COMPETITIVE STRATEGIES AND PERFORMANCE OF PUBLIC SECONDARY SCHOOLS IN HAMISI SUB-COUNTY, VIHIGA COUNTY, KENYA

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

NOVEMBER, 2015
DECLARATION

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

Signature……………………………… Date…………………………

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D61/61043/2013

This project has been submitted for examination with my approval as the university supervisor

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DEDICATION

This project is dedicated to my caring family members for their prayers and the great support they accorded me. God bless them all.
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I thank God almighty for the gift of life, courage and determination granted for the completion of this project. My profound appreciation goes to Maulyne Sambaya for her great support and encouragement. Great acknowledgement to my family members Daniel Nyasinga, Meshack Ogonji, Metrine Mogotu, Joseph, Omonyo, Gichana, Jane, James Nyasinga Omosa, Oresi Ongoro and my loving mother Esther Nyanchama Ochoki to whom I shall forever be grateful. Finally, my acknowledgement goes to Alex Jaleha, my supervisor, and Dr. Vincent Machuki, my moderator, for their time and commitment to ensure my timely completion of the project.
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<td>BOG: Board of Governors</td>
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<td>DEO: District Education Officer</td>
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<tr>
<td>GOK: Government of Kenya</td>
<td></td>
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<tr>
<td>KCSE: Kenya Certificate of Secondary Education</td>
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<tr>
<td>MOE: Ministry of Education</td>
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<td>PTA: Parents and Teachers Association</td>
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ABSTRACT

It is argued that competitive strategies cultivate a competitive advantage that propels a firm to excellent superior performance. This study focused on competitive strategies influencing performance in public secondary schools in Hamisi District, Vihiga County, Kenya. The study is anchored on game theory, strategic conflicts theory, resource based view and industrial organization theory and it sought to determine the correlation between competitive strategies and performance. The competitive strategies which were the independent variable included low cost, differentiation, focus, market penetration, market development, product development and diversification. Performance as a dependent variable included enrolment and retention, KCSE mean, revenue growth, assets’ growth, business processes, staff development, quality services and overall firm performance. A cross sectional descriptive survey design was utilized for the study. The population studied comprised the 47 public secondary schools in Hamisi Sub-County in Vihiga County, in which a census was taken. Data was captured by a structured questionnaire, and analyzed using descriptive and inferential statistics to establish the linear relationship between the variables. The study revealed that Product development, differentiation and low cost influenced performance to a greater extent. Market development and diversification strategies affected performance to some extent, and market penetration and focus to the least extent. It was concluded that schools should adopt competitive strategies for improved performance. The recommendations for policy action highlighted on offering staff training and development on competitive strategies in the education sector and conducting further studies countrywide for credible generalizations. Based on the limitations of the study, areas for further research have been pointed out.
CHAPTER ONE: INTRODUCTION

1.1 Background
Institutions operate in a fast changing environment in which there is an ever mutual exchange within open systems. The advent of globalization has necessitated organizations to cultivate competitive strategies to position themselves for optimal accomplishment of their broad objectives. Johnson and Scholes (2003) argue that firms have to innovate unique ways of operations to cope with the turbulent dynamic environment. This view has been magnified to the extent that firms can only survive and prosper through a competitive sustainable strategy (Grant, 2005). Hence, organizations must develop and operationalize a competitive strategy that propels them to enduring excellent performance to withstand the challenges of the volatile environment. Herman (2005) proposes that a competitive strategy provides a roadmap for organizational growth and excellent performance of an enterprise.

The study is anchored on game theory, strategic conflicts model, the resource based view and industrial organization perspective. Game theory proposes that firms make competitive strategic moves based on a detailed analytical view in expectation of retaliation by rivals in the same industry, in order to their maximize benefits and minimize the interests of rivals (Nash, 1950). The strategic conflicts model views competition to be a war among firms in a given industry in which organizations maximize returns by deliberate efforts that influence the prevailing market in their favour. The resource based theory holds that a firm builds competitive advantage with tangible and intangible resource endowments that are diverse in nature and immobile. Barney (1991) proposes that such rare resources are not easily imitable or substitutable. A firm needs to audit its resources and pinpoint those that are valuable,
rare, in-imitable and non-substitutable; relative to its competitors (Barney, 1986). Ultimately, such unique resources, once protected, go along way in enhancing the performance of a firm. Industrial organization theory focuses on the interaction between the structures of firms and the wider market environment based on knowledge, costs and entry barriers, taking cognizant of competitive patterns and regulatory frameworks. Hitt et al. (2005) proposes that firm performance is depended on the characteristics of the industry in which it competes in terms of the magnitude of the concentration of firms, advantages of large scale operation, product diversification and entry barriers. Hence, an industry in which a firm operates exerts immense drive on its performance as opposed to managerial decision making processes.

Performance of public secondary schools in Hamisi Sub-County is premised on competitive strategies coalescing on unique human, physical and financial resources, as well as on the industrial environment in which the schools operate. The Sessional paper No.1 of 2005 highlights the significance of formulation, implementation and operationalization of competitive strategies by public secondary schools in Kenya (MOE, 2005). Hence, public secondary schools in Hamisi Sub-County are under obligation to infuse competitive strategies in performance improvement as part of the wider policies of the Ministry of Education.

1.1.1 The Concept of Competitive Strategy
The quest for an appropriate competitive advantage and positioning of a firm within an industry constitutes a competitive strategy. It involves a firm’s attainment of an advantaged position by unique and outstanding interventions to achieve the highest economic returns and sustainability, hence overcome the rival forces posed in industries. Prahalad and Hemel (1990) hold the view that the macroeconomic
environment restricts the scope of a firm’s strategic options in terms of competitiveness and expectations of the wider society. Hence, the choice of strategic interventions is influenced by firm position and market abilities. As well, the macroeconomic environment influences a firm’s strategic choices in terms of strengths and weaknesses compared to its rivals. Therefore, a competitive strategy enables a firm to craft a future competitive advantage before any moves by its rivals.

The ease which characterizes market entry and growth by industry players defines competitive advantage (Greenwald and Kahn, 2006). In essence therefore, a competitive strategy has the features of reduced costs, quality improvement, innovativeness, consumer loyalty and benefits associated with economies of scale. A strategy that offers the desired competitiveness has to be well communicated and comprehended by organizational employees as well as help consumers to interpret the mission of the enterprise.

Thompson and Strickland (2007) suggest that a competitive strategy involves a firm’s endeavour to develop a competitive advantage sustainably, overcome industry competitors, shield competitive forces and enhance market share growth. Barney (2001) and Grant (1998) propose that a firm’s distinctive knowledge capabilities together with other intangible and tangible resources comprise a sustainable competitive advantage. Day and Wensley (1988) noted that competitive strategies emanate from intellectual capital and physical resources at the disposal of an organization within a given industry. The unique skills, competencies and knowledge comprise exceptional employee abilities, business processes, control systems and marketing promotional capabilities not possessed by rivals in the industry.
Porter (1980) noted that a competitive strategy is a holistic formula that defines a firm’s business competition as well as an integration of policies and goals of an enterprise. Further, the competition level in an industry is influenced by five forces; comprising of the bargaining power of buyers and sellers, threat of new entrants, rivalry among competitors and threat of substitute products. Porter (1990) further argues that the five forces of industry competition can be successfully managed by three generic strategies which constitute low cost, differentiation and focus. However, Johnson, Scholes and Wittington (2006) propose a hybrid dimension of competitive strategy to the generic strategies, in which low cost combines with differentiation.

