

**OPERATIONS STRATEGY AND FIRM-LEVEL COMPETITIVENESS AMONG
SAVINGS AND CREDIT CO-OPERATIVE SOCIETIES IN NAIROBI COUNTY,
KENYA**

BY

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ABSTRACT

As organizations are forced to respond effectively and efficiently to changing business environment, then the big challenge that may face them is gaining and developing the competitive advantage. Operations strategies lie at the core of developing and maintaining competitive advantage. The aim of the study was to determine the relationship between operations strategy and firm-level competitiveness. A survey design was used in the study. Self-administered questionnaires were used to collect data from a sample of 86 respondents drawn from 43 SACCOs in Nairobi County. Data was analyzed using IBM SPSS 21. Descriptive statistics were used to determine the frequency of responses, while bivariate correlations were used to determine the relationship between operations strategy (conformance quality, cost efficiency, delivery dependability, flexible responsiveness, new product development, new product introduction) and firm-level competitiveness (quality, cost, delivery, flexibility). The descriptive statistics show that Majority of the SACCOs had implemented the operations strategies and that over the 2010-2012 period, Majority of the SACCOs had introduced new products/services, logistics/delivery/and distribution methods, as well as supporting activities for processes, such as maintenance systems or operations, accounting, or computing. Bivariate correlations showed that conformance quality (CQ); as an operations strategy developed and implemented by SACCOs, has a positive and significant correlation with quality. CQ is also positively but insignificantly correlated with cost, delivery and flexibility. Cost efficiency (CE) is positively and significantly correlated with quality and flexibility. The correlation with cost and delivery is not significant. Delivery dependability (DD) is positively and significantly correlated with flexibility, but relationships with quality, cost, and delivery are not significant. Finally, flexible responsiveness (FR) is positively and significantly correlated with quality and flexibility, but correlation with cost and delivery are not significant. These results show that quality and flexibility are therefore central to achieving competitive advantage. By developing and implementing various operations strategies, SACCOs have been able to achieve consistent growth, defend their market share, and continue to develop their competitive advantage. In the end they are able to maintain profitability and operational efficiency. The success of SACCOs in Nairobi, with regard to the positive link between operations strategy and competitiveness, offers a learning experience for other SACCOs in the country.