COMPETITIVE STRATEGIES AND ORGANIZATIONAL PERFORMANCE AT EAST AFRICAN PORTLAND CEMENT COMPANY

BY

JOY SELETON MAIKAH

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DECLARATION

This research project is my original work and has not been previously published or presented for the award of a degree in any other University.

Signature Date

JOY SELETON MAIKAH

D61/71054/2014

SUPERVISOR

This research project has been submitted for examination with my approval as university supervisors.

Signature Date

MR. J. Kagwe

DEDICATION

The research is specifically dedicated to my lovely husband Mayiana Sankale and my children: Siamanta and Meitamei for their numerous support, patience and encouragement during this period.

Last but not list, I wish to commend the numerous support from my family and my friend Carol Kabemba.

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ABREVIATIONS AND ACRONYMS

BMBC:	Bamburi Cement Limited
EAPCC:	East Africa Portland Cement Company Limited
ERP:	Enterprise resource planning system
MCL:	Mombasa Cement Limited
OPC:	Ordinary Portland cement
PPC:	Portland Pozzolanic Cement
RBV:	Resource Based View
SCC:	Savannah Cement Company

ABSTRACT

The aim of this study was to find out the effect of competitive strategies on organizational performance at East African Portland Cement Company. Competitive strategies refer to the distinctive approaches that organization use or intend to use to succeed in the market. These strategies are usually more skill-based and involve strategic thinking, innovation and execution, critical thinking and positioning. Achieving competitive advantage is one of the top priorities of virtually all organization. Cement companies also operate in an extremely competitive environment where most of their products are differentiated regulated and have different distribution channels. Lack of efficient and effective competitive advantage in many organizations often culminates to low productivity. In Kenya today, cement companies are becoming many thus providing a stiff competitive environment. This competition has prompted cement companies to adopt mechanisms to help in maximizing profits compete against each other. The objective of the study was to investigate the competitive strategies adopted by East African Portland Cement Company Limited. The research design was a case study. The data collection tool was an interview guide. Content analysis was used to analyze the qualitative primary data which had been collected by conducting interviews and secondary information from the organization. The study established that EAPCC was using differentiation, cost leadership strategy and, focus strategy as competitive strategies. The usage of the strategies resulted to formulation of policies and procedures which enhance the strategy, business plans formulated on low cost strategy, continuous innovation of new customer friendly product.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

In today's competitive business environment, organizations must map out their plans on how to sustain their business performance, their competitive advantage and increase their probability. Thompson, Strickland and Gamble (2007) argued that the main objective of any strategy in an organization is to improve its financial performance, strengthen its competitive position and to outdo its rivals. To obtain effective firm performance within the scope of sustainable competitive advantage, decisions on shaping firms' competitive strategies will be one of the main issues for organizations. This is because the formulation and implementation of competitive business strategies that will improve performance are one of the competent methods to achieve firm's sustainable competitive advantage, therefore the effect of competitive strategies on firm performance is a major issue to policy makers and has been playing important role to refine firm performance for a long time (Porter, 1980).

This study is founded on two theories; Resource based theory and Porters five force theory. The resource based view model and the industrial organization model are used by organizations to generate the strategic inputs needed to successfully formulate and implement strategies and to maintain strategic flexibility (Hitt, Ireland and Hoskisson, 2005). Porter (2000) urged that superior performance can be achieved in a competitive industry through the pursuit of generic strategies, these strategies include; cost leadership strategy, differentiation strategy, and market focus strategy. Hitt et al (2005) supported this argument by stating that an organization's unique resources and capabilities provide the basis for a strategy. Barney (1991) in his articles stated that, to achieve a competitive advantage the resources should be heterogeneous and not perfectly mobile. The firm resources and capabilities are made up of physical, financial, human and intangible assets (Day 1994).

The cement industry is one of the most important industry and competitive sector of the future, however, this industry has to face with increasing level of unpredictability of business environment and competitiveness in the market due to the globalization of business, the shift from production to knowledge-based economy and the growth of information communication technology. Porter distinguishes three such strategies namely cost leadership, differentiation and focus. In cost leadership, a firm sets out to become the low cost producer; a firm must find and exploit all sources of cost advantage. A firm differentiates itself from its competitors if it is unique in something that is widely valued by buyers. The focus strategy rests on the choice of a narrow competitive scope within an industry (Thompson, Stickland & Gamble, 2010). As such firms need to adopt competitive strategies that ensure that they have competitive advantage within the industry.

1.1.1 Competitive strategies

According to Johnson and Scholes (2003), strategy refers to the direction and scope of an organization over the long term. It aims at achieving advantage for the organization through transforming resources within a changing environment and to fulfill stakeholder's expectations. On the other hand Botten and McManus (2009) view strategy as a long-term business plan for the effective management of environmental opportunities and threats in light of a company's strengths and weaknesses. According to Porter (2005) strategies are used by organizations to establish their position in a particular market since they reflect the firm's short and long term responses to the challenges and opportunities of the business, strategies therefore are not an end by themselves but a means to attain stated goal.

Competitive strategy can be defined as a framework for making decisions with priorities actions that creates results in a competitive market (Porter, 2005). From a business perspective, competitive strategy relates to the distinctive approach that a firm uses in order to succeed in a market. Porter (1980) viewed competitive strategies as a two dimensional phenomenon with a supply side and a demand side, he later simplified the scheme into three generic strategies, namely overall cost leadership, "differentiation" and "focus". (Johnson, Scholes & Wittington, 2006) on the other hand viewed competitive strategies from a business level perspective and believe that it is the achievement of competitive advantage by business unit in its particular market. Competitive strategies are also seen as skill-based by (Sidorowicz, 2007) and involve strategic thinking, innovation, execution, critical thinking, positioning and the art of warfare.

Cost leadership is one vital type of competitive strategy mentioned by Porter is. It is sometimes referred to as low-cost focus. The sources of cost leadership are varied and depend on the structure of a given industry (Spulber, 2009). They may include the pursuit of economies of scale, proprietary technology, and preferential access to raw materials among others. Firms need competitive strategies to enable them overcomes the competitive challenges by the experience in the environment where they operate. Competition occurs naturally between organizations existing in the same environment for the purpose of survival. Porter (1980) considered competition as rivalry between firms in the same environment. Bargaining power of customers (buyers) is also another competitive concern. According to Ray, et al. (2004), the bargaining power of customers is also described as the market of outputs: the ability of customers to put the firm under pressure, which also affects the customer's sensitivity to price changes.

According to Porter (1980), cost leadership depends on unique capabilities of the firm to achieve and sustain their low cost position within the industry of operation. Differentiation strategy refers to a firm striving to create a market unique product for varied customers groups. Focus strategy on the other hand is a marketing strategy in which an organization concentrates its resources on entering or expanding in a narrow market. Competitive strategies are therefore important to any organization due to high competition in the market which is brought about by competing for scarce resources, resource organizations use resource based view (RBV) as an economic tool to determine the strategies resource available to the firm, the fundamental principle of the RBV is that the basis for a competitive advantage of a firm lies primarily in the application of the bundle of valuable resources at the firm’s disposal (Wernerfelt, 1984). A company resource drives its performance through enabling the company to develop competencies to enable survival and superior performance, (Hoopes et al., 2003).

