

**COMPETITIVE STRATEGIES ADOPTED BY KEMRI–CDC IN RESOURCE
MOBILIZATION**

BY

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DECLARATION

I Rael Kemunto Omaore hereby declare that this research project entitled **COMPETITIVE STRATEGIES ADOPTED BY KEMRI–CDC IN RESOURCE MOBILIZATION** is my original work and has not been presented for a degree to any other university.

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MBA PROGRAM

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DEDICATION

To my parents, Mr. and Mrs. Omaore for the sacrifices they have made so I could have a proper education and for the values they have instilled in me. To my brothers and sisters for believing in me and my fiancé Vincent for his immense support all through.

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ABBREVIATIONS AND ACRONYMS

KEMRI	Kenya Medical Research Institute
CDC	Centre for Disease Control and Prevention
NGO	Non-Governmental Organizations
FBO	Faith-based Organizations
MoH	Ministry of Health
TB	Tuberculosis
HIV	Human Immunodeficiency Virus
AIDS	Acquired Immunodeficiency Syndrome
PEPFAR	President's Emergency Plan for AIDS Relief
PMI	President's Malaria Initiative

ABSTRACT

Despite numerous studies in the area of competitive strategies, there is very little information on research within the non-profit industry. According to the National Health Accounts government support towards healthcare, particularly in terms of funding, has declined significantly over the years. This has consequently impacted health research which falls under the umbrella of healthcare funding. The resultant effect has been that health research organizations and institutions around the country have resorted to assistance from local and foreign funding agencies that provide either financial or non-financial resources on a competitive basis. The research sought to examine competition from a non-profit industry perspective and the strategies adopted to combat competition in resource mobilization. The study sought to identify the competitive strategies in place at KEMRI –CDC that complement the resource mobilization activities. The research adopted a case study design and collected data using interview guides and secondary data. Secondary data was obtained from websites and research publications conducted on similar contexts. Data analysis used a content analysis technique and presented the findings using a qualitative descriptive technique. The findings were assessed based on the direct application of competitive strategies and the extent to which competitive strategy theories were deemed evident. Key findings indicated the application of cost leadership and differentiation as competitive strategies in place to mobilize resources. The resource-based theory along with the knowledge-based theory formed the foundation upon which the study was based; they were significantly evident in the study. The study revealed a close link between the resources of an organization as well as its capabilities and the level at which it is able to compete in the industry it operates. The importance of safeguarding knowledge as a valuable resource in the organization was also revealed supporting further the knowledge based theory. The generic competitive competitive strategies proposed by Porter were also tested in the study to examine the extent to which they influenced resource mobilization. The main competitive strategies evident from the study were the cost leadership and differentiation strategies which were the most common strategies in place. The study further revealed formation of strategic alliances in the form of collaborations with the different partners as a competitive strategy for KEMRI –CDC. The study concluded that competitive strategies are a valuable tool necessary to achieve greater results in resource mobilization. Recommendations were made to the policy makers to increase awareness of strategies existent in the organization in order to increase their effectiveness. Further constant review of existent strategies should also be done to increase their effectiveness.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Competition is a phenomenon that is experienced across all industries whether explicitly or implicitly. The difference comes about in the forces that drive competition in specific industries. This is what creates the need for competitive strategies to curb the turbulent forces that drive industry competition (Porter, 1985). Competitive strategy construes the game plan by management for competing lucratively with its rivals. It includes the proactive and reactive measures to overcome the tactics of the organization's rivals, the actions it takes in dynamic market conditions, the undertakings to fortify its position in the market and the measures taken to achieve a competitive edge vis-à-vis that of its contenders, (Thompson, Strickland & Gamble, 2010). The ultimate aim of competitive strategy according to Porter (1985) is to cope with the changing rules in the firm's behaviour and have it tailored to the industry structure under which it operates. Competitive strategy will therefore pilot a firm's competitive advantage and thus establish a sustainable position relative to its rivals.

The concept of competitive strategy is reinforced through the resource-based theory of the firm as discussed by Wernerfelt (1984), and complemented by the knowledge-based theory. Porter's Generic Strategies, (Porter, 1985) also contribute majorly to the concept of competitive strategies. The resource-based theory of the firm is mainly concerned with the firm's internal configuration, with emphasis on resources and capabilities rather than the overall industry structure. It accentuates the internal environment of the firm as a source of competitive edge and emphasizes the resources that organizations have harnessed to compete on a wider scope of the outer

environment as a whole, (Wang, 2014). Barney (1991) argued that the resources possessed by a firm are its main source of competitive leverage with the establishment of the approach of core competencies that reflect on the vital classification of resources in terms of the capabilities of a firm, (Prahalad & Hamel, 1990). The knowledge based theory singles out knowledge as a valuable resource in the organization with its own special characteristics. The diverse nature of knowledge inherent in an organization is what provides competitive advantage. The generic strategies attempt to showcase the different strategies that can be employed to address the various challenges within the industry.

The health sector in Kenya is mainly funded by the government which is the key player, private consumers who are the users of the health services rendered, and donors who contribute about 30% yearly. Over the years, budget allocations towards the health sector have been reducing due to constraints within the sector's internal and external environment thus imposing severe restrictions on expenditure. The government has consequently resolved to borrowing in order to supplement its budget deficits. This has shifted greater reliance towards external and internal donor funding. Due to an increasing demand for resources in the sector, there has been a lot of competition surrounding the acquisition of donor resources with the reduction in government funding within the health sector (National Health Accounts, 2009/2010). However, donor assistance is tagged with terms and conditions that must be fulfilled prior to providing the necessary aid. The uncertainty that comes with donor funding has probed the health sector to engage competitive strategies in acquiring these resources.

1.1.1 Competitive Strategy

Competitive strategy results in competitive advantage which is mainly the ability to outperform competitors in one or several ways that they would otherwise lack the ability to contest, (Kotler, 1997). Development of competitive strategies entails formulating a clear blueprint that dictates how an organization is going to compete, the goals it strives to achieve, as well as the kind of policies that will steer the organization towards the achievement of these goals, (Porter, 1980). Porter (1980) developed the five forces framework to examine the levels of competition existent in an industry. These forces also define the attractiveness of an industry. The forces include industry rivalry, the threat of entry into the market by new competitors; substitutability; purchasing power of suppliers and purchasing power of buyers. The generic strategies (Porter, 1980) were consequently developed to combat the competitive forces. These strategies feature the convergence between curtailing costs or leadership strategy, differentiation – which is achieved through innovation and focus which concentrates on the market.

