

**COMPETITIVE STRATEGIES ADOPTED BY CATHOLIC
SECONDARY SCHOOLS TO GAIN COMPETITIVE ADVANTAGE
IN THE ARCHDIOCESE OF NAIROBI, KENYA**

ANGELA KABUTIA

**A RESEARCH PROJECT SUBMITTED IN PARTIAL
FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF
THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION,
SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI**

NOVEMBER, 2014

DECLARATION

I Angela Kabutia, declare that this research project is my original work and has not been presented for a degree in any other university or institution for academic credit other than the University of Nairobi.

.....
Signature

ANGELA KABUTIA
REG NO: D61/72632/2012

.....
Date

SUPERVISOR'S APPROVAL

This research project has been submitted by Angela Kabutia for examination with my approval as the university supervisor.

.....
Signature

DR.JAMES GATHUNGU
DEPARTMENT OF BUSINESS ADMINISTRATION
SCHOOL OF BUSINESS
UNIVERSITY OF NAIROBI

.....
Date

ACKNOWLEDGEMENTS

I sincerely thank God for the His abundant grace and for offering me the opportunity to complete the research project. I would like to acknowledge my supervisor Dr. James Gathungu for his encouragement and enthusiastic support. I wish to express my sincere appreciation for his guidance, inspiration and motivation in ensuring successful completion of this research project. I would wish to thank my family especially my parents for their constant encouragement, wisdom and strong belief in education. I appreciate the respondents who took time out of their busy schedules to fill out the questionnaires.

DEDICATION

This work is dedicated to my dear dad and mum Martin and Zipporah Ntabathia, brother Jude Mwenda for their continued inspiration, moral support and encouragement in ensuring the successful completion of this research project and MBA studies.

TABLE OF CONTENTS

DECLARATION	ii
ACKNOWLEDGEMENTS	iii
DEDICATION	iv
LIST OF TABLES	vii
LIST OF FIGURES	viii
ABSTRACT	ix
CHAPTER ONE: INTRODUCTION	1
1.1 Background to the Study.....	1
1.1.1 Concept of Strategy.....	2
1.1.2 Competitive Strategy	3
1.1.3 Competitive Advantage	4
1.1.4 Secondary Education in Kenya.....	6
1.1.5 Catholic Secondary Schools in the Archdiocese of Nairobi.....	7
1.2 Research Problem	8
1.3 Research Objective	10
1.4 Value of the study	10
CHAPTER TWO: LITERATURE REVIEW	12
2.1 Introduction.....	12
2.2 Theoretical Foundation	12
2.3 Competitive Strategies	16
2.4 Strategy and Competitive Advantage	20
CHAPTER THREE: RESEARCH METHODOLOGY	21
3.1 Introduction.....	21
3.2 Research Design.....	21
3.3 Population of the Study.....	22
3.4 Data Collection	22
3.5 Data Analysis	23
CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSIONS	25
4.1 Introduction.....	25
4.2 Data Analysis Method used in the study.....	25
4.3 Demographic description of population.....	26
4.4 Competitive strategies adopted by Catholic Secondary Schools.....	27
4.4.1 Formulation and Implementation of Strategic Plans	28
4.4.2 Strategies employed by Catholic Secondary Schools.....	30
4.4.3 Strategies, competitive advantage and performance.....	34
4.5 Discussion of the Results.....	39
CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS	41
5.1 Introduction.....	41
5.2 Summary of the findings.....	41
5.3 Conclusions from the Study.....	44
5.4 Recommendations for the Study and Implications for Policy and Practice	45

5.5 Limitations of the Study.....	46
5.6 Areas Suggested for Further Research.....	46
REFERENCES	48
APPENDICES.....	51
Appendix I: Questionnaire.....	51
Appendix II: Letter of Introduction	55
Appendix III: Catholic Secondary Schools in the Archdiocese of Nairobi	56

LIST OF TABLES

Table 4.1: Summary of Student Population	27
Table 4.2: Period in years covered by Strategic plan.....	29
Table 4.3: Differentiation Strategy	30
Table 4.4: Cost Leadership Strategy	31
Table 4.5: Focus Strategy.....	31
Table 4.6: Collaborative Strategy	32
Table 4.7: Resource Based Strategy	33
Table 4.8: Other Strategies.....	34
Table 4.9: Influence of the various strategies on the performance of the schools.....	35
Table 4.10: Adoption of high standards of discipline to gain competitive advantage.....	36
Table 4.11: High standards of discipline summary statistics.....	36
Table 4.12: Provision of value based education to gain competitive advantage	37
Table 4.13: Provision of value based education summary statistics.....	37
Table 4.14: Adoption of collaborative strategies to gain competitive advantage	38
Table 4.15: Collaborative strategies summary statistics.....	38

LIST OF FIGURES

Figure 4.1: Extent of practice of Strategic Plan.....	29
--------------------------------------------------------------	----

ABSTRACT

Parents, family and society want the best for their children. Education is a key pillar of a successful and bright future as it empowers the individual and enables him or her to achieve independence. However it should not be only about success in national examinations. Since parents may not have total control of their children when they are in the school going age, they seek the best school for them. Kenyan schools operate in a competitive environment. The ones that achieve high performance are well respected and students will normally compete for admission because good grades mean better career choices in future. It is therefore important for the administrators of similar schools and educational policy makers to learn the strategies employed by these schools. Catholic secondary schools meet the expectations of parents not only in academic success but also the content of character that the children will have after they are out of school. In addition the schools are also competing to attract both parents and students by striving to achieve higher academic performance and overall school rankings. To compete effectively the organization should formulate competitive strategies that will enable it achieve competitive advantage. Competitive strategies include differentiation, cost leadership, focus, collaborative strategy and resource based strategy. The Government of Kenya has education as one of the pillars in the Vision 2030. The introduction of free primary education led to an increased number of students graduating from primary school seeking secondary education. Consequently an increased number of secondary schools have been established to sustain the high demand leading to competition. The state and nature of competition is determined by the five forces. The strongest competitive force determines the profitability of an industry. This becomes the most important force to consider when formulating strategy. Since the purpose of competing is to achieve better and superior performance than rivals, organizations will always seek to be the best. The organization will achieve competitive advantage or that edge over competitors when it copes with the five competitive forces and attracts buyers. The objective of this study was to find out the strategies employed by catholic schools sponsored by the Catholic Archdiocese of Nairobi. A survey was carried out on the 20 schools that are sponsored by the archdiocese and it was found out that differentiation, collaborative strategies, discipline and value based education system are some of the strategies that are employed by these schools in order to achieve the high performance that they are associated with. It was concluded that integration of Catholic religion plays a unique role and most catholic secondary schools have widely adopted differentiation and collaborative strategy to gain competitive advantage. The schools have used their unique nature of character and moral development of students to distinguish themselves from other schools. The schools also form collaborative partnerships with other schools to share ideas on winning strategies. Thus these competitive strategies adopted have enabled them achieve competitive advantage over rivals which in turn has led to superior academic performance and school rankings and ultimately the expectations of parents and students are met. The study is based on three theories namely game theory, resource based view and stakeholder theory.

Key words: Competitive strategy, Competitive advantage, Catholic Secondary Schools.

CHAPTER ONE: INTRODUCTION

1.1 Background to the Study

Competitive strategy is a unique type of strategy that enables the organization to compete successfully. It is an overview of the strategic orientation of the firm and is based on a core idea about how the firm can best compete in the marketplace. Porter (1980) describes competitive strategy as generic strategy for outcompeting rivals in the firm. It is believed that adopting these strategies will enable the firm achieve competitive advantage and produce above average returns. Firms can choose from different approaches but the best strategy for a firm is unique depending on its particular situation. Competitive strategies have to be formulated and modified based on the circumstances, events and opportunities as they unfold (Ohmae, 1982).

The study is premised by game theory, resource based theory and stakeholder theory. Game theory is an approach to decision analysis which assumes competitors are likely to react to any moves which the company makes. In the resource based theory the firm identifies and evaluates its resources to find those that provide basis for future competitive advantage. Stakeholder theory provides a broad framework to understand the political situation in which strategies are formulated. It sees the business enterprise as a coalition of interest groups with diverse goals.

Faith based institutions of learning have been at the forefront in the quest for promotion of holistic education in Kenya. In the Presbyterian and Methodist Schools the objective of education is to expose students to the Christian message and demonstrating its relevance to modern life today. The Adventist church has also

contributed to education through private educational institutions. The Catholic Church has been offering value based education for integral formation of the human person. Over time Church sponsored schools have been offering quality education that is based on Christian values. In Kenya there has been an increased demand for secondary education which coupled with the rapid establishment and expansion of schools has led to intense competition among secondary schools.

1.1.1 The concept of strategy

Thompson, Strickland and Gamble (2007) define the company's strategy as management's action plan for running the business and conducting operations. It represents the commitment of business managers to pursue certain actions in either growing the business, attracting and pleasing customers, competing successfully, conducting operations and improving the company's financial and market performance. Mintzberg, Lampel, Quinn and Ghoshal (2002) define strategy in terms of the five Ps namely plan, ploy, pattern, position, perspective and their interrelationships. The company strategy is a blend of proactive initiative to improve financial performance and reactive adjustments to developments and fresh market conditions (Thompson, Strickland and Gamble, 2007).

