

**STRATEGIES ADOPTED BY THE UNIVERSITY OF NAIROBI TO
ACHIEVE SUSTAINABLE COMPETITIVE ADVANTAGE**

BY

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DECLARATION

This research project is my original work and has not been presented for award of any degree in this or any other university.

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This research project has been submitted for examinations with my approval as the university supervisor.

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DEDICATION

To

Susan, with lots of love.

Mr and Mrs Waithaka, thank you so much for everything.

Dr. Machuki, Take heart, God will comfort you. He has a plan for all of us and never forsakes

His flock.

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ABSTRACT

Today's business environment has become turbulent and very competitive. Very few organizations are able to sustain their competitiveness in the long due to the unpredictability of the environment. It has become therefore very important for all organizations to find ways, in which they can survive and sustain the competitiveness in the long run. Organizations need to consistently scan the environment, both external and internal in order to ascertain whether they are still relevant in spite of the changes and stiff competition. They are likewise required to take corrective action regularly to remain competitive. It is therefore necessary for all organizations to adopt strategic management in order to address the challenges posed by the environment. Strategic management entails the formulation and implementation of strategies that fit the organization's internal capabilities to the external environment hence remain vibrant and competitive in their respective industries thereby gaining sustainable competitive advantage. The study sought to establish the strategies adopted by the University of Nairobi to achieve sustainable competitive advantage in the education sector. The study was carried out at a time when the education sector in Kenya and especially higher education was experiencing many challenges than was the case in the past. Major challenges experienced include dwindling financial support from the Government and other sponsors, high demand for higher education with only 20% of the qualified candidates securing places in the public universities, competition from local and international institutions, lobbying by staff unions for better packages and the perceived declining quality of education caused by the increasing unemployment rate among other challenges. Data was collected by use of an interview guide. The researcher interviewed heads of departments and units of the University of Nairobi since they were the key decision makers. The findings of the study established that the University of Nairobi had a strategic plan which was reviewed after every five years and had developed and was continuously implementing distinctive strategies that ensured the University of Nairobi met the strategic issues as formulated in that strategic plan. For effective implementation of these strategies the University of Nairobi utilized distinctive capabilities that it had built over time. These capabilities included offering quality education and research, having an ideal strategic location in the capital city, hiring and retention of competent human resources, development of unique and diverse programmes among others. The study established that no single strategy could ensure achievement of sustainable competitive advantage in a turbulent and challenging environment. It was also evident from the study that strategies adopted were unique for each situation and between different organizations and hence it was necessary to keep realigning the organizational strategies with environmental conditions. The University of Nairobi has been carrying out a regular review of its strategies by analyzing the challenges it is facing in the environment. The study revealed that the strategies that UoN has continuously adopted have largely focused on differentiating itself from the other institutions. The continued use of differentiation strategies by UoN was seen to be a key contributor of its continued success. In conclusion therefore it was evident from the study that the University of Nairobi has continued to adopt competitive strategies that have mainly been on differentiating its products and services thereby sustaining its competitiveness. The continued use of these competitive strategies while continuously addressing the challenges posed by the external environment will eventually lead to sustainable competitive advantage by The University of Nairobi in the future.

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ACRONYMS AND ABBREVIATIONS

CHE	The Commission for Higher Education
ICT	Information Communication Technology
ISO	International Organization for Standardization
KUDHEIHA	Kenya Union for Domestic, Hotel, Educational Institutions, Hospitals and Allied Workers
SWOT	Strengths, Weaknesses, Opportunities and Threats
UASU	University Academic Staff Union
UNES	University of Nairobi Enterprises and Services Limited
UoN	The University of Nairobi
UTENSU	University Non-Teaching Staff Union

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Organizations are by their nature environment dependent and environment serving. Environmental changes create pressure for change in the organization and this means that they have to respond to relevant central change to ensure that they survive (Ansoff and McDonnell, 1990). Businesses have adopted strategic management to overcome the challenges posed by the continuously changing environment that they operate in. Key among the challenges is competition. Competition is indeed a very complex phenomenon that is manifested not only in other industry players, but also in form of customers, suppliers, potential entrants and substitute products. It is therefore necessary for a firm to understand the underlying sources of competitive pressure in its industry in order to formulate appropriate strategies to respond to competitive forces (Porter, 1979).

