

**COMPETITIVE STRATEGIES AND PERFORMANCE OF
INTERNATIONAL NON-GOVERNMENTAL ORGANIZATIONS IN
NAIROBI**

BY

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DECLARATION

This is my original work and has not been submitted for a degree in any other university.

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This project has been submitted for examination with my approval as a University supervisor.

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DEDICATION

To my dear and loving mother Veronica Njeri Wambugu.

ACKNOWLEDGEMENTS

I am grateful to Almighty God for granting me good health, strength and resources required to make this project a success.

I am indebted to my supervisor Dr. Z. B. Awino for his time and guidance which proved vital ingredient to completion of this project.

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TABLE OF CONTENTS

Declaration	ii
Dedication	iii
Acknowledgements.....	iv
List of Figures.....	viii
List of Tables	ix
Abstract	x
CHAPTER ONE: INTRODUCTION	1
1.1 Background of the study	1
1.1.1 Concept of Strategy.....	2
1.1.2 Competitive strategy	3
1.1.3 Organization performance	5
1.1.4 International Non-governmental organizations in Kenya	7
1.2 Research problem.....	10
1.3 Research Objective.....	11
1.4 Value of the study.....	11
CHAPTER TWO: LITERATURE REVIEW.....	13
2.1 Introduction.....	13
2.2 Competitive advantage model.....	13
2.3 Generic Competitive Strategies.....	18
2.4 Performance management.....	20
CHAPTER THREE: RESEARCH METHODOLOGY.....	22
3.1 Introduction.....	22
3.2 Research Design.....	22
3.3 Target Population	23

3.4 Sample size	23
3.5 Data Collection Procedure	24
3.6 Data Analysis	25
CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATION OF RESULTS	26
4.1 Introduction	26
4.2 Data analysis and interpretation	26
4.3 Background Information.....	27
4.3.1 Country and Year of Incorporation.....	27
4.3.2 Year of registration in Kenya	29
4.3.3 Number of employees	29
4.3.4 Main area of intervention	30
4.3.5 Position of respondents in the organization	31
4.3.6 Gender of respondent	31
4.4 Sources of competitive strategies.....	32
4.5 Competitive Strategies Applied	33
4.6 Organization Performance	35
CHAPTER FIVE: SUMMARY, CONCLUSIONS & RECOMMENDATIONS	37
5.1 Introduction	37
5.2 Summary	37
5.3 Discussions.....	38
5.4 Conclusion.....	41
5.5 Recommendations	42
5.6 Limitations of the study	43
5.7 Area for Future Research	44

5.8 Implication of the study on Theory, Policy and Practice	44
REFERENCES	46
APPENDICES	49
APPENDIX I: LETTER OF INTRODUCTION	49
APPENDIX II: STRUCTURED QUESTIONNAIRE	50
APPENDIX III: PROPOSAL CORRECTION FORM	55
APPENDIX IV: UNIVERSITY LETTER OF INTRODUCTION	56

LIST OF FIGURES

Figure 1.1: The Balanced Score Card	7
Figure 2.1: Porter's five forces of competition.....	13
Figure 2.2: Five generic competitive strategies.....	19

LIST OF TABLES

Table 4.1: Response rate.....	26
Table 4.2: Country of Incorporation.....	28
Table 4.3: Year of incorporation.....	28
Table 4.4: Year of registration in Kenya.....	29
Table 4.5: Number of employees.....	30
Table 4.6: Main areas of Intervention.....	30
Table 4.7: Position of respondent in the organization.....	31
Table 4.8: Gender of the respondent.....	32
Table 4.9: Analysis of sources of competitive strategies.....	32
Table 4.10: Analysis of Competitive strategies applied.....	34
Table 4.11: Analysis of Organization Performance.....	36

ABSTRACT

In the recent past International Non-Governmental Organization operating in Kenya has experienced rapid increase in number and scale of activity resulting to increased turbulence in the NGOs environment. This turbulence has lead to International Non-Governmental Organizations develop competitive strategies that will enable the organizations gain competitive advantage. The researcher undertook a study to determine the competitive strategies International Non-Governmental Organizations adopt to achieve competitive advantage and whether those strategies influence their performance. The study employed descriptive research and survey strategy, the data was analyzed using descriptive statistics and the findings were presented in frequency tables. The study found out that strategic alliance was applied to a great extent as a competitive strategy by International Non-Organizations; other strategies applied were innovation and quality programming. The study also found out that learning and growth perspective performance was fair which demonstrates a gap that requires to be curbed. Intense global competition requires that organizations continually improve their capabilities for delivering value to customers and shareholders. Organizational learning and growth come from three principal sources people, systems, and organizational procedures. Scorecards typically reveal large gaps between the existing capabilities of people, systems, and procedures and what is required to achieve breakthrough performance. To close these gaps, businesses have to invest in improving the skills of employees, enhancing information technology and systems, and aligning organizational procedures and routines (Kaplan and Norton, 1996).

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

The world has continued to experience massive information, communication and technology growth, increased knowledge by consumers about foreign goods and services, improved international relations, co-operations and agreements amongst countries, convergence of socio-cultural orientation leading to tremendous growth of international business. International business is based on three cornerstones; the participants, the activities and the environment. The participants include governments, international institutions for instance the World Bank, International Monetary Fund, International Labor Organization, World Trade Organization, Multi-national Corporations, International non-governmental organizations and individuals. The activities carried out within an international business framework include exporting, assembly, franchising, joint venture, branches, private equity investment and or wholly owned subsidiary.

Carrying out business in an international environment is more challenging than purely domestic market environment this is because international environment presents highly complex interactions among contextual variables, economic, political, legal, technological and social cultural. The highly complex interactions result into relevant external influences on the firm's business operations and these interactions occur in a very dynamic and turbulent manner presenting the organization with either opportunities or threats.

The international business environment is increasingly getting more competitive and challenging for business firms which is influenced by cross country differences in cultural ,demographic and market conditions, cost variances across countries, fluctuating exchange rates and differences in host government trade policies. This being the international business environment outlook each international organization is posed with the question how to achieve superior performance over its rivals within the industry of operation? To answer this question different players in international business have adopted different strategies which vary from cost leadership, differentiation, innovation, superior customer satisfaction and foreign market entry strategy. International non governmental organizations are players in international business with an objective of achieving superior performance and to attain this they adopt different avenues. This forms the foundation of this study to establish competitive strategies adopted by International non governmental organizations operating in Nairobi and whether they influence performance.

1.1.1 Concept of Strategy

Strategy is the direction and scope of an organization over the long term, which achieves advantage in a changing environment through its configuration of resources and competences with aim of fulfilling stake holder's expectation as described by Johnson, Scholes and Whittington (2008).A company's strategy represents management's answers to such fundamental business questions as whether to concentrate on a single business or build a diversified group of businesses, or whether to cater for a broad range of customers or focus on a particular market niche, whether to develop a wide or narrow product line ,whether to pursue a competitive advantage based on low cost or product superiority or

unique organization capabilities ,how to respond to changing buyer preferences ,how big a geographical market is to cover ,how to react to newly emerging market and competitive conditions, and how to grow the enterprise over the long term. A strategy thus reflects managerial choices among alternatives and signals organization commitment to particular products, markets, competitive approaches and ways of operating the enterprise this is according to Thompson and Strickland (2003).Strategy making involves developing an intended strategy, adapting it as events unfold and linking the firm's business approaches, actions and competitive initiatives closely to its competencies and capabilities.

Mintzberg (1987) defined strategy as a plan that is some sort of consciously intended course of action, a guideline or set of guidelines to deal with a situation. By this definition strategy has two essential characteristics they are made in advance of the actions to which they apply and they are developed consciously and purposefully. Just like plans strategies are general or specific. Strategy as a ploy is a defined plan which threatens to counteract a competitor's actions or planned actions. In this case the strategy is planned but its real intention is to threaten the competitor. Strategy as a pattern a stream of actions thus strategy is consistent in behavior whether or not intended. Strategy as a position this is a means of locating the organization into the environment, thus a mediating force between organization and the environment. Strategy as a perspective in this definition strategy is not just a chosen position but it's an ingrained way of perceiving the world.