Strategy is all about the how or specific actions the business will take. It serves as a guide to managers in deciding what to do and what not to do. It should fit the company's own situation and be different from strategies of other firms. Johnson and Scholes (1999) argue that the strategy of an organization is affected not only by environmental forces and resource availability, but also by the values and

expectations of those who have power in and around the organization. Managers will continually modify and adjust competitive strategy to changing environmental conditions since it evolves incrementally over time and is not an event.

1.1.2 Competitive strategy

Competitive strategy is the company's game plan of how, when and where it should compete; against whom it should compete; and for what purposes it should compete (Pearce and Robinson, 2011). Thompson and Strickland (2003) define competitive strategy as consisting of the business approaches and initiatives the company undertakes to attract customers and fulfill their expectations, withstand competitive pressures and strengthen market position. Porter (1984) states that the nature of competition in an industry is rooted in its underlying economics and five competitive forces. The strongest competitive force determines the profitability of an industry and becomes most important to strategy formulation.

A creative, distinctive strategy that sets a company apart from rivals and yields competitive advantage is the company's most reliable ticket for earning above average profits (Thompson, Strickland and Gamble, 2007). When good strategy is formulated and implemented it can create competitive advantage. The key focus is therefore on formulating good or winning strategies that yield a competitive edge. There is a connection between achievement of competitive advantage and profitability or company's improved performance where the competitive advantage is a means to achieving superior financial performance.

Competitive strategy also referred to as business strategy is the basis on which a strategic business unit might achieve competitive advantage on its market (Johnson and Scholes,1999).The goal of competitive strategy is to find a position in the industry where the company can best defend itself against competitive forces or influence them in its favour (Porter, 1980). It consists of the competitive moves that the firm has to yield superior return on investment for the firm. Thompson and Strickland and Gamble (2007) depict that a company's strategy for competing can either be offensive which is direct aggressive challenge to competitors' position or defensive where the firm aims to counter competitive moves by rivals. The manager identifies the competitive behavior in the market and applies this understanding to making specific strategic decisions.

1.1.3 Competitive Advantage

Competition is an endless race in which only the most efficient and effective companies win out. Therefore business managers must formulate strategies that enable the company to outperform rivals and possess certain advantages relative to competitors. A company is said to have competitive advantage over its rivals when its profitability is greater than the average profitability and profit growth of other companies competing for the same set of customers (Jones and Hill, 2010).The higher its profitability relative to rivals the greater the competitive advantage. This advantage is achieved by formulating and implementing good strategies that provide customers with what they want or need better or more effectively than competitors in ways which the competitors find it hard to imitate.

A company will have sustained competitive advantage when its strategies enable it to maintain the high profitability in the long-term. Pearce and Robinson (2011) acknowledge that the most prominent sources of competitive advantage can be found in the business cost structure and ability to differentiate the business from competitors. An organization that is competing in the marketplace with a competitive advantage tends to be more profitable than the one competing with no advantage. A firm can choose from various strategic options to achieve advantage from focusing to being a low cost producer, exploiting unique differences and resources.

Porter (1980) posits that a business must have a clear competitive strategy and achieve competitive advantage by providing customers with what they want or need better or more effectively than competitors and in ways their competitors find it difficult to imitate. By having a competitive advantage the company has good prospects for attaining above average profitability and success in the industry. Businesses that create competitive advantages relative to competitors experience above average profitability (Pearce and Robinson, 2011). Thus a customer may choose to purchase from one source than another because either the price of the product is lower than competitors or the product or service is perceived by the customer to provide better added value than that available elsewhere.

1.1.4 Secondary Education in Kenya

After Kenya attained independence in 1963 the Government focused on enhancing development of education. The Government initiated reforms as it sought control and leadership of education from colonial rule. It began with the Kenya Education Commission or Ominde Commission which was set up to identify the educational needs of the country and make recommendations to the Government. Over the years the education sector in Kenya has transformed with other commissions and committees set up to improve the quality of education. Before independence the system of education borrowed heavily from the colonial system with an education structure that comprised of seven years in primary, four in junior secondary, two in senior upper secondary or A level and three years at the university or 7-4-2-3. Later this was changed to the 8-4-4 system which was to equip students with more technical knowledge to pursue further education.

Secondary school education prepares students for tertiary education in universities and tertiary colleges. Kabui (2010) reports that the objectives of secondary school education are to prepare students to make a positive contribution to the development of society, acquire attitudes of national patriotism, self-respect, self-reliance, cooperation, adaptability, sense of purpose and discipline. The Kenya National Examination Council administers the examinations and grade student's performance. Wairua (2011) explains that the national examination rankings are a fairly accurate measure of school performance and can be an indicator of competitive advantage.

Secondary schools are classified as public schools, harambee schools and private secondary schools. Public secondary schools are mainly schools funded by the government or communities and managed through a board of governors and parent teacher associations. Private secondary schools are established and managed by private individuals or organizations including missionaries. The top performing students from primary schools are admitted to join secondary schools of their choice.

1.1.5 Catholic Secondary Schools in the Archdiocese of Nairobi

Catholic Sponsored Secondary schools in Kenya originated from missionaries nearly at the same time as western colonization. Churu and Mwaura (2006) state that the Catholic Church and other Christian churches were the first to introduce western education in Africa. Missionaries set up educational institutions to not only evangelize but improve the lives of the people by training them in skills that earn them money. In addition Catholic bishops encouraged religious orders to come into the country and open schools leading to an increased number of schools. The Holy Ghost Fathers were the leading congregation in catholic education in Nairobi and Coastal regions. The Mill hill missionaries settled on Western region and set up the Nyabururu centre in 1910. In 1925, the Precious Blood Sisters set up the first secondary school for girls in the Coast region

Due to education reforms set out in the Education Act of 1968, missionaries handed over schools to the Kenya government through the Ministry of Education. The former managers of church schools were now treated as sponsors diminishing the church's influence over their schools. The catholic missionaries were also concerned

about the nationalization of schools since they had invested a lot in setting up the schools and they would lose their means of evangelization. The Catholic Church in Kenya is divided into four Archdioceses namely Archdiocese of Nairobi, Nyeri, Mombasa, and Kisumu. In the Archdiocese there are departments that support the faithful in ministerial work such as education, health, youth and Caritas.

1.2 Research Problem

Porter (1980) explains that the essence of formulating competitive strategy is relating a company to its environment. In competitive strategy firms will adopt different moves or approaches to cope with industry and competitive forces. The nature of competition is described in terms of rivalry that results from five competitive forces. The five competitive forces are potential entrants, buyers, suppliers, substitutes and rivalry among existing firms. The strongest competitive force determines the profitability of an industry and becomes the most important when formulating strategy. Managers should hence understand the industry structure and note that defending the firm from competitive forces is crucial to strategy.

The education sector in Kenya has undergone a series of reforms since independence. Catholic sponsored schools have been affected by these changes with strong competitive forces and external environment pressures. There has been rapid growth of community or harambee secondary schools coupled with high demand for secondary education. This is attributed to the increased number of children enrolled in primary schools. As a result there is intense competition which has led to the schools having the need to formulate competitive strategies.

Miller (2002) in a study of competitive strategies of religious organizations noted that social legitimacy, inimitability and market segmentation were the bases of sustainable advantage for religious organizations. Waslander (2007) in the study of mass customization in Dutch Secondary schools observes that strategies adopted by schools are similar to those adopted by production companies. Dess and Davis (1984) reported that there was managerial orientation towards generic strategies of differentiation and cost leadership. Ahmed and Rafiq (1992) elaborate that the articulation of strategy that creates competitive advantage requires consistency along the entire business chain.

Kilavuka (2007) in a study on competitive strategies adopted by private primary schools in Nairobi depicted that having a system of getting feedback was the most commonly used strategy. Magetto (2013) conducted a study on competitive strategies and performance of private secondary schools in Nairobi County and the findings were that differentiation was the most popular strategy. According to Mauti (2010) in a study on the influence of competitive strategy on performance of international schools offering British Curriculum in Nairobi, identified offering wide range of extracurricular activities and by employing competent and qualified staff. Racho (2011) in a case study of competitive strategies adopted by private secondary schools in Mombasa County, reported on moderate usage of cost leadership and differentiation.

The previous studies done on competitive strategies adopted by educational institutions have mainly concentrated on either private or public schools at the primary and secondary levels. These studies rarely present competitive strategies adopted by faith based schools specifically catholic sponsored schools, yet these schools have played an important role in improving academic performance. The church sponsored schools are the leading schools in performance .Of the leading 100 schools nationally, 31 are sponsored by the Catholic Church (Waweru, 2011).The few studies done on catholic sponsored schools have only reported on response strategies to changes in the social environment (Kabui, 2010).It is thus evident that there is an existing gap that this study sought to fill. The research sought to answer the question what competitive strategies are adopted to gain competitive advantage by Catholic secondary schools in the Archdiocese of Nairobi?

1.3 Research Objective

The objective of the study was to determine the competitive strategies adopted to gain competitive advantage by Catholic secondary schools in the Archdiocese of Nairobi.

1.4 Value of the study

The findings of the study contribute to the existing theoretical framework of game theory, resource based theory and stakeholder theory.The study has provided a deeper appreciation of concepts of strategy, competition and competitive advantage. The study has explained the theories in a contextual way through the catholic secondary schools in the Archdiocese of Nairobi. Thus it has provided more local

examples to the topic since few studies have been done on catholic secondary schools in the Archdiocese of Nairobi. The research has also contributed to existing literature on strategic management in Kenya. The findings are useful to researchers and academic scholars in studying competitive strategy further and exploring other areas.