Achieving competitive advantage and retaining it has been recognized as the single most important goal of the firm (Porter, 1980). To be able to retain competitive advantage, organizations need to examine their environment both external and internal and respond accordingly (Porter, 1985). Strategy is described as creating a fit between the external environment and internal organizational conditions to solve a strategic problem. Strategic management plays a key role in facilitating the deployment of a firm's resources in an efficient manner to ensure long-term performance of the firm in a competitive environment. As Bennet (1999) noted, this makes implementation of competitive strategies critical, especially in the light of the stiff and ever increasing competition and complexity of today's world that can make it extremely difficult to assess and take advantage of opportunities open to a firm.

Higher education sector in Kenya has grown rapidly and become very competitive since Kenya's independence. Currently, Kenya has 30 universities with the number expected to increase further due to the high demand for higher education. (Director of Higher Education, 2008). Public universities in Kenya have not been able to meet the demand due to the limited capacity, which they blame on under funding by the government for many years (Onyango, 1996). The many qualified Kenya Certificate of Secondary Education graduates not admitted by the Public universities either seek higher education abroad, are enrolled by the private universities and colleges in Kenya or join the private wing of public universities as self-sponsored students. The demand of higher education has also resulted in the mushrooming of tertiary institutions in Kenya, most of which are not registered and therefore watering down the value and quality of education since they use unfair strategies to woo clients (Ngure, 2012). These institutions also cause a challenge to established universities like the University of Nairobi (UoN) that have to adhere to strictly high educational standards by investing huge funds to develop their programmes.

It is in this environment that public universities in Kenya find themselves in. UoN, which is arguably the biggest and most vibrant university in Kenya, has strived to be competitive despite the challenges posed. It has grown from a student population of 215 in 1956 when it started to over 60,000 students currently (University of Nairobi Strategic Plan 2008-2013, 2008). Although UoN has much resources compared to other Kenyan universities it has not been able to utilize the opportunities and strength at its disposal and critics have questioned its survival in the long run.

1.1.1 The Concept of Strategy

Strategy is an important tool used in strategic management. Strategic management involves planning, organizing, directing and controlling a company's strategy related to decisions and actions (Pearce and Robinson, 1991). Strategy can therefore be defined as management's action plan for running the business and conducting operations (Thompson, Strickland and Gamble, 2008). Woods and Joyce, (2003) depict strategy as a set of beliefs on how a firm can achieve success. According to Johnson and Scholes (1995) strategy is the direction and scope of an organization over the long term through its configuration of resources within a changing environment, to meet the needs of markets and to fulfill stakeholder's expectations. The goal of competitive advantage is to find a position in the industry where the company can defend itself against competitive forces or use them in its favor. This can be achieved by leveraging an organization's strengths and focusing on cost leadership strategies and product differentiation strategies (Porter, 1998). Businesses become successful because they possess some advantage relative to their competitors (Pearce and Robinson, 2007).

According to Grant (1998) the essence of strategy is to create tomorrow's competitive advantage faster than competitors mimic the ones you possess today. Grant (1998) further urges that there are two sources of superior performance; one is to locate an industry where industry conditions are good enough to allow a rate of return above the competitive level. The other option is for a firm to attain a position of advantage against its competitors within an industry to allow it to earn a return in excess of industry average. He further argues that as competition intensifies in almost all industries, few industry environments can guarantee secure returns. Hence the primary goal of a strategy is to establish a position of competitive advantage for a firm (Grant (1998)).

1.1.2 Concept of Sustainable Competitive Advantage

According to Porter (1985) competitive strategy is the search for a favourable competitive position in the industry and aims at establishing a profitable and sustainable position against forces that determines industry competition. An organization is said to have a competitive advantage whenever it has an edge over its rivals in securing customers and defending against competitive forces (Thompson and Strickland, 2003). Porter (1987) argues that competitive advantage comes from the value that organizations create for their customers that exceed the cost of producing it. Organizations create value by performing a series of activities that he identified as a value chain.

The name sustainable competitive advantage surfaced in 1980s, when Day (1984) suggested types of strategies that may help to sustain the competitive advantage. The actual term sustainable competitive advantage emerged in 1985, when Porter (1985) discussed the basic types of competitive strategies that a firm can possess (low-cost or differentiation) in order to achieve a long-run sustainable competitive advantage. Porter (1987) observed that competition is at the core of the success or failure of a firm. He notes that Competitive advantage exists where the firm is able to deliver the same benefits as competitors but at lower cost and therefore gaining Cost advantage or delivering superior benefits that exceed those of competing products and hence gain differentiation strategy or focus on a small market segment which it can serve better than competitors and hence acquire focus advantage. He noted that the primary factors of competitive advantage are innovation, reputation and relationships.