1.1.2 Competitive strategy

Competitive strategy is about being different. It means deliberately choosing a different set of activities than rivals to deliver a unique mix of value. According to

Porter (1985) competitive strategy is the search for a favorable competitive position in an industry. Competitive strategy aims at establishing a profitable and sustainable position against the forces that determine industry competition. Organizations require an effective competitive strategy to operate successfully in a market where there's established and potential competition. A company's competitive strategy consists of the business approaches and initiatives it undertakes to attract customers and fulfill their expectations, to withstand competitive pressures, and to strengthen it's market position. Competitive strategy has a narrower scope than business strategy. Competitive strategy deals exclusively with management's action plan for competing successfully and providing superior value to customers .Business strategy concerns not only how to compete but also how management intends to address all other strategic issues confronting the business.

Thompson & Strickland (2003) argues that competitive strategy not only contains internal initiatives to deliver superior value to customers but also includes offensive and defensive moves to counter the maneuvering of rival's actions to improve the firm's long-term competitive capabilities and market position and tactical efforts to respond to whatever market conditions prevailing at the moment.

Porter (1980) developed well known generic competitive strategies, these strategies centre on two issues; whether the scope of the target market is broad or narrow or whether it's pursuing a competitive advantage linked on low costs or product differentiation. Five distinctive competitive strategies approaches stand out: Low- cost provider strategy appealing to a broad spectrum of customers based

on being the overall low cost provider of a product or service. A broad differentiation strategy-seeking to differentiate the company's product offering from rival's in ways that will appeal to a broad spectrum of buyers. A best cost provider strategy involves giving customers more value for money by incorporating good to excellent product attributes at a low cost than the rivals, the aim is to have the lowest costs and prices compared to rivals offering products with comparable upscale attributes. A focused or market niche strategy based on low cost concentrates on a narrow buyer segment and out competes its rivals by serving the niche members at a lower cost than rivals. A focused or market niche strategy on differentiation-concentrates on a narrow buyer segment and out competes its rivals by offering its niche members a customized attributes that meet their tastes and requirements better than rivals' products.

1.1.3 Organization performance

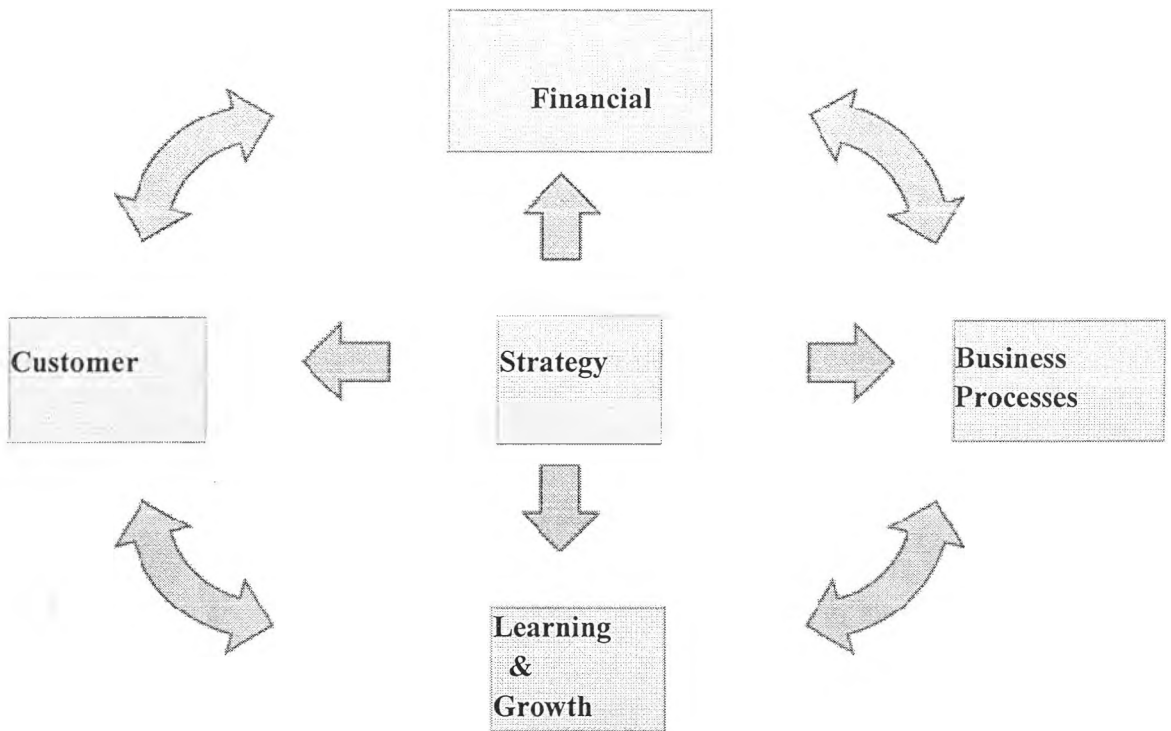
Most organizations view their performance in terms of effectiveness in achieving their mission, purpose or goals. Most non governmental organizations, for example, would tend to link the larger notion of organizational performance to the results of their particular programs to improve the lives of a target group .At the same time, a majority of organizations also see their performance in terms of their efficiency in deploying resources. This relates to the optimal use of resources to obtain the results desired.

According to Johnson, Scholes and Whittington (2008) organization have performance targets which focus on the outputs of an organization as a whole or part of the organization, such as product quality, revenues or profits. The

performance of an organization is judged, either internally or externally, on its ability to meet its target. (Johnson et al., 2008), states that “Many managers find it difficult to develop a useful set of targets one reason for this is that any particular set of indicators is liable to give only a partial view of overall picture. Some important indicators such as customer satisfaction tend to get neglected because they are hard to measure, leaving the focus on easily available data such as financial ratios” pg 451.

Kaplan and Norton, (1996) developed the Balanced Scorecard, as a performance measurement system that considers not only financial measures, but also customer, business process, and learning measures . The balanced scorecard is a strategic planning and management system that is used extensively in business and industry, government, and nonprofit organizations worldwide to align business activities to the vision and strategy of the organization, improve internal and external communications, and monitor organization performance against strategic goals. It is a performance measurement framework that added strategic non-financial performance measures to traditional financial metrics to give managers and executives a more 'balanced' view of organizational performance.

Diagrammatic representation of balanced score card



Source: Kaplan and Norton (1996)

Figure 1.1: The Balanced Score Card

1.1.4 International Non-governmental organizations in Kenya

Non Governmental Coordination Act of Kenya (1990) defines Non-Governmental Organization (NGO) as a private voluntary grouping of individuals or associations, not operated for profit or for other commercial purposes but which have organized themselves nationally or internationally for the benefit of the public at large and for the promotion of social welfare, development, charity or research in the areas inclusive of, but not restricted to, health, relief, agriculture, education, industry, and the supply of amenities and services. National Non-Governmental Organization is a Non-Governmental Organization which is registered exclusively in Kenya with authority to operate within or across two or more districts in Kenya.

An International Non-Governmental Organization (INGO) is an organization that makes significant operating expenditure across national borders as it provides services or programs in a foreign or host country. International Non-Governmental Organization operating in Kenya means a Non-Governmental Organization with the original incorporation in one or more countries other than Kenya, but operation within Kenya under a certificate of registration according to Non Governmental Coordination Act of Kenya, (1990). There is approximately over 400 registered INGOs operating in Kenya to date.

NGOs activities are now spread in every part of Kenya and cover almost every aspect of the economy. There are currently over 5000 registered NGOs (this includes about 400 international NGOs). It was estimated at the end of 2002 that the wider not for profit sector which includes NGOs, self-help groups, women and youth groups encompassed over 220,000 organizations.

