably known approach worldwide.

Pre-school teachers training colleges in Kenya or Early Childhood Development and Education (ECDE) were established to train students by providing them with all the knowledge, practical training, experience and qualifications to enable them play the role of a teacher and at the same time a parent. Training of ECDE caregivers has been a main activity of the Ministry of Education through established structures of National Centre for Early Childhood Education (NACECE) and District Centre of Early Childhood Education (DICECE) in the country which were launched in 1985 (Mwende, 2006).

The programme is meant to train teachers acquire the necessary knowledge, skills and attitudes to help children prepare for the primary education. Today there are a hundreds of nursery schools, both private and public due to the increase in enrolment of children. This has seen the increase in number of trained teachers and also establishments of several pre-school colleges. Like any other organizations, the Montessori colleges in Kenya have been affected by increase in competition and for them to survive, they would be expected to adapt their activities to the new environmental realities. This study seeks to identify the challenges the Montessori colleges are facing in implementing the competitive strategies

The success and survival of the Montessori colleges in Kenya in the current business environment will depend on the extent to which they are able to learn, adapt and change. According to Porter (1985) the success of every organization is determined by how it responds to the environment. Increase in competition has greatly affected the colleges. This increase in competition has resulted in competitors introducing low costs, loss of employees to competitors, introduction of close substitutes, shifts towards quality, changed demands and needs of customers, lack of finance, and students preferring to join universities offering the Montessori courses rather than private colleges. These external conditions pose a challenge for the colleges which in turn forces the colleges to change their strategies.

1.2 Statement of the Problem

The Montessori Colleges plays a vital role of training students by providing them with all the information, practical training, understanding and experience which prepare them to be responsible teachers. The increase in enrolment of children has seen thousands of nursery schools coming up. Consequently, this has resulted in increment in number of trained teachers and also establishments of several pre-school colleges. Various studies have been done to determine the competitive strategies and challenges facing higher education institutions in Kenya.

Mwakundia (2005) in his study of the competitive strategies applied by commercial colleges in Nairobi found out that both general and specific training institution strategies are applied in this sector. Kitoto (2005) in her study on competitive strategies adopted by universities in Kenya revealed that several external factors, some of them quite closely

related, affected the universities. Competition, increasing customer awareness, entry of substitute products and many more challenges called upon the universities to develop strategies that could adequately respond to the forces.

A critical look at these studies indicate that there has been a great emphasis on the challenges facing universities and other colleges offering a range of courses but no one has yet carried out a similar research on Montessori colleges. This is probably due to the fact that Montessori colleges are not widely known despite the fact that they play a vital role in ensuring that a teacher is well trained to give a child his very first education. The studies have pointed out that most colleges apply competitive strategies in order to survive in their industry sector. But the challenges have not been conclusive enough to justify a generalization. A brief highlight of some of these studies is hereby given to prove that competitive strategies are unique and highly sensitive to environmental circumstances.

Mumbua (2002) noted that strategic management is sensitive to context. Each firm has specific attributes that should influence behavior and the strategies employed. From the review of research that has been done on competitive strategies, there is none that focuses exclusively on Montessori Colleges in Kenya. This necessitated a critical analysis of the challenges facing the Montessori colleges in implementing competitive strategies. The experience of various writers mentioned in this study will advice the Montessori colleges on the way to compete successfully and counter the challenges that they face when

employing their strategies, hence this study seeks to make a unique contribution in filling this significant gap.

This study focused on colleges that only offer pre-school courses using the Montessori Method, different from other training institutions that offer a diverse range of courses.

At the end of this study, every firm with an interest to succeed will appreciate the fact that the continued existence and success of any business depends on choosing the right competitive strategies and finding ways to counter the challenges. This study sought to answer the questions, “what competitive strategies are the Montessori Colleges in Kenya adopting? And what challenges are these colleges experiencing when implementing the strategies?”

1.3 Objective of the Study

The study aimed to achieve the following objectives:-

- i. To identify the competitive strategies adopted by Montessori Colleges in Kenya
- ii. To determine the challenges the Montessori Colleges are experiencing when implementing the strategies.

1.4 Importance of the Study

The results of this study can be used by Montessori Colleges to establish the strategies they are currently employing to compete and if so are they effective. It will again help to determine the challenges the colleges are facing in their industry. The government especially the Ministry of Education will find the information important in understanding the effects of the policy in the industry and in coordinating higher education learning.

To the academicians, the study will provide a useful basis upon which further studies in the industry could be conducted. It will also contribute to the existing literature in the area of strategies that academicians could use as a basis of further research. To other players in the industry and other sectors, it will be of interest to learn the importance of adopting competitive strategies.

CHAPTER TWO: LITERATURE REVIEW

2.1 The Concept of Competitive Strategy

The concept of strategy is a multi-dimensional concept that can be applied in all fields of study and life. Strategy has been defined variously by different authors. Johnson, Scholes and Whittington (2005) pp 9 defined strategy as “the direction and scope of an organization over the longtime, which achieves advantage in a changing environment through its configuration of resources and competences with the aim of fulfilling stakeholders’ expectations.” Pearce and Robinson (1991) defined strategy as a company’s game plan. They further say that a strategy helps a company’s know how, when and where it should compete; against whom it should complete; and for what purposes it should compete. Every organization has a purpose for existence. No goal can be achieved without a proper planning. Planning is the process of setting goals and choosing the means to achieve them. Plans helps managers have a clear idea of what they need to organize. (Stoner et al., 2003).

The essence of formulating strategy is relating a company to its environment (Porter, 1998). The industry or industries in which a firm competes is the key aspect of the firm’s environment. Porter further argues that the competitive rules of the game as well as the strategies potentially available to the firm will be strongly influence by the industry structure. All firms are therefore affected by outside forces and for them to succeed; they have to strategize their plans in a way that will enable them deal with the five basic competitive forces. There is no single definition of strategy. What is important to know is that strategy defines organization’s purpose and the obligations of the organization to its

stakeholders, deals with organizational competitive advantage by positioning the organization in the environment and defines the business of the organization ~ its product or market scope. Strategy in simple words is any decision that is going to affect product and markets.

Organizations strive to satisfy customers needs, and in so doing they achieve their basic corporate objectives of survival and profitability. Because of their concern for satisfying the customer's needs, the organizations choose their strategies carefully, in order to offer the products/services that are valued by their customers. Directors have the responsibility of proposing corporate strategy, and the success of the strategy rests on the commitment of the managers in carrying it out.

An organization must pay close attention to its external environment. External environment consists of all the conditions and forces that affects its strategic options and defends its competitive situation (Pearce & Robinson, 1991). External conditions pose a challenge for organizations which in turn forces organizations to change their strategies. Organizations need to know, for example, what competitors are doing or planning to do, what legal factors can affect the organization, and if it is in a location where labor is available (Robbins & Coulter, 2002). Organizations should adapt to the environment and this will be achievable if the organization has the capabilities, the resources and skills required. Environmental forces are not the only forces that affect the strategy of an organization, but the values and expectations of those who have power in and around the organization can also affect the strategy. These are the stakeholders (Johnson & Scholes,

2005). It is worthy noting that, “competition in an industry is rooted in its underlying economics, and competitive forces exists that go well beyond the established competitors in a particular industry” (Pearce & Robinson, 1991) pp85.

The state of competition in an industry depends on 5 basic competitive forces, as shown in the figure below:

Figure 2.1: Competitive Forces



Source: Porter (1985). Competitive Advantage. pp. 5

Firms try to enhance their competitive position by using appropriate strategies, and as long as the company has a strong competitive position than the others, it will expand its market share while that of the weaker firms' is reduced. A firm must analyze its competitors in order to be able to deal with them. Analyzing competitors will provide all the information that will be relevant for the firm and the firm will also be able to identify the competitors' strategies. Competitors use different strategies which may depend on their strengths, weaknesses, opportunities and threats. Importantly, a firm should also determine the competitors' objectives.