According to Barney (1991) a firm is said to have a sustained competitive advantage when it is implementing a value creating strategy not simultaneously being implemented

by any current or potential competitors and when these other firms are unable to duplicate the benefits of this strategy. Coyne (1986) contributed to the construct by proposing that in order to possess sustainable competitive advantage consumers must perceive some difference between a firm's product offering and the competitors' offering. This difference must be due to some resource capability that the firm possesses and competitors do not possess. Also, this difference must be some product/delivery attribute that is a positive key buying criterion for the market (Coyne 1986). The key is being able to predict the actions of others in the industry over time; by matching the firm's resources to the gaps and voids that exist in the industry, a competitive advantage can be created. This advantage is sustained if competitors either cannot or will not take action to close the gap (Coyne 1986).

1.1.3 Higher Education Sector in Kenya

At independence in 1963, there was only one university level institution in Kenya, the Nairobi University College, which had an enrollment of 571 students (Weidman, 1995). University education has expanded since then and currently Kenya has a total of thirty universities, seven public and twenty three private, of this thirteen have received university charter and the rest are on letters of interim authority or certificates of registration. The number is expected to continue increasing due to the rapid expansion of university education to meet the ever-increasing demand for higher education (Ministry of Education, 2008).

Kenya's public universities, like many others in the world, have suffered many years of underfunding. The causes have been many but generally have included changing donor priorities, changing government rules and regulations to cope with national economic

turbulence, international economic trends, legislation and political trends in the country (Onyango, 1996). This in turn has made it difficult for the universities to meet the ever increasing demand for higher education. As such, some parents prefer to send their children to universities outside the country. They perceive Kenyan public universities to be rigid with admission requirements compared to foreign universities and courses offered locally not to adequately meet national human resource requirements.

To win back their confidence most Kenyan universities have been forced to change their strategies to ensure survivor and relevance. They are now innovating and establishing distinctive or unique capabilities so as to appeal to the potential customers and offer relevant courses that will sell in the current competitive education sector. The Kenyan government has also intervened to liberalize Kenya's education sector to help meet the increasing demand and ensure increased provision of quality education by forming the Commission for Higher Education (CHE) in 1985 by an Act of Parliament, Universities Act Chapter 210B (Commission for Higher Education Handbook, 2008). This has transformed the education sector in Kenya by increasing the number of universities as well as other tertiary institutions while maintaining high quality of education. As a result competition by higher institutions of learning has intensified.

1.1.4 The University of Nairobi

UoN is the oldest university in Kenya. It was formerly known as the Royal Technical College of East Africa when it started in 1956. It became a fully-fledged university in 1970. Although many more universities, both public and private, have emerged in the interceding years, UoN has remained the biggest and most vibrant in the country. Currently the university has six colleges, three faculties, seven institutes, eighteen

schools, four centres and sixty nine departments that offer a wide array of programmes in all disciplines to over 60,000 students.

The university's growth for over 50 years has been gained through certain definite strengths that include: a well-established corporate name, a large base of influential alumni, vast physical resources and land, very good experience with running a 'private university wing', a strategic location in the central business district of a major city, and a relatively good complement of quality academic staff in certain subject areas. However with all the strengths outlined above UoN has not fully seized some of the opportunities available to it. These opportunities include; an increased demand for higher education in Kenya, growing demand for postgraduate education within the eastern African region, a strong worldwide move towards knowledge based economies and demand for knowledge driven consultancies (University of Nairobi Strategic Plan 2008-2013, 2008).

1.2 Research Problem

Competitive advantage is gained by crafting unique value adding strategies that competitors cannot imitate. The prolonged crafting of these value-adding strategies while ensuring that competitors are not able to imitate the same leads to sustainable competitive advantage. Firms that are able to achieve sustainable competitive advantage are said to be successful. Strategies for achieving sustainable competitive advantage are many and varied but not always clear for the organization. A firm's assessment of the industry and competitive environment directly affects how it should try and position itself in the industry and what its competitive strategy should be (Thompson and Strickland, 1997).