It is estimated that the annual income of NGOs is \$1 billion, approximately 3% GDP. The Government now regards NGOs as true partners in development. Some NGOs are nationally-based that is they operate across the country while others only operate in one or more districts ,the latter category includes Community Based Organizations.

NGOs are involved in multi-sectoral activities and mono-sectoral/thematic in their program focus. Currently, most NGOs are active in the health service activities (HIV/AIDS); education (especially non-formal activities); micro-credit and arrange of income-generating activities; agriculture (especially agricultural extension and

fisheries); the environment; water and sanitation; training and capacity building; peace building and conflict transformation, social development and community empowerment Uganda National NGO policy (2008).

Okal (2006) in his study observed that NGO's in Kenya are highly donor dependent. All the NGOs in Kenya access funds from external donors, with INGOs increasingly gaining access to funds from official donor agencies both bilateral and multi-lateral that are subsequently used, inter alia, to build the capacity of national NGOs. A firm operating in international business involves doing business in foreign markets and differs significantly from a firm doing business in home country or domestic business. The difference arises due to cross country differences in culture, demographic and market conditions, cost variations across countries, fluctuating exchange rates and differences in host country trade policies.

Yabs (2007) found out that there are many factors that influence the operations of business in Kenya. The major ones being physical forces, economic forces, socio-cultural forces, financial forces, political forces, legal forces, labor forces, competition within industry and ecological forces. Kenyans are more of consumers than savers. Kenya is located along the Equator and along the eastern coast of Africa and thus Kenya's climate is tropical and lies outside the world's earthquake zones. Kenya socio-cultural force comprise of mixture of cultures thus diverse beliefs and opinions are expected in conducting business in Kenya.

1.2 Research problem

Competitive strategies are about identifying areas that will create uniqueness of a company within the industry of operation so as to gain superior performance over its rivals. The business environment in which firms operate is very dynamic and turbulent, this has made firms to expand across borders with the motive of searching for markets, resources and achieve efficiency. The overall objective for the firms is to increase its markets share through market growth which will lead to a profitable firm or able to attract and maintain donors and offer quality service to beneficiaries. The quest for firms to attain world leadership in performance has led to vigorous search for markets which has caused stiff competition among firms within the same industry both at local market and international markets.

The mushrooming in the number and scale of activity by the indigenous and international Non-Governmental Organization operating in Kenya has resulted to increased turbulence in the NGOs environment. Thus there is pressure for non governmental organizations to find ways of achieving high performance to achieve efficiency and effectiveness in the programs delivery and develop competitive strategies that will enable the organizations achieve superior performance.

Achievement and sustenance of competitive advantage has attracted great interest to scholars, researchers and students demonstrating its importance for any given entity and forms the core of a firm's business level strategy. However most of the studies done on competitive strategies and performance have focused on the private sector for instance Billow (2004) carried out a survey on competitive strategies as practiced by supermarkets in Nairobi, Dulo (2006) carried a survey on sources of competitive advantage and performance of firms in the sugar industry.

Omondi (2006) sought to find out competitive strategies adopted by airlines in Kenya. Swaleh (2007) carried out a case study on competitive strategies adopted by petroleum retail stations in Kenya. The studies done in the public sector have focused on different context such as Okal (2006) sought to establish competitive strategies adopted by NGOs dealing with HIV/AIDS in Kenya to cope with increased competition for funding.

Overall ,the studies cited have focused on competitiveness of organization but on different context and since management is sensitive to the context of its application, the findings of the studies on competitive strategies and performance of the organizations may not be applicable to the non governmental sector and especially international non-governmental organizations operating in Nairobi. This study will aim at finding out whether competitive strategies employed by International Non-Governmental Organizations operating in Nairobi influence performance.

1.3 Research Objective

The research objective of this study was to determine competitive strategies adopted by International Non governmental organizations in Nairobi and whether the competitive strategies influence performance.

1.4 Value of the study

The study will be of value to the managers of both the public sector and NGO sector as it will give a direction on the various strategies of achieving competitive advantage hence attain superior performance and performance measures systems that organizations can develop to achieve effectiveness and efficiency.

The study will contribute to the existing policies on performance management as it will give guideline on how to measure performance from a holistic perspective within the organization as well as contribute to development of best practices within the industry. The study will also help identify competitive strategies applied within international non-governmental organizations which will aid the organizations to create uniqueness within their industry hence achieve superior performance.

The study will contribute to body of knowledge as it will validate the existing theories on competitive strategies and how the underlying principles of the theories can be applied in the non-governmental sector. It will also provide information that can be used in development of theory on performance management and recommend areas of future research.

CHAPTER TWO

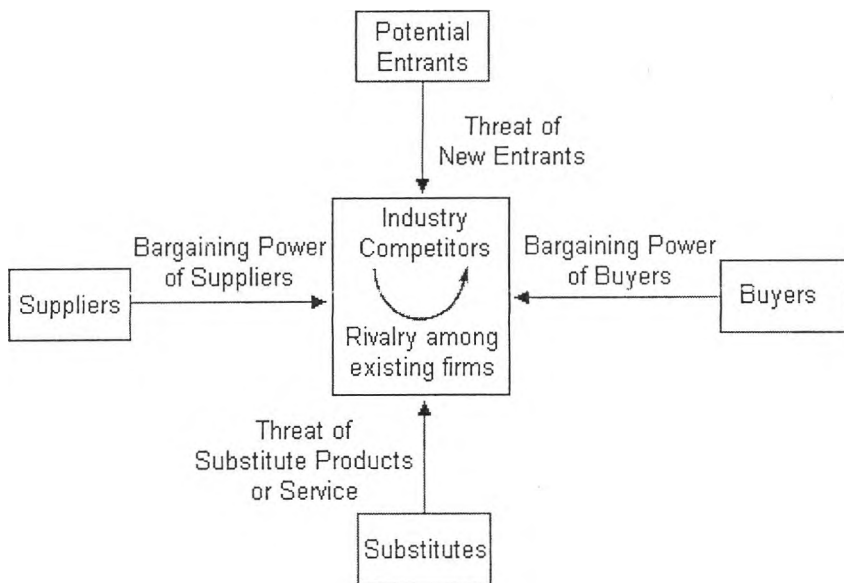
LITERATURE REVIEW

2.1 Introduction

This chapter examines the literature pertinent to the study as discussed by researchers, scholars, analysts and authors. The literature seeks to examine competitive advantage model, generic competitive strategies that institutions can adopt and performance management of institutions.

2.2 Competitive advantage model

Porter (1985) in his analysis of competition within an industry identified five forces of competition: the entry of new competitors, threat of substitute products or services, bargaining power of buyers, bargaining power of suppliers and the rivalry among the existing competitors as illustrated below:



Source: Competitive strategy Porter, (1985)

Fig 2.1: Porter's five forces of competition

In today's competitive world, success is often determined by the appropriateness with which firms choose their competitive strategies hence creating and sustaining competitive advantage. In recent years, articles have appeared in leading journals describing success stories of companies that have used innovative ways to create competitive advantage. In many cases, these successes have been by-products of a strategic or operational plan, rather than its objective. However, managers are now beginning to realize that the search for opportunities to create competitive advantage should be included as one part of the overall strategic planning process this is according to Dennis, Nunamaker, and Paraka (1991).

Drucker (1985) argues that a firm can often gain advantage over its competitors by recognizing and seizing opportunities in its environment or by promoting innovation within its own ranks. Innovation implies that new ways of doing something are adopted which emerge from new ideas or new perspectives. With traditional goals of control, predictability and error-free operations, many firms may not readily accept new ideas and perspectives. Thus, building and sustaining competitive advantage is an ongoing innovative cycle of searching for sources of competitive strategies and acting on them.