A strategic alliance is a formal and mutually agreed partnership arrangement between two or more enterprises or organizations. The partners pool resources together, exchange and/or integrate selected resources for mutual benefit while they remain separate and entirely independent from each other. It is a cooperative arrangement which enables partners to achieve goals together that they could not achieve alone.

Strategic alliances are viewed as mechanisms for producing a more powerful and effective mode for competing in a globalized world (COPAC, 2000). Robinson (2011) define a strategic alliance as an agreement between two or more companies in which they both contribute capabilities, resources or expertise to a joint undertaking, usually with an identity of its own, with each firm giving up overall control in return for the potential to participate in and benefit from the joint venture relationship.

A joint venture is an alliance where two or more firms form a legally independent firm to share their collaborative capabilities and resources to achieve competitive advantage in the market. Joint ventures are effective in establishing long-term relationships and in transferring tacit knowledge from one firm to another (Berman et al, 2002). The different expertise and experience in particular fields that each firm brings into the alliance foster the sustainable competitive advantage.

1.1.2 Organizational performance

Firm's performance is the measure of standard or prescribed indicators of effectiveness, efficiency and environmental responsibilities such as cycle time, productivity, waste reduction and regulatory compliance (Noum, 2007). The organizational performance construct is probably the most widely used dependent variable, in fact, it is the ultimate dependent variable of interest for any researchers concerned with just about any area of management yet it remains vague and loosely defined (Richard et al, 2009; Rodgers and Wright, 1998). The construct has acquired a central role as the deemed goal of the modern industrial activity. Performance is so common in management research that its structure and definition are rarely explicitly justified; instead, its appropriateness, in no matter what form is unquestionably assumed (March and Sutton, 1997).

Performance is a recurrent theme in most branches of management, including strategic management, and it is of interest to both academic scholar and practicing managers. Where prescriptions for improving and managing organizational performance are widely available (Nash, 1983) the academic community has been preoccupied with discussion and debates about issues of terminology, level of analysis (like individual work unit organization as a whole) and conceptual bases for assessment of performance (Ford & Shellenberge, 1982).

Although firm performance plays a key role in strategic research, there is considerable debate on appropriateness of various approaches to the concept utilization and measurement of organization performance. The complexity of performance is perhaps the major factor contributing to the debate. Out of literature are three common approaches to organization performance measurement namely, the objective measures of performance that tend to be quantitative, the subjective measures that tend to be qualitative therefore judgemental and usually based on perception of respondent, and triangulation. Organizational performance refers to how well an organization achieves its market-oriented goals as well as its financial goals. The short-term objectives of SCM are primarily to increase productivity and reduce inventory and cycle time, while long-term objectives are to increase market share and profits for all members of the supply chain Tan, (1999). Financial metrics have served as a tool for comparing organizations and evaluating an organization's behavior over time (Holmberg, 2000).

Any organization initiative, including supply chain management, should ultimately lead to enhanced organizational performance. Firm's performance is measured in terms of trade performance**.** It is calculated on the basis of sales return, field, return on investment, output, market split and the manufactured goods growth (Wang and Lo, 2003: A Neely, 2005). Kaplan and Norton (2011) introduced the balanced score card, (BSC) as a more realistic measure of performance. The balanced scored card defines a strategy's cause and effect relationships and provide a framework to organizing strategic objectives into the financial perspective in line with the vision and mission. The BSC measures the financial aspect, customer services, learning and growth within the organization and internal business processes.

1.1.3 The Cement Industry in Kenya

Kenya is a home for cement manufacturing companies and that explaining the reason why the real estate and property development industry in Kenya has been growing at a fast pace recently. Cement in Kenya is of great importance in every building project, and that is definitely something that all these cement manufacturers within Kenya have close to their hearts. Cement manufacturing is an aspect that has been in Kenya for quite some time now. Much as some companies only set up base in Kenya recently such as the local cement industry includes six cement companies which include: Athi River, Bamburi Cement Limited (BMBC), East Africa Portland Cement Company Limited (EAPCC), National Cement Company Limited (NCC), Mombasa Cement Limited (MCL) and Savannah Cement Company (SCC). Bamburi Cement Limited carries the largest market share followed by Mombasa Cement Limited and East African Portland Cement Limited is in the third place with the rising demand of cement, more players are set to come into the sector, among them is Dangote Cement, owned by Nigerian tycoon Aliko Dangote and the Indian based Sanghi group of company who are putting up a 12 billion shillings plant in Pokot County.

In 2008, Kenya had only 3 cement manufacturers, and the dominant cement player had an estimated market share of around 65%. This potentially meant that these cement companies had some degree of influence over the other firms or knowledge about their competitive strategies, which could potentially result in reduced competition between the three firms. It was also suggested that there was a degree of price leadership, with the other firms following the largest firm (Seboru, 2014). By 2010 a new firm had entered the market thus increasing the market share of the largest cement firm up to around 50%. Although in 2008 Kenya had three cement manufacturers, it was also the case that the largest firm had ownership stakes in both the others (Obado, 2005). According to Kestrel Capital East Africa Limited (2009), the demand for cement has historically been seen as to grow two times of the Kenya Gross Domestic Growth. This demand has of late increased due to the increase in contractor capacity for large infrastructural projects thus leading to more cement companies entering the cement industry. Currently, virtually all cement companies in the county operate at almost 90% capacity utilization rates ahead of capacity expansion plan by the year 2015 (Kumar and Sinha, 2013).

1.1.4 East African Portland Cement Company Limited

The East African Portland Cement Company Limited started as a trading company importing cement mainly from England for early construction work in Eat Africa. It was formed by Blue circle industries united kingdom. The name Portland was given due to the resemblance in colour of set cement to the Portland stone that was mined on the isle of Portland in Dorset, England (Ogango, 2014).

It was not until February 1933 that the company was incorporated in Kenya with the first factory in Nairobi's industrial area. The company had one cement mill and used to import clinker from India. The production capacity was about 60,000 tonnes of cement In December 1956, construction of the Athi River facility started. The factory was commissioned in 1958 and consisted of Rotary kiln and a big cement mill which significantly increased production to 120,000 tonnes per annum (Ogango, 2014). The company is doing well with fully automated business processes which means complex paperwork is now largely a thing of the past, from the offices of top management to the factory floor. EAPCC also has a enterprise resource planning system (ERP) which is fully functioning which automates business processes, the company also received recognition form computer society of Kenya for best ERP system implementation in 2011 with these and more innovation, EAPCC is ready for the future.

