COMPETITIVE STRATEGIES ADOPTED BY NON-GOVERNMENTAL ORGANIZATIONS (NGOs) TO ENHANCE THEIR PERFORMANCE IN KITUI COUNTY, KENYA

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DECLARATION

I hereby declare that this project report is my original work and has not been submitted for the award of degree in any other institution.

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Recommendation

This project report is submitted for examination with our approval as university supervisor.

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DEDICATION

This research project is dedicated to my dear wife and daughter for their support throughout my studies and to all teacher educators who continually ask questions to deepen existing knowledge and create new knowledge in teaching and teacher education.

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May God bless you all.

ABBREVIATIONS/ACRONYMS

HIV/AIDS	Human Immunodeficiency Virus/ Acquired Immune Deficiency Syndrome
I/O	Industrial and Organizational
NACOSTI	National Commission for Science, Technology and Innovation
NGO(s)	Non-Governmental Organization(s)
SPSS	Statistical Package for Social Sciences
SWOT	Strengths, Weaknesses, Opportunities and Threats
USAID	United States Aid International Development

ABSTRACT

The aim of the study was to investigate on the competitive strategies adopted by NGOs in Kitui County to enhance their performance in Kitui County, Kenya. The objectives of the study were to establish the competitive strategies adopted by Non-Governmental Organizations in Kitui County, Kenya and to determine the relationship between the competitive strategies adopted and performance of NGOs in Kitui County, Kenya. The study used descriptive cross-sectional survey research design. The target population of this study was 487 NGOs in Kitui County. Systematic sampling technique was used to select the sample of 50 NGOs out of the 487 NGOs in Kitui County. The main data collection tool was questionnaires for all the respondents. Theresearcher conducted a pilot study from top management of two NGOs who were not included in the study to test the validity and reliability of the research instrument. Quantitative data was analysed using measures of central tendency while qualitative data was analyzed using factor analysis.Statistical Package for Social Sciences (SPSS) was used to analyze the data. The established that cost was extremely important factor in dealing with competitive strategies, Lead Time very important factor, quality was considered as an extremely important factor. Survival in the market is extremely important as an operation goal. Itwould be extremely important to invest in investment that is not observable to rival firms and very important to invest in Investment that lowersa firm’s marginal cost. It would be quite greatly important to use branding services as a strategic option in response to changes in the market and greatly important to use the latest technology. It was very important to use innovation, Joint ventures and Outsourcing they increase the NGOs performance. The study recommends that for Non Governmental organizations (NGOs) in Kitui County to remaincompetitive, there is need for the organizations to employ various strategies such as differentiation andrelationship strategies to boost their growth in the market. Strategy is a combination of competitivemoves and business approaches that manager’s employ to satisfy organizational vision andobjectives.Non Governmental organizations(NGOs) should focus on changing donor funding patterns; quest to remain relevant; quest for sustainability; limited financial resources; political interference and pressure from the environment since this can lead to the adoption of different approaches

to various actors in the NGO environment.

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CHAPTER ONE: INTRODUCTION

1.1Background to the study

Organizations are currently facing competitive challenges more than ever before. For these organizations to survive, they must exhibit appropriate competitive behaviour. This behaviour is within a body of knowledge under game theory. The theory postulates a formal language to describe conscious goal-oriented decision making process involving one or more players. The solution concepts derived from game-theory may be thought of as normative or descriptive views of multi-person decision-making (Shubik 1972).

Porter (1985) argues that a company's strength ultimately could be placed into two categories: cost advantage or differentiation. Application of those strengths in either a broad (industry wide) or narrow (market segment) scope results in three generic strategies: Cost leadership, differentiation and focus. These three strategies are supposed to be applied on a business unit level. Andrews (2003) defines competitive strategy as the pattern of decisions in a company that determines and reveals its objectives, purposes, or goals, produces the principal policies and plans for achieving those goals, and defines the range of business the company is to pursue, the kind of economic and human organization it is or intends to be, and the nature of the economic and non-economic contribution it intends to make to its shareholders, employees, customers, and communities.

Organizations globally now seek to actively differentiate themselves from their competitors in terms of quality of service, flexibility, customization, innovation and rapid response (Ghalayani and Noble 1996). The environment is complex and ever changing and it will continue to change rapidly and unpredictably (Burnes 1996). According to Ansoff and Mc Donnell (1990), major escalation of environment turbulence means a change from a familiar world of new technologies, new competitors, new consumer attitudes, new dimensions of social control and above all an unprecedented questioning of a firms role in society.

Competition is seen as the main factor that influences choice of competition strategies. However, other factors like organization structure, leadership, culture, slow economic growth, increased diversification and technological advances influence choices made by organizations (Githae, 2004). None consideration of these factors leads to challenges faced by community based organizations that include poor co-ordination of activities, misallocation of resources, incomplete projects, low motivation of the staff and mistrust of community based organizations members. Unfortunately, no studies have been undertaken to examine the extent to which such factors influence strategic choices adopted by community based organizations.

NGOs in Kenya have been challenged to re-think conventional business models and look for new sources of business as a competitive strategy to counter the turbulent environment. Apart from making structural adjustments to their daily operations, NGOs have been forced to re-engineer their businesses and put in place some winning strategies to enhance their competitive advantage in the industry. NGOs can be viewed as a collection of resources, skills and routines, the application of which results in positions of sustainable competitive advantage. This perspective assumes that an NGO's unique set of resources and skills protects it from imitation and provides the base for accumulation of superior profits through differentiation.

1.1.1 The Concept of Strategy

A strategy is the mobilization of resources to attain stated objectives (Mintzberg et al, 1991). According to Hunger and Wheeler (2010) strategy is a comprehensive plan stating how the corporation will achieve its mission and objectives. A strategy is the outcome of some form of planning, organized process for anticipating and acting in the future in order to carry out an organizations mission (Baker, 2007). The people who drive strategy in organizations are seen to be visionaries, the entrepreneurs and innovators. They are those who take risks and try new ways of doing things. Strategy refers primarily to business strategy; which specifies how a business unit will achieve and maintain competitive advantage within an industry. Therefore, one element that we consider is the competitive capabilities (Stock, 1999).

A strategy is a game plan that a firm adopts to gain competitive advantage. Without a strategy, decisions made today could have negative impact on future results. Strategy is a tool, which offers significant help for coping with turbulence confronted by business firms (Ansoff and McDonnel, 1990). Strategy is the direction and scope of an organization over the long term, which achieves advantage in a changing environment through its configuration of resources and competences to meet the needs of markets and to fulfill stakeholder expectation (Johnson et al., 2002).

The formulation of competitive strategy in any industry involves first the comprehension of the fundamental determinants of competition. Competition is defined as the fight for market share between two or more firms. An understanding of competition helps the strategy makers in evaluating whether the degree of competition in an industry offers scope for good profitability. It promotes sound strategic thinking about how to develop the overall competitive strategy for the company. Development of competitive position helps the firm to more accurately forecast both short and long term growth and its profit potentials (Pearson and Robinson, 2007**).** It can be argued that a sense of direction is very important for an organization, and strategy gives a framework to place this sense of direction in. If there is an over-emphasis on strategic planning as opposed to implementation it can also in my opinion kill creativity as the focus goes away from doing to thinking about doing. Aptly put, good strategic choices have to be challenging enough to keep ahead of competitors but also have to be achievable.