The resource based theory further articulates the concept of competitive strategy through the assertion that every organization crafts its own unique skills and abilities which eventuate in cutthroat competitive edge. Piercy et al. (1998) argues that the resources and skills of a firm result in increased competitiveness. Competitive strategies are therefore at the core of any organization's success regardless of the industry, size or scope.

1.1.2 Resource Mobilization

Resource mobilization is the process of securing and managing new or additional resources for an organization, (Seltzer, 2014). These resources could either be financial or nonfinancial and the mobilization can also be done either externally or internally, (Batti, 2014). Nonfinancial resources can be classified under material, technological, human as well as informational resources. Resource mobilization therefore denotes the process of acquiring all necessary resources with the intention of achieving specific goals or objectives. Through resource mobilization, organizations are able to establish long-term partnerships that allow the sharing of knowledge and skills that equip them with the capacity to handle these resources. Organizations are also able to achieve a sustainable resource base through diversifying their resources.

A sound resource mobilization framework revolves around three major aspects that contribute immensely to the success of the process, (Batti, 2014). These include the mechanisms that define the approach to be taken in the resource mobilization process. Mechanisms could take the form of funding proposals, income generating activities, requesting for donations among others. The second aspect is identifying the nature of the resources to be mobilized; these could include human resources, equipment, information resources and provision of subsidized goods or services, in-kind contributions among others. The third aspect is the providers of the required resources; these include government agencies, corporate bodies, and international organizations.

Successful resource mobilization demands the use of resource mobilization plan that guide the path that the process will follow. The first step involves the assessment of the status quo in order to identify the current resource needs and examine their

sustainability in the long term. Different strategies can then be formulated depending on the determined objectives, available skills and involvement required, (Kotler, 2003). This can be followed by a continuous and systematic way of identifying potential resource providers through matching the organization's scope with the requirements of the resource providers. Khieng (2014) emphasizes the importance of organizations forming strategic partnerships with multiple resource providers to achieve sustainability.

1.1.3 The Health Research Sector in Kenya

The health sector in Kenya comprises of the public domain which consists of the key players in the industry and the private domain. The private domain includes private profit making organizations and public benefit organizations that include Non-Governmental Organizations (NGOs) founded by either corporate bodies or individuals. There are also Faith-Based Organizations (FBO) that are initiatives of various religious groups. The public domain is composed of the industry leaders who are mainly the Ministry of Health and parastatal organizations. In terms of service provision, the private sector contributes over 40% of the country's health services while the Ministry of Health (MoH) and external donors support the remainder. The Ministry of Health further provides support to public benefit organizations through staff trainings, secondment of staff to participating facilities and provision of various drugs and vaccines, (Muga et. al, 2005). The Ministry of Health also guides their activities through standards and protocols.

According to the National Health Accounts (2005/2006), funding from the health sector comes from various sources. They include the government allocations from the national budget which contributes about 30%, households or consumers who

contribute 35.9% and donors contributing approximately 30% with the remaining contribution coming from local foundations and the private sector. There have been significant reductions in the government's contribution towards the health sector according budget allocations between the years 2005 to 2009, (Nyakundi et al., 2011). This has led to significant dependence on donor funding, which greatly supplements the health gap left by the national health budget.

The Kenya Medical Research Institute is the main body mandated to conduct health research in Kenya as established through a statute. Challenges within the overall health sector have resulted in resource constraints for resources allocated towards health research. Consequently, the Kenya Medical Research Institute (KEMRI) has resolved to accomplish its mission and vision through collaborations both locally and with foreign resource providers.

1.1.4 The KEMRI – CDC Collaboration

The Kenya Medical Research Institute (KEMRI) is a state corporation that was established as the national body with a mandate to conduct health research in Kenya through an Act of parliament, (www.kemri.org). In 1979 collaboration between KEMRI and the Centre for Disease Control and Prevention (CDC) in partnership with the Ministry of Health was formed to build a comprehensive research platform, which includes research on HIV/AIDS, tuberculosis (TB), neglected tropical diseases, malaria, emerging infections among other public health issues. Through this the KEMRI-CDC Research and Public health collaboration was formed. A large portion of the financial contribution from CDC supports the increased prevention of HIV/AIDS as well as establishment of care and treatment programs through over 80 implementing partners, (Conducting Research and Monitoring & Evaluation, 2015).

This collaboration also allows for researchers, better known as principal investigators, within the medical field to conduct research by sourcing for grants and other forms of resources. These grants are awarded on competitive basis and thus creating the need for competitive strategies in order to be awarded. There is therefore the need to formulate strategies surrounding competitive advantage in order to endow the researchers with valuable skills that will be essential to acquire the resources they need to conduct their work.

1.2 Research Problem

The demand for health services has been on the rise of the years putting increased pressure on the government and other stakeholders to deliver more than they have the capacity for. This has drawn attention to the concept of strategy formulation and implementation and even more precisely, competitive strategy. The need for resources is felt across all industries and more so in the nonprofit industry that has to acquire resources in a competitive context. Competitive strategy along with the pressure arising in the industry as a result of the five forces has therefore led organizations to embrace strategy as a tool for improved organizational performance, (Porter, 1980).

Resource mobilization is the generic process of rallying resources for purposes of supporting activities in an organization (Batti, 2014). The health sector has faced immense challenges surrounding the acquisition of these resources with the cuts in government budget allocation and stagnant external funding resulting in stalled activities. Organizations involved in medical research from the public and private domain are thus forced to compete for resources awarded competitively. Consequently, to attain long term competitiveness, organizations such as KEMRI –

CDC need to devise competitive strategies to employ in their resource mobilization efforts.