Currently East African Portland Cement Company Limited is the Kenya's leading cement manufacturer producing world class cement. EAPCC's shareholding structure is largely institutional, with the company's top ten shareholders owning a combine 96.1% stake in the company. NSSF and the treasury are the company's top shareholders holding 27.0% and 25.3% respectively (Seboru, 2014). The government is the majority shareholder therefore making EAPCC the only parastatal in the Kenyan cement industry under its flagship brand of Blue Triangle Cement, EAPCC produces two kinds of cement: Ordinary Portland Cement (OPC) and Portland Pozzolanic Cement (PPC). This cement is sold locally and also exported to countries like Uganda, Zaire, South

Sudan, Rwanda and DRC. EAPCC's cement is sold in 50kg bags and 30-tonne tankers EAPCC also produce custom made cement products for the construction industry.

1.2 Research Problem

Competitive strategies refer to the distinctive approaches that organization use or intend to use to succeed in the market. These strategies are usually more skill-based and involve strategic thinking, innovation and execution, critical thinking and positioning. Performance is achievement which is often used to show the ability or the show which is commonly used to show up the performance, or it also means "doing the task that shows someone's action in working.

It is evident that East African Portland Cement Company Limited is continuously adopting new and advanced competitive strategies to win their customers. In this study, the level of competition in the cement industry in Kenya has been found to increase especially for the last five years. From three dominant cement companies the number has increased to over ten cement manufacturing companies an indication that firms have had to come up with new strategies that will give their cement products competitive edge over competitors.

There are many research studies done on competitive strategies and organizational performance; international studies done Jing, Li and Petter Schultz(2007) did a thesis on how is a Cement company working with marketing within the construction industry to provide some ideas as to whether it is possible for a company to create value for every segment within the construction industry. The motivation of the thesis is to shed some light on an area, which gets very little attention in marketing literature, which is the B2B commodity industry. They studied that Cement, a Cement producer at core, but with the ambition to be a player in every segment throughout the construction industry. They have developed their own model to represent the different segments. They considered an interesting and rewarding object for a case study due to this remarkably ambitious goal as well as the company's high market share. Dubrin (2007), did a study on effective leadership is determined by the degree to which it facilitates adequate or high productivity of cement in Portland industry. Cleland (1998), also did a study on the nature of environment in which interpersonal group relationship occursalso affects quality and style of leadership in cement production industry. The environment is affected byleader‟s success and failures, which in turn is also affected partly byother external factors like government policy.

There are many local studies that have been done in the area of competitive strategy in Kenya. Kinyua (2010) did a research study on competitive strategies adopted by small supermarkets in Nairobi and found out that majority of these small supermarkets had adopted product differentiation as a competitive strategy. However, branding of an outlet differentiates it from others, charging fair prices, ensuring good customer services, reducing the prices of goods in order to attract customers, improving goods quality before selling, convenience and ease of accessibility, increased advertising and staff training were also used across the supermarkets to achieve competitive advantage. On the other hand, Obado (2005) did competitive strategies employed by the sugar manufacturing firms in Kenya and found out that the sugar manufacturing firms have formalized vision and mission statements. They had also adopted of cost leadership, differentiation and focus to different degrees. Furthermore, Amir (2007) did competitive strategies adopted by petroleum retail stations in Kenya with Mombasa city being the case study. To this end, the findings established that majority of stations were using cost leadership and differentiation as competitive strategies.

Kamau (2009) researched on competitive strategies employed by Airtel Kenya Limited and established that the company uses low cost strategy and differentiation strategies which enables the company to minimize costs, outsource services, adopt strategies to increase market share, quality offerings, efficient delivery system, ensuring market penetration and development and ensuring the company sources for resources in order to compete effectively with other companies. Njunguna (2012) while examining the competitive strategies adopted by Safaricom Kenya Limited to tackle competition, he discovered that the usage of competitive strategies such as cost leadership, focus strategies and market penetration resulted to formulation of policies and procedures that improved the productivity of the company. However, The Company was still facing numerous challenges in implementing the strategies due to its nature of organization structure and organizational culture.

From the studies mentioned above, it is quite evident that competitive strategies have not considered the cement industry that is currently very competitive. This research study therefore sought to investigate the competitive strategies and organizational performance at east African Portland Cement Company Limited. The study will be guided by the following question: What is the effect of competitive strategies on the performance of East African Portland Cement Company Limited?

1.3 Research Objective

The objective of this study is to establish the effect of competitive strategies on the performance of East African Portland Cement Company Limited.

1.4 Value of the Study

This study contributes both theoretically and empirically to the current discussion and findings on competitive strategy and its relationship with organizational performance. The study results will be of immense benefits to policy maker in EAPCC as they would be able to know for sure what competitive strategies play a role in shaping their operations and how they affect performance and enable them to know which competitive strategies to use to remain competitive.

The study would also benefit other cement manufacturing companies not just EAPCC in showing them the important implications for the implementation of competitive strategies in the cement companies and future studies in the area of strategic management. It will also offer other organizations that are thinking of improving performance through competitive strategies insight on how to employ these strategies to improve performance.

The government as a regulator of firms in the cement manufacturing industry would benefit with the findings and recommendation of this study as it would be enlightened on the various competitive strategies that these organization can adopt to influence their performance which will also influence the economy of the country. The government would also formulate policies beneficial to the sector.

The result of this study would also be valuable to researchers and scholars, as it would form a basis of further research. The students and academicians would use this study as a basis for discussion on competitive strategies. This study would be a source of reference material for future researchers on other related

1.5 Summary of the Chapter

This chapter covered, background of the study which the following were under the background of the study, Competitive strategies, Organizational performance, the cement industry in Kenya and East African Portland Cement Company. The study also covered; the research problems of the study, the research objectives of the study and the value of the research study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The literature review section outlines and analyses published articles and journals written by accredited scholars and researchers with reference to the topic that is being studied. The introduction, theoretical foundation of the study, dimensions of strategy, competitive strategy, the essence of competitive strategy and the typology of competitive strategies.

2.2 Theoretical Foundation of the Study

This section discusses the relevant theories that are related to competitive strategy and organization. In this case the study will focus on the resource-based view and Porter's Five Forces theory.

2.2.1 Resource-Based View

The resource-based view theory can be used to elaborate competitive strategies. This theory argues that competitive advantage lies in the resources that an organization can access and exploit and not in the ability to manage the environment (Campbell, 2004). It maintains that companies are well endowed with a bundle of resources in the form of assets, competencies, processes, and substitutes that provide the organization with competitive advantage. David (2007) denotes that since companies have different attributes at different levels and different bundles of resources, differences in organizational performance are likely to be witnessed. The theory further asserts that firms have three types of resources namely; tangible resources, intangible resources and organizational capabilities. Tangible resources include financial, physical, technological and organizational assets and thus are easily identified on the other hand intangible resources are more complex to identify and thus difficulty to imitate. They include strategies that a firm adopts over time and culminates to improved performance (Barney, 2006). Finally, organizational capabilities are skills and competencies which a firm combines to transform tangible and intangible resources into outputs, for example, outstanding customer service (Dess etal, 2007). The resource-based theory also argues that organizational resources in themselves are not necessarily a source of competitive advantage because rival firms may also possess similar resources. In this case therefore, competitive advantage lies in the resources possessing one or more of other attributes such as valuable substitutes. A firm has to therefore sustain a competitive advantage as long as other firms are unable to duplicate the same attributes (Dess etal, 2007).