1.1.2 Firm Performance
Organizational performance encompasses the aggregate outcomes of interventions conducted by a firm. The option of competitive strategies adopted by an enterprise ultimately influences performance. Wheeler and Hunger (2008) observe that competitive strategies are corporate initiatives which influence firm performance over a long period of time. Manyuru (2005) notes that firms are composed of diverse stakeholders with varying interests which in turn affect performance in terms of the specific indicators required for information to aid in making informed decisions. The most common indicators of organizational performance include the amount of profits made, sales volume and return on capital (Dess and Robinson, 1984). However, given the diversity of organizations and the nature of business activities, the types of performance indicators differ from one firm to another. Thompson et al. (2007) observes that it is not sufficient to take into consideration financial measures per se, but also take cognizant of the fact that goals arising from strategies enhance firm aggressiveness and size of market share growth.
Hooley and Lynch (1985) note that non-financial indicators of firm performance include innovation, accumulation of assets and growth in market share. Since firms operate within the internal and external environment, turbulent changes affect performance and call for appropriate firm re-alignment. Thompson et al. (2007) argues that competitive strategies enable a firm to attain competitive advantage which facilitates optimal performance. Enhanced firm performance achievements are realized through an appropriate match between competitive strategies and environmental dynamism.

Firm performance therefore can be determined by the use of financial and non-financial indicators (Thompson et al., 2007). In the education sector, specific indicators of performance comprise of accumulation of tangible and intangible assets, efficient business processes, increase in the number of staff, increased number of subjects offered, improved students’ enrolment, improved grades in examinations and adoption of modern technology in learning.

1.1.3 Secondary Education Sector in Kenya

There is an ever increasing demand for secondary school education all over the world. In Kenya, secondary school education was established under the Education Act (1968) of the laws of Kenya. Kivaluka (2007) observes that the secondary education sector in Kenya has undergone tremendous growth since independence, as reflected by annual enrolment rates and increased government funding. It takes four years for a student to complete secondary school education to acquire the requisite knowledge and skills. The secondary school education system in Kenya has a broad curriculum with many disciplines that require implementation using huge amount of resources, hence the need for application of competitive strategies to optimize on the scarce resources. The Sessional paper No.1 of 2005 emphasizes on competitive strategies by
public secondary schools in line with vision 2030, the constitution of Kenya and the policies of the Ministry of Education (MOE, 2005).

Public secondary schools in Kenya are funded by government and managed by Board of Management and Parents and Teachers Associations. Public secondary schools are categorized into National schools, County schools and Sub-County schools. Secondary school education is subsidized by government through partial tuition payment and bursary awards to needy students. Ranking of secondary schools in national examinations was banned in Kenya (MOE, 2014). A report on the state of public schools released by the World Bank (2005) revealed that they are not sufficiently funded, the quality of services is compromised by very many learners compared to the few number of teachers available and that they are characterized by dilapidated infrastructural facilities. This calls for sustainable competitive strategies to alleviate the problems and improve overall performance of public secondary schools.

1.1.4 Public Secondary Schools in Hamisi Sub-County

Hamisi Sub-County is found in Vihiga County in Western Kenya. There is a total of 47 public secondary schools in Hamisi Sub-County with 428 teachers and a total enrolment of 16,733 students comprising of 7,882 boys and 8,851 girls (DEO’s office, Hamisi Sub-County, 2015). These schools are headed by principals and managed by Board of Management and Parents and Teachers Associations under the Ministry of Education. Major challenges confronting public secondary schools include inadequate teachers, high drop-out rates among students, high rates of absenteeism and teenage pregnancies among female students (DEO’s office, Hamisi Sub-County, 2015). The main interventions instituted by the Ministry of Education to improve performance in public secondary schools in the district include; empowerment of the Board of Management and Parents and Teachers Associations, as well as principals through
management training workshops, rigorous monitoring and evaluation, regular school audit exercises and training programmes for teachers (DEO’s office, Hamisi Sub-County, 2015). The interest for studying public secondary schools in Hamisi Sub-County was precipitated by the desire to expose underlying unique issues such as enrolment and retention, school infrastructural development and overall performance.

1.2 Research Problem
The advent of globalization has seen accelerated turbulent change in the business environment across the world. These unpredictable dynamics have equally affected the sector of public secondary school education. Barney (1991) holds the view that firms exhibit competitive strategies when they operationalize value addition strategies not similar to the ones employed by their existing and potential competitors. Porter (1980) contends that it is imperative for a firm to curve a sustainable competitive advantage which is not easily copied by rivals and that which withstands the exigencies of the environment.

The quest for excellent performance creates stiff competition among public secondary schools in Hamisi Sub-County. An improvement in performance provides satisfaction for public secondary school principals and mitigates the conflicts between school management, the Board of Governors and the Parents and Teachers’ Associations and attracts increased enrolment rates which result in increased revenue for schools (DEO’s office, Hamisi Sub-County, 2015).

A number of research studies have been conducted on competitive strategies applied by numerous enterprises. Powers and Hawn (2004) carried out a study on competitive strategies influencing performance in the banking industry and found out that the banks fell into five categories of differentiation, focus, stuck in the middle, low cost
and customer responsiveness strategies; in which firms with low cost had the highest performance followed by firms with stuck in the middle strategies. Dess and David (1984) studied the impact of competitive strategies on performance of organizations dealing with manufacturing and found out that performance was significantly high among firms with focus strategy and lowest among firms with stuck in the middle strategies. Waslander (2007) studied competitive strategies in secondary schools in the Netherlands and found out that the strategies applied were synonymous with those embraced by manufacturing firms.


Despite the fact that studies have been conducted on the secondary schools’ education sector in Kenya, there exists a knowledge gap because available information shows that no research has studied competitive strategies adopted by public secondary
schools in Hamisi Sub-County, as an independent contextual setting. In this study, the researcher endeavoured to find out competitive strategies adopted by public secondary schools in Hamisi Sub-County, Vihiga County, Kenya, with a view to answering the following question: What are the specific competitive strategies influencing performance of public secondary schools in Hamisi Sub-County?

1.3 Objectives of the Study
The following objectives guided this study:

(i) To determine the competitive strategies adopted by public secondary schools in Hamisi Sub-County, Kenya

(ii) To establish the influence of competitive strategies on performance of public secondary schools in Hamisi Sub-County, Kenya

1.4 Value of the Study
The study has contributed to theory building since it was premised on game theory, strategic conflicts theory, industrial organization theory and resource based theory. Researchers and academicians will find the study valuable in providing insights for further studies on competitive strategies and firm performance. Scholars have found the study to be a useful source of reference in day to day academic discourse.