Empirical evidence from research conducted on competitive strategy and competition in the nonprofit industry seems to have focused more on organizational behaviour and sustainability. Faulk (2011) studied the behaviour of nonprofit organizations in competitive markets for grants. Bose (n.d.) conducted a research on the Effects on nonprofit competition on charitable donations to identify how nonprofit organizations are impacted by the donations they receive as well as the impact of these on the donors who issue them. The need for sustainability by nonprofit organizations in order to continue their operations has also been studied by Weerawardena et al. (2010). Closer home, research surrounding competitive strategies has paid greater attention to the profit making aspect of competition. Achoki (2013) studied the competitive strategies adopted by Bank of India as well as Mwangi (2010) who studied competitive strategies adopted by Kenya Commercial Bank. A close attempt to study the nonprofit industry was by Njoya (2004) who studied the nonprofit industry's resource mobilization and sustainability strategies while seeking to understand the plans surrounding resource mobilization and its sustainability thereof

This study therefore examined the facets of competitive strategy that have escaped empirical scrutiny within the nonprofit industry with a specific focus on the use of competitive strategies in resource mobilization within the health sector. An important aspect of strategy is attaining a sustainable competitive edge through a firm's inimitable resources and capabilities. From the mentioned empirical evidence, competitive strategy has been studied in various dimensions but none has examined competitive strategy within the spectrum of resource mobilization. The study went out

to address the challenges faced in the resource mobilization function while answering the question: What competitive strategies are employed in resource mobilization?

1.3 Research Objective

The primary objective of the study was to identify the competitive strategies adopted by KEMRI – CDC in resource mobilization.

1.4 Value of the Study

The study was important to contribute immensely to theory by creating a paradigm shift from the conventional profit making industry within which the theory was established to a holistic view that accommodates the nonprofit industry as well. The role of the resource-based theory of the firm and the generic strategies, upon which the concept of competitive strategy is founded have therefore been evident through the study. It has also provided a foundation for which future studies can be based.

The health sector in Kenya stands to benefit from this study by gaining insight on the innovative ways to curb challenges associated with resource constraints. This will ensure health issues in Kenya are addressed in a timely manner. The study further highlights emerging trends and practices that can be used to achieve growth and sustainability in organizational resources. It has also validated the use of competitive strategies in resource mobilization.

The implication of this study on policy formulation is that members of top management teams can apply it within the health sector to make informed decisions on formulating and implementing competitive strategies. Policy formulation can therefore be guided by long-term strategies with controls to measure the effectiveness of these strategies.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter identifies and examines related literature on the concepts of competitive strategy as proposed by different researchers, scholars, and authors. An analysis of theories anchoring the study has also been done.

2.2 Theoretical Foundation

This study was be guided by the resource-based theory and the knowledge-based theory (Wernerfelt, 1984). The Generic Competitive Strategies by Porter (1980) were discussed to serve as guidance to the different approaches of competitive strategy. The generic strategies are approaches to surpass the performance of other competitors existent within an industry. The resource-based theory analyzes the internal environment of a firm as the foundation of competitiveness and points out the resources that firms must leverage so as to compete in the environment, (Hoskisson et al., 1999). The knowledge-based theory sets knowledge apart as the most outstanding resource of the firm that is imperative to the success of an organization.

According to Porter (1980) there are essentially three generic strategies that can be applied in an industry in order to achieve competitive advantage. These strategies include cost leadership which emphasizes on the minimization of overall costs relative to competitors; differentiation which requires the firm to establish an industry wide level of uniqueness in its operations that permits it to demand a higher advantage relative to its competitors. The third strategy is the focus strategy under which the firm establishes a niche and concentrates on that particular segment to garner all the available competitive advantage in the industry.

2.3 The Resource Based Theory

The resource-based theory argues that the competitiveness of a firm is determined by its possession of firm-specific strategic resources that are valuable and costly for competitors to replace and imitate. The resource based theory suggests that firms with homogenous resources pose a competitive threat. Resources have also been classified into different categories viz. financial, human, technological and physical resources, as well as intangible resources such as brand recognition, (Wernerfelt, 1984). Barney (1991) opined that resources are also capabilities, organizational practices; physical assets and knowledge, among others that an organization controls that enable it to visualize and execute strategies that advance its overall performance. Ultimately, organizations that are able to gear their resources towards implementing a value adding strategy that is not being practiced concurrently by their competitors, (Barney 1991), can benefit from competitive advantage.

The resource-based theory goes further to differentiate a firm's resources from its capabilities stating that resources are those factors that provide inputs into the production process. These include items of capital equipment, individual employees' skills, brands and patents, among others, that are linked with a minimum of permanence in the company (Wernerfelt, 1984). However, resources on their own are not mutually exclusive from capabilities; productive activity requires the support and synchronization of teams of resources. Capabilities of a firm can therefore be described to be the resultant rewards that arise from combined efforts of resources and teams. It can therefore be considered that capabilities are the collective organizational skills or competencies of the firm, (Prahalad & Hamel, 1990).

An analysis of the Resource Based Theory therefore infers that different organizations within a specific industry have different sets of resources and capabilities; the inimitability of their resource combination is what helps them achieve competitiveness, (Barney, 1991). This theory annuls the industry analysis by Porter (1980) that suggests that all firms in an industry possess homogenous resources. The essence of the resource-based view in this study is therefore to assess the combination of resources and capabilities on hand to the organization under study that help devise the competitive strategies used in resource mobilization.

2.4 The Knowledge Based Theory

The knowledge-based Theory rests on the tenets of the resource-based theory that views knowledge as a generic resource. This theory perceives knowledge as a resource with its own special characteristics that makes it a vital and valuable resource. The Knowledge Based Theory was developed to distinguish between the different types of knowledge capabilities existent within an organization that provide competitive advantage. The nature of knowledge is that it is challenging to imitate. Evans (2003) pointed out that knowledge unlike other resources that wear out when used consistently, knowledge builds up further the more it is used. This knowledge is further rooted deep into the organization's operations and evidenced through its organizational culture, organizational structure, policies, routines, systems, and most importantly the employees

According to the knowledge based theory, a resource is likened to stock in the firm that must be refilled once it is exhausted in order for competitive advantage to be realized, (Wernerfelt, 1984). However, competitive advantage does not necessarily come about through the accumulation of knowledge but rather through the preventing

the transfer of this knowledge or through transferring it to strategic collaborators and partners. This gives rise to the issue of knowledge absorption capability, (Kogut & Zander, 1996). This refers to the ability to comprehend and utilize knowledge within an enterprising context.