1.1.2 The Concept of Competitive Strategy

Competitive strategy refers to the way a firm competes in a particular business and gains competitive advantage by deliberately choosing a distinctive set of activities. According Porter (1980), a firm can attain two basic types of competitive advantage low cost or differentiation. Porters' model of Competitive strategy proposed that firm's position within an industry was an important factor in attaining competitive advantage. In order to achieve a competitive advantage, firms are required to make strategic choices about the type of competitive advantage they seek to attain and the scope within which it will attain it. Choosing the competitive scope or the range of the firm's activities can play a powerful role in determining competitive advantage because it aims to establish a profitable and sustainable position against the forces that determine your industry competition.

Strategic choice decisions that a firm can pursue to achieve competitive advantage for growth may broadly be categorized into intensive, defensive, joint venture and a combination of strategies (David, 2001). Depending on the competitive environment firms choose strategies that are able to give them sustainable competitive advantage. The competitive strategies adopted by a firm result in a competitive advantage. Competitive advantage grows from value that a firm is able to create for the buyer that exceeds the firm's cost of creating it. The goal of competitive strategy for a business is to find a position in the industry where the firm can best defend itself against competitive forces or can influence them in its favour.

1.1.3 Organizational Performance

Organizational performance comprises the actual output or results of an organization asmeasured against its intended outputs for goals and objectives.According to Richard et al (2009) organizational performance encourages three specific areas of firm outcomes: financial performance (profits, return on assets, return on investment, etc), product market performance (sales, market share etc) and shareholder return (total shareholder return, economic value added etc).

In recent years, many organizations have attempted to manage organizational performance using the balanced scorecard methodology where performance is tracked and measured in multiple dimensions such as: Financial performance (e.g. shareholder return), Customer service, Social responsibility (e.g. corporate citizenship, outreach) and Employee stewardship.

1.1.4 The Non Governmental Organizations Sector in Kenya

The NGO Coordination Act (1992) defines an NGO as a private voluntary grouping of individuals or associations, not operated for profit or for other commercial purposes but which have organized themselves nationally or internationally for the benefit of the public at large and for the promotion of social welfare, development, charity or research in the areas inclusive of, but not restricted to; health, relief, agriculture, education, industry and the supply of amenities and services.

NGOs perform many duties such as: Community health promotion and education (such as hygiene and waste disposal), Education and public safety, Managing emerging health crises (HIV/AIDS, Hepatitis B), Community social problems (juvenile crimes, run-aways, street children, prostitution),Environmental (sustainable water and energy resources), Economic (micro loans, skills training, financial education and consulting), Development (school and infrastructure construction), Disaster relief, Women's issues (women's and children's rights, counseling, literacy issues).

International non-governmental organizations have a history dating back to at least 1839. It has been estimated that by 1914, there were 1083 NGOs. International NGOs were important in the anti-slavery movement and the movement for women's suffrage, and reached a peak at the time of the World Disarmament Conference.

In Kenya, NGOs growth has been on the rise. In 1974, there were only 125 NGOs in Kenya. By 1990, there were over 400 registered with the government, soaring to nearly 3000 in 2004, and well over 4200 by 2007(Bratton 1989 citing USAID, National Council of NGOs 2005, NGO coordination Bureau 2010). While most of these NGOs actors are not directly hostile to the state, they are providing welfare and other services that are traditionally associated with and often explicitly promised by the governments in Africa such as education, healthcare, child and women's assistance, agricultural extension services, employment and even in some cases, roads, wells and other infrastructure.

The early 1990s saw the pressure on the government to cede space to activists yield positive changes such emergence of multi-partism, open democratic spaces and respect for fundamental rights and freedoms. NGOs in Kenya have since become vibrant, dynamic and economically sound as they pursue sustainability. Growth presents both opportunities and threats and NGOs have not been spared their share of threats such as limited financial resources, changing donor patterns, political interference, and poor governance especially from the NGO Board. According to Sihanya (1996), these challenges necessitate that NGOs formulate appropriate strategies to exploit the emerging opportunities and face the inherent threats in order to reap potential benefits. As much as NGOs by definition are not operated for profit or other commercial purposes, the regulations do not bar an NGO from undertaking substantial economic activities in pursuit of its purposes and as a result, many NGOs are resorting to registering separate entities as Trust to conduct business on their behalf among other measures.

1.1.5 Non Governmental Organizations in Kitui County

Kitui County is located in Eastern Kenya, it borders the following counties; Tana River to the East and South East, TaitaTaveta to the South, Makueni and Machakos to the West, Embu to the North West, and Tharaka and Meru to the North. It has a population of 1,012,709 (Male – 48 %, Female – 52 %) making the National Percentage of 2.6%. the age distribution is: 0-14 years (46.6 %), 15-64 years (48.2 %), 65+ years (5.2 %). The county capital is Kitui Town. By 2010 the poverty level stood at 63% hence attracting the attention of many NGOs to intervene. This necessitates both existing and entering NGOs to competitively set their strategies to enhance their performance and as a result improve the lives of the residents.

There are over eight thousand (8,000) Non-Governmental Organizations registered in Kenya (NGO Coordination Board, 2012 and Kenya Projects Organization- KENPRO).
Out of the over 8,000 NGOs in Kenya, 487 NGOs are operating in Kitui County. The NGOs are involved in all the sectors ranging from education to agriculture. NGOs exist to improve the livelihoods of the Kitui county residents. The NGOs also face a myriad of challenges such as political interference, duplication of efforts, negative competition and inability to address local structural causes of poverty, deprivation and under development. These challenges necessitate the need to devise competitive strategies and approaches to strengthen their position in the turbulent environment.

The NGOs in Kitui County play several roles such as: Development and operation of infrastructure, Supporting innovation, Demonstration and pilot projects, Facilitating communication, Technical assistance and training, Research, Monitoring and Evaluation and Advocacy for and with the poor.

1.2 Research Problem

A company has competitive advantage whenever it has an edge over its rivals in securing customers and defending against competitive forces (Thompson and Strickland, 1998). Firms respond to competition in different ways. Some may opt to move into product improvement, some into divestiture and diversification, while others enter into new markets and others merge or buy out competitors. Porter (1980) postulates that, the essence of strategy formulation is coping with competition within the operating environment. Therefore, competitive strategy is vital to the adaptation to the changing business. Organizations, in choosing the competitive strategies to adopt are faced by a number of factors which they should consider, among them being the organizational resources and capabilities, environmental dynamics, organizational leadership and the culture of an organization.

All organizations are faced with the challenge of managing strategy. Strategic issues are by nature future oriented, affecting the firm's long term prospects and therefore having enduring effects. In a turbulent environment, a firm will succeed only if it takes a proactive anticipatory strategic approach. The non-profit organizations in Kenya are under increasing pressure to meet their organizational objectives and goals. This is not easily attainable without a good sense of the competitive strategies that can be practically applied to mitigate against financial challenges and cut throat competition for resources that make self-reliance a mirage to many. The problem escalates when the donors to the NGOs just fund them based on the overall performance without considering the specific challenges of the area of operation.