The study is useful to policy makers in the education sector as it provides background information for decision making and planning. They can obtain the information on the education sector and the strategies that are suited and unique to catholic sponsored schools. It is also useful to the governmental bodies like the Ministry of Education who can use the information in making decisions. It can provide information and guide the Catholic Church and school founders in developing education policies and on what approaches are best suited for catholic secondary schools.

Principals, school teachers and school management can use the findings to identify the most popular strategies and especially for catholic secondary schools. It also helps them to evaluate internally if their existing strategies are working. The research is useful to key stakeholders in the faith based schools who are seeking to gain competitive advantage. It can provide information on what competitive strategies to apply in the market and what they need to do to gain competitive advantage. Potential sponsors and investors of catholic secondary schools can be more aware of successful strategies to adopt in their schools.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter presents the theoretical foundation and review of existing literature related to the competitive strategies adopted by catholic secondary schools in the Archdiocese of Nairobi. The game theory, resource based theory and stakeholder theories form the theoretical basis of the study. The section also highlights the various competitive strategies that can be adopted to gain competitive advantage in the market. These include Michael Porter's Generic strategies, Collaborative strategies and Resource based strategies.

2.2 Theoretical Foundation

This section of literature examines the body of theory that has been done in regards to concepts of competitive strategy and competitive advantage. It also explains the theories that exist, the relationship between these theories and the area of study and the extent which these theories have been investigated. A theoretical foundation presents the general set of propositions which are derived and supported by data or evidence (Kombo and Tromp, 2006).

2.2.1 Game Theory

According to Johnson, Scholes and Whittington (2008) game theory is concerned with interrelationships between competitive moves of a set of competitors. Game theory guides the concept of strategy because in a competitive environment, the strategist compares various available strategies or courses of action. Dixit and Nalebuff (2008) state that game theory is the science of strategy and mathematically and logically it

determines the actions the “players” should take to secure the best outcomes in a wide array of “games”. It has two assumptions in relation to understanding competitive dynamics: rationality and interdependence. In rationality it is assumed that competitors will behave rationally in trying to win to their own benefit. Johnson, Scholes and Whittington (2008) describe interdependence as a situation whereby any one competitor’s move is likely to galvanize response from another and the outcome of choices made by one competitor is dependent on the choices made by another.

In game theory there are two principles that guide the development of successful competitive strategies. There is ‘get in the mind’ of the competitors where strategists need to put themselves in the position of competitors by thinking about what their actions will be and what strategies they will take. Secondly the ‘think forwards and reason backwards’ is where the strategist chooses strategy based on the understanding of outcomes of the moves taken by competitors. Grant (1998) notes that game theory permits framing of strategic decisions with description of the game in terms of identifying players, specifying each player’s options and establishing payoffs for every combination of options. Porter (1980) argues that it provides the principles for making competitive moves in an industry and is helpful in understanding competitive dynamics of markets as well as in considering appropriate strategies.

2.2.2 Resource Based Theory

Johnson and Scholes (1999) note that superior performance of a firm will be determined by the way in which resources are deployed to create competencies in the organization's separate activities. In the resource based view, strategy is seen as a 'stretch' in which the organization exploits its unique resources and competencies in ways competitors find it difficult to imitate in order to gain competitive advantage. Pearce and Robinson (2011) indicate that in the resource based view the firm identifies and evaluates its resources to find those that provide basis for competitive advantage. A complete understanding of sources of competitive advantage requires the analysis of a firm's internal strengths or attributes (Barney, 1995). Strategy is concerned with matching a firm's resources and capabilities to the opportunities that arise in the external environment (Grant, 1998).

Thompson, Strickland and Gamble (2007) define resource strength as something a company is good at doing or an attribute that enhances its competitiveness. The firm's resources and capabilities include all the financial, physical, human and organization assets used by a firm to develop, manufacture and deliver products and services. Each firm has a unique collection of highly differentiated resources or capabilities. The resource based view states that the key to profitability is not doing the same as other firms but exploiting differences among firms (Grant, 1998). Barney (1991) argues that there is a link between a firm's resources and competitive advantage. A firm's resources can be a source of competitive advantage when they are valuable. Resources are valuable if they are able to meet customer's needs better than alternatives, if they are scarce, if they drive profits and if they are durable and sustained over time. The resources are also unique to the firm and difficult to imitate.

2.2.3 Stakeholder Theory

The stakeholder theory provides a broad framework to understand the actual political situation in which strategies are formulated. Johnson and Scholes (1999) define stakeholders as those individuals who depend on the organization to fulfill their own goals and on whom the organization depends. These special interest groups are influential people interested in the actions of the business and exert influence on the organization's purpose and strategies. Managers should analyze and understand stakeholder expectations and power by analyzing to what extent they are interested in making demands on company strategies. Pearce and Robinson (2011) posit that firms should attempt to incorporate the interests of stakeholders in strategy formulation. Managers will assign priorities based on criteria the firm will use relative to strategic decision making.

The stakeholder view of the firm sees the business as a coalition of interest groups including shareholders, top management and employees (Grant,1998).Within each stakeholder group each member has diverse goals. Overall the underlying common interest of all stakeholders is the firm's survival. The stakeholder approach defines goals of the firm based on the recognition that the firm is a social institution meeting the interests of multiple groups. The role of management becomes to reconcile the different interests of different stakeholders.Strategies formulated should consider the various goals and establish trade-offs. The criteria of acceptability to stakeholders of strategic choices is of great significance (Johnson and Scholes, 1999).Pearce and Robinson (2011) emphasize that in strategy formulation managers must recognize the legitimate rights of the firm's claimants who are special groups and influential people interested in the actions of the business.

2.3 Competitive Strategies

Porter (1980) defines competitive strategy as a broad formula of how a business will compete, what its goals should be and policies needed to carry out those goals. It consists of searching for answers to the question “how are we going to compete?” Johnson and Scholes (1999) describe competitive strategy as the basis on which a strategic business unit might achieve competitive advantage. Mathur (1992) depicts competitive strategy as a plan about the future positioning of the business offering relative to those of competitors, in the eyes of customers. Competitive strategy focuses on improving the competitive position of the company’s product and services within the specific industry or market segment. Porter (1980) describes competitive strategy as taking offensive or defensive actions to create a defensible position in an industry. The overall intention of competitive strategy and business strategy is to create differences in the firm’s position and those of competitors and achieve competitive advantage.

Pearce and Robinson (2011) note that choice of competitive strategy is done in the strategic analysis and choice phase. Competitive strategy is an intended strategy that has to be formulated and it cannot emerge on its own. It is a deliberate choice about how it will perform to contribute to competitive position since it is a plan about the future. Competitive strategies will be shaped and modified by circumstances, events, and opportunities as they unfold (Mathur 1992). Competitive strategies provide a conceptual framework for formulating strategies when competing in any industry. The industry environment is rapidly changing due to major forces such as technological advances, globalization and deregulation. The ability of the firm to survive in this business

environment is dependent on selection and implementation of competitive strategy that differentiates from competitors (Porter, 1984). A successful business model is the result of the way a company formulates and implements sets of strategies to achieve fit between differentiation, costs and pricing options (Jones and Hill, 2010).

2.3.1 Porter's Generic Strategies

Porter (1980) advocated for three key potentially successful generic strategic approaches to outperforming other firms in an industry namely overall cost leadership, differentiation and focus. Competitive strategies are called generic because they can be pursued by any type or size of business, firm or organization. Hunt (2000) explains that the concept of competitive strategy contains two elements; it can be according to market scope (focused or broad) or their source of competitive advantage. (Cost or differentiation). Overall cost leadership involves adopting the lowest cost position through ensuring efficiency of operations and minimizing costs. It involves reducing costs aggressively in functional areas through pursuing economies of scale, efficiencies in buying, use of experience curve, construction of efficient scale facilities, cost minimization in research and development, sales force and advertising, tight cost and overhead control.

Differentiation is a strategy that involves creating and offering products and services that are perceived across the industry as unique. Achieving differentiation requires a perception of exclusivity as the firm will use several dimensions to distinguish itself. This can be created through product design, brand image, product technology, product features, superior customer service, and dealer network. The firm will choose one or

more attributes which buyers see as important and will uniquely position itself to meet those needs. Focus is a strategy whereby there is focus on a particular buyer, segment of the product line, geographical market and excluding others. Porter (1980) states that focus strategy is built around serving a particular target market very well. Ireland, Hoskisson and Hitt (2009) observe that the firm will not achieve a broader industry wide competitive advantage but competitive advantage in a specific niche or segment.

2.3.2 Collaborative Strategies

Astley and Fombrun (1983) define collaborative strategy or collective strategy as the systematic approach by collaborating organizations to deal with variation in the interorganisation environment. Bresser (1986) indicates that although competitive strategies can be successful if they lead to advantageous positions, only few firms manage to insulate themselves from competition by occupying a particular niche. Johnson and Scholes (1999) observes that collaboration between potential competitors and buyers is advantageous when combined costs of buying and transactions are lower than the internal cost that would be incurred by the organization operating alone. This enables the firms to pool resources and competencies more valuable in joint efforts in areas such as gaining economies of scale, acquiring market access in new markets and joint marketing efforts.

Thompson and Strickland (2003) depict that collaborative partnerships are attractive and timely means of breaching technology and resource gaps that the firm has. This is done mainly through strategic alliances and cooperative partnerships where companies collaborate on technology, development of new products and improving the supply chain.