The essence of the knowledge based theory is that it draws emphasis on the aspect of organizational learning and sharing for competitive advantage (Grant, 1996). It further integrates the understanding between academics and management with respect to the practical implications of knowledge application. This has fostered the awareness of the materiality of safeguarding informational resources as well as the knowledge acquired by members of staff, (Tiwana, 1999).

2.5 Porter's Generic Competitive Strategies

Generic strategies refer to the extensive use and the ability to create competitive advantage in spite of the industry the organization operates, the type of business it conducts and size of organization, (Herbert & Deresky, 1987). The advent of the generic competitive strategies was in response to the industry analysis that resulted in the competitive five forces model, (Porter, 1985). The intensity of competition in an industry relies on five fundamental forces, (Porter, 1985). These forces include: industry rivalry among different competing firms; threat of new entrants into the market; the threat of substitutability; purchasing power of suppliers and purchasing power of buyers. Each of these forces affects a firm's ability to compete in a given segment. Together, they determine the competitiveness for a particular industry.

Porter (1980) singles out three consistent generic strategies which can be applied in isolation or simultaneously in order to create an assailable point in the long run and

consequently outperform rival players in an industry. They include the cost leadership strategy, differentiation strategy and the focus strategy.

2.5.1 Cost Leadership Strategy

The concept of cost leadership generally relates to the application of cost reduction strategies with the ultimate goal of attaining lower costs relative to competitors. Porter (1988) suggested that operating under low-costs allows a firm a defence against contention from competitors, for the reason that the reduced costs translate to earning returns even after its competitors have depleted their revenues in the process of the competitive experience. Cost leadership provides a defence against dominant suppliers by affording the organization more elasticity to cope with increasing input costs. The factors that lead to economically sound positions usually also provide extensive barriers of entry in terms of economies of scale or cost benefits. Finally, a low-cost position usually places the firm in a favourable location in terms of availability of substitutes vis-à-vis other competitors in the industry.

There are six major points of cost advantage that organizations can adopt as cost leadership strategies. They include: size disparities and the resultant economies of scale, size differences and economic disadvantages, experience-curve and learning-curve distinctions, access to relatively low-cost production inputs, technological benefits free of scale, and policies in place, (Barney & Hesterley, 2006). The basis for competitive advantage in the cost leadership strategy is having lower overall costs than competitors. This requires the firm to be better than competitors on resourcefulness and cost control and continuously seek diverse and ingenious ways of cutting costs. In order to be successful at achieving cost advantage in production, it is critical to pursue cost savings via activity costing, (Kamau, 2013).

According to Porter (1980), cost advantages are generally classified under two sources, which are the probably scarce sources of cost advantage and improbably scarce sources. The probably scarce sources of cost benefits include learning-curve economies of scale differential low-cost access to productive inputs and technological software. The improbably scarce sources include economies and diseconomies of scale, technological hardware and policy preferences. Creation of a sustainable competitive cost advantage requires that competitor cannot easily emulate the strategy in place. Creation of a prolonged competitive cost benefit requires that competitors cannot effortlessly emulate the strategy in place.

Execution of cost leadership as a strategy calls for special attention to the organizational structure, management authority and controls, and compensation and remuneration policies. According to Barney and Hesterley (2006), elements of the organization structure necessary to implement cost leadership include few layers in the reporting lines with a focus on a limited scope of business functions. Similarly, management controls necessary to achieve the cost leadership strategy include solid cost control structures, quantitative cost goals and close regulation of all costs. Favourable compensation policies are those that reward cost minimization and provide incentives for involvement of all employees in cost reduction schemes.

2.5.2 Differentiation Strategy

Porter (1985) argues that a firm that employs a differentiation strategy competes based on its ability to stand out from its key competitors. Product differentiation is therefore an outward utterance of the ingenuity among individuals or groups of people within the organization. The only limitations are the existent opportunities and the readiness and capacity of firms to resourcefully discover ways to take advantage of those opportunities, (Barney & Hesterley, 2006). They further postulate that the firm

should differentiate itself among several dimensions. These dimensions include product or service differentiation, relationships and interactions with stakeholders as well as implementation of differentiation through focusing on its association with other firms and the linkage within the firms, which includes interactions across different functions in the firm.

According to Porter (1980), differentiation yields immense benefits to the firm by providing insulation from the competitive forces in the industry. Differentiation also contributes to cost leadership as effective differentiation requires that the strategy be exceptional and expensive to replicate; which are sources of sustainable competitive advantage. Barney and Hesterley (2006) state that differentiation as a strategy lies on the ability of specific firms to embrace creativity in the way they design their products or services. Differentiation creates sustainable benefits in prevailing situations that can last until competitors are able replicate an organization's major resources, and will be replenished through the creation of new opportunities that result in a fresh competitive edge and new barriers of entry, (Ogbonna & Harris, 2003).

The prerequisite for implementing a differentiation strategy requires considerable synchronization with the organization structure, managerial involvement, and reward policies and to some extent implementation of cost leadership strategies, (Dess & Davis, 1984). Organizational arrangements and execution tools should not only fit but reinforce the strategy. There are suggestions that strong capability in basic research is a required skill for implementing differentiation, (Porter 1980). In essence, the epicentre of the differentiation strategy is therefore innovation, creativity and perpetual organizational learning, (Porter, 1985). Barney and Hesterley (2006) support the reinforcement of risk taking behaviour through rewards, as opposed to punishing failures.

2.5.3 Focus Strategy

The focus strategy endeavors to serve the clientele in a limited market segment by concentrating on a select few target markets, (Hlavacka et al., 2001). Thompson and Strickland, (2008) affirm that the focus strategy is targets securing a competitiveness based on either cost minimization or differentiation. It is also employed when it is not appropriate to apply the broad cost leadership or differentiation strategies (Porter, 1985), by offering a limited range of alternative products and services serving specific markets only or having special products and services for specific type of customers (Allen & Helms, 2006).