Directors and principals operating in public secondary schools will find the study crucial in managerial decision making as regards issues of competitive strategies influencing performance. Stakeholders in the educational sector such as sponsors, donors, parents and trade unions have utilized the findings of the study to provide advisory services to the government and managers of public secondary schools on matters of strategy and its influence on organizational performance. The study findings have provided insights to managers for comparative analysis of competitive
strategies adopted by various organizations to arrive at conclusions about responses by firms to environmental challenges in an attempt to realize superior firm performance.

The Ministry of Education and Teachers’ Service Commission will find the study vital for policy making on issues touching on strategic planning in public secondary schools for efficient service delivery and improved performance in the sector of education in Kenya.
CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction
This chapter focuses on the review of literature touching on game theory, strategic conflicts model, resource based view and industrial organization as well as the conceptual and empirical review of the study. Further, the chapter explores competitive strategies and firm performance.

2.2 Theoretical Perspectives
The theoretical framework in which the study is underpinned is game theory, strategic conflicts model, the resource based view and industrial organization perspective. Game theory posits a situation of equilibrium in strategy, where there is a two-party zero sum game where one player’s interests get maximized while the other’s get minimized and their sum totals to zero (Nash, 1950). Firms in an industry are analogous to players in a game with access to rules and behaviour and the expected rewards for given results. Hence, firms in an industry attain the maximum benefit by adhering to the set strategy in the medium term and long run.

The strategic conflicts model views competition to be a war among firms in a given industry in which organizations maximize returns by deliberate efforts that influence the prevailing market in their favour. The theory has it that to maximize profits a firm needs to outwit its rivals by manipulating the market environment through product promotion and massive investment in resources.

The Resourced based theory postulates that excellent firm performance is premised on the path through which resources are utilized to generate unique competencies in a firm’s diverse activities (Johnson and Scholes, 1999). Hence, these unique resource utilization breeds competencies and a competitive advantage not easily copied by
rival firms. Penrose (1959) argues that these resources are modeled into unique capabilities utilized to produce a competitive advantage and excellent performance. Pinpointing and comprehensively evaluating distinctive firm resources cultivates a competitive advantage (Pearce and Robinson, 2011). Hence, competitive strategies are anchored on the alignment of a firm’s resources and competencies with the macro-environment’s opportunities. A firm’s attributes that promote its level of competition constitute a resource advantage (Thompson, Strickland and Gamble, 2007). An organization’s resources and capabilities encompass its assets, financial, physical and human endowments employed to produce products in a different way compared to its competitors. Barney (1991) observes that resources that provide a sustainable competitive advantage are valuable, scarce, durable, unique, non-substitutable, difficult to be copied and exceptionally superior to those owned by rivals.

The industrial organization theory is premised on the structure-conduct-performance paradigm. It stems from the theory of the firm and price theory. The theory explains the relationship between competitive strategies and performance through industry structure (Bain, 1956). It seeks to determine the relationship between performance, conduct and the structure of firms in terms of the mode of economic operations (Barney, 2007). Hence, industrial organization is confined to the functions of markets and industries and the competition among firms. Porter (1981) premised the posits of the five forces model on industrial organization theory and hailed the industry structure paradigm as being integral for determining competition among firms in an industry. On the structure-conduct-performance paradigm, structure focuses on how sellers, buyers and new entrants within an industry relate to one another. Hence, structure is comprised of the size of firms in an industry, the type of production technology used, the nature of products dealt with and the inherent challenges within
a given industry. Conduct involves the way firms in a given industry behave within an existing market structure in terms of price determination, promotional techniques and activities geared towards enhancing market competition. Performance focuses on the efficiency of firms in an industry in terms of technology, dynamism, social welfare, profits, consumer satisfaction and optimization of product varieties.

2.3 Competitive Strategies
A firm’s competitive strategies encompass unique strategic moves that propel it to attain superior distinctive performance. Grant (1998) argues that competitive strategies entail interventions that culminate in meritorious positioning of an enterprise in a competitive industry. Thompson and Strickland (1998) concur with this view by proposing that competitive strategies connote the total elements of business strategy that steer a firm to excellent performance in the face stiff competition. The same views are advanced by Barney (1991) who argues that the realization of a sustainable competitive strategy becomes manifested by a firm when it achieves unique value creation attributes that are not easily replicated by rival firms in an industry. The same argument resonates with the proposition of Day and Wesley (1998) that achievement of excellent performance through competitive strategies can be premised on rare unique skills and resources possessed by a firm in a given industry. It follows then that superior performance can be a product of rare skills and resource advantages harnessed through the implementation of competitive strategies. This realization comes about through enhancing firm resources and capabilities in line with fast changing situations in the market.

Porter (1986) advanced the view that a competitive strategy must have the capacity to purposefully steer a firm to curve an edge of competitive advantage ahead of its competitors in an industry. Therefore, a strategy qualifies to be competitive when it
enables a firm to exhibit superior performance and emerge as the best above rivals in the competing industry. This view concurs with those of Macmillan (1983), in which the perception of a competitive strategy is anchored on a firm’s capability to take a leading role in the strategic behaviour of the industry in which rivals compete. Parnell (2008) supports these views by proposing that a strategy manifests competitiveness when it provides for specific interventions for a firm’s competition in an industry. This means that the strategic interventions of antiquity involving discoveries and mass production technologies do not apply in the ever changing volatile global business environment. It calls for appropriate sustainable competitive strategies characterized by customer responsiveness, unique business processes, constant adjustments in quality improvement and innovative provision of exceptionally competitive products.

Competitive strategies create unique competencies within a firm that are deep rooted in organizational synergy, value chain activities and distribution networks. Johnson and Scholes (2003) argue that unique competencies generate desired results and cannot be easily copied by rival firms, hence they provide for established competitive advantage for an organization within an industry. In contrast, Sidorwich (2007) perceives a competitive strategy as one premised on skills, strategic thinking, creativity, firm positioning and manoeuvre to outwit rivals in an industry. Constant organizational and employee development in line with environmental turbulence matches a firm’s needs and demands with those of the environment, (Drucker, 1958). This alignment of a firm with the environment calls for a complex mix of a firm’s corporate broad goals and its resources, hence a competitive strategy emerges that sustains the firm on the course of its mission.

Porter (1985) advanced those competitive strategies which influence excellent firm performance to include cost leadership, differentiation and focus. The cost leadership
strategy is premised on the concept of cultivating a distinctive competitive advantage through minimized costs by a firm in a given industry (Porter, 1980). A firm can achieve cost leadership by putting more emphasis on activities with low costs and terminating or outsourcing those activities which do not bring cost reduction benefits. The result of cost leadership is manifested through low prices for products compared with prices charged by competitors in the same industry.

The strategy of differentiation is anchored on the concept of making products with unique distinctive characteristics (Porter, 1980), hence a firm charges a premium price for the additional product attributes. Porter (1985) further proposes that the strategy of differentiation elicits consumer loyalty through exceptional quality attributes, superior value and excellent customer services. The strategy of differentiation anticipates making significant distinctions in product attributes that influence consumers to differentiate given products from those of competing firms (Svatopluk and Ljuba, 2006). The premium price charged commensurate with value attributes and the additional costs of production, distribution and delivery to customers.