A number of studies have been carried out in the NGO sector in Kenya. The studies have focused on competitive strategies in the whole country and in Nairobi. Patricia (2009), focused on competitive strategies employed by national oil corporation of Kenya; John (2010), on the other hand looked at Competitive strategies adopted by small and medium horticultural exporting companies in Nairobi; Still, Ndung'u (2011), did Competitive strategies adopted by players in the beer industry in Kenya; Owino (2008), did astudy Competitive strategies adopted by savings and credit cooperatives; In addition

Kamande(2007), looked at Competitive strategies adopted by mobile phone companies in Kenya. Lastly, Namusonge(2013) focused on Competitive Strategies adopted by governance non-governmental organizations in Nairobi, Kenya. All these studies have focused on competitive strategies adopted by different organizations in Kenya and the one done on non-governmental organization focuses on NGOs in Nairobi, Kenya. The business environment in Nairobi is definitely different from that of Kitui County hence the need to identify the competitive strategies adopted by NGOs specifically in Kitui County.

The interest in the study has been inspired by the existing knowledge in addition to the current literature which focuses on the whole country and a bias towards Nairobi County, creating a further gap in specific counties' situation and unique needs. Competitive strategy will therefore continue to attract attention because it plays a central role in the overall success of organizations today be they small or large, profit or non-profit making and even government institutions worldwide. As observed above, no studies have focused on competitive strategies employed by NGOs in Kitui County and so it is necessary to carry out this study. The study sought to determine what are the competitive strategies adopted by NGOs in Kitui County, Kenya?

1.3 Research Objectives

The following are the objectives of the research study:

i. Establish the competitive strategies adopted by Non-Governmental Organizations in Kitui County.

ii. Determine the relationship between the competitive strategies adopted and performance of NGOs in Kitui County.

1.4 Value of the Study

The study contributed to enhancement of management theories since NGOs will be in a position to restructure their performance in such a way as to enable them meet overall organizational effectiveness and performance. The County government of Kitui was informed on the situation on the ground concerning NGOs in the county offer the necessary support. The Kenyan government also got better informed when formulating Kitui County-related policies and regulations for organizations in the county.

The study also highlighted the overall organizational effectiveness and performance and also in policy formulation, especially at the institutional level. Future scholars may use the results of the study as a source of reference. The findings of this study can be compared with strategic management in other sectors to draw conclusions on various ways an organization can respond to competitive forces in the environment, contributing to theory building. To sum up, the study findings added some knowledge to the existing body of knowledge and open up areas for further research. The findings contributed to generation of knowledge on the competitive strategies employed by Non-Governmental Organizations in order to enhance performance resulting into theory building.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter reviews the literature available on competitive strategies adopted by non-governmental organizations. This section will capture the theoretical underpinnings of competitive strategies and factors influencing choice of competitive strategies.

2.2 Theoretical Underpinnings of the study

Strategy theory concerns the explanations of firm performance in a competitive environment (Porter, 1990). There are many strategy perspectives, and each strategy process perspective bases their view on what competitive advantage is and on what it is based on. While both RBV and I/O may be seen as content-based approaches (variance theories in Markus and Robey, 1988) to strategic management, the process-based view on strategy focuses on the processes through which strategy contents are created and managed over time.

Game theory can be defined as part of a large body of theory providing a formal language to describe conscious, goal-oriented, decision making processes involving one or more players. The solution concepts derived from game-theory may be thought of as normative or descriptive views of multi-person decision-making (Shubik 1972). Porter (1990) further argues that a company's strength ultimately could be placed into two categories: cost advantage or differentiation. Application of those strengths in either a broad (industry wide) or narrow (market segment) scope results in three generic strategies: Cost leadership, differentiation and focus. These three strategies are supposed to be applied on a business unit level. Andrews (2003) defines competitive strategy as the pattern of decisions in a company that determines and reveals its objectives, purposes, or goals, produces the principal policies and plans for achieving those goals, and defines the range of business the company is to pursue, the kind of economic and human organization it is or intends to be, and the nature of the economic and non-economic contribution it intends to make to its shareholders, employees, customers, and communities.

Porter (1980) brought in the Industrial and Organizational (I/O) perspective, by claiming that external industrial forces affect the work of managers. Substitute products, customers and suppliers as well as potential and present competitors determine strategic choices. The two 'generic strategies' are differentiation and low-cost. Porter's work was further developed in 1985, with the value-chain model, which focuses on the activities and functions of the firm, the underlying factors that drive cost and differentiation advantages. Thorough control and grouping of activities enable firms to reorganize cost and differentiation potentials through the reaping of scale advantages or the creation of innovative forums. The Porterian framework has been used extensively within IS research. McFarlan (1984) suggests that IS can be used to manipulate 'switching costs', and erect 'barriers to entry'. Porter and Millar (1985) argue that IT can be used to enhance value chain activities to gain competitive advantage through low cost or differentiation.

2.3 Competitive Strategies

This section contains; generic competitive strategies, ambidextrous strategies, product-market growth matrix and grand strategies.

2.3.1 Generic Competitive Strategies

If the primary determinant of a firm's profitability is the attractiveness of the industry in which it operates, an important secondary determinant is its position within that industry. Even though an industry may have below-average profitability, a firm that is optimally positioned can generate superior returns (Porter, 1980). A firm positions itself by leveraging its strengths. Porter (1980) has argued that a firm's strengths ultimately fall into one of two categories, namely: cost advantage or differentiation. By applying these strengths in either a broad or narrow scope, three generic strategies result. These are cost leadership, differentiation, and focus. These strategies are applied at the business unit level. Product-Market Growth Matrix is a marketing tool created by Igor Ansoff (1957). The matrix allows managers to consider ways to grow the business via existing and/or new products, in existing and/or new markets there are four possible product/market combinations. This matrix helps companies decide what course of action should be taken given current performance. They are called generic strategies because they are not firm or industry dependent. They apply across all industries.

A cost leadership strategy is one in which a firm strives to have the lowest costs in the industry and offer its products or services in a broad market at the lowest prices (David, 2001). Characteristics of cost leadership include low level differentiation, aim for average customer, use of knowledge gained from past production to lower production costs, and the addition of new product features only after the market demands them. Cost leadership has advantage. The strategy protects the organization from new entrants. This is because a price reduction can be used to prevent new entrants. However, the risk of cost leadership is that competitors may reap from the technology, nullifying the firms accumulated cost reductions (Porter, 1996).

Firms that succeed in cost leadership often have the following internal strengths: Access to the capital is required make a significant investment in production assets; this investment represents a barrier to entry that many firms may not overcome, skill in designing products for efficient manufacturing (Stock, 1999). Each generic strategy has its risks, including the low-cost strategy. For example, other firms may be able to lower their costs as well. As technology improves, the competition may be able to leapfrog the production capabilities, thus eliminating the competitive advantage

Differentiation strategy is one in which a firm offers products or services with unique features that customers value. The value added by the uniqueness lets the firm command a premium price. The key characteristic of differentiation strategy is perceived quality (Stock, 1999). This may be through superior product design, technology, customer service, dealer network or other dimensions. The advantage of differentiation is that perceived quality and brand loyalty insulates company from any of the five forces that determine the state of competition in an industry (Porter, 1996). Price increases from powerful suppliers can be passed on to customers who are willing to pay. Buyers have only one source of supply. Brand loyalty protects the company from substitutes. Brand loyalty is also a barrier to new entrants.