Implementation of this strategy allows the firms to integrate a range of activities correlated with differentiation and low cost in a target market niche from which the higher revenues can be generated, (Thompson & Strickland, 2008). This is contrary to the assertion that an organization has to choose only one strategy and dedicate all efforts and resources to it, (Porter 1985). There are two major schools of thought pertaining to the application of the focus strategy with one school of thought suggesting a combination of the differentiation and the cost leadership strategy based on what suits the firm's situation, (Wright et al., 1990). The second school of thought rescinds the possibility of executing one or more strategies citing constraints of environmental characteristics that limit the range of possibilities available to the firm, (Hambrick, 1983).

2.6 Competitive Strategy and Resource Mobilization

The possession of resources by organizations and the acquisition process of these resources determine the competitive behaviours taken up by firms leading to the adoption of competitive strategies. Strategy is used to provide a link between the competitive environment and resources which ultimately gives an organization the upper hand over its rivals. Strategy is mainly concerned with creating a fit between the internal organizational resources and the dynamic external environment. Strategy is the course and span of an organization over the long-term which helps to cope in a dynamic environment through its alignment of resources and skills, (Johnson et al., 2008). The concept of strategy embodies the identification of an organization's long-term goals, then taking on necessary plans while allocating resources necessary to achieve the desired objectives, (Chandler, 1962).

The resource mobilization process can be strategic in depending on the approach it takes: it could be done internally or externally. Internally, resource mobilization can be done by building existent resources to yield more value adding benefits while external mobilization can take the form of building synergies with potential resource providers. There are three steps that can be used to achieve strategic resource mobilization according to Mathews (2003): search, acquisition and absorption. Acquisition basically touches on the extent an organization will go to obtain or imitate resources. Absorption is an uphill task in many cases and requires capabilities to integrate new resources with the existing ones. The ability of the firm to absorb the new resources is dependent on the firm's comprehension of previous related resources, (Cohen & Levinthal, 1990).

Competitive strategy involves safeguarding the organization's resources to prevent them from imitation from competitors, (Barney, 1991). Safeguarding can happen if the cost of imitation is too high for the competitors. In addition, the use of legal restrictions such as patents, copyrights and trademarks among others can protect the organizational resources from competitors. Resources can influence the performance of an organization which impacts on its efficiency and effectiveness. This can be an attractive attribute to resource providers and thus provide competitive advantage as a result.

The need for competitive strategies has been aroused by the demand for resources in the health sector creating the need for competitive strategies in resource mobilization. Adverse effects of inadequate resources can therefore be countered via the application of such strategies in order to ensure sustainability is attained. There are major benefits that arise from engaging competitive strategies in resource mobilization. They include promoting a culture of setting clear and precise goals and missions for the organization to deal with social issues efficiently and effectively, (McDonald, 2007). Similarly, organizations can benefit from developing competitive strategies that put emphasis on innovation, cost effectiveness and consequently improved service delivery, (Weerawardena & Mort, 2001).

Table 1: Summary of Empirical Studies and Knowledge Gap

Author	Focus of the study	Methodology	Main Findings	Knowledge Gap	Focus of the current study
Faulk, (2011)	Behaviour of nonprofit organizations in competitive market for grants.	Cross sectional survey	Competition in the nonprofit industry causes nonprofit organizations to increase spending on administrative costs	This study paid attention to the financial resources only and through increased administrative costs	This study focuses on the use of cost reduction as a competitive strategy to increase resource mobilization
Bose	Effects of nonprofit competition on charitable donations.	Empirical research	Increased competition for resources among nonprofit organizations determine the extent of support received from resource providers	This study failed to analyze the impact of industry competition on the organization but focused more on resource providers.	This study identifies the behaviour of the organization with regards to adapting to the industry competition through the use of competitive strategies.
Weerawardena, McDonald and Mort, (2010)	Sustainability of nonprofit organizations: an empirical investigation.	Empirical research	The findings of this study indicate that the need for sustainability by nonprofit organizations has led them to adopt strategy in	The study fails to point out whether the nature of resources sought by an organization determine the strategy it adopts.	This study mentions the different types of resources that can be mobilized and also points out how they can provide competitive

			all their activities.		advantage to the organization
Njoya, (2004)	The nonprofit industry's resource mobilization and sustainability strategies	Case study	The study identified various resource mobilization activities and the factors that lead to the same in terms of leadership and management of the organization	The study mentioned resource mobilization but focused more on fundraising which focuses on the financial resources of an organization only. The study did not mention competitive strategies as well but focuses on sustainability strategies.	This study focused on both financial and nonfinancial resources as a whole which was key in promoting sustainability of the organization . This study also does an in-depth research on competitive strategy and the

Source: Researcher 2016

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This section sets out the research methodology that was employed to establish the objectives stated in chapter one of this research proposal. It provides information on the research design, data collection, and data analysis techniques that were used in the study.

3.2 Research Design

The study espoused a case study research design. A case study is a qualitative research design that gives the researcher an opportunity to carry out an in-depth exploration of the research phenomenon, (Allela, 2011). The objective of the case study was to obtain numerous view points of a single organization. The flexibility of this design and the emphasis drawn on comprehending the context of the study allowed the researcher a wealth of understanding of the research context, (Coopers & Schindler, 2006). This study used KEMRI-CDC as a case study to establish the competitive strategies it adopts in resource mobilization.

3.3 Data Collection

The study involved collection of primary and secondary data. Primary data was collected through interview guides comprising of open ended questions. Secondary data was collected from various organizational reports that contained information that was relevant to the study. The target respondents were employees involved in resource mobilization activities such as drafting proposals, budgeting and senior employees involved in strategy formulation and implementation. Data was collected

using in depth interviews as guided by open ended interview guides. This allowed the interviewer to obtain valuable information pertaining to the respondents' feelings and perceptions on the subject matter.

3.4 Data Analysis

Data analysis can be termed as the method a researcher uses to reduce data to a story while deducing its interpretation, (LeCompte & Schensul, 1999). Hitchcock and Hughes (1995) define data analysis as the ways in which the researcher progresses from a description of the subject matter to an explanation of the reason why things are as they are. The purpose of data analysis is to organize, summarize and categorize the data according to identified patterns and themes, (Patton, 1987).