Higher learning in Kenya has gone through major changes in the recent years. The formation of CHE ensured that more tertiary level institutions were established to meet the demand for higher education. It was formed at a time when many secondary school graduates could not get places in the public universities (Commission for Higher Education Handbook, 2008). Only about 20% of those who qualify for university education are offered admission to public universities through Government sponsorship (The University of Nairobi Strategic Plan 2008-2013, 2010). The demand for higher education has resulted to the mushrooming of colleges, which are not registered by CHE and are involved in unfair competition by charging extremely lower fees and offering low quality education. Competition has increased and each institution has been forced to open strategic branches in the major cities like Nairobi, Kisumu and Mombasa to take advantage of the high demand for higher education by the urban working class citizens. UoN has also been affected by the competition from other universities that have opened branches next to its main campus in the city of Nairobi. The universities have also ventured into programmes that were only offered by UoN like Medicine and Law.

A number of studies have been undertaken on the area of sustainable competitive advantage in different organizations. Kasyoka (2011) studied the use of strategic positioning to achieve sustainable competitive advantage at Safaricom limited. Ngethe (2011) undertook a study on the factors determining sustainable competitive advantage for the Institute of Advanced Technology limited. Musyoka (2011) studied competitive strategies adopted by Keno Kobil limited in developing sustainable competitive advantage. Awori (2011) did a study on strategies adopted by equity bank to develop sustainable competitive advantage. Odwesso (2011) carried out a study on building sustainable competitive advantage in the mobile telephone industry in Kenya. Mwazumbo

(2009) studied strategies used by Diversey Eastern Central Africa limited to create sustainable competitive advantage. Njoroge (2009) carried out an investigation of strategies for sustainable competitive advantage and performance in the Kenya tea industry: A case study of tea processing companies. The researcher did not come across any research on strategies adopted by UoN to achieve sustainable competitive advantage.

The findings of the above topics could not be replicated to UoN due to the contextual differences and the nature of the university's business. Ansoff and Mc Donnell (1990) argued that challenges that face different industries and firms are different, thus it is not possible for an organization to adopt similar prescriptions to all its challenges, which would apply to all industries and firms. Higher learning in Kenya today has changed tremendously from how it used to be in the later years. Most challenges experienced today are new to the institutions of higher learning. These institutions have therefore found themselves in a new environment that needs fresh ideas to survive. Public universities are mostly affected and may suffer more since they are bureaucratic by their nature and therefore take longer to adapt to the changes. The University of Nairobi has been assuming a leading role in higher learning and research in Kenya. It is therefore necessary to find out how it intends to overcome these new challenges. The study attempts to find out if UoN is able to adapt to the current environmental changes, level of competition and other challenges it is experiencing and the measures it has adopted to overcome the challenges. It is on this basis that the researcher sought to answer the question: What strategies has the University of Nairobi adopted to achieve sustainable competitive advantage?

1.3 Research Objective

The objective of this study was to establish strategies adopted by the University of Nairobi to achieve sustainable competitive advantage.

1.4 Value of the Study

This study is of value to policy makers, university administration for managerial practices, students and researchers interested in UoN and the topics covering strategies necessary for achieving sustainable competitive advantage.

To policy makers, this study provides important information about the University of Nairobi, its strategic issues, the strategies it adopts and measures of addressing the challenges posed by the external environment. It will therefore form a very good basis for policy formulation.

The study will also be useful in managerial practices at UoN. Heads of units will be able to get more information about their units and the university as a whole. They will also find the study useful when formulating new strategic plans and coping with new challenges. The results might also shed more light on new strategies that the university could adopt in the future.

For students and researchers, this study will build on the existing theories. Students could use the study as a case study for topics covering strategies for sustainable competitive advantage. Researchers will also benefit from the literature gathered by the study, which will guide their investigation or, even suggest new enquiries.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

Organizations depend on their environment for inputs and outputs. The environment is always changing and therefore organizations have to consistently make adjustments to fit in the environment. Strategy creates a fit between the external environment and internal organizational conditions to solve strategic problems. Organizations that are able to create strategies that ensure they solve the strategic problems in the long run achieve sustainable competitive advantage and the strategies adopted are referred to as competitive strategies. This chapter reviews in details the concept of strategy, concept of sustainable competitive advantage and the strategies for sustainable competitive advantage.