The theory argues that a firm needs to harness its resources using organizational repeatable knowledge that ensures it a competitive advantage. Grant (2004) posits that achieving and developing organizational competence is paramount to achieving competitive advantage and therefore competitive advantage is sourced in the organization’s ability to learn and apply knowledge rather than simply accessing resources. The theory further argues that competitiveness ought to be supported by a culture that encourages sharing and exchanging skills, competencies and capabilities through organizational learning.

2.2.2 Porter's Five Forces Model

The Five Forces Model defines the rules of competition in any industry. Competitive strategy must grow out of a sophisticated understanding of the rules of competition that determine an industry's attractiveness. Porter claims, "The ultimate aim of competitive strategy is to cope with and, ideally, to change those rules in the firm's behavior."

(Mintzberg,1995). The five forces determine industry profitability, and some industries may be more attractive than others. The crucial question in determining profitability is how much value firms can create for their buyers, and how much of this value will be captured or competed away.

According to Porter (1980), the ability of firms to survive in the business environment is dependent upon their selection and implementation of a competitive strategy that differentiates the firm from competitors. To cope with forces related to threats of entry, substitution, bargaining power of suppliers, and rivalry, Porter proposes the implementation of a generic competitive strategy (that is, cost leadership, differentiation, or focus) to outperform competitors. A cost leadership strategy focuses on achieving a low cost without sacrificing quality and service. This strategy demands cost minimization and potential for large capital investment, so a high market share, broad product assortments, and attention to pricing are essential to it. Firms employing product differentiation as a competitive strategy offer unique products or services and may engage in varying types of differentiation (for example, product design, brand image, technology, customer orientation). A focus strategy concentrates on a well-defined product or market segment. Selection of this strategy is effective for firms that serve a narrow, well-defined market rather than a broad-based market

2.3 Competitive Strategies and Organizational Performance

White (1986) handles the strategy-organization- performance context within Porter's competitive strategies' typology. White (1986) concludes that business units that employ pure cost strategies achieve higher return on investment (ROI) when they have low autonomy, and the sales growth of pure differentiation strategies benefits from strong functional coordination for key functions under the responsibility Therefore, the impact of competitive strategies on firm performance is a major issue of unease the policy makers and has been playing important role to refine firm performance for a long time. Competitive advantage is the result of a strategy helping a firm to maintain and sustain a favorable market position. This position is translated into higher profits compared to those obtained by competitors operating in the same industry. Indeed, understanding which resources and firm behaviors lead to competitive advantage is considered to be the fundamental issue in strategic management studies (Porter, 1980; Ghemawat, 1986).

King et al, (2001) evidenced that middle management harmony on competencies is related with higher performance. If organizations are stern about successfully supervising competencies, the results proposed that managers should uphold a conversation concerning their institution's competencies. An ongoing conversation about competencies allows managers to check their organizations' competencies and approval about competencies. Competitive strategy and performance relationship with a special emphasis given to the value chain activities of the firms, which plays an important role in order to identify and develop the competitive advantage in the context of carpeting manufacturing companies in Gaziantep.

Organizations should introduce methods that look for middle managers' views of organizational competencies. These processes may consist of surveys that let middle managers to talk their beliefs about precious competencies. In addition managers can make use of information technology and internets to make easy online communities of middle managers all over an organization. These processes may help to anticipate the competencies that the firm will need to develop for future victory as well as put in to building accord. Decision makers who follow competency judgment procedure may recognize important drift or changes premature. They classified and inspect key distinctiveness of competencies and the association between middle managers' insights of competencies and firm performance. King et al, (2001) studied that middle managers in two industries textile manufacturing and hospitals, and they concluded the relation between competency characteristics and firm victory. They also explained a method that any firm management can use to improve the firm's competitive advantage.

2.4 Types of Strategies

This section discusses three types of strategies this includes; focus strategy, cost leadership strategy and differentiation strategy.

2.4.1 Market Focus Strategy and Organization Performance

This strategy aims at ensuring a firm targets a particular segment of a market environment with an aim of capturing unique characteristics. When asked if the company had adopted focus strategy to tackle competition, majority of the respondents agreed to the sentiments. Conversely, the interviewees reckoned that EAPCC had segmented the local market according to their various needs and wants. In this case the company classified its products according to different target markets. For instance, the interviewees asserted that the major market segment for EAPCC was the road construction sector with Thika Superhighway being given as an example by most of them. Other segments included; the real estate sector and government projects such as construction of dams as being a vital segment.

Organizational performance mainly reflects a construct perspective in which the focus is on the definition of the concept in terms of assessment and conceptualization (Goodman, Pennings and Associates 1977). The performance measurement models evolved from a cybernetic view whereby performance measurement was based mainly on financial measures and considered a component of the planning and control cycle to a holistic view based on multiple nonfinancial measures where performance measurement acts as an independent process integrated in a broader set of activities. Performance measurement is traditionally viewed as an element of the planning and control cycle that captures performance data, enables control feedback, influences work behavior (Flamholtz, Das and Tsui 1985) and monitors strategy implementation (Simons 1990). It is mainly underpinned by a financial perspective (Johnson and Kaplan 1987).

2.4.2 Cost Leadership Strategy

The goal of Cost Leadership Strategy is to offer products or services at the lowest cost in the industry. The challenge of this strategy is to earn a suitable profit for the company, rather than operating at a loss and draining profitability from all market players. Companies such as Walmart succeed with this strategy as a sustainable competitive advantage by featuring low prices on key items on which customers are price-aware, while selling other merchandise at less aggressive discounts. Products are to be created at the lowest cost in the industry. An example is to use space in stores for sales and not for storing excess product. For an effective cost leadership strategy, a firm must have a large market share (Hyatt, 2001). There are many areas to achieve cost leadership such as mass production, mass distribution, economies of scale, technology, product design, input cost, capacity utilization of resources, and access to raw materials (Malburg, 2000).

Cost leadership strategy as a sustainable competitive advantage is when a company is able to utilize its skilled workforce, inexpensive raw materials, controlled costs, and efficient operations to create maximum value to consumers. Walmart uses the cost advantage strategy by providing a very large selection and low prices via its retailer strength and size. Costs can be kept at a minimum in many different ways. Some companies, like Nissan, have years of experience producing cars in a very cost-effective manner. Other companies, use offshore manufacturing to keep the costs of their products down. The current trend is for companies to cut down on the extras they offer to customers. For example, the airline company Ryanair is removing two of its three toilets in each airplane to increase the number of seats and drive down ticket costs. This might be an extreme way of cost cutting, but companies need to survive in a recession. Companies may also receive government subsidies, which help to pass on lower costs on to their customers. One prime example is your local farm.