Collaborative strategies can either be reactive that is in reaction to changes in the external environment or proactive where the firm forestalls unpredictable behavior by competitors. Porter (1980) describes cooperative moves as non-threatening and least risky since the firm does not reduce performance of competitors or threaten their goals unruly.

2.3.3 Resource Based Strategy

These are strategies devised by firms as they attempt to identify and exploit the unique skills, assets or firm specific resources. Thompson and Strickland (2003) argue that company's resource strength is significant because they form the cornerstones of strategy and basis of creating competitive advantage. The firm's strategy should be designed to fit its resources by developing strategies that exploit the firm's capabilities. Johnson and Scholes (1999) state that strategies need to be developed by building up the organization's own resource base and competencies.

Thompson and Strickland (2003) argue that growth companies have to be alert for opportunities where their key assets like experience, intellectual capital, technological knowhow and capabilities will be valuable in gaining rapid market penetration. The resource based strategy will provide the firm specific isolating mechanisms which protect profits from erosion since it will be difficult for competitors to imitate. This is through investing in research and development to develop innovative products, adapting existing competencies and creating new competencies.

2.4 Strategy and Competitive Advantage

According to Porter (1980) competitive advantage is that defensible position a firm has in the industry where it outperforms competitors. The firm will have maximized the value of its unique capabilities that differentiate it from competitors. Ireland, Hoskisson and Hitt (2009) note that a firm has competitive advantage when it implements a strategy that competitors are unable to duplicate or find too costly to try to imitate. Strategy must provide for the creation and maintenance of competitive advantage in the selected area of activity. The success of an organization depends on the ability to carry out activities better than competitors and create unique value for their customers. Porter (1984) proposes that a firm's competitive advantage is determined by its competitive scope or the breadth of the business unit's target market. The firm can either choose a broad target market like mass market or narrow target like a specific market niche.

A company achieves competitive advantage when an attractive number of buyers prefer its products or services over offerings of competitors (Thompson, Strickland and Gamble, 2007). It is the key to above average profitability and financial performance because strong buyer preferences translate into higher sales volumes and ability to command a higher price. Thus good strategies must fit the company's external and internal situation and build competitive advantage. Johnson and Scholes (1999) also note that competitive strategy is the basis on which a business unit might achieve competitive advantage in its market. The firm will choose from various options based on the principle that the organization achieves competitive advantage by providing customers what they want, or need better than competitors.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter explains the methodology that was used to carry out the study of competitive strategies adopted by catholic secondary schools in the Archdiocese of Nairobi. It includes the research design, population, data collection method and instruments and data analysis.

3.2 Research Design

The research design is descriptive and has used a census survey. The study was conducted in a form of a survey to identify the competitive strategies adopted by catholic secondary schools in the Archdiocese of Nairobi, Kenya. Zikmund, Babin, Carr and Griffin (2010) define a cross sectional study as the study in which various segments of a population are sampled and data collected at a single moment in time. Cross sectional studies collect and analyze the current situation. Magetto (2013) noted that the cross-sectional design allows the researcher to collect a large amount of data from a large population in a short period.

Survey designs are comparative designs which focus on the objectives of study and resources available (Kothari, 2004). A survey is a data collection method where information can be collected through administering questionnaires or interviews. The survey method is important to this study as it collects and analyzes data on all the various variables on competitive strategy and provides statistical data based on the actual current

situation. Zikmund et al. (2010) state that surveys ask people to reflect on their past behavior rather than ask them if they have made a resolution.

3.3 Population of the study

The population of the study was composed of all the 20 Catholic Secondary Schools in the Archdiocese of Nairobi within Nairobi Zone. According to the Archdiocese of Nairobi Secretariat Education Office there are a total of 20 schools in the Nairobi zone. A list of the catholic sponsored schools studied is indicated in Appendix 11. Kombo and Trump (2006) define the population as the entire group of elements which have similar characteristics or share at least one thing in common. It is the larger group from which the sample is taken. The key feature of the unit of this study is that they are faith based schools, specifically the Catholic Secondary Schools.

Zikmund et al (2010) states that the target population must be clearly defined so that proper sources from which data are to be collected can be identified. In the Archdiocese of Nairobi there are three zones, Nairobi, Thika/Gatundu and Kiambu Zone. The study is a census study to establish competitive strategies adopted by catholic sponsored secondary schools within the Nairobi Zone.

3.4 Data Collection

For the study quantitative data was collected and analyzed. The main method of collecting primary data was a semi-structured questionnaire. Secondary data was collected from available records at the schools, Ministry of Education and Archdiocese of Nairobi Education Office. Kothari (2004) notes that in surveys questionnaires are popular in those

cases where there are big inquiries. Zikmund et al (2010) also explain that self administered questionnaires allow the respondent to take responsibility for reading and answering questions. Structured questionnaires are definite, concrete predetermined questions presented with the same wording and in the same order to all respondents. The questionnaire contained both open and closed ended questions. Open ended questions gave respondents an opportunity to formulate their answers and close ended questions force respondents to choose between several alternatives.

The questionnaires were distributed to the respondents by drop and pick method. They were administered to schools principals or head teachers or deputy head or head of departments, as the main respondents for the 20 schools. The question format consisted of three main categories to ensure quality of responses. Section A of the questionnaires comprised of opening questions focusing on general background information about the respondent and school. Section B used questions targeting the institution's choice of competitive strategy which is vital to addressing the research problem and Section C on Competitive Advantage.

3.5 Data Analysis

The data collected was edited to check for any errors from the respondents. Zikmund et al (2010) states that raw data from the field may not be in a suitable form for analysts. Unedited responses contain errors in the form of respondent or non-respondent errors. Thus editing ensured that the data is checked and adjusted for omissions, consistency and legibility. The information once collected and edited was coded and analyzed. Data results were presented using tables and a pie chart.

Descriptive statistics were used to analyze the data using measures of central tendency like frequency distribution charts, percentages and mean scores. This type of statistics mainly describes basic characteristics and summarise data in a straight forward and understandable manner. Percentages were computed in relation to the demographics of the catholic schools. Mean scores and percentages were used to help in identifying the competitive strategies adopted to gain competitive advantage. Since its quantitative data it was analyzed using an open sourced statistical software called PSSP. Section A collected data on the demographics of the school, Section B collected data on the competitive strategies used which were rated on a likert scale from 1 to 5.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

The chapter sets out how the data was analyzed, the results of the analysis and discussion of research findings. The aim of the study was to establish the competitive strategies adopted by Catholic Secondary Schools to gain competitive advantage in the Archdiocese of Nairobi. Data was collected through questionnaires which were distributed to the respondents. The chapter describes the data through tabulations with short discussions of the findings.

4.2 Data Analysis method used in the Study

The research study is based on data collected from a census of the catholic sponsored schools operating in the Archdiocese of Nairobi, Nairobi Zone. Out of the 20 questionnaires that were given out only 17 of them were returned properly filled. This resulted in a response rate of 85%. Descriptive statistics that was used included the use of frequencies, percentages, mean scores and standard deviation. Relative frequencies were used in some questions and others were analyzed using mean scores with the help of Likert scale ratings in the analysis.

The returned questionnaires were checked for data accuracy and then coded in a spreadsheet. The coding was necessary because the statistical software requires information in form of cases and variables. Each school is treated as an individual case with respondents answers as variables. Each question was given a number which the statistical software interprets as a variable.

All questions in the survey were assigned variable numbers. However since the study also requires one mean response for a number of questions that are combined together, it was necessary to assign special numbers for the questions that require this type of processing so as to differentiate them from the others. For each case (school) a mean was calculated for these questions which was then used to create a new variable. For example the cost leadership strategy has five questions. These questions were assigned numbers that is Q11H, Q11I, Q11J, Q11K and Q11L. The responses for the five questions were then coded as new variable called Cost and the mean for this variable was used as input by the statistical software to compute the mean and percentages for this type of strategy.

4.3 Demographic Description of the Population

In terms of the position held by the respondent, the study found out that they held various positions in the schools. These were; school principals, deputy principals, head of department and senior teachers. 52% of the respondents were either principals or deputy principals with 48% having the position of senior teacher or head of department. Since they hold senior positions in the schools they are better placed to understand the competitive strategies that are adopted by their schools. 13 out of the 17 schools or 76% are boarding schools, with 2 being day schools and the remaining two serving both boarding and day scholars. The student gender characteristics are as follows; 52% of the schools or 9 out of the 17 schools are girls' schools, 4 out of 17 boy schools and the remaining schools are mixed schools.

TABLE 4.1: Summary of the Student Population in the School

Student	Frequency	Percentage
Less than 100	0	0%
100-200	0	0%
200-300	5	29%
300-400	2	12%
Above 400	10	59%
Total	17	100

From the Table 4.1 it was established that in the Catholic Secondary Schools, 59% had a student population of above 400 students, followed by 29% ranging from 200 to 300 students and 12% ranging between 300 and 400 students. This indicates that the majority of the schools have students above 200 students and none reported having students below 200. Majority of the students are Christians which could be a reflection of the Kenyan Society where the Christians are more than Muslims and Hindus.

4.4 Competitive Strategies adopted to Catholic Secondary Schools

The success of an organization depends on the ability to carry out activities better than competitors and the activities need to create unique value for customers. Good strategies must fit the organization's internal and external situation and build sustainable competitive advantage. Porter (1980) describes competitive strategy as a combination of the goals for which the organization is striving to achieve and the means it is seeking to get there. Thus it is the art of creating advantages which are enduring and most difficult to duplicate. Competitive strategies provide a conceptual framework for formulating strategies while competing in any industry.