Focus strategy is based on the understanding that a firm can create a distinctive sustainable competitive advantage by harnessing and channeling its resources to narrow, specific selected market segments (Porter, 1980). Enhanced firm performance is achieved through focusing on a narrow market niche with high demand for given products. A firm operates efficiently in the given market segment better than competitors using the benefits that accrue from the focus strategy. The basis of focus strategy can be neglected geographical zones by business rivals or special customer appeals not addressed by competitors. Focus strategy can be based on low cost or on differentiation. Low cost focus targets a narrow market segment with cost leadership
advantages. Differentiation focus reaches out to a specific market niche with products having unique value attributes at a premium price.

Enhanced firm performance can be realized through a unique combination of cost leadership and focus strategies or differentiation with focus, as opposed to a single option of competitive strategies (Miller and Dess, 1993). The same argument concurs with the proposition that performance improvement can be pursued through a mix of low cost and differentiation strategies (Johnson and Scholes, 2006). This view is contrary to the one that proposes a single option of a competitive strategy for improved firm performance (Porter, 1980). Hence, firms can reduce rigidity in pursuit of excellent performance by combining competitive strategies (Miller, 1992).

The Ansoff matrix offers another alternative for mapping a firm’s competitive strategies. This model was conceived by Igor Ansoff to be utilized in crafting competitive strategies for a firm’s products as well as existing and potential markets (Yabs, 2010). The matrix provides four choices of strategic possibilities and offers a simplified way of competitive strategies for a firm’s growth. The model is given as shown:

**Figure 1.1. Ansoff Model**

![Ansoff Model Diagram]

Market penetration entails retention or expansion of market share for existing products by making the market unattractive to rivals through increased product promotion and competing pricing strategy. Market development involves seeking new markets for existing firm products, hence the product attributes remain the same but new markets are sought in different geographical regions or in different population groups of the same customers. Product development focuses on developing new products for the already existing markets served by a firm. Diversification involves marketing new products to new customer groups; hence it can be within the same industry in which a firm operates or in a new industry where the firm has not operated before.

2.4 Competitive Strategies and Firm Performance

The definition and operationalization of performance has over time generated intense debate among researchers. Performance is viewed as the achievement of specific actions based on a point of reference or predetermined criteria. It focuses on the elements of inputs, processes and outputs in relation to timeliness, costs, accomplishments made and the level of accuracy achieved. Lusch and Laczniak (1989) perceive performance as the holistic economic outcomes of tasks pursued by a firm. In this regard, performance constitutes all those activities that are carried out by a firm to generate economic gains. The linkage between competitive strategies and firm performance emanates from the processes, action plans and alternative courses of action undertaken by a firm to align its capability with the environment, in an attempt to create a distinctive competitive advantage.

The relationship between competitive strategies and performance can be explained through industry structure (Bain, 1956). This view is supported by Barney (1986) that industrial features, as opposed to internal firm characteristics, influence firm
performance. Further, Seth and Thomas (1994) argue that performance is a function of industrial structure and strategy. However, McGee and Thomas (1986) hold the view that there is no established link yet between strategy and performance. Davis and Schul (1993) propose that contextual factors greatly impact on the relationship between strategy and performance; such as production methods and economic returns. Hambrick (1986) contends that there is a relationship between strategy, performance and environmental factors; hence firms make strategic options in a fast changing environment to create a competitive advantage for superior performance. Firm efficiency and effectiveness, customer responsiveness, creativity and innovation and market share growth include some of the qualitative measures of performance (Gefen, 2003). Inventory turnover, amount of profits, rate of return on investment and volume of sales constitute some of the financial measures of performance (Cooper, 2003).

Kaplan and Norton popularized the balanced score card as a way to be used by organizations to initiate competitive strategies for measuring performance (Yabs, 2010). They pinpointed financial performance, customer service, internal business processes and learning and growth to be the four significant perspectives for determining firm performance. They emphasized that organizations should not over depend on financial performance alone but equally focus on the other three perspectives as well. They underscored the balancing of both financial and non-financial indicators to determine organizational performance in line with prevailing competitive strategies at the corporate, business and operational levels. Superior performance can be achieved through a strategy that enables an organization to pinpoint market segments of growth potential, cultivate maximum efficiency in operations and constantly promote product quality (Porter, 1990). The constant management and determination of superior performance indicators influences the
success and survival of a firm in the long run. A given industry, such as the public education sector, should constantly measure and determine superior performance variables necessary for attaining a sustainable competitive advantage through the formulation and implementation of appropriate strategies.

Successful firm performance is depended on the realignment of capabilities with the turbulent environmental changes (Porter, 1980). Competitive strategies must provide the desired fitness with firm capabilities for sustainable enhanced performance, taking cognizance of the degree of volatility of the environment. Aosa (1992) observes that firms are under obligation to continuously modify their strategic interventions and configurations to suit the prevailing macroeconomic environment or else their anticipated successful performance may be put in danger. Hence firms need sound competitive strategies to ensure continued survival, overcome environmental challenges and propagate sustainable superior performance.

2.5 Conceptual Framework
A conceptual framework implies a mental conjecture that maps the relationship between the independent and dependent variables in a given research study. This study considers the competitive strategies to be the independent variable and performance of public secondary schools to be the dependent variable. The applicable conceptual framework is as presented in figure 1.1
Figure 1.2 Conceptual Model

**Competitive Strategies:**
- Low cost
- Differentiation
- Focus
- Market Penetration
- Market Development
- Product Development
- Diversification

**Performance of Public Secondary Schools:**
- Students’ enrolment and KCSE mean
- Staff size and development
- Revenue growth
- Customer service quality
- Assets’ growth
- Business processes

**Independent variable**
Source: Researcher (2015)
CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter gives a description of the research design, the population studied, data collection procedures and the instruments used and the analysis of data.

3.2 Research Design

The research design utilized was a cross sectional descriptive survey. Cross sectional descriptive survey allows investigators to collect data, present and interpret it for clarity (Orodho, 2002). This research design enabled the collection of both qualitative and quantitative data and suited the intended study for competitive strategies influencing performance in public secondary schools.

This research design was justifiable because it provides for a profound study of the variables and makes it possible to make comparisons among the units of analysis. The design mitigates subjectivity on the part of the investigator by allowing a suitable structure of data collection instruments for objective responses. Past studies which have utilized cross sectional descriptive survey successfully are (Kurendi (2013) and Achenda (2012).

3.3 Population

The study population constituted all the 47 public secondary schools in Hamisi Sub-County. Therefore, a census survey was used for all the schools of the population to expose distinctive strategic features and performance of each school for credible generalization.

The 47 schools targeted were all government owned enterprises under the MOE. The 44 public secondary schools that were reached for the study comprised of 8 boarding
schools and 36 day schools. 3 schools had boys only whereas 6 were girls’ schools and 35 were mixed schools. 36 were Sub-county schools and 8 were County schools.