Drucker (1985) notes that innovation can take two dimensions one that exploit resources unique to a firm often arising from vertical integration, geographic scope, diversification, information technology resources, or competence in individual production operations and second innovations that capitalize on differences in strategy between firms Grant (1997) points out that innovation not only creates competitive advantage, it also provides a basis for overturning the competitive advantage of other firms. Competitive advantage cannot be understood

by looking at the firm as a whole, it stems from the many discrete activities a firm performs in designing, producing, marketing, delivering and supporting its product according to Porter (1985). Although opportunities to create competitive advantage may exist in any one activity in the value chain, the linkages between these activities may be direct or indirect vertical or horizontal linkages.

Porter (1985) describes other means by which value chain activities are interrelated that is vertical and horizontal relationships. Vertical relationships are those between components in the same value chain, while horizontal relationships connect components in different value chains within a diversified firm. Using horizontal linkages to create competitive advantage builds on the concept of synergy. Porter (1985) describes value chain analysis as a tool that firms can use to gain competitive advantage; this tool can clearly be applied in the private sector especially in manufacturing and distribution of goods but fails to clearly examine how linkages can be applied by the non-governmental sector to gain competitive advantage.

Kim and Mahoney (2002) in his research revealed that firm capabilities determine the potential scale and scope of firm level of competitive behavior, since the availability of a firm capability can either facilitate or constrain activities responses to competitive attacks. Management experience, along with knowledge of firm resources, will serve as a natural driving force for the firm to engage in various competitive activities. The managers' understanding of firm's capabilities drive managerial competitive response decisions since they are expected to undertake their competitive responses based on the evaluation of those capabilities that they perceive as most distinctive or superior related to their competitors.

Day (1994) describes firm's internal capabilities as both operational and technical in nature and can be related to manufacturing or transformation process, cost control, technology development. The technical and technological capabilities, can offer the firm a plethora of competitive instruments such as cost reduction and production effectiveness, as well as the appropriate financial management to support them. McEvily and Zaheer (1999) describes firm's external capabilities as the ability within the firm to scan ,interpret and respond to its competitive environment in a timely manner, and its ability to create network linkages between the focal organization and other supply chain players, such as suppliers, distribution channels, other firms, and customers. External capabilities enable and constrain internal capabilities through differential exposure to information and opportunities, thus enabling firms with analogous internal capabilities to react differently to rival actions.

In the last two decades, there has been increasing interest in organizational knowledge as the source of competitive strategy, which can be traced back to the emergence of the resource- based perspective of the firm, says Barney (1991). Strategists describe the inclusion of knowledge as a primary asset as the extension of the resource- based view of the firm to one that is specifically knowledge- based Grant (1997). Knowledge is acquired both internally and externally the major source of internal knowledge acquisition for business is through research and development.

Cooperative strategies are becoming more important to companies. Capital intensive and technology based firms are more eager to form alliance for their target success. A survey targeting executives of technology companies stated that strategic alliances are central to their firms' success (Kelly et al, 2002). The effects of the greater use of cooperative strategies particularly in the form of strategic alliances are notable. In the large firms, for example, alliances now account for more than 20 percent of revenue. This growth is not surprising because most strategic alliances are profitable.

According to Gari (1999) a strategic alliance is any form of co-operative linkage entered into for strategic reasons. The strategic reasons are multiple and include risk sharing, learning about a new market or a new way of working, adding or increasing capacity, laying the foundation for future strategies, developing a new technology or defensive purpose. The linkage established may or may not result in the setting up of a separate legal entity. The forms in which the linkages can take include research and development partnerships, joint ventures, cross-manufacturing agreements, cross distribution agreements and joint marketing.

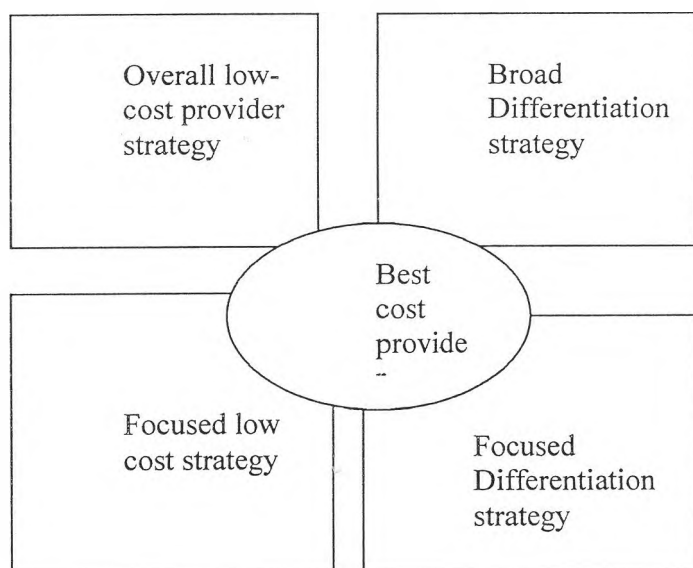
Evidence suggests that complementary business level strategic alliance, especially vertical ones, have the greatest probability of creating a sustainable competitive advantage. More and more companies are entering into alliances to gain competitive advantages Gari (1999). Strategic alliance designed to respond to competition and to reduce uncertainty can also create competitive advantage. However, these advantages tend to be more temporary than those developed through complementary (both vertical and horizontal) strategic alliances.

The primary reason is that complementary alliances have a stronger focus on the creation of value compared to competition reducing and uncertainty reducing alliances, which tend to be formed to respond to competitors' actions rather than to attack competitors.

2.3 Generic Competitive Strategies

Porter (1980) argues that superior performance can be achieved by an organization through the pursuit of a generic strategy, which he defines as the development of an overall cost leadership, differentiation, or focus approach to industry competition. If a firm does not pursue one of these strategy types, it will be stuck-in-the-middle and will experience lower performance when compared to firms that pursue a generic strategy. According to Porter there are two basic types of competitive advantage cost advantage and differentiation advantage and he further argues that an organization could perform deeper analysis to determine the factors that contribute to either of the advantage.

Thompson and Strickland (2003) argue that managers at different companies have a slightly different spin on future market conditions and how best to align their company's strategy with these market conditions to outmaneuver rivals. They however argue that while the latter is true the biggest and most important differences among competitive strategies are whether the market focus is broad or narrow and whether the company is pursuing a competitive advantage linked to low costs or product differentiation hence Thompson and Strickland (2003) support Porter's generic competitive strategy with a modified approach as presented below:



Source: Thompson and Strickland (2003), *Concepts and Techniques for Crafting and Executing Strategy* pg 134.

Figure 2.2 Five generic competitive strategies

Hambrick (1983) in his analysis argues that generic competitive strategies are too broad but not vague and further says that generic concept can be clarified by linking each strategy to a set of environmental pre-conditions. He also argues that it's simply not accurate to say that all generic strategies are equally viable within an industry, any broadly generic strategy is really a composite of numerous variations, not all of which are equally suited to a given situation. Phillips, Chang, and Buzzell (1983) argues that certain types of generic strategies do lead to success but the exact manner in which these strategies are translated into success varies dramatically with the type of business.

2.4 Performance management

Performance is a measure of how well an organization achieves appropriate objectives or how efficient and effective an organization .Waal (2007) defines performance management as the process where steering of the organization takes place through the systematic definition of mission, strategy and objectives of the organization, making these measurable through critical success factors and key performance indicators, in order to be able to take corrective actions to keep the organization on track.

The effectiveness of the performance process is defined as the achievement of both financial and non financial targets, the development of skills and competencies, and the improvement of customer care and process quality. Smith and Goddard (2002) looks at performance management from four broad functions: formulation of strategy, development of performance measurement instruments, application of analytical techniques that seek to interpret such measures and development of instruments designed to encourage appropriate organizational responses to performance information.

The revolution in information technology has led to the potential for enormous improvements in the quantity, quality, timeliness and cost-effectiveness of data relating to performance. Yet in many organizations, although the potential for such data capture is recognized, the reality has often been that the systems structure and systems information made available to managers is partial, of poor quality and late stipulates Smith and Goddard (2002).