2.2 The Concept of Strategy

Organizations have to consistently manage well their internal resources and challenges posed by the external environment in order to survive in today's turbulent environment. To deal effectively with matters that affect growth and profitability executives employ management processes that they believe will position a firm optimally in its competitive environment (Pearce and Robinson, 2007). Strategic management plays a critical role in facilitating the deployment of a firm's resources in an efficient manner to facilitate the optimization of long-term performance of the firm (Bennet, 1999). Strategic management involves planning, directing, organizing and controlling a company's strategy related to decisions and actions (Pearce and Robinson, 1991). Strategic management is a matter of bridge building or mapping the route between the perceived present situation and the desired future situation (Burnham, 1994).

The strategic management process starts by developing a mission that guides all subsequent efforts of the business. This leads to analysis of the firm's situation, and on to the formation of a competitive strategy. That strategy is subsequently implemented and performance is monitored with an eye toward fine-tuning the strategy and its implementation (Olson and Slater, 2002). Competition denotes the existence of firms that try to sell identical products or services to the same groups of customers. A firm's competitors change over time in terms of their characteristics, strategies and strategic focus due to environmental factors that affect the structure of the industry (Guiltinan and Paul, 1994). With the changing business environment firms have found it to be increasingly difficult to achieve returns that are above the competitive level. Competitive strategies provide a framework for the firm to respond to the various changes within the firms operating environment. This therefore makes the concept of strategy to be very important for organizations that seek success. It is therefore critical to understand it.

The concept of strategy is believed to have originated from the ancient Greeks. The word strategy comes from the Greek word 'strategos', meaning to plan the destruction of ones enemies through the effective use of resources (Burnes, 1999). Drucker (1954) viewed strategy as defining the business of a company. Chandler (1962) views the emergence of strategy in civilian organizational life to have resulted from an awareness of opportunities and needs created by changing population, income and technology, to employ existing or expanding resources more profitably. Strategy is a set of decision making rules for guidance of organizational behaviour (Ansoff and McDonnell, 1990). The implication of this view is that an organization is supposed to interact with the environment according to some predetermined pattern.

Mintzberg (1987) gives perhaps the most inclusive view. He argued that we could not afford to rely on a single definition of strategy. He proposed five definitions of strategy. To him, strategy can be seen as a plan, a ploy, a pattern, a position and a perspective. As a plan, strategy specifies a consciously intended course of action of an organization. Here strategy is designed well in advance of action and it is developed purposefully. As a ploy, strategy is seen as a manoeuvre intended to outwit a competitor. As a pattern, strategy is seen as emerging in a stream of actions. Here, strategy is seen as a consistency in behaviour. As a position, strategy is a means of locating the organization in its environment. Lastly, as a perspective, strategy consists of a position and an ingrained way of perceiving the world. It gives a company an identity or a personality. Pursuance of a strategy is what precipitates strategic management.

2.3 Sustainable Competitive Advantage

A firm possesses sustainable competitive advantage when it has value creating processes and positions that cannot be duplicated or imitated by other firms that lead to production of above normal returns. It refers to the determination of the purpose and the long term objectives of an enterprise to have and adapt courses of action and allocation of resources necessary to achieve desired lead in the market (Thompson and Strickland, 2003). Lippmann and Rumelt (1982), considered a competitive advantage to be sustained only if it continues to exist after efforts to duplicate that advantage have ceased. The development of sustainable competitive advantage lies at the core of strategy development (Lynch, 1997). For a firm to have competitive advantage, it must have business strategies that improve the competitive position of its products and services. A business strategy can be too competitive if it involves battling out with other competitors or cooperative, if it involves working with one or more competitors to gain advantage

against other competitors or both (Johnson and Scholes, 2003). The key is to know how a company should compete or cooperate in a particular industry.

Sustainable competitive advantage involves every aspect of the way that organization competes in the market place. Its real benefits come from advantages that competitors cannot easily imitate. Hence to be sustainable, competitive advantage needs to be more deeply embedded in the organization in terms of its resources, skills, culture and investment over time. It involves seeking something unique and different from competitors (Hill and Jones, 2001). Sustainable competitive advantage is usually developed over time. It is based on stability and continuity in relationships between different parts of an organization. The main reasons for analyzing competitors is to enable the organization develop competitive advantage against them, especially advantage that can be sustained over time (Pearce and Robinson, 1997). The need for sustainable competitive advantage is due to rising and intense competition.