Competitor's objectives may include profit maximization, customer satisfaction, technological leadership, market share growth, cash flow, and so on. (Johnson & Scholes, 2002) talks about the dynamics of competition and hyper competition. Over time the five forces of competition will change and/or competitors will be able to overcome the forces, so a firms' strength is not permanent but the time scale will be different for each firm.

"Hyper competition occurs where the frequency, boldness and aggressiveness of dynamic movements by competitors accelerate to create a condition of constant disequilibrium and change" (Johnson & Scholes, 2002) pp 160. It is therefore important for a firm to understand the various objectives of its competitors to be able to know how the competitor is likely to react to different types of competition attack. For instance, a firm that has been pursuing a differentiation strategy will react more strongly to a firm that has decided to adopt the same strategy. Competitive strategy helps a company know how it will compete, and also its goals and how to achieve the goals. Porter (1990) competitive

strategies framework recognizes three generic strategies from which organizations can choose. These are cost leadership, differentiation, focus low cost and focused differentiation. A company will succeed depending on selecting the right strategies. This will be the one that will fit the resources and capabilities (competitive strengths) of the organization and the industry in it.

2.2. Generic Strategies

Porter’s generic strategies model is as shown in figure 2.2 below. It provides a framework for the competitive strategies that are quite fundamental in competition.

Figure 2.2. Generic Strategies

The generic strategies are summarized in the figure below:

		Competitive Advantage	
		Lower Cost	Differentiation
Competitive Scope	Broad Target	1. Cost Leadership	2. Differentiation
	Narrow Target	3a. Cost Focus	3b. Differentiation Focus

Source: Porter (1985). Competitive Advantage. pp. 12

2.2.1 Overall Cost Leadership Strategy

A low cost leader persistently seeks out efficiency in market, production, research and development and so on. The aim is to cut cost in all area of operation. Low cost strategy enables a firm to charge a low price to its customer. This strategy is applicable if the customers are price sensitive (Porter, 1998). Large-scale businesses offering standard products with relatively little differentiation are usually associated with this strategy. The sources of cost advantage are diverse and depend on the formation of the industry. They may include searching of the economies of scale, better access to raw materials, proprietary technology and other factors. A low cost producer must take advantage of all sources of cost advantage (Porter, 1988).

2.2.2 Differentiation Strategy

A company that seeks to offer unique products that are generally valued by customer is following a differentiation strategy. The products are unique and they attract a premium price. The customer must see the product as valuable (Porter, 1988). The product must be differentiated by exceptionally high quality, technological capability, and extraordinary services. Differentiation if achieved can earn firm very high profits because it creates a defendable position for coping with the five competitive forces compared to the cost leadership.

The key to competitive strategy is that whatever product or service attribute is chosen for differentiating must set the firm apart from its competitors and be significant enough to justify a price premium that is more than the cost of differentiating. (Robbins & Coulter, 2002).

2.2.3 Focus Strategy

The final generic strategy in focusing is identifying a particular buyer group, segment of the product line, or geographical market and coming up with suitable products for that segment. "The strategy rests on the premise that the firm is thus able to serve its narrow strategic target more effectively or efficiently than competitors who are competing more broadly." (Porter, 1998) pp. 38. The previous two strategies are industry-wide strategies while this strategy involves a segmentation approach.

Some scholars argue that firms can follow both cost leadership and differentiation strategies simultaneously (Murray, 1988; Hill, 1988; Cronshaw et al, 1994), however the issue remains unanswered. Firms that follow both strategies may either succeed or get stuck in the middle. Organizations must choose their strategies carefully if they are to offer the products/services that are valued by their customers. Directors have the responsibility of proposing corporate strategy, and the success of the strategy rests on the commitment of the managers in carrying it out. An organization must pay close attention to its external environment.

External environment consists of all the conditions and forces that affects its strategic options and defends its competitive situation (Pearce & Robinson, 1991). External conditions pose a challenge for organizations which in turn forces organizations to change their strategies. Day and Wensley (1988) noted that competitive strategy consists of skills and resources that are available for use by firms in a competitive industry. They defined superior skills in terms of staff capability, systems or market expertise not possessed by a competitor.

Organizations need to know, for example, what competitors are doing or planning to do, what legal factors can affect the organization, and if it is in a location where labor is available (Robbins & Coulter, 2002). Organizations should adapt to the environment and this will be achievable if the organization has the capabilities, the resources and skills required. Environmental forces are not the only forces that affect the strategy of an organization, but the values and expectations of those who have power in and around the organization can also affect the strategy. These are the stakeholders (Johnson & Scholes, 2005).

2.3. Challenges and Constrains of Implementing Competitive Strategies

The purpose of strategy is to give success to the organization. Strategic management leads to success only when strategy formulation and strategy implementation are both good. Mechanism for planning and control are important for a firm to compete effectively. Strategic management is the process by which managers choose a set of strategies for the organization to achieve its goal. It plays a key role in facilitating the deployment of a firm's resources in an ordered manner to ensure long term performance of the firm in a competitive environment. As Bennet (1999) noted, this makes implementation of competitive strategies critical especially in the light of the stiff and ever increasing competition and complexity of today's world that can make it very hard to asses and take advantage of opportunities available to a firm.

Strategy implementation is putting strategy into action. Managers face challenges during the implementation process. Some of the competitive challenges that may bring down a firm's ability to grasp new opportunities include financial requirements; regulatory issues

imposed by the government and the industry; and the managers' capabilities. Uncertainties that can affect any of the five competitive forces will have implications for competition (Porter, 1998). This can also be a challenge in implementing competitive strategies. When a firm enters a new market, it can use cost leadership strategy. The challenge such a firm can experience is when new entrants are able to imitate easily the cost leaders' policies. This strategy therefore puts severe burdens on the organization to keep on trying to sustain competitive advantage through investing on technology. On the other hand, a competitor may be unable to produce at a lower cost. As a result, the competing firms may be controlled by customers to reduce their prices which will end up reducing their profits considerably.

The differentiation strategy has its own challenges too. The challenges seek to attract repeat purchases from competitors' customers by offering products that are more attractively differentiated than the competitors. Again, customers may see a big difference in prices charged by two different companies using the differentiation strategies and opt to go for the cheaper priced products to save money (Porter, 1980). A company needs to create a balance between the attentions it gives to its customers and that it gives to competitors. A firm can become so competitor focused that it loses its customers focus. At the same time, a company can become so customer centered that it loses its competitor focus.

Focusing on niche works for small companies that may not wish to capture the entire market, but focuses effort on a single market segment. It is particularly attractive when there are a few barriers to the entry of major competitors and when the pioneer has only limited resources and competencies to defend any advantage it gains through early entry (Kotler, 2003). A focus niche may not be permanent because changes in customer tastes or technology can make it disappear unexpectedly.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter focuses on how the research was carried out. It covers research design, the population of the study, data collection method and data analysis method.

3.2 Research Design

This study applied a descriptive survey design which will seek to identify the competitive strategies that Montessori Colleges are adopting and the competitive challenges the colleges are experiencing in implementing the strategies. The main aim of a descriptive research design is an explanation of the state of affair as it exists at present (Kothari, 2003). Field research involves the collection of primary data. The motivation for using this design is that it explores the existing status of two or more variables at a given time.