Githae (2004) implies that in differentiating, audit firms have to broaden their services. They have to embrace various disciplines crucial to world of business, charting what one may describe as new frontiers. According to (Porter, 1996), firms that succeed in a differentiation strategy often have the following internal strengths: access to leading scientific research, highly skilled and creative product development team, strong sales team with the ability to successfully communicate the perceived strengths of the product, corporate reputation for quality and innovation. The risks associated with a differentiation strategy include imitation by competitors and changes in customer tastes.

Additionally, various firms pursuing focus strategies may be able to achieve even greater differentiation in their market segments. Focus strategy involves targeting a particular market segment. This means serving the segment more efficiently and effectively than the competitors. Focus strategy can be either a cost leadership or differentiation strategy aimed towards a narrow, focused market. Advantages of focus strategy include having power over buyers since the firm may be the only source of supply. Customer loyalty also protects from new entrants and substitute products. The firm adopting focus strategy can easily stay close to customers and monitor their needs. The focus strategy concentrates on a narrow segment and within that segment attempts to achieve either a cost advantage or differentiation (Porter, 1985).

2.3.2 Ambidextrous Strategies

An organization is said to be ambidextrous when it has established a relationship between environmental factors, innovation strategy and organizational capabilities. Organizational ambidexterity is about organizational capability to simultaneously deal with paradoxical or conflicting activities such as organizational alignment and adaptation; evolutionary and revolutionary change; manufacturing efficiency, flexibility; strategic alliance formation; and even strategic renewal (Adler, Goldoftas, and Levine, 1999). Exploitation and exploration are the most recurrent underlying dimensions regarding organizational ambidexterity. Due to the dynamism and complexity of the environment, organizations' short term success does not necessarily guarantee their long term survival. Therefore, organizational ambidexterity tries to find out how organizations manage to maintain today's success while preparing to adapt to tomorrow's changing environment (Jansen, Bosch, and Volberda, 2005).

March (1991) maintained that balance between exploitation and exploration is advantageous for firm's long term success. The nature of ambidexterity is also implicitly recognized in the dynamic capabilities literature which urges the need to blend two different strategic logic exploitation and exploration within organizations.

2.3.3 Product-Market Growth Matrix

The Product-Market Growth Matrix by Igor Ansoff portrays alternative corporate growth strategies. As an example of a suitable scenario for implementation on Ansoff product/market matrix could be a company that is in need of a strategic change in order to maintain growth. In relation to Ansoff's product/market matrix this means that a company needs at some point in their growth phase to make a decision as to what products or services they should offer in which markets. According to the original Ansoff (1957), market penetration is an effort to increase company sales without departing from an original product-market strategy. The company seeks to improve business performance either by increasing the volume of sales to its present customers or by finding new customers for present products. The market penetration strategy is the least risky since it uses and builds upon the company's existing resources and capabilities. If the market is growing, a company maintaining market share can experience growth. It is important to point out that market penetration has its limits, because of market saturation. If the market saturates, companies must use another strategy in order to continue their growth. A conclusion from this might be that a diversification strategy is more suitable for well-established, capital strong companies. However, according to Proctor (1997), there may be some synergy to be gained from moving into related markets. The synergy may be in marketing or even in production.

2.3.4 Grand Strategies

All companies operate in a macro environment shaped by influences emanating from the economy at large, population demographics, societal values and lifestyles, government legislation and regulation, technological factors and industry competitive arena in which the company operates. Strategically relevant influences coming from the outer ring of the macro environment can sometimes have a high impact on a company's business situation and have a high impact on a company's direction and strategy. As company managers scan the external environment, they must be alert for potentially important outer ring developments, assess their impact and influence and adapt the company's direction and strategy as needed (Pearce and Robinson, 2007). Thus, Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis is important. SWOT analysis is a technique employed by managers to create a quick overview of a company's strategic situation through the various dimensions of strengths, weaknesses, opportunities and threats.

Grand strategies enacted by Pearce and Robinson (2007) were varied, and chosen to fit the specific locale. However, there were common objectives to many of his policies. Ingeneral terms, Pearce and Robinson pursued: stability, development and exploitation. Stability was clearly important to prevent rebellion or unrest once Pearce and Robinson and the main army had left an area. Pearce and Robinson's record on this objective is somewhat mixed, but generally favourable. During his campaigns a number of conquered provinces did suffer from some form of rebellion. However, for the most part these rebellions were limited in scale, and never threatened the integrity of the new empire. The objective of development can be seen primarily in the many cities founded by Pearce and Robinson. Cities were designed to foster economic, social and political development. The larger aim was to establish a durable empire, constructed from an amalgam of Hellenic and Persian elements.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter focuses on sample selection and description, research design, population and sampling design, data collection methods, tools and procedures, and data analysis and reporting.

3.2 Research Design

A research design is the plan structure and strategy of investigation conceived so as to obtain answers to questions. The study used descriptive cross-sectional survey. Singleton (1988) describes a descriptive cross-sectional survey as a comprehensive design that enables large and diverse amounts of data to be collected within a short time frame and analysed quantitatively, giving a credible presentation of results. Cross-sectional surveys are studies aimed at determining the frequency (or level) of a particular attribute. In this type of study, subjects are contacted at a fixed point in time and relevant information is obtained from them. On the basis of this information, they are then classified as having or not having the attribute of interest.

3.3 Population of the Study

According to Cooper and Schindler, (2000), population refers to the entire group of individuals or objects to which researchers are interested in generalizing the conclusions. Population is defined as all the members of a real or hypothetical set of people, events or objects to which a researcher wishes to generalize the results of the research study (Borg and Gall, 1989). The target population of this study was the NGOs in Kitui County. Currently there are about 487 NGOs in Kitui County.

3.4 Sample Design

Systematic sampling technique was used to select the sample of 50 NGOs out of the 487 NGOS in Kitui County. The unit of analysis was a sample size of 50. Systematic sampling is a random sampling technique which is frequently chosen by researchers for its simplicity and its periodic quality. In systematic random sampling, the population is first divided into 50 groups, and then one is picked randomly from the first group. Then, the researcher selects each n'th subject from the list.The results are representative of the population unless certain characteristics of the population are repeated for every n'th individual, which is highly unlikely. The process of obtaining the systematic sample is much like an arithmetic progression.

The choice of systematic sampling technique wasbecause it allowed the researcher to add a degree of system or process into the random selection of subjects. It also assured that the population was evenly sampled.

3.5 Research Instruments

The main data collection tool was questionnaires for all the respondents.

3.6.1 Questionnaires

Orodho (2005) shows that questionnaires normally have a greater reliability because they allow the selection of all areas and representative sample. Questionnaires are a good and efficient way of collecting information quickly and relatively cheaply (Bell, 1997). The questionnaires comprised of three sections. Section A obtained the demographic data of the respondents and section B obtained data on competitive strategies and performance and section C collected data on the relationship of strategies adopted and performance.

3.6 Pilot Study

Before the actual data was collected, the researcher conducted a pilot study from top management of two NGOs who will not be included in the study. The reason behind pre-testing was to assess the clarity of the questionnaire items so that those items found to be vague or inadequate are discarded or modified to improve the quality of the research instruments.