This study took a thematic content analysis technique. Content analysis is an organized qualitative description of the components of the objects or materials of the study, (Mugenda & Mugenda, 1999). It may take a deductive or inductive approach; a deductive approach is taken when the researcher has some knowledge on what to expect from the targeted respondents. On the other hand an inductive approach is taken when the researcher has little or no information on the topic under study, (Lathlean, 2006). Data collected was qualitative in nature. It allowed the researcher to interpret the data collected and highlight imperative features and findings.

Data collected from interviews was checked for completeness and accuracy. It was then organized according to identified patterns, sequences and themes and summarized to determine possible linkages to the research construct.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter summarizes the research findings based on the objective of the study which was to identify and examine the competitive strategies adopted by KEMRI–CDC in resource mobilization. The study sought to examine the approach used to ensure a sustainable resource base amidst the industry competition without compromising on the quality of service offered to beneficiaries of medical research. Five respondents were interviewed from three research branches: the HIV/AIDS branch, Malaria branch and the Tuberculosis branch.

4.2 Demographic Information

Information pertaining to the respondents was collected to provide a smooth interaction with them by understanding the nature of their jobs and the contribution they made towards mobilizing resources for the organization. This information covered the respondents' position titles and the departments they worked under, their working experience in terms of years within KEMRI–CDC as well as the highest academic qualifications attained.

The position titles were used to assess the level of contribution towards mobilizing resources for the organization under as well as the roles played by different department in facilitating this. Information pertaining to working experience and the highest academic qualifications of the respondents tested the knowledge possessed by employees, acquired from either practical experience or formal education. Out of the six respondents interviewed, there were two research officers, one principal investigator, a medical officer and an accountant. The findings on this show evidence

of skill set diversity within the organization united for the achievement of a common goal. The principal investigator is a mid senior level position that is involved in policy and decision making while the rest of the respondents are at an operational level. This is evidence of employee involvement and participation in the various functions in the organization. Findings showed that in terms of academic qualifications, all respondents had a minimum of a bachelor's degree while two others had master's degrees and one on an ongoing PhD program. Their working experiences in the organization ranged between two to seven years thus promising to provide reliable information about the organization.

4.3 Resource Mobilization

This section presents findings of the specific questions the respondents were asked with regards to the organization's resources and how this impacted their resource mobilization practices. Resources in this case were not just limited to financial resources but also non financial resources as well. Competitors in the sector are mainly organizations that compete for the available grants and collaboration opportunities including nonprofit organizations, faith based organizations and other private entities in the sector that have demand for similar resources as KEMRI –CDC. This information was used to determine the goals and objectives of resource mobilization, the challenges they faced, the resources they targeted as an organization as well as any partners they collaborated with.

The findings from secondary data indicate that financial resources are mainly acquired from donor funding and research grants. Donor funding has been acquired from partners including the President's Emergency Plan for AIDS Relief (PEPFAR), the President's Malaria Initiative (PMI) and the Centre for Disease Control and

Prevention (CDC) among others. Partnerships are also made with local institutions such as universities, hospitals and other research networks. According to one respondent, the involvement of these partners has increased collaborative research activities through capacity building in the form of trainings, mentorship opportunities and also providing control measures through monitoring and evaluation exercises which facilitate accountability. This has served to ensure sustainability and continuity of research.

The respondents unanimously agreed that heads of the various branches take the lead to initiate resource mobilization plans and provide direction on the course of action, although different employees are involved at different levels. This is done by establishment of committees that lobby for support in the specific research areas the organization is involved in. A database with various funding sources is also maintained to stay up-to-date with arising resource mobilization opportunities.

Findings also indicate that there are various goals and objectives KEMRI –CDC works towards in resource mobilization. These goals include providing suitable platforms for research by ensuring the existence of a sustainable resource base. This is done by constantly monitoring funding opportunities both locally and internationally. Another goal is promoting knowledge transfer among individuals through capacity building. KEMRI–CDC also seeks to enhance accountability of resources issued in order to promote confidence of partners and collaborators. It is also important to actively pursue partnerships for purposes of empowering and improving the organization's research capacity. The respondents further stated challenges experienced in resource mobilization. These challenges include the changing priorities of countries eligible to receive donor support, political interference, the rigid terms and conditions that are tied to donor support, misappropriation of resources acquired,

high turnover of key staff in the organization and competition for resources among other organizations within the sector.

4.4 Competitive Strategies

The data collected shows the need for competitive strategies in order to succeed in resource mobilization exercises. Respondents confirmed the existence of resource mobilization strategies. However, awareness of the same was limited to about 40% and mostly by top management team members. 80% of the respondents lacked information on how regular the strategies were reviewed for relevance and effectiveness, while 20% stated that the strategies were reviewed annually during collaborators meetings. According to the respondents, the most valuable impact made by the existence of these strategies is the identification of resource mobilization opportunities and harnessing them before their competitors. Findings also indicated that KEMRI–CDC seeks to achieve a sustainable resource base through partnerships and networking in the global research arena. This fosters the competitive spirit when applying for funding opportunities.

The knowledge based theory puts emphasis on the proper management of knowledge by safeguarding it and encouraging knowledge sharing, ((Kogut & Zander, 1996). KEMRI –CDC as an organization that conducts research has a wealth of knowledge as a result. Findings indicate that knowledge is safeguarded through publication of research papers and presentation of findings in various forums and conferences. Similarly, knowledge advancement and professional development is also encouraged among the members of staff through fellowship programs offered in conjunction with the collaborating partners.

Competitive strategies were further analyzed based on the generic competitive strategies, (Porter, 1980), to identify the extent to which they influence resource mobilization.

4.4.1 Cost Leadership

Findings drawn from the data collected indicate that KEMRI –CDC makes use of cost leadership as a strategy to remain competitive. The organization boasts of an established infrastructure with adequate facilities that allow it to conduct research. This in itself poses as a major attraction to international collaborators to liaise with KEMRI –CDC to conduct research while taking advantage of the available resources. These include resources such as equipped state of the art laboratories, research libraries, technology, experienced and dedicated workforce, and office space among others. This reduces the prohibitive costs that would otherwise be spent to set up research centers from scratch.