Kaplan and Norton (1996) therefore developed a multi-dimensional instrument that seeks to capture contemporary indicators future success in the four broad domains of finance, customer perspective, internal business process, and learning and growth. The financial perspective examines if the company's implementation and execution of its strategy are contributing to the growth stage will stem from the development and growth of the organization which will lead to increased sales volumes, acquisition of new customers, growth in revenues . A business process is a collection of related, structured activities or tasks that produce a specific service or product for a particular customer or customers.

The balanced score card as developed by Kaplan and Norton (1996) has the customer perspective which seeks to measure customer satisfaction in the organization delivery of goods or services and learning and growth perspective measures the organization ability to create a climate that supports organizational change, innovation, and growth enabling the organization to ensure its capacity for long-term renewal by effectively developing and utilizing its diverse workforce for improved performance, a prerequisite for survival in the long run.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter gives the plan that was employed to provide answers to the research question of this study. It explains the research design and why it was adopted, the target population, data collection tools and procedure and data analysis.

3.2 Research Design

A research design is a blue print for fulfilling research objective, it shows how the data was collected, measured and analyzed. Descriptive, explanatory and or exploratory studies are some of the classification of the research that can be carried out depending on the purpose of the research (Mark et al, 2009). The purpose of this study is to determine competitive strategies adopted by International Non governmental organizations in Nairobi and whether the competitive strategies influence performance.

This study employed descriptive research as it portrays an accurate profile of persons, events or situations and it also explains relationship among variables hence it was the most suitable research study for achieving the purpose of this research study. Survey strategy was applied as it enabled for collection of a large amount of data from a sizeable population in a highly economical way. The quantitative data was analyzed using descriptive and inferential statistics. Mugenda and Mugenda (2003) observes that survey research method is probably the best method available to social scientist and other educators who are interested in collecting original data for purposes of describing a population which is too large to observe directly.

3.3 Target Population

The target population studied was International Non Governmental organization operating in Nairobi as registered by NGO coordination Board of Kenya. International Non-Governmental Organization operating in Kenya means a Non-Governmental Organization with the original incorporation in one or more countries other than Kenya, but operation within Kenya under a certificate of registration according to Non Governmental Coordination Act of Kenya, (1990).

There are approximately 400 registered International non-governmental organizations in Nairobi by the NGO coordination Board, (2012) which formed the target population for this study. Given the limited resources, time and cost there was need to define the sample where the data was to be collected amongst the 400 institutions.

3.4 Sample size

The target population was 400 registered International Non-Governmental Organizations operating in Nairobi. These institutions were identified from the list of all registered NGOs by NGO coordination Board, (2012). 10% rule of sampling was applied this formed a suitable representation of the population. The sample size was 40 registered international non-governmental organizations in Nairobi.

Stratified random sampling method was used to select the 40 international NGO's operating in Nairobi. The target population was classified into the key sectors that International Non-Governmental Organizations operate which include Agriculture, Governance, Education, Human rights and Children as registered by the NGO coordination board, the institutions were then randomly selected from the sectors.

3.5 Data Collection Procedure

The study applied structured open ended and closed questionnaires to collect primary data. Respondents were presented with descriptive statements and they were required to rate the extent to which the variable describes the position in the organization. These questionnaires were administered to one individual per organization who was either the holder of the office of the country director, project director or business development manager of the organization.

The data was collected through personal administration depending on convenient of the particular respondents and or self administered where the questionnaire was dropped and then picked depending on convenient of the particular respondents .Prior consent was sort from the respondents prior to administering the questionnaires this was done through electronic mail which was followed through by telephone call.

3.6 Data Analysis

The data collected was examined and checked for completeness, accuracy and consistency then coded and analyzed. Descriptive statistics such as mean, standard deviation and frequency distribution was used to analyze data. Quantitative technique was used to analyze the closed-ended questions and qualitative technique was used to analyze the open ended questions, content analysis was used to categorize common answers according to their commonality and factor analysis was done to identify the important factors.

Percentages, graphs, bar charts and frequency tables were used for data presentation where trends and proportions were demonstrated. Descriptive statistics were used to describe and compare variables numerically .Descriptive statistics was considered the most appropriate for this study as it helped to describe variables in central tendency and dispersion hence provided results required to meet the objective of the study.

CHAPTER FOUR:

DATA ANALYSIS AND INTERPRETATION OF RESULTS

4.1 Introduction

This chapter presents the analysis and gives interpretation of data collected from the administered questionnaires. 40 questionnaires in total were administered but the researcher managed to obtain 30 completed questionnaires representing a 75% response rate, a response rate that the researcher considered appropriate to represent the sample population.

4.2 Data analysis and interpretation

Table 4.1: Response rate

Respondents	Frequency	Percentage (%)
Response	30	75
No response	10	25
Total	40	100

The 30 collected questionnaires were edited to ensure their completeness, and later each question was coded to ease the process of entering data. In this form the data was still in its raw form, had little meaning thus had to be analyzed and interpreted.

The coded questionnaires were entered into the Statistical Package for Social Sciences (SPSS) version 17 computer package for analysis. The entered data was then checked for errors where illegitimate codes were checked as well as illogical relationships.

Quantitative techniques such as graphs, frequency tables, charts and computation of statistics were done to help in describing, presenting and examining relationships. Descriptive statistics which included mean, standard deviation and frequency distribution was used to analyze data. The quantitative technique was used to analyze the closed-ended questions and qualitative technique was used to analyze the open ended questions, content analysis was used to categorize common answers according to their commonality and factor analysis was done to identify the important factors.

4.3 Background Information

This section provides general information about the sample population for this study, this information includes country and year of incorporation, year in which the sampled population were registered in Kenya, number of employees in the institutions, main areas of intervention and gender of respondents.

4.3.1 Country and Year of Incorporation

The organization studied showed that 26.4% were incorporated in Kenya this represents only 8 organizations which means that 22 of the organizations were formed outside Kenya which confirms the nature of International organizations. 63.3 % of these organizations were incorporated in Kenya between 1990 and 2000 this shows major growth in number of International Non-governmental Organization during this period. These findings are as shown in the table 4.2 below:

Table 4.2: Country of Incorporation

Country	Frequency	Percentage (%)
Brazil	1	3.3
Canada	2	6.6
Germany	2	6.6
Japan	1	3.3
Kenya	8	26.4
Netherlands	1	3.3
Norway	2	6.6
Philippines	1	3.3
South Africa	2	6.6
USA	5	16.5
Total	30	100.0

The above finding provides evidence that the organizations sampled and subsequent interviews carried out were from International Organizations operating in Kenya as was the intent of the study. The table below presents the growth of the institutions within the years of incorporation.

Table 4.3: Year of incorporation

Year	Frequency	Percentage (%)
1920-1990	2	6.7
1991-2000	19	63.3
2001- 2011	9	30.0
Total	30	100.0

The study shows that 63% of the institutions interviewed were incorporated in the year between 1991 and 2000 .A survey that shows increase in number of International Non Governmental organizations.

4.3.2 Year of registration in Kenya

This study shows that 50% of the organizations were registered in Kenya between the years 1991-2000 and closely followed by those who were registered in between the year 2001-2011 at 43%. Only 6.6% of the organizations were incorporated between the years 1920-1990 as shown in table 4.4 below.

Table 4. 4: Year of registration in Kenya

Year	Frequency	Percentage (%)
1920-1990	2	6.6
1991-2000	15	49.5
2001- 2011	13	42.9
Total	30	100.0

The above analysis shows tremendous growth in number of International Non-Governmental Organization operating in Kenya which indeed causes turbulence in the NGO sector. This supports the need to carry out this study to determine how the International Non-Governmental Organizations do position themselves to achieve competitive advantage.

4.3.3 Number of employees

The study shows that 50% which is 20 organizations had between 50-100 employees while 37% of the respondents indicated that their organizations had employees below 50 as shown in table 4.5 below. This is key contribution by the Non-Governmental sector to the development of the country.