3.3 Population

The population of the study will consist of all Montessori colleges operating in the country. There are sixteen colleges that offer Montessori courses in the country. The list was obtained from the Ministry of Higher Education. Borg and Gall (1996) define population as all members of a real set of people, event or objects to which a researcher wishes to generalize the results of the study.

3.4 Sample size

The sample size consisted of all the Montessori colleges operating in the country since the population of the sample was small. This ensured that the researcher was able to get

different views from the colleges on the challenges they face in implementing competitive strategies in their institutions.

3.5 Data Collection Procedure

The main instrument used in the collection for the study was a structured questionnaire form. It consisted of both closed and open-ended questions. The questionnaire was divided into two parts. Part one focused on the general information of the colleges. Part two had questions that contain information on the competitive strategies employed by the colleges and the challenges that the colleges are experiencing in applying the strategies. The questionnaire was distributed by way of drop and pick method. The follow up was by use of telephone. The target respondents comprised of the directors or in their absence, administrators and principals of the respective colleges. The target sample was sixteen colleges but the researcher managed to get response from twelve colleges only.

3.6 Data Analysis

Before the data was analyzed, all the questions were checked to find out whether they were answered adequately. The data collected was then analyzed and interpreted to provide answers to the research questions. The data was analyzed using SPSS. Tables, graphs, means and percentages were used to summarize the data. Subsequently the data was translated into specific categories inline with the objectives of the study guided by the questionnaire.

CHAPTER FOUR: DATA ANALYSIS AND FINDINGS

4.1 Introduction

This chapter presents the analysis of the data collected through the semi-structured questionnaires. First is the analysis of the general information of the respondents and the Montessori colleges under consideration followed by the analysis of the competitive strategies adopted by the Montessori colleges and the challenges experienced by the colleges in implementing the strategies. The data was then analyzed using the SPSS and presented in forms of tables, pie-charts and bar graphs. Other information was interpreted using a Likert-Scale, where the mean and standard deviation were used.

The aim of the study was to establish the challenges faced by Montessori colleges in Kenya in implementing competitive strategies. The explanation of the results is provided under each section and the results presented in form of tables and charts. The study achieved a 75% response rate with twelve colleges out of the sixteen responding. The response rate was considered suitable for analysis.

4.2 Profile of Respondents Organizations

The study sought information about respondents' organizations on aspects that were considered to be descriptive of the Montessori colleges with respect to the subject of the study. The aspects were with respect to the college's years in operation, their location, number of branches, number of teachers and the number of students and whether they adopt competitive strategies that differentiate each one of them in the industry. Further, seeking this information was considered necessary to lay ground for understanding the challenges they face in implementing competitive strategies.

The 75% response rate was acceptable as it compares favorably with previous studies including Kimeu (2008) 74%; Mbithe (2008) 61%; Goretti (2008) 72.7% and many more. The completed questionnaires were usable, but few lacked vital information.

4.2. 1 Personal Details

This section presented the various characteristics of the respondent. The designations of the respondents’ results are summarized below.

Table 4.1: Personal Details

Designation	Frequency	%
Principal	7	58.3%%
Administrator	1	8.3%
Director.	4	33.3%
Total	12	100%

Source: Research Data.

The above results shows that 58.3% of the respondents were Principals of the respective colleges, 8.3% were the Administrators and 33.3% were the directors. This was necessary to aid the researcher in making adequate conclusions concerning the accuracy of the responses obtained.

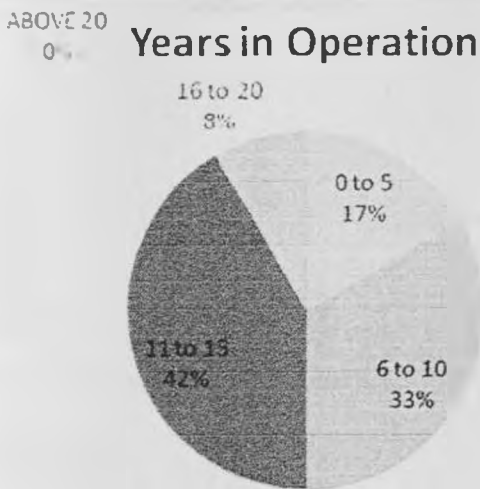
4.2.2. College Details

This section of the questionnaire sought to find out the basic college information. The questionnaire sought to establish the number of years the college has been in operation. The results are summarized in the pie chart below:

Table 4.2. Years in Operation

Year of Operation	Frequency	Percentage
Less than 5 years	2	16.67
6 – 10 years	4	33.33
11 – 15 years	5	41.67
16 to 20 years	1	8.33
Above 20 years	0	0
Total	12	100

Figure 4.2: Years in Operation



Source: Research Data

The results in the graph show that majority of the colleges have been in operation for between 11- 15 years. This was represented by 42% of the respondents. A significant 33% of the targeted colleges have been in operation for between 6 – 10 years. 17% in less than 5 years, while a mere 8% has been in operation for between 16 –20 years. This

implies that majority of the colleges have enough experience to discuss the subject in matter.

4.2.3 Location

The respondents were asked to indicate where the colleges were located. Most of the colleges are located in Nairobi with 66.67% of the respondents. It was noted that 16.67% were both located in Mombasa and Nakuru. The bulk of the challenges may be generalized on the location to this extent. The research findings are shown in the bar chart below.

Figure 4.3: Location



Source: Research Data

4.2.4 Students Population

The respondents were asked to indicate the students' population in their respective colleges.

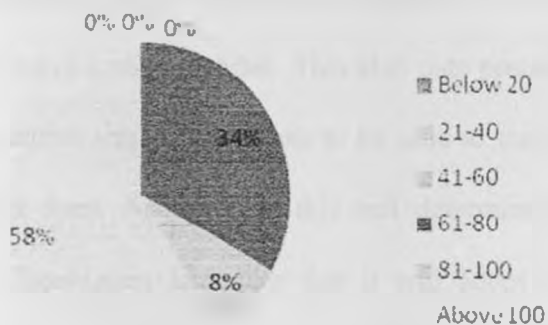
Table 4.3 Students' population

Students' Population	Frequency	Percentage
Below 20	0	0
21-40	0	0
41-60	0	0
61-80	4	33.33
81-100	1	8.33
Above 100	7	58.33
Total	12	100

The findings are shown in the pie chart below:

Figure 4.4 Students Population

STUDENTS' POPULATION



Source: Research Data

From the findings indicated in table 4.3 above, 7 colleges have above 100 students representing 58%, 34% have between 61 – 80 students, while 8% have between 81 – 100

students. This was required to help the researcher make conclusions regarding the size of the colleges.

4.2.5 Number of Branches

The respondents were asked to indicate the number of branches their respective colleges had.

Table 4.4 Number of Branches

Number of Colleges	Number of Branches
2	4
4	2
6	0
Total 12	

The study showed that two colleges had four branches each; four colleges had two branches each while six colleges did not have branches. This study is a reflection of a college's ability to serve a wider market. This also puts pressure on the need to adopt a wide variety competitive strategy practices to be able to meet needs of diverse market segments and retain them. Accordingly, this will determine the college's competitive moves and the differentiation strategies that it will adopt to sustain its competitive advantage. The bar graph below shows the number of branches in each college.

Figure 4.5: Number of Branches



Source: Research Data

4.2.6 Number of Teachers

The study also sought to establish the number of teachers in each college.