Organization performance measurement systems may encourage conservatism and a playing it safe' attitude: "Managers need to be encouraged to identify defined areas within which a degree of experimentation and risk-taking might be beneficial. Too often we stifle creativity and learning by insisting upon good performance from all activities" (Otley 1994). The relation between improvement in nonfinancial measures and profits is unclear. Moreover, as with all measurement systems, dysfunctional behavior can be observed in employees that use "gaming" to optimize individual performance (Fisher 1992). Several empirical results provide interesting insights into the issues surrounding the use of financial and nonfinancial measures

2.4.3 Differentiation Strategy

Davidow and Uttal, (2005) defined differentiation strategy as positioning a brand in such a way as to differentiate it from the competition and establish an image that is unique. According to Ogbonna and Harris, (2003) Differentiation reduces competitiveness and the fight for scarce resources, thereby improving performance; but on the other hand, conformity makes all organizations similar and, therefore, the competitive pressures are stronger. Differentiation will create benefits and dominant positions that will last until competitors imitate a firm's key resources, and will be restored through the creation of new opportunities that result in a new competitive advantage and new entry barriers. Differentiation strategies for a sustainable competitive advantage are marketing techniques used by a firm to establish strong identity in a specific market; also called segmentation strategy.

Using differentiation strategy, a firm will introduce different varieties of the same basic product under the same name into a particular product category and thus cover the range of products available in that category. Differentiation can be based on the product itself, the delivery system, and a broad range of other factors. With these differentiation features, firms provide additional values to customers which will reward them with a premium price. As Baum and Oliver, (2011) notes, the value added by the uniqueness of the product may allow the firm to charge a premium price for it. The firm hopes that the higher price will more than cover the extra costs incurred in offering the unique product. Because of the products unique attributes, if suppliers increase their prices the firm may be able to pass along the costs to its customers who cannot find substitute products easily (Porter, 2008).

Non-financial measures are more actionable and future-oriented, and their use can improve an organization's capabilities in future planning and strategy implementation. Financial measures, on the other hand, are direct reflections of current profitability and operating efficiency, which function as the 'dashboard' to monitor and continuously enhance the firm's financial performance (Simons, 1995). Financial measures can also be used as an indicator for future earning potential, which publicly traded firms simply cannot afford to neglect when reporting to their stakeholders in order to attract more capital and increase public confidence. In other words, effective PMSs should provide a map that guides managers' behaviours toward critical financial and non-financial outcomes, such as, profit, cash flow, new product development and personnel development. Hence, the findings of this study support the idea that the use of both financial and non-financial measures can enhance financial/non-financial organizational performance.

2.5 Summary of the Chapter

This chapter covered the literature that has been done by other scholars on strategies. Specifically, the chapter covered on: theoretical foundation that was used in the study, where two theories were used resource based theory and Porter's Five Forces Model, the chapter covered Competitive Strategies and Organizational Performance, the study also covered three different strategies, focus strategies, cost leadership strategy and differentiation strategy. The chapter provided a critical evaluation of the available research evidence about competitive strategies in which various strategies will be enumerated. This leads to the imminent gaps that require to be filled by this research. In this particular case, the literature review examined the following sections: The introduction, theoretical foundation of the study, dimensions of strategy, competitive strategy, the essence of competitive strategy and the typology of competitive strategies.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses research design, data collection methods and data analysis

3.2 Research Design

The research design was a case study of East African Portland Cement Company Limited. This research study will use a case study that aims to determining and reporting the way things are. It attempts to describe any possible behavior, attitudes, values and characteristics (Mugenda and Mugenda, 2003). According to Chandran (2004), case study design portrays an accurate profile of people, events or situations.

3.3 Data Collection

Both primary and secondary data was used. The study used primary data which was collected using an interview guide. An interview guide is a set of questions that the interviewer asks when interviewing (Chandran, 2004). The study intervieweed ten respondents, 5 from the middle-level management team and 5 from the senior-level management team.

The interviewees were those who are involved with formulation and implementation of the company's strategies (top managers in charge of strategy, planning, administration, enterprise business solutions, human resource management and development. These considered to be key informants for this research. Furthermore, in-depth interviews used to reduce the "distance" between interviewer and interviewee.

The study used secondary data which was obtained from the 5 years financial statements of the East African Portland Cement Company Limited in Kenya

3.4 Data Analysis

The data that was obtained from the interview guide was analyzed qualitatively. Qualitative data analysis makes general statements on how categories or themes of data are related. The qualitative analysis will be adopted in this study because the researcher will able to describe, interpret and at the same time criticize the subject matter of the research since it will be difficult to do so numerically.

The qualitative analysis was done using content analysis. This generated and categorize items for comparison with the interview results from the managers of the off shore outsourcing firms. Content analysis is the systematic qualitative description of the composition of the objects or materials of the study (Hsieh & Shannon, 2005). It involves observation and detailed description of objects, items or things that comprise the object of study.

Secondary data was coded and thereafter analyzed using Statistical Package for Social Sciences (SPSS) program and presented using tables and pie charts to give a clear picture of the research findings at a glance.

3.5 Summary of the Chapter

This chapter presents the approach that was used to conduct the research. Data collection which involve the methods of collecting data for this study interview guide was used and Data analysis that involves how data collected was be analysed

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

The research objective was to the objective of this study is to establish the effect of competitive strategies on the performance of East African Portland Cement Company Limited. This chapter presents the analysis and findings with regards to the objective and discussion of the same. The chapter is divided into two sections namely; respondents profile and competitive strategies adapted by EAPCC.

4.2 Respondents Profile

This part of the interview guide intended to establish the respondent's personal information. The respondents comprised of the head of departments in the organization (middle level managers) and senior managers tasked with strategic planning and sales and marketing. The researcher purposely selected these respondents with the assumption that they were dealing with matters related to the topic under the study.

This meant that they were best suited to provide credible information regarding competitive strategies. To this end, the total number of respondents was 15(5 senior managers and 10 middle level managers). The response rate was good since all the 15 respondents were available to be interviewed. This represented 100% response rate. According to Bable (1995), a response rate of 70% and above was satisfactory for data analysis. When asked on gender, majority of respondents, and 11 were male representing 73.3% while only 4 respondents were female representing 26.7%. This implied that despite the views of both genders being expressed the responses were more likely to be gender-biased.

On the age of respondents, all the respondents were above 35 years old with only 2 respondents being over fifty years. This implied that majority of respondents were of the age bracket of 40 years old. On their level of education, all the respondents interviewed had acquired university degrees with three of them having master's degrees. This meant that the respondent didn't struggle with answering the interview questions since they are all well-versed with the concept of competitive strategy.

4.3 Competitive Strategies and Organizational Performance at East African Portland Cement Company

This section discusses on competitive strategies used at East African Portland Cement Company and Portland Cement Company Organizational performance.

4.3.1 Performance measurement

Performance strategies was measured in terms of; Innovation and change, Employee performance, Customer satisfaction and operating efficiency.

Table 4.1: Performance measurement

Variables	Mean	Std. Dev
Innovation and change	4.95	0.405
Employee performance	4.20	0.115
Customer satisfaction	3.95	0.213
Operating efficiency	4.00	0.125

From the research findings in Table 4.1, respondents strongly agreed on: Innovation change 4.95 and a standard deviation of 0.405; Employee performance 4.20 and a standard deviation of 0.115; Customer satisfaction 3.95 and a standard deviation of 0.213 and Operating efficiency 4.00 with a standard deviation of 0.125.