Strategy will determine the direction and action areas in which the manager will focus on in any type of organization. It will comprise the most important policies guiding the action as well as the goals which are to be achieved. The organization will choose from various strategic options based on the principle that organizations achieve competitive advantage by providing their customers with what they want, or need better or more effectively than competitors. Strategy has therefore been used in different ways since it can be described as a pattern of unique or different set of activities or actions that distinguish a firm from its rivals.

4.4.1 Formulation and Implementation of Strategic Plans

The respondents were asked questions to investigate if the Catholic Secondary schools have strategic plans and to what extent do the schools practice the approved strategic plans. All the respondents from the schools indicated that they have strategic plans and none of the respondents indicated that they do not have strategic plans. 12 out of 17 respondents or 71% indicated that their strategic plans are short term covering between 1-3 years. Only 5 respondents indicated that the strategic plans cover four years and beyond. Most of the school principals indicated they have to report to the Board of Governors on an annual basis on the progress of the implementation of strategic plans.

TABLE 4.2: Period in years in which the Strategic Plan Covers

Years	Frequency	Percentage
Less than 1 year	0	0%
1 year	5	29%
2 years	4	24%
3 years	3	18%
4 years	2	11%
Over 5 years	3	18%
Total	17	100

The responses to the question to what extent the school follows a formally approved strategic plan were varied. The extent was determined through a Likert scale from very large extent, large extent, moderate extent, small extent and no extent. A majority of the respondents of 8 out of 17 indicated to a large extent with 4 respondents indicating to a small extent. This means that about half of the respondents formulate and follow strategic plans. The research findings show that formulation and implementation in strategic planning is relevant to Catholic Secondary schools.

FIGURE 4.1: Extent to which a School follows and practices a formally approved Strategic plan

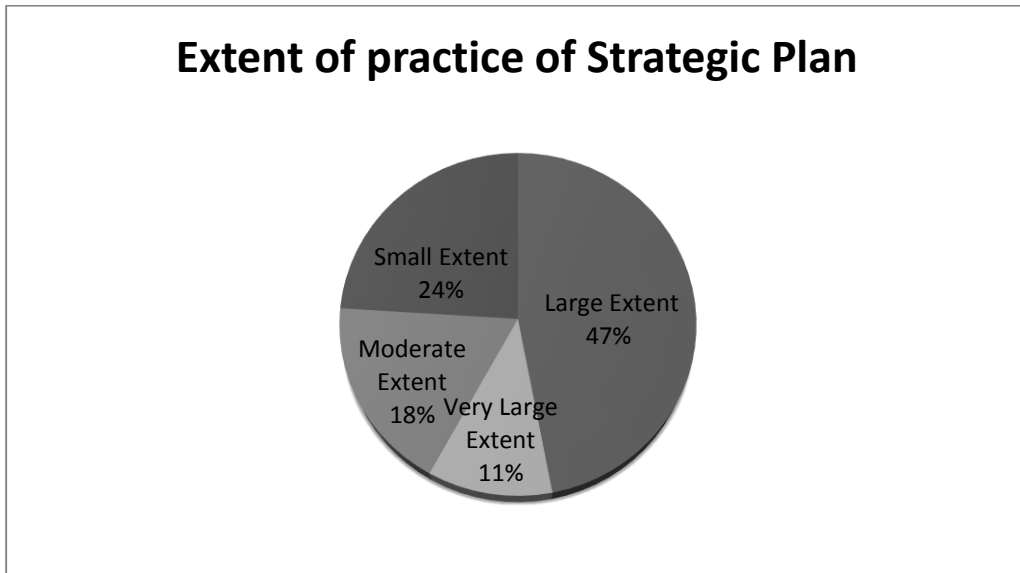


Figure 4.1 illustrates that slightly less than half of the respondents in Catholic Secondary schools follow and practice a formally approved strategic plan. The ratio stands at 47% which is closely followed by that practice to a small extent at 24%. Although less than half follow and practice strategic plans there is a number who follow to a small extent attributed to challenges in strategy formulation. Thus strategic planning is of considerable importance in the Catholic Secondary schools.

4.4.2 Strategies employed by Catholic Secondary Schools.

TABLE 4.3: Differentiation Strategy

Statement	Mean	Standard Deviation
Offering a wide range of extracurricular activities than competitors	3.71	0.82
Integrating religion(Catholic Religion) in the Curriculum	4.35	0.76
Having a unique brand image valued by customers	3.82	1.04
Offering attractive and distinguished services that other schools are not offering	3.05	1.35
Keeping class size smaller than competitors	3.35	1.03
Keeping size larger than competitors	2.35	1.45

As shown in Table 4.3 intergrating religion is the most employed strategy with a mean of 4.35. The others include having a unique brand image at 3.82, offering wide range of extracurricular activities at 3.71. Keeping the class size larger than competitors followed by offering attractive and distinguished services are the least employed strategies at mean scores of 2.35 and 3.05 respectively. From the findings, integrating Catholic religion and having a unique brand image are strategies applied by Catholic Secondary schools to a large extent. Differentiation is a strategy where the institution offers unique and different services in the market. In this strategy, catholic schools have integrated catholic religion

as a means of distinguishing themselves as well as the unique brand image that is associated with the schools hence creating value for both parents and students. The least adopted strategy is keeping the size larger than competitors meaning that class size is not considered as an important strategy.

TABLE 4.4: Cost Leadership Strategy

Statement	Mean	Standard Deviation
Ensuring Cost efficiency in the School	4.29	0.46
Charging fees lower than competitors	3.71	0.82
Minimizing cost of delivering service	4.12	0.32
Allowing for payment of fees in installments	4.65	0.48

Table 4.4 shows that in the cost leadership strategy, allowing students to pay in installments had the highest mean score of 4.65 followed by ensuring the school is efficient in terms of costs with a mean score of 4.3 and minimizing cost of delivering service at 4.12. Therefore the schools ensure maximum utilization of the existing resources while enhancing efficiency. The strategy that is the least used is charging fees lower than competitors with a mean score of 3.71. There was no significant variation in the responses as all had a standard deviation of less than 1.

TABLE 4.5: Focus Strategy

Statement	Mean	Standard Deviation
Targeting a specific market segment	3	1.13
Offering services to suit unique needs of learners more than competition	3.76	1.00
Developing unique low cost services for a particular segment	2.88	1.02
Drawing students from neighborhood	4.12	0.76
Developing uniquely differentiated services for a particular segment	2.82	0.92

In the focus strategy the findings report that the strategy used to a large extent is drawing students from the neighbourhood with a mean score of 4.12 followed closely by offering services to suit unique needs of learners with a mean score of 3.76. Therefore the study implies that a majority of the students come from similar backgrounds if they are drawn from the neighbourhood. The least used strategy is developing uniquely low cost services for a particular segment with a mean score of 2.88. This indicates that if the school adopts a uniquely low cost service for a particular segment they would compromise on the quality of service.

TABLE 4.6: Collaborative Strategy

Statement	Mean	Standard Deviation
Forming strategic alliances with other similar schools	3.47	0.84
Cooperation with the government and Catholic church	4.88	0.32
Allowing students to participate in interschool symposiums and events	4.82	0.51
Allowing staff to attend interschool conferences and seminars	4.71	0.57
Liaising and cooperating with other schools	4.41	0.91

From Table 4.6 majority of the respondents applied the collaboration strategies by cooperating especially with the Catholic Church and Government, allowing students to participate in interschool programmes and allowing their staff to attend interschool conferences. Majority of the respondents agreed to have cooperated with the Archdiocese of Nairobi and Government to a large extent. The strategy had the highest mean score of 4.88, followed by allowing students to participate in interschool symposiums with a mean score of 4.82. The cooperation with the Catholic Church and Government is attributed to

the fact that the two are the key stakeholders and the schools need to continually cooperate especially when seeking funds or resources from donors. The least used characteristic was forming alliances with other schools with a mean score of 4.41. There was no significant variation in the responses as the standard deviation scores were less than 1.

TABLE 4.7: Resource Based Strategy

Statement	Mean	Standard Deviation
Use of modern equipment	4.233	0.87
Having competent and qualified staff	4.58	0.49
Striving to be a leader in Information Technology	3.65	0.90
Receiving support from the Diocesan Education Office or sponsors	4	0.69
Receiving support from the local catholic parish	3.58	0.91
Having recommended school amenities and facilities	4.17	0.85
Having a well stocked library	3.88	0.89

From Table 4.7 in the resource based strategy the findings indicate that the strategy with the highest mean score was having competent and qualified staff with a score of 4.58. This was followed by using modern equipment at 4.23 and having recommended school amenities at 4.17. Thus the schools employed the strategy of having competent and qualified staff to a large extent which means they have adequate and valuable human resources. The strategy with the least mean score was receiving support from the Catholic parish in the area with a mean score of 3.58. This indicates that the Catholic Secondary schools have adequate resources which can be sources of competitive advantage.