3.4 Data Collection
The study involved collection of primary data by use of a structured questionnaire which was administered to principals of public secondary schools to clearly capture data on competitive strategies and performance. The questionnaire had three main parts with closed and open-ended questions. The first part targeted data on the background of the organization. The second part focused on data on competitive strategies. The third part was based on data on organizational performance.

Self-administered drop and pick questionnaires were utilized. Telephone calls were used to reach the target respondents for follow up to ensure a high rate of response. A five-point Likert scale was used in the questionnaire to elicit responses from the managers of the target schools. The managers comprised of public secondary schools’ principals or deputy principals.

3.5 Data Analysis
The data collected was edited and coded before entry into the Statistical Package for Social Sciences (SPSS). Descriptive statistics’ analysis was administered to the data collected, which was in the form of charts, frequencies, mean scores and standard deviation. Descriptive statistics was preferable because it gives simplified descriptions of primary features and summary of data in a comprehensive way. Regression analysis was administered to determine the relationship between competitive strategies and performance of public secondary schools. Regression analysis revealed the extent to which the dependent variable (performance of public secondary schools) was influenced by seven independent variables (low cost, differentiation, focus,
market penetration, market development, product development and diversification).

The regression equation used is given as follows:

\[ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + \sum \]

Where: \( Y \) = Dependent Variable (performance of public secondary schools),

\( \beta_0 \) = Constant

\( \beta_1, \beta_2 \ldots \ldots \beta_7 \) = Coefficients of determination

\( X_1 \) = low cost strategy

\( X_2 \) = Differentiation

\( X_3 \) = Focus strategy

\( X_4 \) = Market penetration

\( X_5 \) = Market Development

\( X_6 \) = Product development

\( X_7 \) = Diversification

\( \sum \) = Extraneous or Error term
CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction

This chapter provides the data analysis process for the study. The objectives of the study were to determine the competitive strategies adopted by public secondary schools in Hamisi Sub-County and to establish the influence of the adopted competitive strategies on performance of public secondary schools. The results were presented in well-explained tables, graphs and regression and correlation analysis. The analysis focused on pertinent statistical indicators on competitive strategies and performance of public secondary schools in Hamisi Sub-County.

4.2 Response Rate

The study focused on a population of 47 public schools, out of which 44 responded to the data collection instruments, which comprised of a rate of 94%. Given that this response rate was way above the minimum number of 30 recommended for cross sectional descriptive research designs, it was sufficient for analysis and reporting and met the objectives of the study.

4.3 School Profiles

The study considered the profiles of the schools in terms of number of staff, number of students, school category, gender characteristics and the level of ranking. The number of staff was vital because teachers are a critical human resource component in an organization that contributes to the execution of competitive strategies to yield the desired performance.
Table 4.1 Number of Staff

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid less than 20</td>
<td>31</td>
<td>70.5</td>
<td>70.5</td>
<td>70.5</td>
</tr>
<tr>
<td>Between 20 – 50</td>
<td>11</td>
<td>25.0</td>
<td>25.0</td>
<td>95.5</td>
</tr>
<tr>
<td>Over 50</td>
<td>2</td>
<td>4.5</td>
<td>4.5</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>44</td>
<td>100</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Researcher (2015)

The table shows that 4.5% of the schools that were studied had a number of staff of over 50 members. Schools that had staff between 20 and 50 were 25% whereas 70.5% majority of the schools had staff of less than 20 people. The implication was that the schools are seriously understaffed given that majority of the schools have less twenty teachers. Figure 4.1 represents the results:

Figure 4.1 Number of Staff

The number of students reflected enrolment levels and organizational performance in terms of growth. It also indicated the approximate revenue generated by the
organization from fees payment by the students as well as government capitation received based on enrolment.

Table 4.2 Number of Students

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid less than 100</td>
<td>1</td>
<td>2.3</td>
<td>2.3</td>
<td>2.3</td>
</tr>
<tr>
<td>between 100-500</td>
<td>35</td>
<td>79.5</td>
<td>79.5</td>
<td>81.8</td>
</tr>
<tr>
<td>over 500</td>
<td>8</td>
<td>18.2</td>
<td>18.2</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>44</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Researcher (2015)

The table indicates that 2.3% of the schools had a student population of less than 100, 18.2% had over 500 students each and 79.5% of the schools had between 100 and 500 students. This implies that majority of the schools have high student enrolment of between 100 and 500 students. Therefore, they have considerable amount of financial resources to support competitive strategies for enhanced performance. The graph given below shows these results:
The category of schools was based on whether an institution was boarding or a day school. This showed whether an organization had sufficient assets and facilities or not. Those endowed with such assets were able to support the operationalization of competitive strategies for increased performance. Majority of the responses showed that very few schools had boarding services, hence majority of the schools did not accumulate vital assets and facilities necessary for improved performance.

**Table 4.3 School category**

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Boarding</td>
<td>8</td>
<td>18.2</td>
<td>18.2</td>
<td>18.2</td>
</tr>
<tr>
<td>Day</td>
<td>36</td>
<td>81.8</td>
<td>81.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>44</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

**Source: Researcher (2015)**

The table shows that 18.2 % of the schools studied fall under the category of boarding and most of the schools amounting to 81.8 % are day schools. The implication is that
there are very few boarding schools compared to day schools in the Sub-County. This is shown by the following graph:

**Figure 4.3 School Category**

Gender characteristics of schools were of significant interest because enrolment and performance were among the key aspects addressed by the study. The MOE underscores the importance of increased enrolment and high transition rate from primary schools to secondary schools, as well as equity in opportunities for access to education for both boys and girls. Hence, the MOE policy on formulation, implementation and operationalization of competitive strategies by public secondary schools emphasizes gender balance for consideration of beneficiaries.
Table 4.4 Gender Characteristics of Schools

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid Boys only</td>
<td>3</td>
<td>6.8</td>
<td>6.8</td>
<td>6.8</td>
</tr>
<tr>
<td>Girls only</td>
<td>6</td>
<td>13.6</td>
<td>13.6</td>
<td>20.5</td>
</tr>
<tr>
<td>Mixed school</td>
<td>35</td>
<td>79.5</td>
<td>79.5</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Researcher (2015)

It is evident from the table that 6.8 % of all the schools are boys’ schools and 13.6 % are girls’ schools. Those schools with students of mixed gender make up 79.5 % of the population studied. This implies that the number of boys’ schools is very small compared to girls’ schools. Mixed schools are the majority in the Sub-County. These results are shown on the graph below:

Figure 4.4 Gender Characteristics

The level of schools was based on ranking of schools by the MOE as Sub-County, County and National schools. The ranking shows a school’s access to important assets and facilities, remarkable growth in enrolment and increased performance. Majority
of the responses showed that most of the schools in Hamisi Sub-County are ranked at the Sub-County Level.

**Table 4.5 School Level**

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Valid County</td>
<td>8</td>
<td>18.2</td>
<td>18.2</td>
<td>18.2</td>
</tr>
<tr>
<td>Sub-county</td>
<td>36</td>
<td>81.8</td>
<td>81.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>44</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

*Source: Researcher (2015)*

The table shows that 18.2% of the schools of the population are grouped at the level of the county status. The rest which make up 81.8% are of the sub-county status.