4.3.2 Organizational Performance

Successful organizational performance relies on the proper behavior from managers and employees. Leadership can be an evolutionary process in companies. In this case, majority of the respondents reckoned that poor leadership and management was extremely rampant. This they attributed to high levels of corruption, misappropriation of funds and mismanagement of the company resources. Poor leadership in organization performance management is also depicted through rigidity and bureaucracy coupled with failure of the company to embrace new ideas and innovational technology. Furthermore, the high effect of leadership wrangles is due to differences in opinion over which strategies to implement and which ones not to implement also caused problems. On the other hand, the respondents noted that some leaders were resistant to change and therefore were not willing to embrace new ideas to achieve competitive advantage. They also noted that lack of visionary leadership coupled with poor leadership skills and technical knowhow were still addition challenges that hampered strategy implementation. The respondents recommended that more training on leadership and management needed to be emphasized if competitive advantage was to be realized at EAPCC.

For competitive strategies to succeed, it is important to establishment competitive strategies on organization resources. The respondents indicated that firms that have properly planned and applied competitive strategies have a tendency to have higher performance than those that do not. Competitive strategies can lead to high organizational performance, customer satisfaction and increased competitiveness in the face of competitors. According to the findings of the study, when the researcher sought to enquire whether the company had sufficient resources for establishment of competitive strategies, all the 10 respondents representing 100% disagreed and felt that all the organizational resources were insufficient. The interviewees noted that establishment competitive strategies did not have enough and qualified man power to undertake this process. They felt there was need to train the existing labor force on competitive advantage for competitive strategies to have meaning, on the other hand when asked whether there was enough financial and information resources to undertake the process, majority (86.67%) felt that these resources were insufficient. To this end, it can be concluded that EAPCC still needed to improve on its organizational resources if at all successful implementation of competitive strategies was to be fully achieved. The results for the five years are presented in the figure 4.1 below.

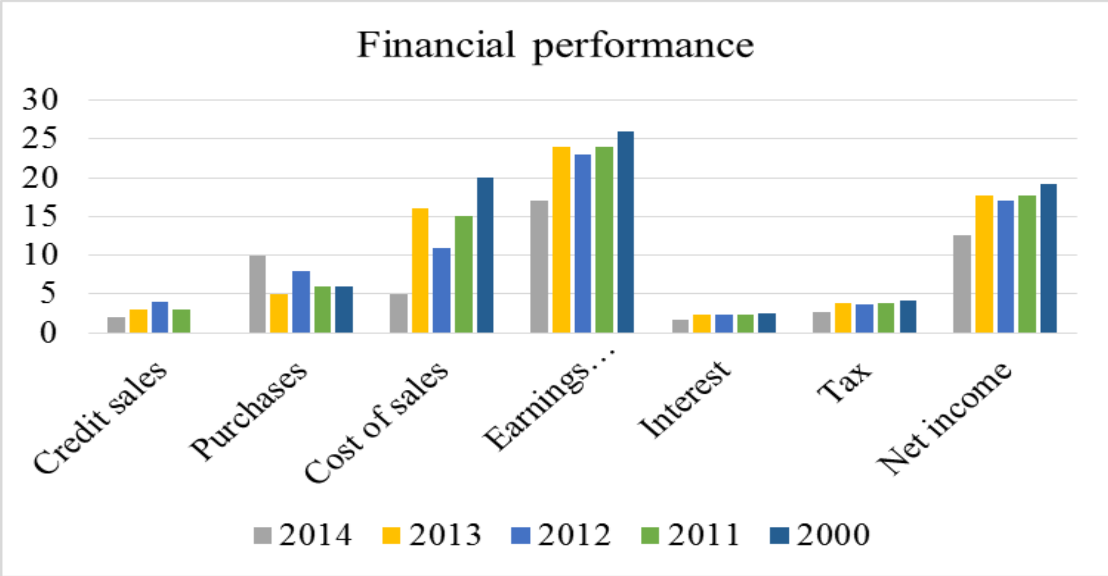

Figure 4.1: Financial Performance

4.3.3 Product Differentiation Strategy on Organizational Performance

This strategy focuses on the firm's innovation of products that appear different from those of their competitors with an aim of achieving competitive advantage. According to Kumar and Sinha (2013) virtually all cement companies in Kenya are operating at almost 90% capacity utilization rate with the cement companies adopting different methods of making their products look unique. On the question on whether the company had adopted differentiation strategy to tackle competition, the findings echoed that the strategy was very evident and vital. On product differentiation, majority of respondents depicted the unique brand of the blue triangle shield as a key important strategy that EAPCC had used to tackle competition from other rival cement firms.

Furthermore, the respondents also identified price differentiation as another vital strategy adopted by EAPCC. This strategy focuses in categorizing its customers according to their needs, market penetration involving in infrastructure development. Furthermore as compared to other companies the prices of cement and cement products are relatively affordable. EAPCC has achieved competitive advantage over its competitors by establishing customer loyalty and brand loyalty through offering quality cement products. This has been supported by the use of appropriate advertising and marketing techniques. The respondents also noted that the company had ensured that employees are sufficiently trained on issues regarding branding and pricing with an aim of improving service delivery. Consequently, it was depicted that differentiation strategies had “won the hearts” of the customers by making them believe that the properties of blue triangle cement that is manufactured by EACC were much superior to those of its competitors.

On the question of the company created a unique position in the market through provision of goods or services that were valued for their uniqueness or to fit the needs of the customers, the respondents noted that the company had undertaken aggressive marketing strategies on its cement and cement products to increase awareness of the products in the market. Furthermore, customer classification on their needs had been emphasized with different customers especially in the construction industry being served according to their needs. Other strategies mentioned by the respondents include; rigorous training of EACC staff, an product innovation, continuous improvements or re-engineering of the cement product processes, heavy investment of quality technology and equipment’s to facilitate new product development thus reducing operational costs and employee engagement so that they could develop a sense of belongingness and loyalty to the company.

Furthermore, advertisements was seen by the respondents as to have promote differentiation in the public since the company had engaged the media especially through the use of television and radio stations to persuade the public to use the facilities and products being offered by EACC thus achieving competitive advantage. All in all, the respondents (interviewees) gave the company credit by supporting that there was successful implementation of differentiation strategies by the company to achieve competitive advantage.

4.3.4 Cost Leadership Strategy on Organizational Performance

The researcher sought to find out whether the company adopted cost leadership as a competitive strategy to tackle competition. To this end, the respondents noted that since the products offered by the company were similar to those offered by other cement companies, EACC had not employed cost leadership, strategy to a large extent. The respondents generally echoed that EACC was facing tight competition to the extent some cement companies were reducing on their manpower as a way of cutting costs of paying the workers. Furthermore despite the introduction of advanced technologies to improve on the production processes thus cutting costs, the cost of raw materials continued to be high rendering this strategy difficult to implement.