Similarly cost leadership is achieved through economies of scale that KEMRI –CDC enjoys as a result of its size, something that is hard to be replicated by competitors. Continuous monitoring and evaluation of research programs is also to ensure control measure are in place to check for accountability thus reducing any possibilities of resource mishandling. In addition, there are attempts to maintain personnel costs within certain limits to avoid over expenditure. Cost leadership is achieved by maintaining employment contracts on contractual basis as opposed to hiring permanent staff with the condition of renewing the employment only upon the availability of funding. There are also management controls in place that allow the achievement of cost leadership. These include reporting lines within the different levels of the organization. There are also controls surrounding costs whereby

supervision is given for various cost centres and annual audits conducted to bring attention to any information contrary to what is expected.

4.4.2 Differentiation

In an attempt to identify the various competitive strategies used in resource mobilization, respondents were asked questions pointing to the use of differentiation as a competitive strategy. In particular, respondents were asked how the organization ensures it achieves uniqueness in its research activities. Respondents mentioned a few examples of how research activities embrace differentiation. These included the ability to host different research activities concurrently such as conducting clinical trials and behavioral studies; something other organizations within the industry lack the capacity for. In addition, KEMRI –CDC boasts of an experienced workforce with vast knowledge and experience as a result of the exposure they get from the diversified research activities and interactions with various international collaborators.

Innovation is also another factor KEMRI –CDC has embraced to acquire its resources. Through the development of strategies and by constantly reviewing them, ways that have proven to be effective in resource mobilization are reinforced while the ineffective means are subjected to further scrutiny thus giving room for identifying innovative problem solving means. Respondents agreed that the reliance on external resources has contributed immensely to increase the innovation necessary to remain competitive in an aggressive industry. Employee involvement and participation across various organizational levels and departments is also another way KEMRI –CDC uses to differentiate itself. However, focus as a strategy is not used by KEMRI –CDC as the organization engages in a wide range of research activities as opposed to limiting its scope to specific regions.

4.5 Discussion of Results

The findings of the study reveal the attempt by KEMRI –CDC to embrace strategy in various dimensions and more so in the mobilization of resources. The existent diversity of skills gathered from employees in across different functions to contribute towards a common goal move further to show employee involvement in factors that affect them. This goes further to mold employees into strategic thinkers with the mindset of achieving sustainability whilst remaining competitive, (Alpander & Lee, 1995). Similarly, the diverse experience from the different employees can be used for problem solving while establishing a critical and analytical thinking culture in the organization. Various ideas that offer solutions to competition in the industry and finding a sustainable resource base can be birthed in the process.

Findings of the study further show evidence of goal setting in the resource mobilization process. There are specific goals that are set that provide long term directions with a focus on the future. Goals are futuristic in nature; therefore the simple act of setting goals goes to prove that KEMRI –CDC has a vision which drives its present activities. This form of strategic thinking is of great value when it comes to redefining the organization's mission, objectives, goals and other strategies. This practice reflects on the organization as a whole and the kind of perception it has from its stakeholders. There are also challenges faced in the organization arising both from the internal environment and the external environment. This shows the need to pay attention to factors that impact negatively on the organization's mission and constrain the organization's operations due to inadequate resources.

There is also evidence of the practical aspect of strategy with the pursuit to form alliances with collaborators, a move that can be perceived to be very strategic in

nature. These collaborations increase interaction between KEMRI –CDC and its resource providers creating an environment that encourages team and relationship building hence strengthening the ties that bind them to their collaborating partners. The benefits of these interactions come in the form of capacity building which strengthens capabilities and knowledge at KEMRI –CDC. There are also mentorship opportunities that come up to ensure optimum performance of the organization in its research activities. The support from collaborators in turn seeks to monitor and evaluate research activities to ensure that the agreed upon standards of performance remain uncompromised.

Findings under competitive strategy indicate that there exist formal strategies governing resource mobilization as a function on its own. However, communication of these strategies seems to be challenged as evidenced from the low awareness of the existence of the same. The management needs to ensure that communication and education of any strategies within the organization is performed to ensure all the affected persons are well informed so as to facilitate the implementation of these strategies and consequently achieve the desired outcomes.

In reference to theory, the findings of this study bring out the link between theory and the common organizational practice. The study was guided by the resource-based theory as proposed by Wernerfelt (1984) and the knowledge-based theory, (Grant, 1996). The resource based theory states that competitive advantage of an organization comes about when an organization has different sets of resources and capabilities that cannot easily be imitated by competitors. The study confirms this assertion by the theory through its unique capabilities such as conducting two different types of research concurrently and the size of the organization. KEMRI –CDC is also in possession of resources that attract partners to collaborate with them. The knowledge

based theory draws emphasis on the special attributes of knowledge that make it a valuable resource. Knowledge sharing and organizational learning are also important factors that have been identified in the study. The importance of safeguarding acquired knowledge also comes into play in order to prevent sharing valuable knowledge with competitors. KEMRI –CDC shows evidence of safeguarding informational resources through publishing findings of research conducted.

The rationale of this study was to identify competitive strategies implemented by KEMRI –CDC in resource mobilization. Findings from data collected show the use of competitive strategies in acquisition of resources in the competitive environment within the health sector. As a result of reduction in government funding towards the health sector, non-profit organizations have resulted in seeking alternative means to acquire resources. There is evidence of the cost leadership and differentiation strategies in place. Cost leadership takes the form of reduced operational costs without compromising on the quality of work done by KEMRI –CDC. Differentiation is manifested through the use of innovation to identify resource mobilization opportunities and exploring unique ways of conducting research that differentiate the organization from its competitors.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This section outlines the summary of the research findings, the conclusion and recommendations. It further highlights the limitations of the study, areas for further research and the implications the study has on policy, theory and the practice.

5.2 Summary of Findings

The drivers of competition vary from industry to industry. Organizations therefore need to identify competitive strategies that they can engage to overcome competition in their industries. The non-profit industry faces competition from its counterparts when it comes to the acquisition of resources. The primary objective of the study was to identify the competitive strategies adopted by KEMRI –CDC in resource mobilization. The data analysed in chapter four allowed an in depth study into the competitive strategies employed by KEMRI –CDC in resource mobilization by conducting interviews on five members of staff across different functions in the organization. The strategies examined were the Porter's generic strategies, that is, cost leadership, differentiation and focus while seeking to establish a linkage with the theories guiding the study. These theories were mainly the resource-based theory and the knowledge-based theory. Findings depicted in chapter four show a close relation with the available literature on competitive strategy.