3.6.1 Validity of the instruments

Based on the analysis of the piloting, modification and removal of ambiguous or unclean items such as questions, inaccurate responses or indicated weaknesses was done to attract appropriate responses from the respondents. Borg and Gall (1989) assert that content validity of an instrument is improved through expert judgment and as such the researcher sought assistance of the university supervisors to find out whether the instruments measured what it intended to measure.

3.6.2 Reliability of the Instruments

After the pilot study, the respondents' questionnaires were tested using split-half technique. Orodho (2002) refers to split-half method as a type of reliability testing based on the co-efficient of internal consistency of a research instrument. The instrument is divided into two equal halves usually in terms of even and odd numbered items and scored separately after it has been tested. The Spearman correlation coefficient is calculated from the scores on each half of the test which usually fall between 0.0 and 1.0, with the closer to 1.0, the more reliable the instrument is.The study targeted correlation coefficient closer to 1.0 as the ambiguities identified and corrected. This method has the ability to measure the internal consistency of the instruments by taking into account changes in time and circumstances.

3.7 Data Collection

The researcher obtained a letter from the University to enable him to get a letter of authority and research permit from National Commission for Science, Technology and Innovation (NACOSTI). Since the respondents to be included were strategic management team of NGOs in Kitui County, they were expected to give an insight into some of the strategies they have put in place to ensure the firm has a competitive edge over its competitors. The questionnaires were administered through drop and pick. The respondents were given two weeks to fill in the questionnaires.

3.8 Data Analysis

Data cleaning (editing) was carried out to ensure that the data was free from inconsistencies and any incompleteness (Cooper and Schindler, 2000). After cleaning, the data was be coded. Quantitative data was analysed using measures of central tendency while qualitative data was analyzed using factor analysis. According to Breakwell (2006), descriptive research design is commonly represented by use of frequency charts, graphs, and pie charts to tabulate the information gathered appropriately. Statistical Package for Social Sciences (SPSS) was used to analyze the data. This package is known for its efficiency and ability to handle large amounts of data. Given its wide spectrum for statistical procedures purposefully designed for social science, it developed appropriate holding frame to come up with reliable results according to the responses in the questionnaires. Correlation analysis and regression were also done.

CHAPTER FOUR

DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1Introduction

This chapter presents analysis and findings of the study as set out in the researchmethodology. The general objective of the study was to investigate on the competitive strategies adopted by NGOs in Kitui County to enhance their performance.The questionnaire was designed in line with the objectives of the study.Thedata has been presented in form of quantitative followed by discussions of thedata results. The chapter concludes with critical analysis of the findings.To facilitate ease of dissemination and understanding for the target audience, presentation of findings was done using tables, charts and figures.

4.2Questionnaire Return Rate

Completion rate is the proportion of the sample that participated as intended in all the research procedures. Out of the 50 questionnaires administered to different Non-Governmental Organizations in Kitui County, 47 returned the questionnaires forming a response rate of 94.0%.Mugenda and Mugenda(2003) notes that a response rate of 50% is adequate for analysis and reporting, a response rate of 60% is good and that of 70% and above is very good. This therefore meant that the questionnaire return rate of 94.0% was appropriate for the study. The questionnaire return rate was high because the researcher ensured that the respondents had been sensitized prior to administration of the questionnaires.

4.3Background Information

The respondents’ background information was based on the position of the respondent, Number of years the NGO has been operating in Kitui and the estimated population size of the NGO in the catchment area.

The study in this section aimed at establishing the respondent's position in the organization to help the researcher understand how effective the respondent would be in giving the information about competitive strategies adopted. This is shown in Table 4.1

Table 4.1: Respondents Position

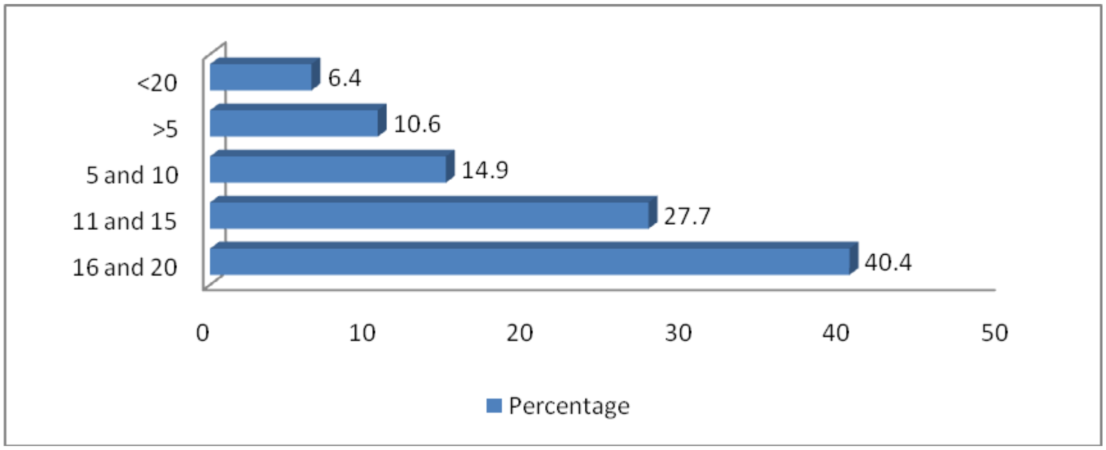
Category	Frequency	Percentage
Executives	15	31.9
Finance Managers	9	19.1
General Managers	10	21.3
Administrative Directors	7	14.9
Project Coordinators	6	12.8
Total	**47**	**100**

Source: Author, (2014)

Table 4.1 shows that majority 15(31.9%) of the respondents were executives from the NGOs in Kitui County, 10(21.3%) were General Managers, 9(19.1%) Finance Managers, 7(14.9%) Administrative Directors and 6(12.8%) were Project Co-coordinators. Strategies are developed by the top managers and majority of the respondents were at the top management and could give appropriate information for the study.

The researcher sought to establish the number of years the NGO had been in existence in Kitui County, to which the respondents gave their responses as shown in Figure 4.1

Figure 4.1: Existence of the NGO in Kitui County



Source: Author, (2014)

Figure 4.1 shows that majority 19(40.4%) of the NGOs in Kitui County had been in existence for a period between 16 and 20 years, 13(27.7%) for a period between 11 and 15 years, 7(14.9%) between 5 and 10 years, 5(10.6%) for less than 5 years and 3(6.4%) for more than 20 years. This shows that the respondents had a wealthy experience on the competitive strategies adopted by the NGOs in the County.