Nevertheless, the interviewees reckoned that EAPCC had employed low cost strategy to a small extent. This the company achieved through minimizing operational costs/expenses, reducing input costs, controlling labour costs and reducing the distribution costs. One of the ways in which this was being done was targeting companies that come with their own means of transport to collect cement and cement products from their company in Athi River instead of them transporting the goods to the company's premises. This in the long run reduced distribution costs. The low-cost leader gains competitive advantage by getting its costs of production or distribution lower than those of the competitors in the industry. Despite the cement products being offered in the cement industry serving similar purposes, EAPCC was forced to offer, the products at industry level in order to realize returns on investments.

When asked whether the company outsourced any services which they do not have at a lower cost in order to tackle competition, majority of the interviewees agreed to these sentiments. Conversely, the company had achieved low cost strategy by competitive sourcing of products through tendering process. Thus the company achieved through establishing a procurement plan in place every financial year which has to be strictly followed. On the other hand, strong emphasis were put by the management on proper handling of the company's resources by sensitizing, the employees on reducing wastage, ensuring that the raw materials are sourced at lowest price possible and establishing business planning committees in order to strategize on procure raw materials for manufacturing cement at affordable prices. Nevertheless, the interviewees acknowledged the efforts being made by the company on cost leadership and suggested that more still needed to be done if cost leadership was to be considered a powerful strategy for achieving competitive advantage by EAPCC.

4.3.5 Market Focus Strategy on Organizational Performance

This strategy aims at ensuring a firm targets a particular segment of a market environment with an aim of capturing unique characteristics. When asked if the company had adopted focus strategy to tackle competition, majority of the respondents agreed to the sentiments. Conversely, the interviewees reckoned that EAPCC had segmented the local market according to their various needs and wants. In this case the company classified its products according to different target markets. For instance, the interviewees asserted that the major market segment for EAPCC was the road construction sector with Thika Superhighway being given as an example by most of them. Other segments included; the real estate sector and government projects such as construction of dams as being a vital segment.

On the question on whether the company had identified a particular geographical market and whether it had come up with products suitable for the segments, majority of the interviewees depicted that majority of EAPCC's products targeted Athi River, Machakos and Nairobi and its environs. They however noted that the products were also distributed to the other parts of the country, though to a limited extent. The interviewees agreed that this strategy tackled competition since other competitors would not bother targeting the market segment that the company has already captured. Further still the interviewees agreed that the company pursed either cost or differentiation strategies once it had captured a certain market segment.

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The researcher also sought to establish whether the company targeted markets that were less vulnerable to substitutes or where a competition was weak, the respondents agreed to this statement. Nevertheless, it was noted that this depended on the volumes of businesses from the customers which guided the company to decide whether to focus on that particular market segment. The respondents also noted that EAPCC was less vulnerable to substitutes since virtually all cement companies produced similar products of the same function that is construction. Nevertheless, the company had targeted areas where there was weak competition by introducing their products in the areas. A good example that was given by one of the respondents was Narok Town and its environs. In this case once the company captured the segment they also prepared themselves for any potential competitor who would be interested in entering the target market.

When asked on whether the company faced any challenges in implementing focus strategy, majority of the interviewees agreed that the small nature of market segment was one of the challenges mentioned. According to David (2002), a successful focus strategy depends upon an industry segment large enough to have good growth potential but not of key importance to other major competitors. The other challenge was the fact that it was difficult for the company to achieve both a broad target and a narrow target within a given segment. To this end, the company had no choice but to choose one of the two, conclusively, the company's focus strategy was still wanting and thus needed to be improved if at all competitive advantage was to be realized.

4.4 Discussion

Competitive strategies adopted by any firm aim at achieving competitive advantage over rival firms. It is evident that cement companies are continuously adopting new and advanced competitive strategies to win their customers. In this study, the level of competition in the cement industry in Kenya has been found to increase especially for the last five years. From three dominant cement companies the number has increased to over ten cement manufacturing companies an indication that firms have had to come up with new strategies that will give their cement products competitive edge over competitors. According to Kim etal (2004) business firms need to consider the overall strategy and provide unique products that will help capture particular segment of the market.

East African Portland Cement Company was forced to adopt different competitive strategies to face off the market competition. These strategies include market segmentation in which it has developed products that meet the needs of various markets such as the road sector, the real estate development sector and government projects such as construction of clans. Furthermore, the company has employed cost leadership in which to counter the high marketing costs that are being incurred to inform the customers' on the company's products. EAPCC has also put in place measures to cut cost such as restricting the organization and reducing on operational costs. According to Porter (2005), in order for a firm to successfully implement the cost leadership strategy and maintain a strong competitive position while still sustaining their profit margins for a longer period of time, they have to place a premium of efficiency of operations in all functional areas. This strategy came out strongly to indicate that East African Portland Cement Company's strategy on this has achieved positive results and help in maintaining the organizational competitive advantage.

4.5 Summary of the Chapter

This chapter covered data that was presented, analyzed and interpreted according to research questions. Findings are presented in the following manner; Organizational Performance, Differentiation Strategy, Cost Leadership Strategy and Focus Strategy all were presented in percentages. Responses from the respondents were analyzed and the results were presented in the chapter.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter aims at discussing the summary of the findings, conclusions, limitations of the study, and recommendations of the study (recommendation with policy implication and recommendations for further research).

5.2 Summary

East African Portland Cement Company as a one of the leading cement companies in Kenya has made tremendous progress in trying to become a market leader in the county. In this study, it was established that EAPCC had employed several competitive strategies. These strategies include; differentiation, cost leadership and focus strategy.
The findings on the usage of differentiation strategy established that the company had acquired unique branding technique by for instance the name of "blue triangle" cement in itself was paramount for achieving competitive advantage. Through this, the company was able to achieve product differentiation. Price differentiation also came out as a strong method employed by the company and aimed at categorizing its customers according to their need, market segmentation and engaging in infrastructural development. On the other hand, the company was able to establish barriers by building customer loyalty through offering quality cement and cement products, advertisements and proper and fair marketing techniques.

Further still the low cost strategy was also seen as a vital competitive strategy by East African Portland Cement Company. In this case the company used strict control measures to avert wastage and costs and overhead, minimizing of operational costs and expenses, reduction of input costs and tight control of labour costs. In addition, the company had segmented its local market according to their various needs and wants with an aim of distributing its products to these unique markets. For instance, the company first segment the environment around it (Athi River and Nairobi), before moving to other parts of the county. In this case the clientele base comprised of the road construction industry, the real estate industry and government. To achieve market penetration in various parts of the county, EAPCC has introduced the use of distributors or suppliers who are then transport the company's products to various parts of the country. These distributors liaise with customer care executives and sale people in the company to easy process of distribution. As per the levels of success in capturing un-tapped markets, the findings of the study show that EAPCC has been successful in penetrating these markets.