Table 4.5: Number of employees

Employees	Frequency	Percentage (%)
Less than 50	11	36.7
50-100 employees	15	50.0
100-500 employees	2	6.7
Greater than 500 employees	1	3.3
Non response	1	3.3
Total	30	100.0

The analysis shows that International Organizations plays a key role in the economic growth of Kenya since most of these organizations have an employment base of between 50-100 employees.

4.3.4 Main area of intervention

Respondents were further required to indicate their main areas of intervention. 29.7% of the respondents indicated that their organizations focused in health and awareness creation followed by those who majored in community development and humanitarian assistance at 19.8% and 16.5% respectively.13.2% of the organizations were children focused institutions. Majority of the respondents indicated that their organizations had a national outlook in provision of their services with their headquarters located in Nairobi. The findings are as shown in table 4.6 below.

Table 4.6: Main areas of Intervention

Sector	Frequency	Percentage (%)
Agriculture	3	9.9
Children	4	13.2
Community development	6	19.8
Health	9	29.7
Gender	3	9.9
Humanitarian assistance	5	16.5
Total	30	100.0

The analysis shows that most of the Non-Governmental Organizations operating in Nairobi focus on health and health awareness, this shows a gap in the health sector as provided by the Government of Kenya hence the International Organizations are trying to mitigate .This gap can be demonstrated further by the industrial strike that was in the health sector during the month of September 2012.

4.3.5 Position of respondents in the organization

This study targeted to get information from senior management of the international non-governmental organizations who were either country director, project director and or business development manager.33.3% of the respondents in this survey were program managers and closely followed by fundraising managers at 29.7% as shown in table 4.7 below.

Table 4.7: Position of respondent in the organization

Designation	Frequency	Percentage (%)
Programmes Manager	10	33.3
Managing Director	5	16.5
Fund Raising Manager	9	29.7
Communications Manager	6	19.8
Total	30	100.0

The respondents showed above are the people whose roles deal with competitive strategies and performance of the organization hence the information collected for this study can be relied upon to achieve the objective of this study.

4.3.6 Gender of respondent

The study found out that 53.3 % of the respondents were male and 46.7% were female as shown in table 4.8 below. This means that the senior positions of most international non-governmental organizations are held by the men hence influence the direction of most of the organizations as these are decision making positions.

Table 4.8: Gender of the respondent

Gender	Frequency	Percentage (%)
Male	16	53.3
Female	14	46.7
Total	30	100.0

4.4 Sources of competitive strategies

The respondents were further required to rate the extent to which their organizations applied various sources of competitive strategies on a scale of 1-5, where 1 meant a strategy not applied at all and 5 meant a strategy applied to a very great extent. From the analyzed data on sources of competitive strategies, mean was found to range between 3.9630 and 4.2593 and standard deviation ranged between 0.59437 and 0.89792 as shown in table 4.9 below. The mean of range between 3 and 4 indicated that most International Non-Governmental Organizations in Nairobi applied the various sources of competitive strategies to a moderate extent and to a great extent.

The research findings show that most International Non-Governmental Organizations in Nairobi adopted strategic alliances as the major source of their competitive strategy. The firm's capabilities and resources was the least applied competitive strategy. The high standard deviations registered approaching 1 indicated that there was greater disparity in the responses hence independence of responses.

Table 4.9: Analysis of sources of competitive strategies

Source	Mean	Std. Deviation
Firm's capabilities and resources	3.9630	.70610
Research and development	4.0370	.89792
Innovation	4.2222	.64051
Strategic alliances	4.2593	.59437
Market focus	4.1852	.73574

4.5 Competitive Strategies Applied

Respondents were further required to rate the extent to which their organizations applied different types of competitive strategies on likert scale of 1 to 5 whereby 1 meant Not at all and 5 meant To a very great extent. The questionnaire had 20 different competitive strategies which were availability of unique resources, home country support in finances and expertise, advanced technology, broad geographical coverage, narrow geographical coverage, diverse range of services, specific or narrow range of services, market research, wide range of donors, quality programming and satisfactory quality service delivery, efficient organization support systems, cordial donor-grantee relationship, outstanding organization and brand identity, good corporate governance, cordial host government relationship, strategic collaborations, self-sustaining strategies, employment of highly qualified personnel, low administration cost and efficient information channels.

The analysis found out that competitive strategies had a mean range of between 2.9259 and 4.2963 whereas the standard deviation range was between 0 .50637 and 1.01414 .The Mean of less than 3 indicated that most of the organizations applied those competitive strategies to little extent, the competitive strategies with mean of less than 3 were specific or narrow range of services and narrow geographical coverage. Mean of less than 4 indicated that organizations applied those strategies to a moderate extent and it was a common trend for a majority of the organizations as shown in table 4.10 below. These strategies are home country support in finances, broad geographical coverage, and diverse range of services, market research, and wide range of donors, efficient communication channels and low administration cost.

Table 4.10: Analysis of Competitive strategies applied

Competitive strategies	Mean	Std. Deviation
Availability of unique resources	4.0741	.61556
Home country support in finances, expertise	3.4815	1.01414
Advanced technology	3.9259	.87380
Broad geographical coverage	3.7407	.94432
Narrow geographical coverage	2.9259	.91676
Diverse range of services	3.2308	.95111
Specific or narrow range of services	2.8148	.78628
Market research	3.8889	1.01274
Wide range of donors	3.5926	.88835
Quality programming and satisfactory quality service delivery	4.0000	.73380
Efficient organization support systems	4.1481	.60152
Cordial donor-grantee relationship	4.2963	.46532
Outstanding organization brand identity	4.0370	.70610
Good corporate governance	4.1111	.50637
Cordial host government relationship	4.0667	.52083
Strategic collaborations	4.1000	.80301
Self sustaining strategies	3.8667	.81931
Employment of highly qualified personnel	4.1333	.68145
Low administration cost	3.5333	.73030
Efficient information channels	3.8667	.50742

The findings above shows that use of cordial donor-grantee relationship, efficient organization support systems, employment of highly qualified personnel, application of good corporate governance, presence of cordial host government relationship and strategic collaborations were the competitive strategies applied by a majority of the International Non –Governmental Organizations to a great extent. In addition the study found out that participatory methodologies and stakeholders focused interventions were also other competitive strategies INGOs applied for their continued survival in the industry.

4.6 Organization Performance

The researcher also had the objective of determining the rate of performance of the organizations based on perspectives as provided by the balanced scorecard tool, a tool that assesses the performance of the organization as a whole. The perspectives on balanced scorecard are financial, internal business processes, customer perspective and learning and growth perspective. The respondents rated the performance of their organizations based on the four main perspectives on a scale of 1-5 where 1 was Very poor and 5 meant that it was Very good. Learning and growth perspective registered the lowest mean of 3.9241, customer perspective had a mean of 4.0138, and internal business perspective had 4.0448 and the financial perspective at 4.3389.

The organization performance had a mean between 3 and 4 which indicated that the performance of a majority of the organizations under study was either fair or good. The standard deviation of less than 0.5 indicated that the responses of a majority of the respondents concentrated on one point based on the internal business perspective, customer perspective and learning and growth perspective.

The standard deviation of more than 1 on the financial perspective indicated that responses on the same were dispersed. The findings are as shown in table 4.11 below.

Table 4.11: Analysis of Organization Performance

Performance Perspective	Mean	Std. Deviation
Financial perspective	4.3389	1.51334
Internal business perspective	4.0448	.44748
Customer perspective	4.0138	.47187
Learning and Growth perspective	3.9241	.40853

The parameters on financial performance which had high score were timely and accurate financial data, compliance with donor cash management requirements and Compliance with International reporting standards. Revenue growth from International and local contribution scored at a lower level. Sound corporate governance and efficient communication systems led to a better internal perspective of performance. Beneficiaries' satisfaction, beneficiaries' ownership of programs and retention of existing partners were key drivers of customer satisfaction.