The table below shows the number of teachers in each college:-

Table 4.5 Number of teachers

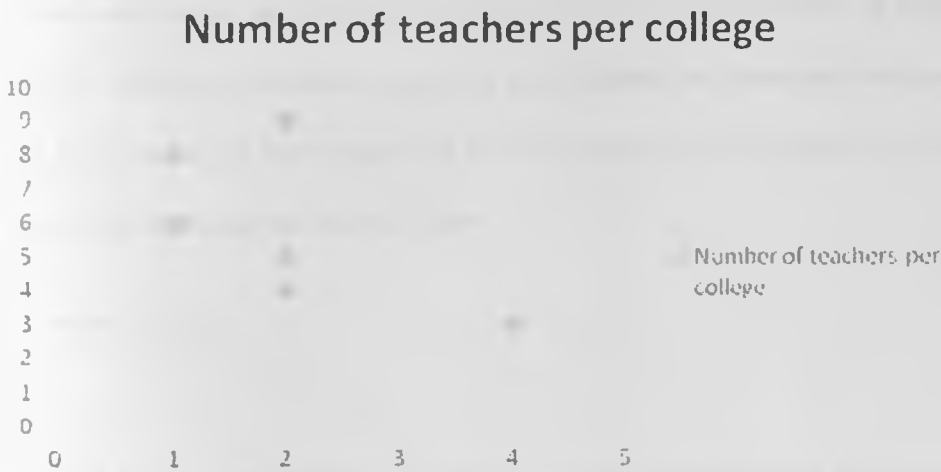
Number of Colleges	Number of Teachers
1	6
1	8
2	4
2	5
2	9
4	3

The result showed that one college had six teachers, and another one had eight teachers. Two colleges had four teachers each, two had five teachers each and another two had nine teachers each. Lastly, four colleges had three teachers each. The results also showed that majority of the teachers were male represented by 54%, while the female were 46%.

The difference was minimal showing that no significant disparities may exist in relation to the gender of the teaching staff.

The research findings are shown in the scatter chart below:

Figure 4.6: Number of Teachers per every College



Source: Research Data

4.3 Competitive Strategies Adopted

The competitive strategies currently employed by the Montessori Colleges were the first objective of the research. This part gives a summary of the extent to which the colleges use a given competitive strategy. The respondents were asked to point out the competitive strategies that their college were using. The respondents were asked to use a scale of 1 to 5 to rank the competitive strategies. In the given scale, 5 represented “very highly used” and 1 represented “not used at all.”

There are three generic strategies open to a firm to choose from. These are cost leadership, differentiation and focus (Porter, 1985). It was essential to establish the importance each of the respondents placed on these options.

4.3.1 Cost Leadership

A low cost leader persistently seeks out efficiency in market, production, research and development and so on. The aim is to cut cost in all area of operation. In determining the extent to which cost leadership strategies were adopted by Montessori colleges, the study used frequencies and percentages out of which mean scores and standard deviation were obtained to be used as measure of extent.

$$\bar{x} = \text{mean} = \frac{\sum x}{n}$$

Standard deviation for a discrete variable made up of n observation is the positive square root of the variance and is defined as:-

$$S = \sqrt{\frac{\sum (x - \bar{x})^2}{n}}$$

The study investigated whether the colleges adopted cost leadership strategies to remain competitive. The study findings are presented in table 4.6 below.

Table 4.6 Cost Leadership Strategies

Cost leadership Strategies	Responses	Frequency	Percentage	M	S.D
Part-time teachers hired on a needy basis	Not at all	0	0	4.083 33	0.900
	Little extent	1	8.33		
	Moderately used	1	8.33		
	Highly used	6	50		
	Very highly used	4	33.3		
	Total	12	100		
Low cost staff	Not at all	1	8.33	4.0	1.414
	Little extent	1	8.33		
	Moderately used	2	16.67		
	Highly used	1	8.33		
	Very highly used	7	58.33		
	Total	12	100		
Staff remuneration in tune with the market trends	Not at all	0	0	4.083	0.515
	Little extent	0	0		
	Moderately used	1	8.33		
	Highly used	9	75		
	Very highly used	2	16.67		
	Total	12	100		
Holiday classes, evening classes, weekend classes offered	Not at all	0	0	3.917	1.084
	Little extent	2	16.67		
	Moderately used	1	8.33		
	Highly used	5	41.67		
	Very highly used	4	33.33		
	Total	12	100		
Maintain a good brand name/ image	Not at all	0	0		
	Little extent	4	33.33		
	Moderately used	5	41.67		

	Highly used	3	25	2.92	0.79
	Very highly used	0	0		
	Total	12	100		
Operating in more than one branch	Not at all	5	41.67	3.167	1.946
	Little extent	0	0		
	Moderately used	0	0		
	Highly used	2	16.67		
	Very highly used	5	41.67		
	Total	12	100		
Quick time delivery	Not at all	0	0	3.5	1
	Little extent	2	16.67		
	Moderately used	4	33.33		
	Highly used	4	33.33		
	Very highly used	2	16.67		
	Total	12	100		
Take advantage of any attractive opportunity	Not at all	0	0	4.33	0.492
	Little extent	0	0		
	Moderately used	0	0		
	Highly used	8	66.67		
	Very highly used	4	33.33		
	Total	12	100		
Uses telephone/emails to market and sell to your customers	Not at all	5	41.67	2.25	1.422
	Little extent	3	25		
	Moderately used	1	8.33		
	Highly used	2	16.67		
	Very highly used	1	8.33		
	Total	12	100		
Using the students to market the college	Not at all	0	0		0.699
	Little extent	0	0		
	Moderately used	1	8.33		

	Highly used	3	25	4.58	
	Very highly used	8	66.67		
	Total	12	100		

Source: Research Data

The results in figure 4.6 shows use of cost leadership strategies. In ascertaining the extent to which cost leadership strategies were adopted by Montessori colleges, the study used frequencies and percentages out of which mean scores were obtained to be used as measure of extent. A mean score of below 3.00 signify that a specific cost leadership strategy was found to be adopted to a less extent while the one with a mean of score of between 3.00 and 3.90 show that it was found to be adopted to a moderate extent. A strategy with a mean score of 4.00 and above was considered to have been adopted to a large extent.

The results in figure 4.6 above shows use of cost leadership strategies adopted to a large extent by the Montessori colleges. The findings show that a mean score of most of the cost leadership strategies range between 4.00 and 4.58, consequently agreeing to the criteria defined above. In general, the mean scores range from the low of 2.25 for “uses telephone/emails to market and sell to your customers” to a high of “using the students to market the college.”

Nevertheless, taking a further look at the findings the study reveals that different proportions of the respondents points out that the strategies were adopted to different extents. Some respondents indicated the extent of adoption as not at all, to a little extent,

moderately used, highly used and very highly used. For that reason, the combined extents of adoption was indicated by the mean scores and the dissimilarity on the extents of adoption was indicated by the standard deviation.

Thus, the findings signify that Montessori colleges that participated in the research adopted the following cost leadership strategies to a large extent, since most had a mean score of 4.00 and above. Cost leadership strategies that are used heavily in the college are listed below in order of the magnitude mean scores in a descending order. The colleges:

Use the students to market the college

Take advantage of any attractive opportunity

Have staff remuneration in tune with the market trends

Hire part-time teachers on a needy basis

Have low cost staff

Offer holiday, weekend and evening classes

Have quick delivery timelines

Operate in more than one branch

Maintain a good brand name

Use telephone/ emails to market and sell.

It was also observed that even though most of the cost leadership strategies were found to be adopted to a large extent, there were different variations from the respondents on the extent to which the strategies were adopted. This is shown by the standard deviations against each cost leadership strategies which range from a low of 0.492 standard deviations and a high of 1.946 standard deviations due to the strategies spread across the Likert Scale options. Low standard deviations indicated no significant variations of the extent of cost leadership strategies adopted while high standard deviations showed significant variations.