The study also revealed that KEMRI –CDC faces competition for resources from other organizations such as non-governmental organizations, faith based organizations and the private sector at large. The internal challenges KEMRI –CDC faces as an

organization that arise from the internal environment can be countered through implementation of the strategies in place and also engaging competitive strategies.

5.3 Conclusion of the Study

The study concludes that competitive strategies are valuable tools in the nonprofit industry that faces the non-conventional type of competition. Competitive strategies such as cost leadership, differentiation and focus not only apply to markets that trade in products and services for profit but also apply to the nonprofit industry that offers social services to the community at large. According to Khieng (2014) leveraging on the partnership and collaboration opportunities is also a major strategy that is tailored to the organization allowing it leverage with the resource providers. Innovation is also key in resource mobilization with the increasing demand for resources from a limited pool of resource providers. This can also be coupled with the use of technology to achieve efficiency and effectiveness. Organizations therefore need to identify combinations of resources and capabilities that grant them a competitive edge in the industries they operate. The findings also indicate that resource mobilization requires a formal process with specific guidelines and directions that guide the process while monitoring progress and taking corrective actions where necessary.

5.4 Recommendations of the Study

The findings of the study indicate that competitive strategies should be employed in order for organizations to reap the benefits resource mobilization. The recommendation to the leadership is to increase the general awareness of existent strategies among employees in order to achieve efficiency and effectiveness in resource mobilization as well as resource allocation. In addition, there should be a continuous review and improvement of the progress of these strategies in order to

remain relevant. There is also the need to build the capacity of employees to enhance mechanisms for resource mobilization through means such as training in areas of environmental changes affecting industry competition.

There is also need to identify the importance of self sustainability of an organization. Therefore, the management needs to ensure that adequate planning is conducted to facilitate the actualization of long-term goals once support from the donors is exhausted. It is therefore crucial to have sound financial and non-financial management systems that monitor and track resources as necessary. This will also go a long way in ensuring future and existing relationships with collaborators are not compromised.

5.5 Limitations of the Study

The study was based on KEMRI –CDC which is one of several collaborations that the Kenya Medical Research Institute is involved in. A cross sectional survey on the practices of the other collaborations would have been ideal to draw steady conclusions on the application of strategy in resource mobilization within a wider spectrum.

There were major limitations with regards to the time allocated to collect and analyse data. There was also laxity from respondents to provide information for data collection as well as limited secondary data such as financial reports and strategic plans. The researcher was therefore compelled to analyse data from third party secondary data that was not necessarily prepared by the organization. There were also limitations associated with bureaucracy that required following a specific chain of command in order to collect data. In addition the research methodology taken being descriptive could not provide detailed explanations of the findings of the study.

5.6 Areas for Further Research

The study was confined to KEMRI –CDC despite existence of a wider industry scope. Further research on non profit competition should be replicated in another sector outside of the health sector within the country and in other regions as well to provide comparison of the results in order to reach a conclusion that is more representative of the non-profit industry. Other studies can also be conducted to measure the impact and the effectiveness of the use of these competitive strategies in overall organizational performance of non-profit organizations.

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APPENDICES

Appendix 1: Introductory Letter



UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAMME

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

P.O. Box 30197
Nairobi, Kenya

DATE... 1 NOV 2016

TO WHOM IT MAY CONCERN

RE: LETTER OF INTRODUCTION


The bearer of this letter ... RAEL KEMUNID OMADE

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

They are required to submit as part of their coursework assessment study report on a marketing management problem. We would like the students to do their study on real problems affecting government institutions in Kenya. We would, therefore, appreciate your assistance to enable them collect data in your organization.

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

Thank you.


PATRICK NYABUTO
MBA ADMINISTRATOR
SCHOOL OF BUSINESS



Appendix 2: Letter of Intent

Rael Kemunto Omaore
School of Business
University of Nairobi
Nairobi
Email: rael.kemmie@yahoo.com

To Whom It May Concern
KEMRI CDC
Nairobi

Dear Sir/ Madam

RE: REQUEST TO COLLECT DATA FOR ACADEMIC RESEARCH

I am a Master of Business Administration student at University of Nairobi, School of Business carrying out an academic research on the topic “Competitive Strategies Adopted by KEMRI – CDC in Resource Mobilization”. I kindly request to be allowed to collect organizational data by conducting interviews. Any information collected will be used solely for the purpose of academic research. Your assistance will be highly appreciated.

Kind regards

Rael Kemunto

Appendix 3: Interview Guide

Section 1: Demographic Information

1. Please mention your position title and the name of your department.
2. How long have you been working with KEMRI/CDC?
3. What is your highest academic qualification?

Section 2: Resource Mobilization

4. What is the main source of funding for the organization?
5. Who is responsible for the resource mobilization function in the organization?
6. What challenges has the organization experienced in terms of resource availability and acquisition over the past 5 years?
7. What are the main goals and objectives of resource mobilization in the organization? What resources does the organization mainly intend to mobilize?
8. Please explain the measures put in place to achieve this objective. Have resource mobilization activities improved over the years? If no, please state any measures that can be put in place to improve this.
9. Is the organization involved in any resource mobilization partnerships?
10. Please describe the level of involvement of these partners and the roles they play as well as the impact of such relations to resource mobilization in the past 5 years.

Section 3: Competitive Strategies

11. Does the organization have resource mobilization strategies?
12. Is there a general awareness of these strategies?
13. Please describe how the strategies have impacted on the resource mobilization process. How often are these strategies reviewed for relevance and effectiveness?
14. How does the organization ensure it achieves sustainability in its resource base?

15. Please describe how the organization utilizes cost reduction as a strategy to remain competitive in resource mobilization.
16. How does the organization ensure the uniqueness of research activities?
17. Does the organization focus on a limited scope of research activities and commit more resources to them?
18. Has reliance on external funding sources has promoted strategy development and increased innovation in acquiring resources?
19. In terms of safeguarding knowledge acquired from research, describe how the organization prioritizes knowledge advancement and invests in employee capacity building through continuous professional development?