The organizations performance on learning and growth perspective was fair. The study under this perspective sought to find out how the organizations align their competencies for long term performance outlook, change management processes of the organizations and the frequency that organizations perform market research to gain additional knowledge and establish their relevance from the target beneficiaries.

CHAPTER FIVE:

SUMMARY, CONCLUSIONS & RECOMMENDATIONS

5.1 Introduction

This chapter provides a summary of the study, discussions and conclusions. The researchers then present the major limitations of the study and the recommendations for both the research and for the policy and practice.

5.2 Summary

The researcher administered 40 questionnaires in total but managed to obtain 30 completed questionnaires representing 75% response rate. The objective of the study was to determine the competitive strategies adopted by International Non-Governmental Organizations operating in Nairobi and whether the competitive strategies influenced performance. The study found out that most of the International Organizations adopted strategic alliance to a very great extent, the other strategies applied to a to a very great extent included use of cordial donor-grantee relationship, efficient organization support systems, employment of highly qualified personnel, application of good corporate governance, presence of cordial host government relationship and this influenced their performance.

The performance of the organization studied rated mean of above 4 which implied good performance in terms of financial perspective, internal business perspective and customer perspective. However, most of the International organizations had a fair performance in learning and growth perspective. This implies that organization needs to create a climate that supports organizational change, innovation, and growth.

The study also confirmed that management is sensitive to the context in which it's applied as some of the competitive strategies that theories have validated to create a competitive edge for organizations once adopted were found out to be applied to a less extent for instance competitive strategies that focus on cost leadership and market focus.

5.3 Discussions

The research found that majority of the INGOs had a national outlook in their operations and that they had between 50-100 employees on average. The major intervention areas for a majority of the organizations included: Agricultural support through positive and innovative farming practices, assistance to destitute children and interventions on life issues and challenges to the children, community development, climate change advocacy, youth empowerment, gender and women empowerment, health and awareness creation, humanitarian assistance and poverty eradication, youth mentorship, microfinance, peace creation, policy formation and advocacy, campaigns on social justice, population and health programs, promotion of human rights and social research.

Majority of the respondents indicated that forming strategic alliances with other organizations was the major source of their competitive strategies. The use of cordial donor-grantee relationship, efficient organization support systems, employment of highly qualified personnel, application of good corporate governance, presence of cordial host government relationship were also identified as other competitive strategies that were applied to a great extent.

The use of specific or narrow range of services, narrow geographical coverage and diverse range of services were used to a little extent by a majority of International Non-Governmental Organizations as competitive strategies. Use of product/service differentiation, participatory methodologies and stakeholders focused interventions were also mentioned as some of the other strategies International Non-Governmental Organizations applied for their continued survival in the industry.

The performance of International Non-Governmental Organizations operating in Nairobi was rated based on financial perspective, internal business perspective, customer perspective and learning and growth perspective. Learning and growth perspective registered the lowest performance measure, customer perspective, internal business perspective and financial perspective respectively registered good performance. All the perspectives registered means of between 3 and 4 hence their performance was either fair or good.

Porter (1980) argues that superior performance can be achieved by an organization through the pursuit of a generic strategy, which he defines as the development of an overall cost leadership, differentiation, or focus approach to industry competition. If a firm does not pursue one of these strategy types, it will be stuck-in-the-middle and will experience lower performance when compared to firms that pursue a generic strategy. This study found out that International Organization surveyed adopted quality programming and satisfactory quality service delivery to a very great extent a competitive strategy linked to differentiation of product which validates argument by Porter (1980).

Thompson and Strickland (2003) argue that managers at different companies have a slightly different spin on future market conditions and how best to align their company's strategy with these market conditions to outmaneuver rivals. They however argue that while the latter is true the biggest and most important differences among competitive strategies are whether the market focus is broad or narrow.

This study found out that most of International NGOs applied broad or narrow competitive strategy to a little extent thus fails to validate the argument of Thompson and Strickland (2003) that the biggest and most important differences among competitive strategies are whether the market focus is broad or narrow. This finding confirms that management is sensitive to the context to which it's applied as the competitive strategies applied in profit making sector are not applicable in non-governmental organizations to achieve a competitive edge.

Drucker (1985) argues that a firm can often gain advantage over its competitors by recognizing and seizing opportunities in its environment or by promoting innovation within its own ranks. With traditional goals of control, predictability and error-free operations, many firms may not readily accept new ideas and perspectives. Thus, building and sustaining competitive advantage is an ongoing innovative cycle of searching for sources of competitive advantage and acting on them. This literature is in line with the study findings where by innovation was identified as one of the major sources of competitive advantage that International Organizations applied to a very great extent.

Cooperative strategies are becoming more important to companies. Capital intensive and technology based firms are more eager to form alliance for their target success. A survey targeting executives of technology companies stated that strategic alliances are central to their firms' success (Kelly et al, 2002). The effects of the greater use of cooperative strategies particularly in the form of strategic alliances are notable. This growth is not surprising because most strategic alliances are profitable. This literature has been confirmed by the findings of this study that established that most of the International Non-Governmental Organizations apply strategic alliance as a competitive strategy to achieve competitive advantage.

5.4 Conclusion

The study aimed at determining what competitive strategies adopted by International NGOs operating in Nairobi and whether the strategies adopted influence performance. The study found out that strategic alliance was the greatest competitive strategy adopted by International Organizations to gain competitive advantage. Strategic alliance is any form of co-operative linkage entered into for strategic reasons which includes research and development partnerships, joint ventures, cross-manufacturing agreements, cross distribution agreements and joint marketing.

The use of cordial donor-grantee relationship, efficient organization support systems, employment of highly qualified personnel, application of good corporate governance, presence of cordial host government relationship and stakeholders relationships were other strategies that were applied. The use of specific or narrow range of services, narrow geographical coverage and diverse range of services were used to a little extent by a majority of International Non-Governmental Organizations as competitive strategies.

Strategic alliances create interdependence between autonomous economic units, bringing new benefits to the partners in the form of intangible assets, and obligating them to make continuing contributions to their partnership. The search for strategic partner involves evaluation of several factors which include organization performance in terms of financial performance, internal business, customer orientation besides other industrial factors. It's paramount for any organization that adopts strategic alliance to have solid organization performance as an entity.

Firms tend zealously to protect their core businesses and, are thus more willing to enter alliances involving peripheral activities which offer wider scope for *organizational learning and less vulnerability from sharing confidential information* this provides the explanation as to why organizations learning and growth perspective was fair.

The discussions above establishes that there is a direct relationship between the strategy adopted and performance of the organization and can therefore be concluded that the competitive strategies adopted by International NGOs operating in Nairobi influence performance.

5.5 Recommendations

The findings of the study have demonstrated that cooperative strategies are becoming more important to organizations as they endeavor to achieve their success. The benefits of strategic alliances are notable as they allow partners to create value that they couldn't develop by acting independently and to create wider impact. It is therefore important for the leadership of International organizations to develop framework that will aid in developing strategic alliances.

The study found out that research and development was applied to a less extent, this can be attributed to the fact that research and development is a capital intensive exercise .However, for organizations to remain relevant research and development has to be integrated into the strategic plans, this can be one of the areas that International Organizations can enter into strategic alliance.

Learning and growth perspective performance was fair which demonstrates a gap that requires to be curbed. Intense global competition requires that organizations continually improve their capabilities for delivering value to customers and shareholders. Organizational learning and growth come from three principal sources people, systems, and organizational procedures. Scorecards typically reveal large gaps between the existing capabilities of people, systems, and procedures and what is required to achieve breakthrough performance. To close these gaps, businesses have to invest in improving the skills of employees, enhancing information technology and systems, and aligning organizational procedures and routines (Kaplan and Norton, 1996). These would form the recommendations that International Organizations need to embrace to improve learning and growth perspective.