The estimated population size was sought by the researcher to establish the number of people served by the NGOS within Kitui County. This is shown in Table 4.2

Table 4.2: Respondents Estimated Population Size

Population Size	Frequency	Percentage
0 – 25,000	4	8.5
25,000 – 100,000	16	34.0
100,000 – 200,000	21	44.7
More than 200,000	6	12.8
Total	**47**	**100**

Source: Author, (2014)

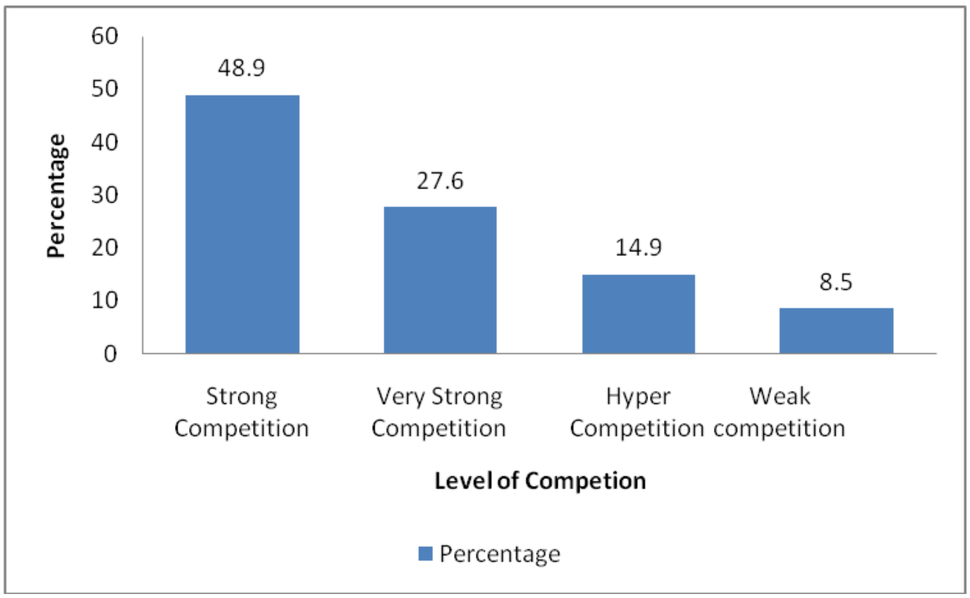
Table 4.2 indicates that majority 21(44.7%) had served an estimated population of between 100,000 and 200,000, 16(34.0%) an estimated population of 25,000 and

100,000, 6(12.8%) for more than 200,000 people and 4(8.5%) for an estimated population of between 0 and 25000.

4.4Competitive Strategies Adopted by NGOs in Kitui County

The first objective of the study sought to establish the competitive strategies adopted by Non-Governmental Organizations (NGOs) in Kitui County, Kenya. Firstly, the researcher sought toestablish from the respondents how they would describe competition in the industry in their catchment area to which the respondents indicated as shown in Figure 4.2.

Figure 4.2: Level of Competition in the Industry



Source: Author, (2014)

Figure 4.2 shows that competition in the industry was strong as was indicated by majority 23(48.9%) of the respondents, 13(27.7%) indicated the competition as very strong, 7(14.9%) as hyper and 4(8.5%) as weak. This is an indicator that the competition was high and the Non-Governmental Organizations (NGOs) had to adopt competitive strategies.

This promptedthe researcher to ask the respondents to indicate how they rate the following factors when dealing with the competitive strategies.

4.4.1 Dealing with the Competitive Strategies

The study sought to establish how the respondents dealt with competitive strategies in terms of Quality, Lead Time, Cost and Flexibility. The respondents were required to indicate the extent of importance of the listed factors when dealing with the competitive strategy ranging from extremely important to not important. The frequencies and mean are presented in Table 4.3.

Table 4.3: Dealing with the Competitive Advantage

	EI	VI	MI	LI	NI	
Statement	**f (%)**	**f (%)**	**f (%)**	**f (%)**	**f (%)**	**M**
Quality	19(40.4)	15(31.9)	8(17.0)	3(6.4)	2(4.3)	3.95
Lead Time	18(38.2)	21(44.7)	5(10.6)	2(4.3)	1(2.1)	3.79
Cost	26(55.3)	9(19.1)	6(12.8)	3(6.3)	3(6.3)	3.21
Flexibility	16(34.0)	11(23.4)	15(31.9)	4(8.5)	1(2.1)	3.03

Key: **EI**– Extremely Important; **VI**– Very Important; **MI**– Moderately Important; **LI**-Little Important; **NI** – Not Important; **M** – Mean; **f** – Frequency

Furthermore, table 4.3 shows that the mean ranged from 3.95 to 3.03. Majority 26(55.3%) of the respondents indicated that cost was extremely important factor in dealing with competitive strategies, majority 21(44.7%) of the respondents indicated that Lead Time very important factor, quality was considered as an extremely important factor by majority 19(40.4%) while majority 16(34.0%) agreed that flexibility was extremely important in dealing with competitive strategies. These finding are in line with Porter (2001) who observed that sustained profitability is the only measure of economic value. He defined two fundamental factors that determine profitability: industry structure, which determines the profitability of the average. Competitor;and sustainable competitive advantage, which allows a company to outperform the average competitor.It is often observed that companies position themselves based on their strength, or the advantages they posses comparing to their competitors.

4.4.2 Operation Goals

The study also sought to know from the respondents how important the operations goals were in dealing with competitive strategies in Non-Governmental Organizations in Kitui County. To establish this, the respondents were given a list of items to which they were required to indicate the extent of importance ranging from extremely important to not important. The frequencies and mean are presented in Table 4.4.

Table 4.4: Responses on Operation Goals

	EI	VI	MI	LI	NI	
Statement	**f (%)**	**f (%)**	**f (%)**	**f (%)**	**f (%)**	**M**
Survival in Market	21(46.7)	11(23.4)	5(10.6)	9(19.1)	1(2.1)	2.94
Growth (Gain Market share	11(23.4)	15(31.9)	13(27.7)	6(12.8)	2(4.3)	2.90
Profitability	17(36.2)	15(31.9)	6(12.8)	7(14.9)	3(6.3)	2.89
Product and Market differentiation	17(36.2)	15(31.9)	7(14.9)	8(17.0)	1(2.1)	2.84
Market development	17(36.2)	13(27.7)	5(10.6)	4(8.5)	5(10.6)	2.82
Diversification	17(36.2)	12(25.5)	8(17.3)	6(12.8)	4(8.5)	2.81

Key: **EI**– Extremely Important; **VI**– Very Important; **MI**– Moderately Important; **LI**- Little Important; **NI** – Not Important; **M** – Mean; **f** – Frequency

Table 4.4 shows the mean ranged 2.94 to 2.81. Majority 21(46.7%) indicated that survival in the market is extremely important as an operation goal followed by 20(42.6%) market development, 17(36.2%) diversification, profitability, product and market differentiation while 11(23.4%) indicated Growth(Gain Market Share).As observed by

Porter (2001), knowing the market environment and client needs enables an NGO to use its unique capabilities (such as specialised employees or unique knowledge base) to adjust or improve the products and services in such a way that the client is satisfied, or even surprised, because the service was beyond expectations. On the other hand, Stock (1999)show that differentiation strategy is one in which a firm offers products or services with unique features that customers value.The value added by the uniqueness lets the firm command a premium price. This may be through superior product design, technology, customer service, dealer network or other dimensions. Focus strategy involves targeting aparticular market segment. This means serving the segment more efficiently and effectively than the competitors. Focus strategy can be either a cost leadership or differentiation strategy aimed towards a narrow, focused market.