The study finding reveals that most of the cost leadership strategies were adopted to a great extent. This means that Montessori colleges have invested aggressively on cost leadership strategies. The study findings, thus, support the arguments in the literature about cost leadership strategies adopted in organizations to a large extent. The aim is to cut cost in all area of operation. Low cost strategy enables a firm to charge a low price to its customer. This strategy is applicable if the customers are price sensitive. (Porter, 1998). Firms should deliver the same benefits as competitors but at a lower cost. This will enable the colleges to create superior value for their customers and superior profits for themselves.

4.3.2 Differentiation Strategy

A company that seeks to offer unique products that are generally valued by customer is following a differentiation strategy. The key to competitive strategy is that whatever product or service attribute is chosen for differentiating, must set the firm apart from its competitors and be significant enough to justify a price premium that is more than the cost of differentiating. (Robbins & Coulter, 2002). Firms that do not adopt cost leadership

strategies may opt to adopt differentiation strategies. It was on this understanding that it was considered reasonable to establish the extent to which Montessori colleges in Kenya have adopted differentiation strategies.

Respondents were presented with differentiation strategies and were required to score on a 5-point likert scale indicating the extent to which the colleges have adopted them to remain competitive. The study findings are presented in table 4.7 below.

Table 4.7 Differentiation Strategies

Differentiation Strategies	Responses	Frequency	Percentage	M	S.D
Highly trained teachers	Not at all	0	0	3.25	0.622
	Little extent	1	8.33		
	Moderately used	7	58.33		
	Highly used	4	33.33		
	Very highly used	0	0		
	Total	12	100		
Continuous training of staff	Not at all	0	0	3	0.853
	Little extent	4	33.33		
	Moderately used	4	33.33		
	Highly used	4	33.33		
	Very highly used	0	0		
	Total	12	100		
High level of service quality	Not at all	0		3.25	0.75
	Little extent	2	16.67		
	Moderately used	5	41.67		
	Highly used	5	41.67		

	Very highly used	0	0		
	Total	12	100		
Advertising	Not at all	0	0	2.41 7	0.66 9
	Little extent	8	66.67		
	Moderately used	3	25		
	Highly used	1	8.33		
	Very highly used	0	0		
	Total	12	100		
Continuous service innovation	Not at all	0	0	2.75	0.62 2
	Little extent	4	33.33		
	Moderately used	7	58.33		
	Highly used	1	8.33		
	Very highly used	0	0		
	Total	12	100		
New Montesson topics introduced based on customer needs	Not at all	0	0	3.58 3	0.51 5
	Little extent	0	0		
	Moderately used	5	41.67		
	Highly used	7	58.33		
	Very highly used	0	0		
	Total	12	100		
Continuous brand development	Not at all	0	0	2.83 3	0.71 8
	Little extent	4	33.33		
	Moderately used	6	50		
	Highly used	2	16.67		
	Very highly used	0	0		
	Total	12	100		
Continuous reevaluation of the company vision and mission	Not at all	1	8.33	2.58 3	0.79 3
	Little extent	4	33.33		
	Moderately used	6	50		
	Highly used	1	8.33		
	Very highly used	0	0		
	Total	12	100		

Inviting guests speakers to teach some courses.	Not at all	1	8.33	3.25	1.21 5
	Little extent	2	16.67		
	Moderately used	4	33.33		
	Highly used	3	25		
	Very highly used	2	16.67		
	Total	12	100		
Offer computer classes and internet	Not at all	0	0	2.91 7	1.08 4
	Little extent	6	50		
	Moderately used	2	16.67		
	Highly used	3	25		
	Very highly used	1	8.33		
	Total	12	100		
Having a library	Not at all	6	50	1.91 7	1.16 5
	Little extent	3	25		
	Moderately used	1	8.33		
	Highly used	2	16.67		
	Very highly used	0	0		
	Total	12	100		
Creating partnership with Montessori Centre International (in London)	Not at all	5	41.67	2.08	1.31
	Little extent	4	33.33		
	Moderately used	1	8.33		
	Highly used	1	8.33		
	Very highly used	1	8.33		
	Total	12	100		
Giving scholarship to needy students	Not at all	0	0	3.41 7	0.79 3
	Little extent	1	8.33		
	Moderately used	6	50		
	Highly used	4	33.33		
	Very highly used	1	8.33		
	Total	12	100		

Take advantage of any attractive opportunity	Not at all	0	0	4.33 3	0.49 2
	Little extent	0	0		
	Moderately used	0	0		
	Highly used	8	66.67		
	Very highly used	4	33.33		
	Total	12	100		
Organize loyal customers events	Not at all	0	0	3.67	0.98
	Little extent	2	16.67		
	Moderately used	2	16.67		
	Highly used	6	50		
	Very highly used	2	16.67		
	Total	12	100		
Have audio visual presentations	Not at all	5	41.67	1.91 7	0.99 6
	Little extent	4	33.33		
	Moderately used	2	16.67		
	Highly used	1	8.33		
	Very highly used	0	0		
	Total	12	100		

Source: Research Data.

The results in figure 4.7 show the use of differentiation strategies. In determining the extent to which differentiation strategies were adopted by Montessori colleges, just like the extent of adoption of cost leadership strategies, mean scores were obtained to be used as measure of extent. A mean score of below 3.00 signify that a specific differentiation strategy was found to be adopted to a less extent while the one with a mean of score of between 3.00 and 3.90 show that it was found to be adopted to a moderate extent. A strategy with a mean score of 4.00 and above was considered to have been adopted to a large extent.

The results in figure 4.7 above shows use of most of the differentiation strategies adopted to a less extent by the Montessori colleges. The findings show that a mean score of most of the differentiation strategies range between 1.917 and 2.917. This agrees to the measure defined above. The combined extents of adoption was indicated by the mean scores and the dissimilarity on the extents of adoption was indicated by the standard deviation.

Thus, the findings signify that Montessori colleges that participated in the research adopted the differentiation strategies to a less extent, since most had a mean score ranging between 1.917 and 2.917. Differentiation strategies are therefore not heavily used by the Montessori colleges. The differentiation strategies used in less extent in the colleges are as follows in descending order. The colleges: -

Have audio visual presentations

Have a library

Creating partnership with Montessori Centre International (in London)

Advertising

Continuous reevaluation of the company vision and mission

Continuous service innovation based on customer need

Continuous brand development

Offering free computer classes and internet.

However, the study findings also revealed that only one differentiation strategy was highly used, that is, “taking advantage of any attractive opportunity” which had a mean score of 4.33. This implies that the Montessori colleges have not adopted very aggressively the differentiation strategies. The study findings, so support the arguments in the literature about differentiation strategies adopted in organizations, in this case to a less extent. According to Thompsons et al (2007), “differentiation strategies are attractive whenever buyers’ needs and preferences are too diverse to be fully satisfied by standardized product or by sellers with identical capabilities.” Pp144. It is required that organizations wishing to adopt differentiation strategies to study their customer behavior in order to understand what they consider important.

4.3.3 Focus

The focus strategy entails identifying a particular buyer group, segment of the product line, or geographical market and coming up with suitable products for that segment. According to Thompson et al (2007) a focused low-cost strategy differs from low-cost provider by the size of the buyer group that an organization is selling to. A focused low-cost provider meets the needs of their customers in a narrow market niche whereas low-cost provider sells broadly to most all customers.

“A focused differentiation strategy on the other hand aims at securing a competitive advantage with a product offering carefully designed to appeal to the unique preferences and needs of a narrow, well-defined group of buyers.” (Thompson et al 2007) pp 153.