The opportunity of companies to sustain competitive advantage is determined by their capabilities. These capabilities of a company need to be distinctive. Distinctive capabilities are those characteristic of a firm, which cannot be replicated by the competitors, or can only be replicated with great difficulty, even after these competitors realize the benefits which they yield for the originating company. Distinctive capabilities can be of many kinds. Government licenses, statutory monopolies or effective patents and copy rights are particularly stark examples of distinctive capabilities. But companies in competitive markets have built equally powerful idiosyncratic characteristics. These include strong brands, patterns of supplier or customer relationships and skills, knowledge and routines which are embed in teams. Reproducible capabilities can be bought or

created by any firm with reasonable management skills, diligence and financial resources. Most technical capabilities are of this kind. Marketing capabilities are sometimes distinctive, sometimes reproducible. Only distinctive capabilities can be the basis of sustainable competitive advantage (Thompson and Strickland, 2003).

2.4 Strategies for Sustainable Competitive Advantage

Sustainability brings the challenge of achieving a competitive advantage in such a way that it can be preserved overtime. In general, a company needs to choose generic strategies and should not get stuck in the middle. Generic strategies are strategies expected of every firm any time and they are applicable to all firms without exception. A company that gets stuck in the middle needs to decide a low cost strategy in a broad or narrow market or offer a differential or unique product or service in a broader or narrow market. According to Porter (1985), cost advantages and differentiation combined seeks to achieve three generic strategies which are cost leadership, differentiation and focus. To understand this better one needs to know how each of this strategies work while comparing them with other strategies.

One of Porter's generic strategies is cost leadership (Malburg, 2000). This strategy focuses on gaining competitive advantage by having the lowest cost in the industry (Porter, 1979, 1987, 1996). In order to achieve a low-cost advantage, an organization must have a low-cost leadership strategy, low cost manufacturing, and a workforce committed to the low-cost strategy (Malburg, 2000). The organization must be willing to discontinue any activities to other organizations with a cost advantage (Malburg, 2000). For an effective cost leadership strategy, a firm must have a large market share (Hyatt, 2001).

Differentiation is another one of Porter's key business strategies (Reilly, 2002). When using this strategy, a company focuses its efforts on providing a unique product or service (Hyatt, 2001). Since, the product or service is unique; this strategy provides high customer loyalty (Porter, 1985). Pearce and Robinson (2007) contend that strategies dependent on differentiation are designed to appeal to customers with a special sensitivity for a particular product attribute. By stressing the attribute above other product qualities, the firm attempts to build customer loyalty. As a result, such loyalty translates into a firm's ability to charge a premium price for its products. The product attribute can also be the marketing channels through which it is delivered, its image for excellence, the features it includes and the services network that supports it.

The third generic strategy is focus strategy. In a focus strategy, a firm targets a specific segment of the market (Davidson, 2001; Porter, 1979, 1987). The firm can choose to focus on a select customer group, product range, geographical area, or service line (Porter, 1987). For example; some European firms focus solely on the European market (Stone, 1995). Focus also is based on adopting a narrow competitive scope within an industry. Focus aims at growing market share through operating in a niche market or in markets either not attractive to, or overlooked by, larger competitors. These niches arise from a number of factors including geography, buyer characteristics, and product specifications or requirements.

These generic strategies are not necessarily compatible with one another. If a firm attempts to achieve an advantage on all fronts, in this attempt, it may achieve no advantage at all. For example, if a firm differentiates itself by supplying very high quality products, it risks undermining that quality if it seeks to become a cost leader as well. Even

if the quality did not suffer, the firm would risk projecting a confusing image. For this reason, Porter (1980) argued that to be successful over the long-term, a firm must select only one of these three generic strategies. Otherwise, with more than one single generic strategy the firm will be “stuck in the middle” and will not achieve a competitive advantage. Porter (1980) argued that firms that are able to succeed at multiple strategies often do so by creating separate business units for each strategy. By separating into different units having different policies and even different cultures, a corporation is less likely to become stuck in the middle.

However, there exists a viewpoint that a single generic strategy is not always best because within the same product, customers often seek multi-dimensional satisfactions such as a combination of quality, style, convenience, and price. There have been cases in which high quality producers faithfully followed a single strategy and then suffered greatly when another firm entered the market with a lower-quality product that better met the overall needs of the customers.