TABLE 4.8: Other Strategies

Statement	Mean	Standard Deviation
Instilling moral values to the students	4.88	0.32
Ensuring high standards of discipline	4.94	0.24
Retaining and motivating popular staff	3.94	0.64
Giving bursaries and scholarships to needy students	2.82	1.38
Keeping the recommended student-teacher ratio	3.47	0.69
Advertising in print and local media	2.17	1.24
Selecting students based on previous performance	3.35	1.23
Intensive staff training	2.71	0.89
Having a guidance and counseling department	4.76	0.42

Table 4.8 demonstrates that ensuring high levels of discipline and instilling moral values are applied by the school to a very large extent at 4.94 and 4.88 respectively. Majority of the respondents noted that discipline and character formation of the students influenced the academic performance of the school. This is followed by having guidance and counseling department. Advertising in print and local media is the least used strategy which is applied to a small extent by the schools at 2.17.

4.4.3 Strategies, Competitive Advantage and Performance

The respondents were asked to rate the extent to which competitive strategies influence school performance and ranking through gaining competitive advantage. The table shows how the respondents rated various strategies and the contribution of each strategy to the school performance. Among the top rated competitive strategies include high levels of discipline, instilling moral values, collaborative strategy and resource based strategy

together with differentiation strategy. The lowest rated strategy was advertising in print and local media followed by issuing bursaries and scholarships to needy students.

TABLE 4.9: Summary of extent of influence of strategy on competitive advantage and performance

Table 4.9: Influence of the various strategies on the performance of the schools.					
Table: Valid cases = 17; cases with missing value(s) = 1.					
Variable	N	Mean	Std Dev	Minimum	Maximum
High standards of discipline	16	4.63	0.5	4	5
Provision of value based education	16	4.63	0.5	4	5
Collaborative strategies	16	4.06	0.57	3	5
Resource Based Strategies	16	4	0.52	3	5
Cost Leadership	16	3.88	0.5	2	4
Differentiation	16	3.81	0.66	3	5
Focus Strategy	16	3.75	0.68	3	5
Retaining and motivating popular staff	16	3.25	0.77	2	4
Selecting new students based on previous academic performance	16	3	1.41	1	5
Intensive staff training	16	2.88	0.81	2	4
Giving Bursaries and Scholarships to needy students	16	2.31	1.08	1	4
Advertising in print and local media	16	1.56	0.89	1	4

The table 4.9 shows that the most popular strategies that influence competitive advantage and performance are ensuring high standards of discipline, providing value based education and collaborative strategies. High standards of discipline, provision of value based education and collaborative strategies scored highly with means above four while giving bursaries and scholarships to needy students and advertising in print and local media were at the bottom of the table with means below 2.8.

TABLE 4.10: High standards of discipline as a competitive advantage

Value Label	Value	Frequency	Percent	Valid Percent	Cum Percent
	5	10	58.82	62.50	62.50
	4	6	35.29	37.50	100.00
	.	1	5.88	Missing	
Total		17	100.0	100.0	

From table 4.10, 10 out of 17 respondents or more than half attributed high standards of discipline as a strategy that creates competitive advantage. Thus 62.5% of the respondents rated this strategy to a large extent at a score of 5 in the likert scale questionnaire highlighting the significance of ensuring high standards of discipline.

TABLE 4.11: Summary Statistics of High standards of discipline as competitive advantage

N	Valid	16
	Missing	1
Mean		4.63
Mode		5.00
Std Dev		.50
S.E. Skew		.56
Minimum		5.00
Maximum		4.00

As shown in table 4.11 the average mean score by the respondents when considering the influence of discipline on competitive advantage and performance was 4.63. This means that the respondents considered it to be an important strategy. The mode indicates that a majority of the respondents rated and scored discipline to a very large extent with a value

of 5. This means that the application of the strategy influenced the performance of these schools to a very large extent.

TABLE 4.12: Provision of value based education as a competitive advantage

Value Label	Value	Frequency	Percent	Valid Percent	Cum Percent
	5	10	58.82	62.50	62.50
	4	6	35.29	37.50	100.00
	.	1	5.88	Missing	
Total		17	100.0	100.0	

From table 4.12 a total of 16 out of 17 respondents scored the strategy of instilling moral values at between the values of 4 and 5 meaning between large extent and a very large extent. This implies that a majority of the respondents believed that religious and moral values are considered to be of significance sources of competitive advantage and they influence academic performance of the school.

TABLE 4.13: Summary Statistics of High standards of discipline as competitive advantage

N	Valid	16
	Missing	1
Mean		4.63
Mode		5.00
Std Dev		.50
S.E. Skew		.56
Minimum		5.00
Maximum		4.00

In table 4.13 indicates that the average mean score for the provision of value based education is 4.63 meaning that respondents consider that it influences performance of the school and can be a source of competitive advantage. The results also indicate that the mode has the value of 5 with a majority of the respondents giving the score of to a very large extent.

Table 4.14					
Collaborative strategies as a competitive advantage					
Value Label	Value	Frequency	Percent	Valid Percent	Cum Percent
	5	3	17.65	18.75	18.75
	4	11	64.71	68.75	87.50
	3	2	11.76	12.50	100.00
	.	1	5.88	Missing	
Total		17	100.0	100.0	

From table 4.14, 11 out of 17 respondents or 65% scored collaborative strategies with a mean score of 4 showing the importance of the strategy. Only 13% or 2 out of 17 respondents a small number of respondents did not consider collaborative strategies as important and rated it at 3. This indicates that cumulatively 14 out of 17 or 88% gave a mean score ranging between 4 and 5 or between large extent and very large extent.

Table 4.15		
Collaborative strategies as a competitive advantage summary statistics.		
N	Valid	16
	Missing	1
Mean		4.06
Mode		4.00
Std Dev		.57
S.E. Skew		.56
Minimum		5.00
Maximum		3.00

In table 4.15, the respondents rated collaborative strategy with a mean score of 4.06. This means that the collaborative strategies influenced the performance of these schools to a very large extent. The strategies of ensuring high standards of discipline and instilling moral values had higher mean scores than collaborative strategy at 4.63. The mode of the shows majority of the respondents ranked it on the likert scale at the value of 4.

4.5 Discussion of the Results

The study sought to determine the competitive strategies adopted by Catholic secondary schools to gain competitive advantage in the Archdiocese of Nairobi. This has now been achieved with the identification of the main strategies as collaborative strategies, differentiation, discipline and moral values among others. From the findings Catholic schools implement competitive strategies in order to gain competitive advantage. The strategies adopted to a large extent to remain competitive are differentiation and collaborative strategies. All respondents have indicated that they are using some form of strategy or strategies. According to the respondents the strategies that had the most influence on performance were discipline, offering value based education and collaborative strategies.

On the other hand advertising and offering larger classes had the least influence as shown in table 4.9 and table 4.3 respectively. The preference for collaborative strategies seems sensible because stakeholders have an interest in the performance of the school and the success of their children and therefore they may put more effort and support towards the school where necessary. All the schools formulate and implement strategic plans which are short term ranging between one to three years. Short term plans are effective as they are more consistent and focus on areas that deserve priority. Pearce and Robinson (2011) state that discussion and agreement on short term strategic plans and objectives helps the manager to raise issues immediately. Majority of the respondents agreed that they use the plans to review progress and raise conflicts to challenges that arise in the process of implementation.

The results also indicate that under differentiation, majority of the respondents agree to a large extent to having a unique brand image and integrating Catholic religion. The provision of value based education and high levels of discipline can be closely linked to differentiation as catholic schools have a unique nature of incorporating Catholic religion and values. Differentiating a service requires creating something perceived industrywide as unique by choosing several dimensions. The respondents associate the success of their schools with discipline, offering of value based education and collaborative strategies among others. These have been rated highly with mean scores that are above 4 and proportions of more than 62% of respondents that agree that these strategies have affected the schools performance to a large extent.

The respondents stated to a very large extent that providing value based education and instilling high levels of discipline also influenced the academic performance of the school. Catholic secondary schools are unique in that they transmit values and form good character in the students. Values and discipline are related as students learn principles of good and evil which they love and practice. The student's behavior is influenced by morality taught in the school and he or she is able to concentrate on their studies and achieve higher academic performance. The findings also show that Catholic Schools have taken into consideration the contributions made by well trained and skilled staff. The least valued strategy is advertising in print and local media. This is because the schools know that once they have high performance rankings this will create strong school brand image in academic excellence.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The chapter presents the summary of the findings, conclusion and recommendations. The chapter will also cover the research question and research objectives. It will also include the limitations of the study, implications of the study and suggestions for further research.

5.2 Summary of the findings

The research objective of the study was to determine the competitive strategies adopted by Catholic Secondary schools in the Archdiocese of Nairobi to gain competitive advantage. It was stated that getting this information was important because it was going to shed more light on the application of competitive strategy to these schools. Educational institutions administrators like principals were expected to benefit from this study because they would learn about some more popular strategies used by these schools. A census of the 20 schools operating under the sponsorship of the archdiocese was used. Out of these responses from 17 schools were received.

The study has found out that the most popular strategies used by these schools are discipline, value based education, differentiation, collaborative strategies among others. The respondents answered to what extent they adopted these strategies based on a weight in a likert scale questionnaire. From the findings it was established that Catholic secondary schools have short term strategic plans ranging between one to three years which they practice and follow to a large extent.

Focus strategy is the least adopted strategy used to gain competitive advantage in the schools. Organizations choose this strategy when they want to serve the needs of a particular segment or niche excluding others. The organization using focus strategy will either opt for differentiation by meeting the unique needs of the particular market or by having the lowest cost in that segment. Although there are schools that serve the needs of the poor especially those in the slums, the admissions are open to all students hence focus strategy would not be applicable. Differentiation and collaborative strategy were also adopted to a large extent. This strategy was implemented by incorporating the Catholic religion in the curriculum, having smaller class size than competition. There was also the provision of value based education and having high standards of discipline which had very high mean scores.