5.6 Limitations of the study

The research design adopted by this study was based on a survey that further applied descriptive nature to find out the competitive strategies adopted by International Non-Governmental Organizations and whether the strategies influence performance; this approach had its shortcomings since surveys are based on perceptions and perceptions are very dynamic.

The researcher encountered quite a number of challenges related to the research and most particularly during the process of data collection. Due to inadequate resources, the researcher conducted this research under constraints of finances and therefore collected data from one county. Some respondents were biased while giving information due to reasons such as privacy and busy schedules at their places of work.

5.7 Area for Future Research

Arising from this study, the following directions for future research in strategic management would be explored. This study focused on international NGOs located in Nairobi and therefore, generalizations cannot adequately extend to other NGOs located outside Nairobi, future research should therefore focus on the entire NGO sector in Kenya.

This study established that strategic alliance is the most applied form of competitive strategy ,future research should focus on determining the types of strategic alliances are formed ,what are the challenges faced in identifying and maintaining a strategic alliance relationship.

5.8 Implication of the study on Theory, Policy and Practice

This study found out that strategic alliance and innovation were competitive strategies applied to a great extent .This finding validates some of the work as discussed in the literature review of this study for instance what Drucker (1985) says a firm can gain competitive advantage by promoting innovation as well as work by Gari (1999) who argues that more and more companies are entering into alliances to gain competitive advantage and strategic alliance.

This study found out that most of International NGOs applied broad or narrow competitive strategy to a little extent thus fails to validate the argument of Thompson and Strickland (2003).He argues that the biggest and most important differences among competitive strategies are whether the market focus is broad or narrow. This finding also confirms that management is sensitive to the context in which it's applied. This implies that organization management should assess the environment in which strategies will be applied and this should form core principle while developing organization policies.

The study found out that the performance of learning and growth perspective was fair.This means that organizations do not have a climate that supports organizational change, innovation, and growth. This perspective is core in the implementation of competitive strategy that an organization adopts, management should put measures in place to align organization core competencies for long term performance outlook, build employees competencies and conduct regular market research.

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APPENDICES

APPENDIX 1: LETTER OF INTRODUCTION

Irene Muthoni Wambugu

Mobile:0720410857

Email address:Irene_wambugu@yahoo.com

Dear respondent,

RE: DATA COLLECTION

The researcher named above is a Master of Business Administration student carrying out a study on **competitive strategies and performance of International Non-Governmental Organizations operating in Nairobi**, a research project that will lead to the award of degree in Master of Business Administration .The researcher considers your organization to be playing a key role in development work hence chosen to provide information in the attached questionnaire. The researcher aims to complete the academic research project by **30th MAY 2012** and thus requests that you may assist in completion of the course by spending 15minutes to fill in the attached questionnaire. The researcher will collect the questionnaire from your organization upon completion.

The researcher adheres to strict ethical principles, observes confidentiality and assures the respondent that the outcome of the study will not refer to any individual or organization. The findings of this survey will be used for academic purposes only; if the respondent is interested with the findings of this study, a copy will be made available.

Thank you in advance for your co-operation.

Yours Faithfully,

Irene Wambugu
MBA student (researcher)

Supervised By:

Dr.Z.B Awino
University of Nairobi.

APPENDIX II: STRUCTURED QUESTIONNAIRE

Title of Study: Competitive strategies and performance of international non-governmental organizations operating in Kenya.

Instructions: Kindly complete the following questionnaire using the instructions provided for each set of question.

Confidentiality: The responses you provide will be strictly confidential there will be no reference made for any individual and or organization in the report of study and it will be purely used for academic purposes.

SECTION ONE: ORGANIZATION PROFILE

- 1) Name of the organization.....
- 2) Country and year of Incorporation.....
- 3) Year of registration in Kenya.....
- 4) Nature of ownership by home office.....
- 5) Geographical coverage in Kenya.....
.....
.....
.....
.....
- 6) No. of employees (i)less than 50 (ii)50-100 (iii)100-500 (iv) greater than 500
- 7) What is the main area of intervention by your organization?.....
.....
.....
.....
- 8) What is the position in your organization.....
.....
- 9) Gender Male () Female ()

SECTION B: SOURCES OF COMPETITIVE ADVANTAGE

To what extent does your organization apply the following sources of competitive advantage? Indicate your answer on a point 5 scale mark X on the applicable box where

1. Not at all
2. Little Extent
3. Moderate Extent
4. Great Extent
5. Very great Extent

Source of Competitive advantage					
Firm's capabilities and resources					
Research & development					
Innovation					
Strategic alliances					
Market Focus					

SECTION C: COMPETITIVE STRATEGIES

To what extent does your organization apply the following strategies to gain competitive advantage? Indicate your answer on a point 5 scale mark X on the applicable box where

1. Not at all
2. Little Extent
3. Moderate Extent
4. Great Extent
5. Very great Extent

Competitive strategies					
a) Availability of unique resources					
b) Home country support in finances, expertise.					
c) Advanced technology					
d) Broad geographical coverage					
e) Narrow geographical coverage					
f) Diverse range of services					
g) Specific or narrow range of services					
h) Market research					
i) Wide range of donors					
j) Quality programming and satisfactory quality service delivery					
k) Efficient organization support systems					
l) Cordial Donor-grantee relationship					
m) Outstanding organization brand identity					
n) Good corporate governance					
o) Cordial host government relationship					
p) Strategic collaborations					
q) Self-sustaining strategies					
r) Employment of highly qualified personnel					
s) Low administration cost					
t) Efficient information channels					

Any other competitive strategy that your organization applies.....
.....
.....

SECTION D: PERFORMANCE OF THE ORGANIZATION

How would you rate your organization performance using the parameters in the table below? Indicate your answer on a point 5 scale mark X on the applicable box

1. Very poor
2. Poor
3. Fair
4. Good
- 5 Very good

Performance measurement					
Financial perspective a) Timely and accurate financial data b) Liquidity of the organization c) Compliance with International Financial Reporting Standards d) Compliance with donor cash management requirements e) Revenue growth from international contribution f) Revenue growth from local contribution					
Internal business perspective a) Sound corporate governance b) Solid Internal controls c) Efficient Communication systems d) Organization value orientation to work & time e) Strategic management of the organization					
Customer perspective a) Beneficiaries satisfaction b) Impact of interventions to					

beneficiaries c)Beneficiaries ownership of programs d)Retention of existing partners e)Penetration into new geographical areas					
Learning & Growth a) Innovation b) Aligning organization core competencies for long-term performance outlook c) Organization change in people, systems and procedures d) Building employee competencies e) Regular market research					

Thank you for taking time to respond to the questions.

Name of the respondent.....

Signature.....

Date.....

Company stamp:

APPENDIX III: PROPOSAL CORRECTION FORM

UNIVERSITY OF NAIROBI

SCHOOL OF BUSINESS

PROPOSAL CORRECTION FORM

Student Name. IRENE MUTHONI WAMBUGU

Registration Number. DG175751/2009

Department.

Specialization. STRATEGIC MANAGEMENT

Title of Project Proposal. COMPETITIVE STRATEGIES AND

PERFORMANCE OF INTERNATIONAL NON-GOVERNMENTAL

ORGANIZATIONS IN NAIROBI.

The student has done all the corrections as suggested during the Proposal Presentation and can now proceed to collect data.

Name of Supervisor DR. ZR. AWIND Signature  Date 28/05/2012

APPENDIX IV: UNIVERSITY LETTER OF INTRODUCTION



UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAM

Telephone: 020-2059162/0711642416
Telegrams: "Varsity", Nairobi
Telex: 22095 Varsity

P.O. Box 30197
Nairobi, Kenya

DATE: 21st / MAY / 2012

TO WHOM IT MAY CONCERN

The bearer of this letter... IRENE MUTHONI WAMBUGU


Registration No. DG.175761/2009

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

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

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

Thank you.


21 MAY 2012
IMMACULATE OMANO
MBA ADMINISTRATOR
MBA OFFICE, AMBANK HOUSE