The previous two strategies, that is low cost leadership and differentiation are industry-wide strategies while focus strategies involves a segmentation approach. The study investigated whether the colleges adopted focus strategies to remain competitive. The

respondents were asked in general to tick the appropriate strategies that their respective colleges are adopting. The study findings are presented in table 4.8 below.

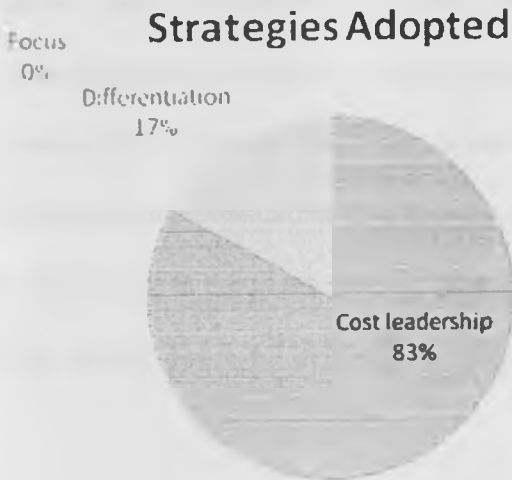
Table 4.8. Focus Strategy

Strategies	Frequency	Percentage
Cost-leadership	10	83.33
Differentiation	2	16.67
Focus	0	0
Total	12	100

Source: Research Data.

The pie chart below shows the results of the findings

Figure 4.7. Strategies Adopted.



Source: Research Data.

The study findings in figure 4.7 indicate that Montessori colleges have, to a large extent adopted cost leadership strategies at 83%, followed by differentiation strategy at 17%. However, the colleges do not adopt the focus strategy.

4.3.4 Overall Strategies

The findings of this research have brought to light a number of issues regarding the strategies adopted by the Montessori colleges in Kenya. The overall results show that most of the colleges are located in Nairobi, have been in operation between 11 to 15 years, have a population of over 61 students and have crafted strategies that are focused on cutting on all costs and thus following the cost leadership strategies.

4.4 Challenges Faced in Strategy Implementation

The second objective of the study was to determine the challenges the Montessori colleges are experiencing when implementing the competitive strategies. This study was conceived with the expectation that organizations that have the urge to achieve and sustain competition would endeavor to counter the challenges encountered when implementing the competitive strategies. To achieve the study objective, the respondents were asked to indicate the extent to which they perceived the challenges their respective colleges face in strategy implementation. The respondents were asked to use a scale of 1 to 5 to rank the challenges. In the given scale, 5 represented “to a very great extent” and 1 represented “to no extent.” Table 4.9 below shows the results of the study.

Table 4.9 Challenges in Strategy Implementation.

Challenges	Responses	Frequency	Percentage	M	S.D
Cost	Not at all	0	0	4.75	0.4523
	Little extent	0	0		
	Moderate extent	0	0		
	High extent	3	25		
	Very high extent	9	75		
	Total	12	100		
Low staff morale	Not at all	2	16.66	2.417	0.9003
	Little extent	4	33.33		
	Moderate extent	5	41.67		
	High extent	1	8.33		
	Very high extent	0	0		
	Total	12	100		
High cost of skilled staff	Not at all	2	16.67	2.0833	0.793
	Little extent	8	66.67		
	Moderate extent	1	8.33		
	High extent	1	8.33		
	Very high extent	0	0		
	Total	12	100		
Lack of resources	Not at all	0	0	3.667	0.6513
	Little extent	1	8.33		
	Moderate extent	1	8.33		
	High extent	9	75		
	Very high extent	0	0		
	Total	12	100		
Service levels	Not at all	1	8.33	3.416	0.996
	Little extent	1	8.33		
	Moderate extent	2	16.66		
	High extent	8	66.67		

	Very high extent	0	0	6	2
	Total	12	100		
Inability to attract repeat customers	Not at all	4	33.33	2.083 3	1.087
	Little extent	5	41.67		
	Moderate extent	1	8.33		
	High extent	2	16.66		
	Very high extent	0	0		
	Total	12	100		
Lack of collaboration with the other colleges	Not at all	0	0	4.166 7	0.577 6
	Little extent	0	0		
	Moderate extent	1	8.33		
	High extent	8	66.67		
	Very high extent	3	25		
	Total	12	100		
Cost flow challenges	Not at all	0	0	3.667	0.778
	Little extent	1	8.33		
	Moderate extent	3	25		
	High extent	7	58.33		
	Very high extent	1	8.33		
	Total	12	100		
Credit management	Not at all	1	8.33	3.166 7	0.937 4
	Little extent	1	8.33		
	Moderate extent	5	41.67		
	High extent	5	41.67		
	Very high extent	0	0		
	Total	12	100		
Lack of overall college direction	Not at all	2	16.667	2.166 7	0.835
	Little extent	7	58.33		
	Moderate extent	2	16.66		
	High extent	1	8.33		
	Very high extent	0	0		
	Total	12	100		

Lack of team work	Not at all	7	58.33	1.583 3	0.792 6
	Little extent	3	25		
	Moderate extent	2	16.66		
	High extent	0	0		
	Very high extent	0	0		
	Total	12	100		
No marketing budget	Not at all	1	8.33	3.916 7	1.083 62
	Little extent	0	0		
	Moderate extent	1	8.33		
	High extent	7	58.33		
	Very high extent	3	25		
	Total	12	100		
A well informed customer	Not at all	1	8.33	3.916 7	1.164 5
	Little extent	0	0		
	Moderate extent	2	16.66		
	High extent	5	41.67		
	Very high extent	4	33.33		
	Total	12	100		
Lack of control	Not at all	1	8.33	3.5	1.087
	Little extent	1	8.33		
	Moderate extent	2	16.66		
	High extent	7	58.33		
	Very high extent	1	8.33		
	Total	12	100		

Source: Research Data

The results in table 4.9 show the extent to which the Montessori colleges perceived the challenges their respective colleges face in strategy implementation. Mean scores were obtained to be used as measure of extent. A mean score of below 3.00 signify that a

specific challenge was found in employing competitive strategies mentioned to a less extent while the one with a mean of score of between 3.00 and 3.90 show that it was found in employing competitive strategies to a moderate extent. A challenge with a mean score of 4.00 and above was considered in employing competitive strategies to a large extent.

The findings in table 4.9 above show that majority of the challenges presented to the respondents were, to a moderate extent perceived to affect the implementation of competitive strategies in the Montessori colleges. It is observed from the findings that most of the challenges have mean scores ranging between 3.167 and 3.917 and only two have mean scores of 4.00 and above.

From these observations, it is apparent that the colleges experience challenges in strategy implementation. The challenges that were found to have a great impact in strategy implementation include: cost and lack of collaboration with other colleges. Challenges that had a moderate impact include: credit management with a mean of 3.167; cost flow challenges (3.66); lack of resources (3.667); no marketing budget (3.917); and an informed customer (3.917). Other challenges with similar effect include low staff morale; lack of overall college direction; high cost of skilled staff inability to attract repeat customers and lack of team work.

On the other hand, taking a further look at the findings the study reveals that different proportions of the respondents points out that the challenges of strategy implementation

are met in different extents. Some respondents indicated the extent as not at all, to a little extent, to a moderate extent, high extent and to a very high extent. For that reason, the combined extents was indicated by the mean scores and the dissimilarity on the extents of adoption was indicated by the standard deviation.

4.5 Discussions of Findings

These findings show consistency with early findings, for example Mwakundia (2005) and Kitoto (2005) on the extent to which colleges face challenges when implementing competitive strategies. The findings were also found to reflect and support, to a large extent, observations in the literature. The purpose of strategy is to give success to the organization. Strategic management leads to success only when strategy formulation and strategy implementation are both good. As Bennet (1999) noted, strategic management makes implementation of competitive strategies critical especially in the light of the stiff and ever increasing competition and complexity of today's world that can make it very hard to asses and take advantage of opportunities available to a firm.