The Catholic secondary schools therefore adopted the differentiation strategy by incorporating the catholic religion and values in the schools. The schools have differentiated themselves from competition by having discipline and instilling moral values based on the catholic faith. The schools have unique culture that promotes self discipline and promotion of certain values which have become the school identity which inspires the students to become part of the school. As a result the students are motivated to abide by the regulations and concentrate on their studies hence higher performance. The respondents also indicated that their class sizes were smaller than competition as compared to being larger. Kilavuka (2007) also reported that private primary schools adopted the differentiation strategy by having fewer students per class with 81% of the schools having less than 30 students per class.

The collaborative strategy has also been implemented by the Catholic schools to a large extent. The respondents rated high mean scores in the areas of collaborating with other schools, allowing fellow teachers and students to work together to improve performance of the schools. Catholic secondary schools form partnerships with fellow schools and also cooperate with the Archdiocese of Nairobi Education Office in implementing plans to improve performance and rankings. In addition since the schools are ran and managed by religious orders in the church, different schools link up together to share ideas on winning strategies. The students from these schools also have exchange programmes where they are placed in a different school and get to learn the winning formula for academic success. The preference for collaborative strategies seems sensible because stakeholders have in interest in the performance of the school and the success of their children and therefore they may put more effort and support towards the school where necessary.

The resource based strategy is implemented to a moderate extent. The resource based strategy can be adopted by using the available resources such as equipment, learning facilities, staff to gain competitive advantage. According to the respondents the strategy is adopted to a large extent by employing competent and qualified staff. Thus the human resource element in the school through teachers and support staff is a source of competitive advantage and greater academic performance. In addition the focus strategy is adopted to a lesser extent. This is demonstrated by the fact that the schools are not offering any unique differentiated service or unique costs for a particular segment. The characteristic used to a large extent is by drawing students from the neighborhood.

5.3 Conclusion of the Study

Thus it can be concluded that Catholic Secondary schools in the Archdiocese of Nairobi have widely adopted differentiation and collaborative strategies in order to gain competitive advantage. Other strategies are instilling moral values, enforcing high levels of discipline and having a guidance and counseling department. Porter (1980) indicates that differentiation provides insulation from competitive rivalry because it creates brand loyalty by customers. The Catholic secondary schools have thus differentiated themselves and are unique in that they intergrate the catholic religion together with the good principles of morality in carrying out the educational curriculum. The school administration is aligned to religious values and in certain cases the senior staff are employed based on these religious values to impart the principles. Teachers are encouraged to spend time integrating values in their lesson plans and they are to set good examples to the students.

From the study it can be also concluded that Catholic secondary schools implement collaborative strategies. This is whereby the schools form partnerships with other schools and also within the Archdiocese of Nairobi. For example the schools have exchange programmes where teachers work together in sharing ideas on how to improve academic performance. Students also travel to fellow schools and study in a different environment to learn the strategies to pursue in order to achieve academic success. The Archdiocese also organizes Catholic principal or Head teacher conferences where they meet and share ideas.

5.4 Recommendations for the study and Implications for policy and practice

The study found out that the respondents had insufficient knowledge on competitive strategies. Thus the Ministry of Education together with the Archdiocese of Nairobi should organize workshops to equip school administrators with knowledge on competitive strategy and strategic planning. It was also noted that school staff did not have the knowledge on competitive strategy and competitive advantage. Thus the staff should be trained in order for them to support strategic implementation without resistance.

The respondents in the Catholic secondary schools rated advertising in print and local media to a very small extent. Thus the schools should adopt integrated marketing since they have adopted the service differentiation strategy and have a unique brand image. Through marketing their unique features would enable them to increase brand loyalty among parents and attract more students to their schools. The schools are not receiving adequate support from the Ministry of Education despite their contribution in education. The schools should form an association in order to push for more support from the Government especially in the areas of provision of learning facilities and modern equipment.

5.5 Limitations of the Study

The respondents were busy and it made it difficult to access them. The process of booking appointments and notifying the respondents in advance helped to overcome the challenge. The respondents also were afraid that they were disclosing sensitive information which might affect their job security. This was reduced by assuring them that they did not have to disclose the name of the school and the introduction letter which emphasized the research would be confidential.

Some questionnaires were also resent to the respondents and the research took longer. This challenge was minimized by calling the respondents and following up on their response. The study also covered the Nairobi zone and Archdiocese of Nairobi only and other regions were not covered like Archdiocese of Mombasa, Nakuru and Kisumu. There was also the challenge of inadequate funds due to a limited budget but this was overcome by seeking additional funds for stationary costs and incentives for respondents.

5.6 Areas Suggested for further research

In future more research should be carried out to explore the competitive strategies adopted by other faith based schools like the Protestant schools and Muslim based schools. Reseachers should establish to what extent the schools adopt competitive strategies. Further studies should also be done to establish the sources of competitive advantage in faith based schools. The area of study should be countrywide and also include primary schools since they are of a different age group and there is need to determine if faith based primary schools adopt the same strategies.

In addition researchers should also proceed and establish the actual strategic implementation process in faith based schools. This would help to identify the key factors affecting implementation of strategic plans in the schools and highlight the challenges that are hindering the process. This would be useful in minimizing the challenges experienced by the school administrators when implementing strategy. There should be more research to determine the extent of application of the cost leadership strategy, focus strategy and resource based strategy in the catholic secondary schools.

REFERENCES

- Ahmed, P.K., and Rafiq, M. (1992) Implanting Competitive strategy: A Contingency Approach. *Journal of Marketing Management*, 8, 49-67.
- Astley, W.G., and Fombrun, C.J. (1983) Collective Strategy Social Ecology of Organization environments. *Academy of Management review*, 576-587.
- Barney, J. (1991) Firms resources and sustained competitive advantage. *Journal of Management*, 17(1), 99-120.
- Bresser, R.K. (1986) Matching collective and competitive strategies. *Strategic Management Journal*, 9, 375-385.
- Churu, B.W., and Mwaura, P. N. (2012) The Catholic Church and Schools in Kenya: A Historical Perspective on Education for Holistic Development. *Journal of African Catholicism*, 4(3), 3-10.
- Dess, G. G., and Davis, P.S. (1984) Generic Strategies as Determinants of Strategic Group Membership and Organization Performance. *Academy of Management Journal*, 27 (3), 467-488.
- Dixit, A., and Nalebuff, B. (2008). *Game theory. The Concise Encyclopedia of Economics*. Retrieved from <http://www.econlib.org/library/Eric/Gametheory>.
- Hunt, C. C. (2000) What have we learned about generic competitive strategy? A Meta Analysis. *Strategic Management Journal*, 21, 127-154.
- Ireland, M.A., Hoskisson, R.E., and Hitt, M.A. (2013) *The Management of strategy: Concepts and cases*, 10th Edition, Boston, Cengage Learning.
- Johnson, G., and Scholes, K. (1999) *Exploring Corporate Strategy*, 5th Edition, New York, Prentice Hall.
- Johnson, G., Scholes, K., and Whittington, R. (2008) *Exploring Corporate Strategy*, 8th Edition, New York, Prentice Hall.

Jones, G. R., and Hill, C.W.L. (2010) *Theory of Strategic Management with Cases*, 9th Edition, Boston, Cengage Learning.

Kabui, A. C. (2010) *The strategic response to social changes by Catholic secondary Schools in the Archdiocese of Nairobi, Kenya*. (Unpublished MBA project), School of Business, University of Nairobi.

Kilavuka, J. M. (2007) *Competitive strategies adopted by private primary schools in Nairobi under the 8-4-4 curriculum*. (Unpublished MBA project), School of Business, University of Nairobi.

Kombo, D. K., and Tromp, D.L. (2006) *Proposal and Thesis Writing*, Nairobi, Paulines Publications Africa.

Kothari, C. R. (2004) *Research Methodology-Methods and Techniques*, 2nd Edition, New Delhi, New Age Publishers.

Magetto, A. N. (2013) *Competitive strategies and performance of private secondary Schools in Nairobi County Kenya*. (Unpublished MBA project), School of Business, University of Nairobi.

Mathur, S. S. (1992) Talking straight about competitive strategy. *Journal of Marketing Management*, 8,199-217

Mauti, J.M. (2010) *Influence of competitive strategies on performance of international Schools offering the British National Curriculum (BNC) in Nairobi Kenya*. (Unpublished MBA project), School of Business University of Nairobi.

Miller, K.D. (2002) Competitive strategies of religious organizations. *Strategic Management Journal*, 23(5), 435-456

Ohmae, K. (1982) *The mind of the strategist*, New York, McGraw Hill.

Pearce II, J. A., and Robinson, R. B. (2011) *Strategic Management: Formulation, Implementation and Control*, 12th Edition, New York, McGraw Hill International Edition.