5.3 Conclusion

It is worth stating that competitive strategies are distinctive approaches that organization use or intend to use to succeed in the market. The strategies are usually more skill-based and involve strategic thinking, innovation and execution, critical thinking and positioning. Achieving competitive advantage is one of the top priorities of virtually all cement companies in Kenya. Cement companies operate in an extremely competitive environment where most of their products are differentiated regulated and have different distribution channels. Lack of efficient and effective competitive advantage in many organizations often culminates to low productivity. Usually a part from achieving profitability in the long term, the choice of a company's competitive strategy is concerned with choosing a favorable industry to operate and establishing the factors that affect the company's position in the market. Competition is at the core of the success or failure of firms since it determines the appropriateness of a firm's activities that can contribute to its performance, such as innovations, a cohesive culture and good implementation. Competitive strategy helps to search for a favourable competitive position in an industry, aims to establish a profitable and sustainable position against the forces that determine industry competition.

To this end, East African Portland Cement Company tries to differentiate itself from the other players in the market. Porter's differentiation strategy is the most common strategy that EAPCC uses as the study has established. Cost leadership strategy was also important as echoed by majority of the respondents. Focus strategy was used though it was implemented to a lesser extent since it demanded too much effort and was also risky. From this analysis it is evident that a company cannot solely rely on one competitive 47 strategy since different competitive environments require different competitive approaches. For instance EAPCC had to combine the differentiating strategy with the cost leader strategy because of the more decreasing prices in the Kenyan market. On the other hand, having only a cost leader strategy is more or less impossible because all the operators are forced to keep the cost low and to be cost effective.

5.4 Recommendations

This study focused on competitive strategies, whereas differentiation, cost and focus strategy considered being the main competitive strategies used by EAPCC, the company seemed to have neglected corporate social responsibility as a competitive strategy. In this case the company should consider offering special discounts for low cost housing projects this would improve the company's image with local community.

To further improve on their product differentiation strategy the company should increase the quality of their packaging; this process would reduce bag breakages that are witnessed with virtually all cement companies in Kenya. In addition, lowering of its cement and cement products would make EAPCC Cement’s market price more competitive and would make it difficult for other competitors to enter the market. To improve on market segmentation, the company should offer different pricing structures for different markets, example retailers and once off buyers. Thus offering discounts for bulk purchases and normal prices for once off purchases, this strategy would make cement sales more lucrative for the retailer.

The study also found out that the company does not consider other cement companies prices when setting the prices to charge on their products. It is recommended that although the company is a market leader they should consider other competitors prices as 49 the customers are conscious about the lowest rates they are offered and not the necessarily the value. These would ensure that the company maintains its market share which is under threat from other competitors. Although the company has managed to differentiate themselves from other competitors, differentiation alone without marketing of the products will not attract sufficient customers and it is recommended therefore that the company markets their products so that they can attract more customers.

5.4.1 Addition to Knowledge

This study recommends that other studies should be done using the same theories; resource-based view theory and Porter's Five Forces Model to show the effect of competitive strategies on the performance of organization different environmental turbulence. This theories argues that competitive advantage lies in the resources that an organization can access and exploit and not in the ability to manage the environment. In order to contrast the findings of this study with the studies recommended.

5.4.2 Implication for Policy

The impact of competitive strategies on firm performance is a major issue of unease the policy makers and has been playing important role to refine firm performance for a long time. Competitive advantage is the result of a strategy helping a firm to maintain and sustain a favorable market position. The study helps policy makers to understand that competitive strategies are important to improve organizational performance.

5.4.3 Implication for Practice

This study recommends a further study on benchmarking, in organization which identifies outstanding practices from well-positioned competitors, and then evaluates the current state of a particular process to identify gaps or problems in design. Thus Once these variances have been identified, the firm can then capture the knowledge for internal use. Despite the burgeoning literature within the field of leadership about the need to conceptualize the control orientation of management and replace it with one that emphasizes facilitation and coaching, management practice remains dominated by control impulse

5.5 Limitations of the Study

This study aimed at investigating the competitive strategies adopted by East African Portland Cement Company. However despite the study being detailed and specific, several limitations were encountered. First, the researcher had limited access to vital information due to confidentiality and loyalty of the respondents to the management of EAPCC. However to mitigate this, researcher categorically elaborated the main purpose of conducting the research and endeavored to obtain permission from the relevant authorities to carry out the study. Secondly, due to the expensive nature of research the researcher incurred costs to facilitate travelling from one place to another, stationary expenses, typing and printing expenses and binding expenses. To overcome this limitation, the researcher obtained financial support from her sponsor. Lastly, due to the demanding nature of research, collecting, interpreting and analyzing data was a time consuming affair. To handle this challenge the researcher sought for a time off from her employer during which will enabled her to comfortably collect, interpret and analyze data.

5.6 Suggestions for Further Studies

The study confined itself to East African Portland Cement Company, however competition in the cement industry has become intense and this therefore necessitates the study to establish the competitive strategies of organizational performance used by cement companies.

The study suggests that a study should be carried out on effects of organizational performance to employees of East African Portland Cement Company on growth of the cement company.

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APPENDIX I: Interview Guide

PART A: RESPONDENTS BACKGROUND INFORMATION

1. What position do you hold in this organisations?
2. What is your highest education level?
3. How long have been in this organization?

PART B: COMPETITIVE STRATEGIES AND ORGANIZATIONAL PERFORMANCE AT EAST AFRICAN PORTLAND CEMENT COMPANY

Organizational Performance

4. To what extent are the following performance measures used in the organization? Rank by placing a tick in the appropriate place. 1= Least extent, 2= Low extent, 3= Moderate extent, 4= Great extent, 5= Very great extent

	1	**2**	**3**	**4**	**5**
Innovation and change					
Employee performance					
Customer satisfaction					
Operating efficiency					

Financial performance	Credit sales	Purchases	Cost of sales	Earnings before interest and tax	Interest	Tax	Net income
2014							
2013							

2012							
2011							
2000							

5. How do you rate effect of performance at East African Portland Cement Company for the last 5 years?
6. To what extent does the establishment competitive strategies of east African Portland Cement Company?
7. What are the measures establish the effect of competitive strategies used in East African Portland Cement Company?

a) Differentiation strategy

8. Does your company adopt differentiation strategy to improve performance?
9. Does your company focus its efforts in providing a unique product or service in order to differentiate itself with other companies?
10. How does the company create a unique position in the market through provision of goods or services that are valued for their uniqueness or fit to the needs of customers?
11. Has the adoption of the lowest product or service unit costs by the company improve performance of the organisation?
12. Does the company advertising persuade the public to use the facilities and products being offered thus attracting customers?

b) Cost leadership strategy

13. Does Cost leadership strategy have an effect company adopt effects of competitive strategies on the organization performance?

14. Does your company focus on providing goods or services at a lower cost than the competitors, or superior goods or services at an equal cost in order to tackle competition?
15. How has the management of the company achieved competitive strategies of low cost-leadership?
16. Has the company outsourced or discontinued any services which they do not have a low cost strategy in order to tackle competition?

c) Focus strategy

17. Does your company adopt focus strategy to improve performance?
18. What do you use to identify the competitive strategies to target segment?
19. What does the organization focus strategy depend upon in your company?
20. What are the challenges of competitive strategies you have encountered when focusing on a target segment?