4.4.3 Physical Capital

The respondents were asked to indicate the kind of physical capital their organisation invests in, to which they indicated as shown in Table 4.5

Table 4.5: Physical Capital

	EI	VI	MI	LI	NI	
Statement	**f (%)**	**f (%)**	**f (%)**	**f (%)**	**f (%)**	**M**
Investment that lowers a firm's marginal cost	11(23.4)	22(46.8)	9(19.1)	3(6.3)	2(4.3)	4.11
Investment that increases a firm's marginal cost	7(14.9)	9(19.1)	15(31.9)	12(25.5)	4(2.1)	4.08
Investment that is observable to rival firm	0(0.0)	20(42.9)	7(14.9)	15(31.9)	3(6.3)	4.06
Investment that is not observable to rival firms	16(34.0)	11(23.4)	15(31.9)	4(8.5)	1(2.1	3.99
Investment that is not recoverable/sunk	0(0.0)	8(17.0)	12(25.5)	10(21.3)	17(36.1)	3.96
Investment that is recoverable/sunk	15(31.9)	11(23.4)	16(34.0)	4(8.5)	1(2.1)	3.93

Key:**EI**– Extremely Important; **VI**– Very Important; **MI**– Moderately Important; **LI**- Little Important; **NI** – Not Important; **M** – Mean; **f** – Frequency

Table 4.4 shows that the mean ranged from 4.11 to 3.93. Majority 16(34.0%) respondents indicated that it would be extremely important to invest in investment that is not observable to rival firms. 22(46.8%) showed that it would be very important to invest in Investment that lowersa firm's marginal cost. 16(34.0%) agreed that it would be moderately important to invest in investment that is recoverable/sunk. 12(25.5%) indicated little of importance to invest in investment that is observable to rival firm and also majority 17(36.1%) said that it is not important to invest in investment that is notrecoverable/sunk. According toHayes (2003), delivering superior value-whatever forms it takes-nearly always requires performing value chain activities differently than rivals and building competencies and resource capabilities that are not readily matched. Some of the ways that firms acquire cost advantages are by improving process efficiencies, gaining unique access to a large source of lower cost materials, making optimal outsourcing and vertical integration decisions, or avoiding some costs altogether. If competing firms are unable to lower their costs by a similar amount, the firm may be able to sustain a competitive advantage based on cost leadership.

Strategic Options

Furthermore, the study sought to seek information from the respondents on strategic options in response to changes in the market. This is shown in table 4.6

Table 4.6: Strategic Options in Response to changes in the market

	QG	**G**	**M**	**AB**	**N**	
Statement	**f (%)**	**f (%)**	**f (%)**	**f (%)**	**f (%)**	**M**
Provide superior customer						

service	9(19.1)	14(29.8)	11(23.4)	6(12.8)	7(14.9)	3.81
Offering services not offered by competitors	7(14.9)	12(25.5)	15(31.9)	9(19.1)	4(2.1)	3.79
Offering high quality services	15(31.9)	21(44.7)	6(12.7)	3(6.3)	2(4.3)	3.77
Introducing new services in market	10(21.3)	12(25.5)	16(34.6)	7(14.9)	2(4.3)	3.75
Use of latest technology	6(12.8)	22(46.8)	13(27.7)	5(10.6)	1(2.1)	3.74
Branding of services	16(34.0)	15(31.9)	11(23.4)	1(2.1)	4(8.5)	3.73

Key: **QG**: Quite Greatly; **G**: Greatly; **M**: Moderately; **Ab**: A Bit; **N**: Never

Table 4.4 indicate that majority 16(34.0%) agreed that it was quite greatly important to use branding services as a strategic option in response to changes in the market. 22(46.8%) agreed that it was greatly important to use the latest technology, 15(31.9%) indicated offering services not offered by the competitors as moderately important. The mean ranged from 3.81 to 3.73.

Ulrich and Lake (1991) contend that three traditional means of gaining competitive advantage (financial, strategic and technological capabilities) describe only a portion of what managers need to do. They stress organizational capability as a critical source of competitive advantage, which is based on the premise that organizations do not think, make decisions, or allocate resources, but people do. They argue that people issues should be managed simultaneously with other strategies. Managers who are able to understand and integrate all four sources are more likely to build competitive organizations. The findings also agree with Hayes (2003) who argued that in today's competitive environment, markets are becoming more international, dynamic, and customer-driven. Customers are demanding more variety, and better quality and service, including both reliability and faster delivery. Technological developments are occurring at a faster pace, resulting in new product innovations and improvements in firm processes.

4.5 Relationship Between the Competitive Strategies Adopted and Performance

The second research objective sought to determine the relationship between the competitive strategies adopted and performance of NGOs in Kitui County. To establish this, the respondents were given a list of items in a table regarding the relationship between the strategies adopted and performance.They were required to rate their agreement levels with the items on a five-point Likert scale ranging from strongly agree to strongly disagree. The frequencies and mean of their responses are presented in table 4.5.

Table 4.5: Relationship between Strategies adopted and Performance

	A	U	D	
Statement	**f (%)**	**f (%)**	**f (%)**	**M**
Innovation increases NGOs Performance	45(95.7)	0(0.0)	2(6.4)	4.45
Joint Ventures increases NGOs Performance	44(93.6)	0(0.0)	4(6.4)	4.33
Strategic Alliance increases NGOs Performance	46(97.9)	0(0.0)	2(4.3)	4.19
Liquidation increases NGOs Performance	10(21.3)	2(4.3)	35(74.5)	4.11
Outsourcing increases NGOs Performance	45(95.7)	0(0.0)	2(6.4)	4.08

Key: **A** – Agree; **U** – Undecided; **D** – Disagree; **M** – Mean; **f** – Frequency

From the table 4.5, the findings indicate that it was very important to use innovation, Joint ventures and Outsourcing they increase the NGOs performance. Majority 35(74.5%) disagreed on the statement that Liquidation increases NGOs Performance. The meanranged from 4.45 to 4.08.Baker, D. (2007) shows that in today's highly competitive environment the goal of each organisation is to defeat competition and win new customers. Individuals who are holders of knowledge represent a tool for the generation of innovations. Knowledge too is very significant in the innovation process since it represents not only important input, but also output of the transformation process. Andrews, K. (2003) assert that some of the ways that firms acquire cost advantages are by improving process efficiencies, gaining unique access to a large source of lower cost materials, making optimal outsourcing and vertical integration decisions, or avoiding some costs altogether. If competing firms are unable to lower their costs by a similar amount, the firm may be able to sustain a competitive advantage based on cost leadership.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1Introduction

The chapter presents the summary of the study's findings, conclusions, recommendations, and suggestions for further studies.

5.2Summary of the Findings

The general objective of the study was to investigate on the competitive strategies adopted by NGOs in Kitui County to enhance their performance. 50 respondents participated in the study. Given below is a summary of the key study findings.
Majority of the respondents indicated that cost was extremely important factor in dealing with competitive strategies, the respondents indicated that Lead Time very important factor, quality was considered as an extremely important factor while the respondents also agreed that flexibility was extremely important in dealing with competitive strategies.

The study revealed the importance of operations goals in dealing with competitive strategies in Non-Governmental Organizations in Kitui County that survival in the market is extremely important as an operation goal as well as market development, diversification, profitability, product and market differentiation while the respondents also indicated Growth(Gain Market Share).

The kind of physical capital the respondent's organisation invests in was revealed that it would be extremely important to invest in investment that is not observable to rival firms. Itwould be very important to invest in Investment that lowersa firm's marginal cost. The study also revealed that it would be moderately important to invest in investment that is recoverable/sunk. It was indicated that little of importance to invest in investment that is observable to rival firm and also most respondents said that it is not important to invest in investment that is notrecoverable/sunk.