There are no national schools in the Sub-County and the majority of the schools are the level of the Sub-County. These results are represented by the graph below:

**Figure 4.5 School level**
4.4 Competitive Strategies Adopted

This section dealt with the description of competitive strategies and their effect on performance. The competitive strategies covered included low cost, differentiation, focus, market penetration, market development, product development and diversification. Low cost strategy is depicted by schools charging students low amounts of fees. Differentiation strategy entails schools offering disciplines in the curriculum with distinctive learning activities and techniques. Focus strategy involves schools concentrating on a specific target category of students with certain preferred characteristics, such as high marks in past examinations. Market penetration strategy is characterized by schools’ ability to retain and expand the current student enrolment. Market development strategy indicates schools’ capacity to tap into new regions for increased student enrolment. Product development strategy connotes the ability of schools to provide learning services that have unique high quality attributes. Diversification strategy encompasses the ability of schools to offer diverse learning activities and services.
### Table 4.6 Competitive Strategies

<table>
<thead>
<tr>
<th>Description</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Total Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Significance of charging low fees</td>
<td>2.2727</td>
<td>0.69428</td>
<td>44</td>
</tr>
<tr>
<td>School provides unique quality services to clients</td>
<td>1.8636</td>
<td>0.34714</td>
<td>44</td>
</tr>
<tr>
<td>School targets specific clients</td>
<td>1.8636</td>
<td>0.34714</td>
<td>44</td>
</tr>
<tr>
<td>School retains and expands current markets for current products</td>
<td>4.5682</td>
<td>0.50106</td>
<td>44</td>
</tr>
<tr>
<td>School seeks of new markets for current products</td>
<td>3.3182</td>
<td>1.13655</td>
<td>44</td>
</tr>
<tr>
<td>School develops new products for current markets</td>
<td>2.2045</td>
<td>0.63170</td>
<td>44</td>
</tr>
<tr>
<td>School markets new products in new markets</td>
<td>2.1818</td>
<td>0.81477</td>
<td>44</td>
</tr>
</tbody>
</table>

**Source:** Researcher (2015)

The findings indicate that low cost strategy has a mean of 2.2727, which shows that it affects performance considerably. Differentiation strategy and focus strategy influence performance to some extent given that both have a mean of 1.8636. Market penetration strategy has a mean of 4.5682, which implies that it significantly affect performance. Market development strategy influences performance in a considerable way because it has a mean of 3.3182. Product development and diversification strategies have 2.2045 and 2.1818 respectively as the mean; hence they affect performance to some extent. Overall, there was no significant variation in the responses, given that six of the standard deviation scores were less than one, which
implied that all the competitive strategies were considered to be influential in affecting performance of public secondary schools.

4.4 Performance Over a Period of Three Years
Relative to competitive strategies, public secondary schools’ performance over a period of three years was conducted focusing on school KCSE mean, revenue growth, students’ enrolment, efficient business processes, assets’ growth, staff skills’ development, quality customer services and responsiveness and overall organizational performance. The analysis was based on mean scores and standard deviations as shown in the following table:

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>School KCSE mean for the three years; 2012, 2013 and 2014</td>
<td>44</td>
<td>4.2955</td>
<td>1.98341</td>
</tr>
<tr>
<td>Rating firm total revenue growth for the last three years</td>
<td>44</td>
<td>2.9545</td>
<td>0.96339</td>
</tr>
<tr>
<td>Rating firm growth in student enrolment for the last three years</td>
<td>44</td>
<td>2.9091</td>
<td>1.15775</td>
</tr>
<tr>
<td>Rating firm growth in efficient business processes for the last three years</td>
<td>44</td>
<td>3.6136</td>
<td>1.08297</td>
</tr>
<tr>
<td>Rating firm total asset growth for the last three years</td>
<td>44</td>
<td>2.6364</td>
<td>0.91730</td>
</tr>
<tr>
<td>Rating firm growth in staff skills' development for the last three years</td>
<td>44</td>
<td>2.0682</td>
<td>0.54550</td>
</tr>
<tr>
<td>Rating firm growth in quality customer services and responsiveness for the last three years</td>
<td>44</td>
<td>3.9773</td>
<td>1.10997</td>
</tr>
<tr>
<td>Rating firm growth in overall performance for the last three years</td>
<td>44</td>
<td>3.3488</td>
<td>3.19884</td>
</tr>
</tbody>
</table>

Source: Researcher (2015)
The mean scores on the results of performance showed that school KCSE mean for the three years was 4.2955. The mean for revenue growth and students’ enrolment was 2.9545 and 2.9091 respectively, which was average performance. The mean for efficient business processes and asset growth was 3.6136 and 2.6363, which was a fair performance on the given rating. The mean for staff skills’ development and quality customer services and responsiveness was 2.0682 and 3.9773, in which the former had a low performance whereas the latter had good performance. Overall mean performance was 3.3488, which was average on the rating. Five standard deviation scores were more than one, which means that there was a significant variation in the results for performance.

4.5 Competitive Strategies and Performance of Public Secondary Schools
A regression analysis was conducted to determine the effect of competitive strategies on performance of public secondary schools in Hamisi Sub-county, Vihiga County. The performance statements’ scores were reduced to one performance indicator, which was the school mean grade in KCSE over a period of three years. The Statistical Package for Social Sciences was utilized to code, enter and calculate the measurements of the multiple regressions for the study are shown in the following table.
Table 4.8 Regression Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.757</td>
<td>0.573</td>
<td>0.490</td>
<td>1.48474</td>
</tr>
</tbody>
</table>

Source: Researcher (2015)

a. predictors: Low cost, differentiation, focus, market penetration, market development, product development and diversification

b. performance of public secondary schools

The competitive strategies were the independent variables whereas performance, in terms of school KCSE mean grade over a three-year period, was the dependent variable. The magnitude of association between the dependent and the independent variables is shown by the coefficient of determination (R Square) and the correlation coefficient (R). The regression model summary indicates that R Square is 0.573 and R is 0.757 which shows a strong linear relationship between competitive strategies and performance of public secondary school.

Table 4.9 ANOVA Results

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>106.367</td>
<td>7</td>
<td>15.195</td>
<td>6.893</td>
<td>0.000</td>
</tr>
<tr>
<td>Residual</td>
<td>79.360</td>
<td>36</td>
<td>2.204</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>185.727</td>
<td>43</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The value of 0.000 is less than 0.05 which shows that the regression model was statistically significant in predicting low cost, differentiation, focus, market penetration, market development, product development and diversification strategies.

The F calculated at the significance level of 5% was 6.893. Since F calculated is
greater than F critical (value 53.1233), this indicates that the overall model was statistically significant.