Cost leadership strategy has its challenges on a firm when new entrants are able to imitate easily the cost leaders' policies. This strategy therefore puts severe burdens on the organization to keep on trying to sustain competitive advantage through investing on technology. On the other hand, a competitor may be unable to produce at a lower cost. As a result, the competing firms may be controlled by customers to reduce their prices which will end up reducing their profits considerably.

The differentiation strategy has its own challenges too. The challenges seek to attract repeat purchases from competitors' customers by offering products that are more

attractively differentiated than the competitors. Again, customers may see a big difference in prices charged by two different companies using the differentiation strategies and opt to go for the cheaper priced products to save money (Porter, 1980).

CHAPTER FIVE: SUMMARY, DISCUSSION AND CONCLUSIONS

5.1 Introduction

This chapter gives a summary of the findings, conclusions and recommendations. The conclusions are drawn from the objectives of the study.

5.2 Summary of the Findings

Organizations are becoming more aggressive in exploiting opportunities and dealing with threats. However, an organization's strength may not always bring success. Different challenges have different approaches. Competition will determine how appropriate a firm's activities will contribute to its performance, such as a cohesive culture, innovations or a good implementation (Porter, 1998). Every organization that competes in an industry has a competitive strategy. Porter (1990) competitive strategies framework recognizes three generic strategies from which organizations can choose. These are cost leadership, differentiation, focus low cost and focused differentiation. A company will succeed depending on selecting the right strategies. This will be the one that will fit the resources and capabilities (competitive strengths) of the organization and the industry in it.

The aim of the study was to establish the challenges faced by Montessori colleges in implementing competitive strategies. A survey of the Montessori colleges in Kenya was then carried out and a questionnaire completed. Twelve colleges responded, representing 75% of the colleges under survey. To achieve the study objective and answer the study questions adequately, it was considered necessary for the study to look at aspects of the college demographics. The considered demographics included number of years the colleges have been in operation and the study revealed that most colleges had been operating for over 11 years. Location was another aspect and the study showed that most

colleges were located in Nairobi. Most colleges also had more than a 100 students and majority of the colleges had more than 5 teaching staff

With respect to the first objective, it was established that majority of the cost leadership strategies used in the study are adopted to a large extent by the Montessori colleges. The findings show that a mean score of most of the cost leadership strategies range between 4.00 and 4.58, consequently agreeing to the criteria defined in the study. In general, the mean scores ranged from the low of 2.25 for “uses telephone/emails to market and sell to your customers” to a high of “using the students to market the college at 4.58.”

The study established that most colleges considered using students to market the college, taking advantage of any attractive opportunity, staff remuneration in tune with the market trends and part-time teachers hired on a needy basis as appropriate strategies in dealing with competition. Cost leadership strategies were adopted to a great extent which means that Montessori colleges have invested aggressively on cost leadership strategies.

According to Bamey (2007) pp170, “a firm that chooses a Cost Leadership business strategy focuses on gaining advantages by reducing its economical costs below all of its competitors.” Such a firm will therefore put more effort in reducing its financial costs well below those of its competitors.

The findings with respect to differentiation strategies revealed that most of the differentiation strategies used in the study were adopted to a less extent by the Montessori colleges. The findings show that a mean score of most of the differentiation strategies range between 1.917 and 2.917. Differentiation strategies are therefore not heavily used by the Montessori colleges. Some of the differentiation strategies used in less extent in the colleges are having audio visual presentations; having a library; creating partnership with

Montessori Centre International (in London); advertising; continuous reevaluation of the company vision and mission and offering free computer classes and internet. With respect to the second objective, the researcher established that the colleges experience challenges in strategy implementation. The challenges that were found to have a great impact in strategy implementation include: cost and lack of collaboration with other colleges. Challenges that had a moderate impact include: credit management; cost flow challenges; lack of resources; no marketing budget; and an informed customer.

These findings show consistency with early findings on the extent to which colleges face challenges when implementing competitive strategies. The findings were also found to reflect and support, to a large extent, observations in the literature. As Bennet (1999) noted, strategic management makes implementation of competitive strategies critical especially in the light of the stiff competition. To become competitive, organizations are becoming more aggressive in exploiting opportunities and dealing with threats. However, an organization's strength may not always bring success. Different challenges have different approaches.

The establishments of several pre-school colleges make it difficult for the colleges to achieve competitive advantage. This is because the competitors and new entrants are able to imitate easily the cost leaders' policies. In addition, the increasing number of Montessori colleges as stated by some respondents forces the colleges to reduce their prices to match competitors' prices. In conclusion, the study revealed that the Montessori

colleges have crafted strategies that are focused on cutting on all costs and thus following the cost leadership strategies.

5.3 Recommendations

Competitive advantage will give a strategist a remarkable advantage. A firm will succeed if it selects the right strategy. According to Porter (1985) managers have an option of choosing from three generic strategies: overall cost leadership; differentiation; focus – focus low cost or focus differentiation. These strategies have benefits but a firm that implements both cost and differentiation may end up doing badly.

A firm should decide either to sell high priced products and get a small market share (product differentiation) or sell low-priced products and get a large market share (cost leadership). Porter (1998) notes that firms that try to implement both strategies get “stuck in the middle” and will not succeed. Nevertheless, new research explains the relationships among product differentiation, market share and low costs and examine that some firms have learned to manage the difference between cost leadership and differentiation.

From the discussions and conclusions in this chapter, the researcher recommends that even though there are some challenges in implementing competitive strategies in the Montessori colleges, competitive strategy is very important if they are to compete effectively. The researcher recommends that the Montessori colleges should expand their market share. This could involve geographic expansion of the college’s activities domestically or internationally. The colleges can target places where there are few or weak competitors and exploit the opportunities. A high volume market offer greater potential for sales expansion. Other ways include attracting more customers by using different types of promotions (advertising, public relations, personal selling and so on).

Montessori colleges should also establish their brand and reputation. These are the most protective assets a college can have, provided they are managed and protected well.

Customers find security and continuity in the reputation of a company's brand name.

Montessori Colleges should also be able to deliver the same benefits as competitors but at a lower cost. This will enable the colleges to create superior value for their customers and superior profits for themselves. Montessori Colleges engage in price wars and this can be a disastrous course to follow. Competing firms may be controlled by customers to reduce their prices which will end up reducing their profits considerably. Montessori Colleges offer competitively similar services so that differentiation is rarely achieved and it usually on the basis on price than performance or quality. There is a challenge of cost and high competition in the colleges and it is crucial that the colleges develop strategies that solve these challenges. This entails developing a competitive edge to avoid being imitated.

The courses that are taught in the Montessori colleges do not differ significantly. Differentiation in this case can be attained on the basis of skills that rivals do not have for example, having a library, maintaining a good brand name, high level customer services, giving scholarships to needy students, continuous training of staff, employ competent teaching staffs, register exams with external examination bodies, improve front office area and train the receptionist, and so on.

Porter (1985) pp 113 explains that "the success of cost leadership hinges on a firm's skills in actually implementing it on a day to day basis." This means that for costs to go down, the management must work hard and always be alert. The Montessori colleges may be guided by similar policies, have almost the same number of students and so on but they will differ in the way they lower costs. Greater management attention is what

will improve cost position, and not a major shift in strategy. The mistake that most firms make is assuming that their costs are low enough.