- Racho, C. (2011) *Competitive strategies adopted by private secondary schools in Kenya: A case study of Mombasa County*. (Unpublished MBA project), School of Business, University of Nairobi.
- Mintzberg, H., Lampel, J., Quinn, J. B., and Ghoshal, S. (2002) *The Strategy Process: Concepts, contexts and cases*, 4th Edition, New York, Pearson Education.
- Porter, M. E. (1980). *Competitive Strategy Techniques for Analyzing Industries and Competitors*, Export Edition, New York, Free Press.
- Tallman, S. B. (1991) Strategic Management Models and resource based strategies Among the MNEs in the Host Market. *Strategic Management Journal*, 69-82.
- Thompson, A. A., and Strickland III, A. J. (2003) *Strategic Management: Concepts and Cases*, 13th Edition, New York, Tata McGraw Hill.
- Thompson, A. A., Strickland III, A. J., and Gamble, J. (2007) *Crafting and Executing Strategy: Texts and Readings*, 15th Edition, New York, McGraw Hill.
- Wairua, M.M., (2011) *Value Chain Initiatives and Development of Competitive Advantage in Selected Secondary Schools in Nairobi*. (Unpublished MBA Project), School of Business, University of Nairobi.
- Waslander, S. (2007) Mass customization in schools: Strategies Dutch Secondary schools Pursue to cope with diversity-efficiency dilemma. *Journal of Education Policy*, 22 (4), 363-382
- Waweru, S. (2011) Revealed: Why Catholic Schools Continue to shine, *Commission for Education and religious education*, Retrieved from <http://www.catholicchurch.or.ke>
- Wheelen, T. L. (1995) *Strategic Management and Business policy*, 5th Edition, New York, Pearson Education.
- Zikmund, W. G., Babin, B. J., Carr, J. C., and Griffin, M. (2010) *Business Research Methods*, 8th Edition, Boston, Cengage Learning.

APPENDICES:

APPENDIX I: QUESTIONNAIRE

The questionnaire is divided into two sections namely A and B. Kindly answer the questions in each section. The data shall be used for academic purposes and will be strictly confidential. Your participation and facilitation of the study will be highly appreciated.

SECTION A: BACKGROUND INFORMATION

Please tick (√) or fill as appropriate

1. Name of School (Optional)
2. Position Held.....
3. How many students does the school have?
Less than 100..... (...)
100-200..... (...)
200-300..... (...)
300-400..... (...)
Above 400..... (...)
4. Please indicate the school category
Boarding School..... (...)
Day School..... (...)
4. Please indicate the specific gender characteristics of the school. The school is?
Boys Only..... (...)
Girls Only..... (...)
Mixed School..... (...)
5. Please indicate the student religious affiliation
Catholics..... (...)
Non-Catholics but Christians..... (...)
Non-Christians..... (...)

SECTION B:COMPETITIVE STRATEGIES

6. Does the school have a strategic plan?
Yes..... (...)
No..... (...)
7. If yes, How long has the strategic plan been in existence?
Less than one year..... (...)
2years..... (...)
3 years..... (...)
4 years..... (...)
Over 5 years..... (...)
8. To what extent does the school practice and follow a formally approved strategic plan policy?
Very Large Extent (...)
Large Extent (...)
Moderate extent (...)
Small Extent (...)
No extent (...)

9. What competitive strategies has the school adopted to gain an edge over competitors

10. Please indicate on the scale provided below the extent to which each of the following is used by your school.

KEY

5-Very Large Extent

4-Large Extent

3-Moderate Extent

2-Small Extent

1-No extent

PORTER'S GENERIC STRATEGIES

DIFFERENTIATION

Statement	5	4	3	2	1
Offering a wide range of extracurricular activities than competitors					
Integrating religion(Catholic religion) in the curriculum					
Having a unique brand image valued by customers					
Offering attractive and distinguished services that other schools are not offering					
Keeping size smaller than competitors					
Keeping size larger than competitors					

COST

Statement	5	4	3	2	1
Ensuring cost efficiency in the school					
Charging fees lower than competitors					
Minimizing cost of delivering services					
Allowing for payment of fees in installments					

FOCUS

Statement	5	4	3	2	1
Targeting a specific market segment					
Offering services to suit unique specific needs of learners more than competition					
Developing unique low cost services for particular segment					
Drawing students from the neighbourhood					
Developing uniquely differentiated for particular segment					

11. Please indicate on the scale provided below the extent to which each of the following is used by your school.

COLLABORATIVE STRATEGIES

Statement	5	4	3	2	1
Forming strategic alliances with other similar schools					
Cooperation with government and Catholic church					
Allowing students to participate in interschool symposiums and other events					
Allowing staff to attend interschool conferences and seminars					
Liaising and cooperating with other schools					

12. Please indicate on the scale provided below the extent to which each of the following is used by your school.

RESOURCE BASED STRATEGIES

Statement	5	4	3	2	1
Use of modern equipment					
Having competent and qualified staff					
Striving to be a leader in Information Technology					
Receive support from the Diocesan Education Office or Sponsors					
Receive support from the local catholic parish in the area					
Having recommended school amenities and facilities					
Having a well stocked library					

13. Please indicate on the scale provided below the extent to which each of the following is used by your school

Statement	5	4	3	2	1
Instilling moral values to the students					
Ensuring high standards of discipline in the school					
Retaining and motivating popular teachers and staff					
Giving Bursaries and Scholarships to needy students					
Keeping the recommended student-teacher ratio					
Advertising in print and local media					
Selecting new students based on previous academic performance					
Intensive staff training					
Having a guidance and counseling department					

SECTION C: STRATEGY AND COMPETITIVE ADVANTAGE

13. Kindly indicate the average performance and ranking of the school

14. In what ways has adoption of competitive strategy influenced the competitive advantage, performance and the school ranking?

Statement	5	4	3	2	1
Cost Leadership					
Differentiation					
Focus Strategy					
Collaborative strategies					
Resource Based Strategies					
High standards of discipline					
Provision of value based education					
Advertising in print and local media					
Retaining and motivating popular staff					
Giving Bursaries and Scholarships to needy students					
Intensive staff training					
Selecting new students based on previous academic performance					
Others(Please Specify)					

THANK YOU FOR COMPLETING THIS QUESTIONNAIRE

APPENDIX II: LETTER OF INTRODUCTION



UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAMME

Telephone: 020-2059162
Telegrams: "Varsity", Nairobi
Telex: 22095 Varsity

P.O. Box 30197
Nairobi, Kenya

DATE: 12/9/2014

TO WHOM IT MAY CONCERN

The bearer of this letter ..ANGELA..... KABUTHA..... NTABATHIA


Registration No.....D6117263212012.....

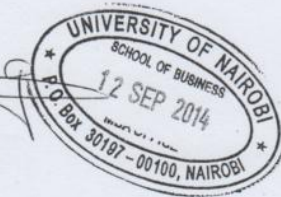
is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.


PATRICK NYABUTO
MBA ADMINISTRATOR
SCHOOL OF BUSINESS



APPENDIX III: SECONDARY SCHOOLS IN THE ARCHDIOCESE OF NAIROBI

SECONDARY SCHOOLS IN THE ARCHDIOCESE OF NAIROBI							
NAIROBI ZONE							
NAIROBI	Institution	Address	Email Address	Mobile Number	Principal	Parish	District
1	Apostolic Carmel	1344 -00515	apcarmel@gmail.com	0721168781	SrFabiola	Blessed Sacrament	Makadara
2	Aquinas High School	7200 -00200		0722361519	Mr.PeterMacharia	Our Lady of Mercy	
3	Baba Dogo Secondary	10347 Nbi					
4	Brother of Christ Lwanga Secondary	606 00158 Kayole	kennedyoronjo@yahoo.com	0726106949	Fredrick Otieno	Ruai	Njiru
5	Huruma Girls	49068 00100	hurumagirls@yahoo.com	0712823743	MrsOwenje	Our Lady of Visitation	Makadara
6	Loreto Convent Msongari	30258	info@msongari.sc.ke	0728606982	Magdalene Mbugua	St Austins	Westlands
7	Loreto Valley Road	41227 Nbi		0722995403			
8	Maria Immaculate Education Centre	3278 00200	mariaipcec@yahoo.com	0722562739			

NAIROBI	Institution	Address	Email Address	Mobile Number	Principal	Parish	District
9	Mt.Larvena Secondary	6514 00300		0722957574	Sr.RebeccaMaina	St Francis Kasarani	
10	Mutuini Centre		ndwigahlaurenzia@yahoo.com				
11	Nembu High School	21153 00505	nembugirls@yahoo.com	0722213278		Waithaka	Dagoretti
12	Our Lady of Fatima	20511 00200		0724228902	Janet Mabongo	Kariobangi	
13	Our Lady of Mercy- South B	61045 Nbi		0733875136	F.A Oyao	Our Lady Queen of peace	
14	Precious Blood Secondary	21283 00505	mariagoretti@yahoo.com	0722294053	Jacinta Akasta	Riruta	Dagoratti
15	Queen of Apostles Seminary	65071 00618		0722637104	Fr.Wanyoike	Ruaraka	
16	St Martin's Kibarage	14960-00800 Nbi		0701311237	Sr.Damiana	Spring Valley	
17	St Mary's School	40580 00100	info@stmarys.ac.ke	0204444569	Fr.F.Mburu	St Austins	Westlands
18	St Mary's Viwandani	26481 00504	mutinda2008@yahoo.com	0726290978	Moses M.Kitetu	St Mary's Mukuru	Makadara
19	St Teresa Boys	71324 Nbi		0721233379	Wambugu	St Teresa Eastleigh	Kamukunji
20	St Teresa Girls	71417 00622		0722740190	Henrietta Ikambili	St Teresa Eastleigh	Starehe

SOURCE: DATA FROM THE ARCHDIOCESE OF NAIROBI SECRETARIAT EDUCATION OFFICE 2014