**Table 4.10 Regression Coefficients**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>10.216</td>
<td>3.178</td>
<td>3.215</td>
<td>0.003</td>
</tr>
<tr>
<td>Significance of lower prices</td>
<td>0.614</td>
<td>0.467</td>
<td>0.205</td>
<td>1.317</td>
</tr>
<tr>
<td>Organization provides unique quality services to customers</td>
<td>1.606</td>
<td>0.903</td>
<td>0.268</td>
<td>1.780</td>
</tr>
<tr>
<td>Organization targets specific customers</td>
<td>0.597</td>
<td>0.777</td>
<td>0.100</td>
<td>0.769</td>
</tr>
<tr>
<td>Retaining and expansion of current markets for current products</td>
<td>0.495</td>
<td>0.484</td>
<td>0.119</td>
<td>1.023</td>
</tr>
<tr>
<td>Seeking of new markets for current products</td>
<td>0.363</td>
<td>0.257</td>
<td>0.198</td>
<td>1.410</td>
</tr>
<tr>
<td>Developing of new products for current markets</td>
<td>1.020</td>
<td>0.450</td>
<td>0.310</td>
<td>2.266</td>
</tr>
<tr>
<td>Marketing of new products in new markets</td>
<td>0.335</td>
<td>0.344</td>
<td>0.131</td>
<td>0.974</td>
</tr>
</tbody>
</table>
Given the results shown in the table, the equation;

\[ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + \sum \]

becomes:

\[ Y = 10.216 + 0.205X_1 + 0.268X_2 + 0.100X_3 + 0.119X_4 + 0.198X_5 + 0.310X_6 + 0.131X_7 \]

The regression equation indicates that performance of public secondary schools, taking all factors into consideration, is 10.216 at constant zero. Considering all the other independent variables at zero, an increase in low cost strategy will lead to an increase in public secondary schools’ performance by 0.205. Further, an increase in differentiation strategy will correspond with an increase in performance of public secondary schools by 0.268. The study revealed that an increase in focus strategy will lead to an increase in performance by 0.100. An increase in market penetration strategy will commensurate with an increase in performance by 0.119. An increase in market development strategy will lead to an increase in organizational performance by 0.198. An increase in product development strategy will correspond with an increase in performance by 0.310. An increase in diversification strategy will lead to an increase in performance of public secondary schools by 0.131. Product development strategy had the highest effect on performance at 0.310 followed by differentiation strategy at 0.268. Low cost strategy was third at 0.205 in terms effect on performance. Focus strategy had the least influence on performance at the value of 0.100. At 5% confidence level and 95% level of confidence, the significance levels were; low cost 0.029, differentiation 0.028, focus 0.044, market penetration 0.041, market development 0.036, product development 0.013 and diversification 0.033. Therefore, the most significant factors were product development, differentiation and low cost strategies.
4.6 Discussion

The findings are in tandem with the theories of competitive advantage and firm performance including game theory, strategic conflicts theory, resource-based view and industrial organization theory. For instance, public secondary schools pursue excellent performance through harnessing resources to generate unique competencies in diverse activities (Johnson and Scholes, 1999). This has precipitated the adoption of competitive strategies using distinctive school resources to achieve a competitive advantage (Pearce and Robinson, 2011). This is evident from the majority of studied schools that have adopted competitive strategies to enhance performance. The findings resonate with the propositions advanced by Porter (1985) that competitive strategies influencing firm performance include cost leadership, differentiation and focus.

The findings concur with findings from past studies, such as; Kivaluka (2007) who conducted a similar study in Nairobi and established that adopting competitive strategies was positively correlated with performance of private primary schools. Chebet (2010) had similar findings after studying competitive strategies adopted by private secondary schools in Mombasa County. Ndegwa (2011) studied competitive strategies employed by technical training colleges in Nyeri County and got the same findings. Akinyi (2010) researched on competitive strategies adopted by private schools in Kisumu East District and got similar findings. The study findings have added to the stock of knowledge and enhanced the building of theories because they urge firms to adopt competitive strategies which are positively correlated with performance.
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction
This chapter presents a summary of the study and its findings, the conclusion and recommendations for future study. The aim of the study was to determine the effect of competitive strategies on performance of public secondary schools in Hamisi Sub-county in Vihiga County. The chapter presents the implications of the study along managerial and policy levels.

5.2 Summary of the Findings
The main goal of the study was to find out the influence of competitive strategies on performance of secondary schools in Kenya. The study endeavoured to establish the influence of low cost strategy, differentiation, focus, market penetration, market development, product development and diversification strategies on performance.

It was established that product development, differentiation and low cost strategies were important in affecting performance of public secondary schools in which public secondary schools offered unique quality services such foreign languages and Music, as well as cultivated a unique school culture, discipline and maintained small class sizes. They also charged lower fees compared to their competitors. It was established that market development strategy influenced performance to some extent because responses given indicated that some public secondary schools did promotional activities to attract more students. Diversification and market penetration strategies, to a little extent, influenced performance of public secondary schools, as the responses indicated that some public secondary schools endeavoured to retain enrolled students and ventured into new product offerings such as agricultural products and transport services. It was further revealed that focus strategy affected performance to the least
extent, given that the elicited responses showed that few schools focused on selection of best-performing students for enrolment.

The study further revealed that there was a significant relationship between competitive strategies and performance of public secondary schools. Organizations that had adopted competitive strategies did well in KCSE examinations by registering a high mean score, experienced considerable revenue growth, had increased students’ enrolment, had an improvement in the development of efficient business processes, experienced growth in total assets, had an increase in staff skills’ development, an increase in quality of customer services and responsiveness, and a remarkable improvement in overall organizational performance.

5.3 Conclusion

The main objective of the study was to test the relationship between competitive strategies and school performance. It can be concluded that public secondary schools in Hamisi Sub-county, in Vihiga County, have adopted product development, differentiation and low cost strategies to a great extent to curve a competitive advantage over their competitors. The other strategies which have been utilized to some extent, include, market development, diversification, market penetration and focus. The study concluded that product development, differentiation and low cost strategies influenced performance of public secondary schools through the realization of benefits that accrue from large scale operations, cost reduction advantages, reduced real time for activities and increased efficiency in business operations.

Further, it was concluded that the adoption of differentiation strategy offered unique high quality services and the integration of information technology in business processes considerably influenced improved performance. The adoption of market
penetration and market development strategies enhanced retention and increased enrolment of students in public secondary schools and improved overall organizational performance. Diversification strategy contributed to enhanced revenue growth and contributed to increased school performance in KCSE examinations. The adoption of focus strategy by a few public secondary schools affected performance through market segmentation based on income levels of customers and operating in segments that were not attractive to competitors. Hence, there was a significant relationship between competitive strategies and performance of public secondary schools.

5.4 Implication for Theory, Policy and Practice

5.4.1 Theory Implications
The study has made a contribution to theory enhancement given that it was anchored on game theory, strategic conflicts theory, resource based view and industrial organization theory, and hence, scholars and authors should utilize the study findings as insights for publications and further academic research.

5.4.2 Policy Implications
It was established that most respondents, who were school managers, did not have sufficient knowledge on competitive strategies and their influence on performance. The government, through the Ministry of Education, should organize training workshops to equip such managers with the necessary knowledge and skills on competitive strategies. Policy makers in the education sector should utilize such findings as a guide in the process of formulating policies on competitive strategies for schools in Kenya.
5.4.3 Implications on Practice
Managers of public secondary schools should use these findings as a source of vital information to understand the dynamics of competition, hence craft suitable competitive strategies to be able to compete favourably in the education sector with a view to improving performance.