In conclusion, to be a cost leader requires a firm to have cost control programs in all value activity; by performing these strategically important activities more cheaply than competitors. Costs which are optional should be avoided and moreover firms should tune there strategy to achieve minimum operating costs.

5.4 Limitations of the Study

The study was limited to private colleges that offer pre-school training using the *Montessori Method* only and not extended to other training institutions especially those of the government that also offer pre-school training. Further, some colleges did not respond to the questionnaires for the fear of revealing sensitive information. This reduced the response rate to 75%. However, some useful conclusions were made despite these drawbacks. Time and financial constraints were also other factors that affected the research.

5.5 Recommendation for Further Research

The study focused on the challenges faced by *Montessori* colleges in Kenya in strategy implementation. The study will provide a useful basis upon which further studies in the industry could be conducted. There is need to undertake similar studies in different higher learning institutions to ascertain how different sectors deal with the challenges when implementing competitive strategies. The study also contributes to the existing literature in the area of strategies that academicians could use as a basis of further research.

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APPENDIX I: LETTER TO RESPONDENT

Diana Wangui Mureithi

School of Business

University of Nairobi,

17th September 2010

TO WHOM IT MAY CONCERN

Dear Sir/Madam,

RE: REQUEST FOR RESEARCH DATA.

I am a postgraduate student at the University of Nairobi. As part of the requirement of Master of Business Administration, I am conducting a study on "*Challenges faced by Montessori Colleges in Kenya in implementing Competitive Strategies.*" To enable me collect data for the research, you have been selected as participants of the study. Your output through responding to a structured questionnaire will be valuable in identifying these factors.

The research is for academic purposes only, hence your responses will be treated with outmost confidence. Upon request, a copy of the final paper will be made available to you.

Your assistance and co-operation will be highly appreciated.

Yours Sincerely,

Diana Wangui Mureithi
MBA Student

Jackson Maalu
University Supervisor
School of Business.

APPENDIX II: STRUCTURED QUESTIONNAIRE

Note: the information will be used strictly for academic purposes only and will be treated with utmost confidentiality. On the items below, please respond as objectively and honestly as possible. In no instance will your name mentioned in the report.

1.1 Personal Details of the Respondent:

1. Name of the College (optional)
2. Designation
3. Responsibility (optional)

1.2 College Detail:

4. Number of years the college has been in operation 5 Location
 6. Number of Branches.....
 7. Number of Teachers Male..... Female.....
 8. Number of students. Please tick () against your student population number bracket
- | | | | | | |
|----------|------------------------------|----------|------------------------------|-----------|------------------------------|
| Below 20 | (<input type="checkbox"/>) | 20 – 40 | (<input type="checkbox"/>) | 40 - 60 | (<input type="checkbox"/>) |
| 60 - 80 | (<input type="checkbox"/>) | 80 - 100 | (<input type="checkbox"/>) | above 100 | (<input type="checkbox"/>) |

1.3 Strategies used

9. To what extent are the strategies below used in your college? (Circle the most appropriate).

1- not at all; 2- little extent; 3- moderately used; 4- highly used ; 5- very high used.

5	4	3	2	1
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	5	4	3	2	1
<u>Highly skilled teachers</u>					
<u>Continuous training of staff</u>					
<u>Part –time teachers hired on a needy basis</u>					
<u>Low cost staff</u>					
<u>Staff remuneration in tune with the market trends.</u>					
<u>High level of service quality</u>					
<u>Advertising</u>					
<u>Continuous service innovation based on customer need.</u>					
<u>New Montessori topics introduced based on customer needs</u>					
<u>Holiday classes, weekend classes, evening classes offered.</u>					
<u>Continuous brand development</u>					
<u>Maintain a good brand name/ image</u>					
<u>Operating in more than one branch</u>					
<u>Continuous reevaluation of company vision and mission</u>					

Quick delivery timeliness 5 4 3 2 1

Inviting guests speakers to teach some courses 5 4 3 2 1

Offering free computer classes & internet 5 4 3 2 1

Having a library 5 4 3 2 1

Creating partnership with Montessori Centre

International (in London) 5 4 3 2 1

Giving scholarships to needy students 5 4 3 2 1

Take advantage of any attractive opportunity 5 4 3 2 1

Organize loyal customers events 5 4 3 2 1

Have audio visual presentations 5 4 3 2 1

Uses telephone/emails to market and sell

to your customers 5 4 3 2 1

Using the students to market the college 5 4 3 2 1

Others, please specify

.....
.....
.....

1.4. Challenges of Implementing Competitive Strategies.

10. What challenges do you face in employing the strategies you have mentioned above?

1- not at all; 2- little extent; 3- to a moderate extent; 4-to a high extent ; 5- to a very high extent.

5	4	3	2	1
---	---	---	---	---

	5	4	3	2	1
<u>Cost (e.g. staff costs, premises etc).</u>	5	4	3	2	1
<u>Low staff morale</u>	5	4	3	2	1
<u>High cost of skilled staff</u>	5	4	3	2	1
<u>Lack of resources</u>	5	4	3	2	1
<u>Inability to meet service levels</u>	5	4	3	2	1
<u>Inability to attract repeat customers</u>	5	4	3	2	1
<u>Lack of collaborating with the other colleges</u>	5	4	3	2	1
<u>Cost flow challenges</u>	5	4	3	2	1
<u>Credit management</u>	5	4	3	2	1
<u>Lack of overall college direction</u>	5	4	3	2	1
<u>Competition Levels</u>	5	4	3	2	1
<u>No marketing budget</u>	5	4	3	2	1
<u>A well informed customer</u>	5	4	3	2	1
<u>High competition levels</u>	5	4	3	2	1

Others please specify

11. In general what would you say is the strategy you implementing. (Tick appropriately).

- a) Focus strategy (Focuses a narrow defined market segment only).
- b) Differentiation (A company that seeks to offer unique products that are generally valued by customer is following a differentiation strategy. The products are unique and they attract a premium price).
- c) Low cost strategy (The aim goal is to cut cost in all area of operation. Low cost strategy enables a firm to charge a low price to its customer).....

APPENDICES III: MONTESSORI COLLEGES IN KENYA.

Montessori Plus Center

UN Close, Gigiri, Behind Village Market, Next to Brazilian Embassy, Nairobi.

Briarcliff Montessori School

Mvuli Rd , Off Waiyaki Way, Nairobi.

International Montesson School

Ole Odume/Argwings Kodhek Rd, Nairobi.

Coast Montessori Teachers' College

Karimi Hse, 2nd Flr, Suite 11, Moi Ave, Mombasa

Crater Montessori School

Kiamunyi Rd, Milimani, Nakuru

Montessori Academy Ltd

Gusii Stadium Rd, Kisii, Kisii

Briarcliff Montessori

Briarcliff Montessori Primary & Kindergarten School, Mvuli Rd, Muthangari, Nairobi.

Montessori College

Umoja Catholic Church, Near Umoja One Market, Nairobi.

International Christian Kindergarten - Montessori

International Christian Kindergarten, Eldama Ravine Rd, Westlands, Nairobi.

Montessori Learning Centre

Montessori Learning Centre, Grevillea Grove, Westlands, Nairobi.

Bunks & Biddles Montessori School

Langata Rd, Nairobi.

My School (Montessori) Ltd

Peponi Rd, Nairobi.

Lavington Montessori

Mbabane Rd, Off James Gichuru Rd, Lavington, Nairobi.

Premese Montessori ECD College

Imara Daima/Villa Franca Estate, Off Mombasa Rd, Nairobi.

Modern New Montessori College
Mukhi & Sons Building, Nkrumah Rd, Mombasa

St Ann's Montessori C D N
Nakuru

Source: Ministry of Higher Education.