Strategicoptions in response to changes in the market, was rated most that it was quite greatly important to use branding services as a strategic option in response to changes in the market. Also most of the respondents agreed that it was greatly important to use the latest technology and indicated that offering services not offered by the competitors as moderately important.

The study established on the relationship between strategies adopted and performance that, it was very important to use innovation, Joint ventures and Outsourcing they increase the NGOs performance. Respondents disagreed on the statement that Liquidation increases NGOs Performance. The meanranged from 4.45 to 4.08.

5.3Conclusion

The study concludes that the Non Governmental organizations (NGOs) in Kitui County had employed various competitive strategies that include Innovations, Joint Ventures, Strategic Alliances and Outsourcing. Moreover, in the fight for market share, competition is not manifested only in the other players. It was found out that it is extremely important to consider, financial requirements, actions of competitors, staff skills and motivation, industry regulations, negative publicity and demands from suppliers as important factors influencing choice of competitive strategies.

The study further concludes that there were various factors influencing the choice of aparticular strategy employed by the Non Governmental organizations (NGOs) in Kitui County. These include product uniqueness, offering high quality services, provision of superior customer service and market segmentation.

5.4Recommendations

The study recommends that for Non Governmental organizations (NGOs) in Kitui County to remaincompetitive, there is need for the organizations to employ various strategies such as differentiation andrelationship strategies to boost their growth in the market. Strategy is a combination of competitivemoves and business approaches that manager’s employ to satisfy organizational vision andobjectives.

Non Governmental organizations(NGOs) should focus on changing donor funding patterns; quest to remain relevant; quest for sustainability; limited financial resources; political interference and pressure from the environment since this can lead to the adoption of different approaches to various actors in the NGO environment. It is a signal towards their target audience, their beneficiaries, and their donors.

5.5Suggestion for Further Research

The study found out that the essence of strategy formulation is coping with competition. It also found out that the strategy adopted determines the overall organizational performance and therefore the firm's capability to achieve its goals. The study therefore recommends that further research be done on: The Factors that Determine Competitive Strategies adopted by Non Governmental Organizations (NGOs) in other Counties in Kenya, The Factors Influencing the Choice of Competitive Strategies by NGOs in Kitui County and The Competitive Strategies adopted by other organizations such as Financial Institutions to enhance their Performance.

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www.visitkitui.com/about-kitui/county

APPENDICES

Appendix I: Letter of Introduction

Dear Respondent,

I am a master's student at the School of Business, Nairobi University. I'm currently undertaking my research project entitled *"Competitive Strategies Adopted by NGOs to Enhance their Performance in Kitui County, Kenya."*The attached research instrument is for gathering data, which will be useful in the mentioned research.

You have been selected as one of the respondents in this study. I therefore request you to kindly facilitate the collection of the required data by answering the questions herein. Please note that the information sought is purely for academic purposes and will be treated with utmost confidentiality.

I look forward to your co-operation.

Yours faithfully,

JAMES KILONZI MWASI

University of Nairobi

Appendix II: Questionnaire

PART 1- GENERAL BACKGROUND INFORMATION

1. What is the name of your NGO? ___________________________

2. Which district is it located? ____

3. Title/Position of the respondent ____________________________________

4. Number of years your NGO has been operating in Kitui?

    Less than 5 years [ ]

    5 – 10 Years []

    11 – 15 years [ ]

    16 – 20 years []

    Over 21 years [ ]

5. What is the estimated population size of the NGO catchment area?

    0 – 25,000 [ ]

    25,000 – 100,000 [ ]

    100,000 – 200,000 [ ]

    More than 200,000[ ]

PART 11 –COMPETITIVE STRATEGIES AND PERFORMANCE

6. How would you describe competition in the industry in your catchment area?

    Weak competition [ ]

    Strong competition []

    Very strong Competition [ ]

    Hyper Competition [ ]

8. How do you rate the following when dealing with competitive strategies?

Key:5. Extremely Important **4**. Very Important **3**. Moderately Important **2**. A Little Important **1.** Not Important

Statement	5	4	3	2	1
Quality					
Lead Time					
Cost					
Flexibility					

9. How important are the following goals in your operations?Please rate them in order of their importance using the following scale

Key: **5.** Extremely Important **4**. Very Important **3**.Moderately Important **2**. A little Important **1**. Not Important

	5	**4**	**3**	**2**	**1**
Survival in Market	[ ]	[ ]	[ ]	[ ]	[ ]
Growth (Gain Market share)	[ ]	[ ]	[ ]	[ ]	[ ]
Profitability	[ ]	[ ]	[ ]	[ ]	[ ]
Product and Market differentiation	[ ]	[ ]	[ ]	[ ]	[ ]
Market development	[ ]	[ ]	[ ]	[ ]	[ ]
Diversification	[ ]	[ ]	[ ]	[ ]	[ ]

10. In which of the following physical capital does your organisation invest in?

	5	**4**	**3**	**2**	**1**
Investment that lowers a firm's marginal cost	[ ]	[ ]	[ ]	[ ]	[ ]
Investment that increases a firm's marginal cost	[ ]	[ ]	[ ]	[ ]	[ ]
Investment that is observable to rival firms	[ ]	[ ]	[ ]	[ ]	[ ]
Investment that is not observable to rival firms	[ ]	[ ]	[ ]	[ ]	[ ]

Investment that is not recoverable/sunk	[ ] [ ] [ ] [ ] [ ]
Investment that is recoverable/sunk	[ ] [ ] [ ] [ ] [ ]

11. To what extend do you use each of the following strategic options in response to changes inthe market?

Key: 5. Quite Greatly **4**. Greatly **3**. Moderately **2**. A bit **1.** Never

	5	**4**	**3**	**2**	**1**
Provide superior customer service	[ ]	[ ]	[ ]	[ ]	[ ]
Offering services not offered by competitors	[ ]	[ ]	[ ]	[ ]	[ ]
Offering high quality services	[ ]	[ ]	[ ]	[ ]	[ ]
Introducing new services in market	[ ]	[ ]	[ ]	[ ]	[ ]
Use of latest technology	[ ]	[ ]	[ ]	[ ]	[ ]
Branding of services	[ ]	[ ]	[ ]	[ ]	[ ]

PART 111: Relationship Between the Strategies Adopted and Performance of NGOs

The statements below relate to the strategies adopted by Non-Government Organization (NGOs) in Kitui County. Supplied also are five options corresponding to these statements on how they relate to the performance of the NGOs in Kitui County: Strongly agree(SA)=**5**, Agree(A)=**4**, Undecided(U)=**3**, Disagree(D)=**2**, and Strongly Disagree(SD)=**1**.

Please tick the option that best suits your opinion on the statement given.

Statement	**5**	**4**	**3**	**2**	**1**
Innovation increases NGOs Performance	[ ]	[ ]	[ ]	[ ]	[ ]
Joint Ventures increases NGOs Performance	[ ]	[ ]	[ ]	[ ]	[ ]
Strategic Allianceincreases NGOs Performance	[]	[ ]	[ ]	[ ]	[ ]
Liquidation increases NGOs Performance	[ ]	[ ]	[ ]	[ ]	[ ]
Outsourcing increases NGOs Performance	[ ]	[ ]	[ ]	[ ]	[ ]