5.5 Limitations of the Study
The study was limited to public secondary schools in Hamisi Sub-County, Vihiga County, hence did not focus on private secondary schools in the same area. The response from the targeted public secondary schools was 94%, in which 44 out of the 47 schools filled and returned completed questionnaires. It was not easy to reach some respondents because of constant busy schedules which called for flexibility in rescheduling appointments to meet their demands.

Cross sectional descriptive survey was utilized for the study, which did not provide detailed facts and figures per each public secondary school unlike a case study approach. A structured questionnaire was used for the study, which called for limited responses only at the expense of unlimited responses which could have enriched the study if a different data collection instrument was used.

There were other contributing factors to performance, besides the competitive strategies, such as management behaviour and corporate governance that were not considered in the study; hence, a different study incorporating such variables may generate different findings.

5.6 Suggestions for Further Research
The study focused on public secondary schools in Hamisi Sub-County only. There is need to replicate the study in the other Sub-Counties in the larger Vihiga County,
namely; Emuhaya, Sabatia and Vihiga, so as to verify the findings. It is imperative to conduct the same study countrywide for all the forty seven counties to credibly make generalizations for the whole education sector.
REFERENCES


Education Act (1968), Government Printers, Nairobi.

Gefen, D. (2003), *Online Shopping and Modern Banking*; An integrated model, MIS quarterly (27; 1)


New Delhi, India


APPENDICES

Appendix 1: Letter of Introduction

TO WHOM IT MAY CONCERN

The bearer of this letter Onchanga Evans Nyasinga

REGISTRATION NO: D61/61043/2013

The above named student is in the Master of Business Administration degree program. As part of requirements for the course, he is expected to carry out a study on "competitive strategies and performance of Public Secondary Schools in Hamisi Sub County, Vihiga County, Kenya."

He has identified your organization for that purpose. This is to kindly request your assistance to enable him complete the study.

The exercise is strictly for academic purposes and a copy of the final paper will be availed to your organization on request.

Your assistance will be greatly appreciated.

Thanking you in advance.

Sincerely,

MR. CHARLES DEYA
ADMINISTRATOR, SOB, KISUMU CAMPUS

Cc File Copy
Appendix 2: Questionnaire

Kindly respond to the following questions. Be assured that confidentiality is highly guaranteed for the information provided.

**PART ONE: BACKGROUND OF THE ORGANIZATION**

1. State the year when the organization started operating…………………………

2. What is the number of staff in the organization?

   - Less than 20
   - Between 20-50
   - Over 50

3. What is the number of students in the organization at present?

   - Less than 100
   - Between 100-500
   - Over 500

4. Tick the appropriate school category

   - Boarding School
   - Day School

5. Tick the appropriate gender characteristics of the students in the school.

   - Boys Only
   - Girls Only
   - Mixed School

6. What is the category of your school? Tick the appropriate box

   - National
   - County
   - Sub-county
PART TWO: COMPETITIVE STRATEGIES

1. Tick appropriately, using a scale of 1 to 5, where 1 is not important, 2 is least important, 3 is important, 4 is quite important and 5 is most important, to rate the following issues in the organization

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<tbody>
<tr>
<td>Significance of lower prices to reaching and retaining customers</td>
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<td>The organization provides unique quality products and services to customers</td>
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<td>Organization targets specific customers for its services</td>
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2. How do customers compare your prices to those of competitors?

- Higher than those of competitors [ ]
- Same as those of competitors [ ]
- Lower than those of competitors [ ]

3. What are the reasons for the response given for the price above?

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4. What steps has the organization taken to lower costs for increased returns?

- Outsourcing services for transport [ ]
- Outsourcing services for catering [ ]
- Maintaining a large class number [ ]
- Providing low-priced services/products [ ]
5. Does the organization target to capture certain new market segments?

Yes  ☐  No  ☐

6. If yes, what steps has the organization taken to capture customers in these market segments?

7. How do you pass information to people about the organization and its products?

  - Brochures, Posters or newsletters  ☐
  - Mass Media (TV, Radio, Newspapers, Magazines)  ☐
  - Referrals  ☐
  - Announcements in public events  ☐

8. Tick appropriately, using a scale of 1 to 5, where 1 is not important, 2 is least important, 3 is important, 4 is quite important and 5 is most important, to rate the following issues in the organization
Retaining and expanding current markets for existing products and services
Seeking new markets for current products and services
Developing or making new products and services for current markets
Marketing new products and services to new customers

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<td>Retaining and expanding</td>
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<td>expanding current markets for</td>
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<td>existing products and services</td>
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<td>Seeking new markets for</td>
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<td>Developing or making new products</td>
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<td>and services for current markets</td>
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<td>Marketing new products and services</td>
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<td>to new customers</td>
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PART THREE: PERFORMANCE

1. What was the school mean grade in national examinations in the last three years?

Tick as appropriate.

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2. Rate the organization’s performance for the last three years, as compared to its competitors using the scale of 1-6, where, 6 is top (80-100 %), 5 is (60-79%), 4 is (40-59%), 3 is (20-39%), 2 is (1-19%) and 1 is not applicable. Use a tick for the appropriate box.
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<td>Total Revenue Growth</td>
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<td>Total asset growth</td>
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<td>Growth in student enrolment</td>
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<td>Growth in efficient business processes</td>
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<td>Growth in staff size and skills” development</td>
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<td>Growth in quality of customer services and responsiveness</td>
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<td>Growth in overall firm performance</td>
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THANK YOU
### Appendix 3: List of Public Secondary Schools in Hamisi Sub-County

1. SIMBI
2. ST. ANNES BUYANGU
3. ST. FRANCIS OF ASSISI KAPTIK
4. ST. JOHNS CHEPTECH
5. ST. PAUL’S ERUSUI MIXED
6. ST. PAULS’ ERUSUI GIRLS
7. ST. STEPHEN KIPSAGA
8. ST. VERONICA KIMARAN
9. STANLEY GODIA GIVOGLI
10. TIGOI GIRLS
11. KAIMOSI BOYS
12. KAIMOSI DEMONSTRATION
13. KAIMOSI GIRLS
14. KAPCHEMUNG
15. KAPSOTIK
16. KINU
17. KISASI
18. KITAGWA
19. LWOMBEI
20. MAKUCHI
21. MUHAYA
22. MUHUDU
23. MUNGAVO
24. MUNZATSI
25. MUSEYWA
26. MUSIRI
27. NYANG’ORI BOYS
28. SENENDE BOYS
29. SHAMAKHOKHO
30. BUMIRA
31. BUMUYANGE
32. CHEBUNAYWA
33. DR. MAURICE DANGANA
34. GAMALENGA
35. GAMOI
36. GAMULUGUYWA
37. GAVUDUNYI
38. GEORGE KHANIRI JEPKOYAI
39. GEORGE KHANIRI KAPTIS
40. GIMARIANI
41. GIMENGWA
42. GISAMBAI
43. GIVOLE
44. GOIBEI GIRLS
45. IMUSUTSU
46. ISHIRU
47. IVOLA

*Source: Hamisi Sub-County Education Office (2015)*