Niche strategy is also a strategy for sustainable competitive advantage. Here the organization focuses on a particular segment (Niche) and becomes well known for providing quality or low cost products or services to the segment. By doing so the firm gains competitive advantage and continuously strives to sustain it by being the cost leader or high quality provider. With both of these strategies the organization can also focus by offering particular segments a differentiated product or service. The key is that the product or service is focused on a particular segment (Hill and Jones, 1999).

Treacy and Wiersema (1995) also proposed an alternative approach to generic strategy and called them value disciplines. They believe that strategies must centre on delivering superior customers' value through one of the three value disciplines: operational excellence, customer intimacy, or product leadership (Pearce and Robinson, 2007). Companies that specialize in one of these disciplines, while simultaneously meeting industry standards in the other two, gain a sustainable lead in their market. This lead is derived from the firm's focus on one discipline aligning all aspects of operations with it. After transforming their organizations to focus on one discipline, companies can concentrate on smaller adjustments to produce incremental value.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter covers the research methodology of the study. The researcher offers justification for using case study as his research design and further outlines the data collection sources for both primary and secondary qualitative data. Lastly the researcher supports explains content analysis and gives reasons why he used the method to analyze the data.

3.2 Research Design

The research was carried out through a case study design. According to Cooper and Schinder (2005), case studies place more emphasis on a full contextual analysis of fewer events or conditions and their interrelations. For Kothari (1990), a case study involves a careful and complete examination of a social unit, institution, family, cultural group or an entire community and embraces depth rather than breadth of a study. Yin (1988) asserts that case studies contribute uniquely to our knowledge concerning the individual, an organization, social and political phenomena.

A case study was ideal for the researcher because it allowed him to collect in depth information than cross sectional studies. The method ensured that data was obtained from all the units under research and that information was collected from resourceful people in UoN. The importance of a case study is emphasized by Young (1960) who acknowledge that a case study is a powerful form of qualitative analysis that involves a careful and complete observation of a social unit, irrespective of what type of unit is under study. Similar successful studies that have employed a case study include Machuki (2005) and Muthuiya (2004).

3.3 Data Collection

The researcher gathered both primary and secondary data. Data from primary sources was collected using interview guides. Heads of the various units of UoN were interviewed. A copy of the interview questions is attached on Appendix II. This method of collecting data was effective since the researcher was able to clarify issues and probe the interviewee further to provide more information. The researcher therefore found the method more flexible as compared to quantitative methods of collecting data.

Data were also collected from secondary sources like University of Nairobi strategic plans, minutes of meetings, Memos and Memoranda of Understanding with various stakeholders. These data proved important to the researcher since it filled gaps left by the interviewees and also helped to locate complementary information that was relevant to this study.

3.4 Data Analysis

The study gathered data that was largely qualitative; hence content analysis was used as a method of data analysis. Ole Holsti (1969)) defined content analysis as any technique for making inferences by objectively and systematically identifying specified characteristics of messages. It is a research technique for the objective, systematic, and quantitative description of manifest content of communications (Berelson, 1971). Content analysis was preferred because it allowed shifting through large volumes of data in a systematic fashion with relative ease.

During the research precise questions were asked in order to determine the exact information that he needed as provided by the interviewee. However there were a few

open questions that allowed the interviewee to give another perspective if he so wished. According to Leedy and Ormond (2005) there is need to identify patterns in the data that is collected. The data and their interpretations are scrutinized for underlying themes and other patterns that characterize the case more broadly than a single piece of information can reveal.

CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction

The objective of the study was to determine the strategies adopted by the University of Nairobi to achieve sustainable competitive advantage. The study focused on strategies adopted by UoN, the effectiveness of the strategies adopted, the challenges faced in implementing the strategies and the measures taken to overcome the challenges. Primary data were collected through personal interviews using an interview guide. The primary data was supplemented by secondary data. The data were analyzed through content analysis and the findings compared with the objective of the study, previous studies and theories for sustainable competitive advantage.

This chapter has three sections. The first section presents strategy development at UoN. The second section focuses on competitive strategies adopted by UoN to gain sustainable competitive advantage. Lastly, the third section presents a discussion of the findings and interpretation.

4.2 Strategy Development at the University of Nairobi

UoN is the oldest and largest higher institution of learning in Kenya. It was established in 1956 with a student population of 215 students then. Today UoN has a student population of over 60,000 students taking the many diverse programmes offered. UoN currently comprises of six colleges, thirty-two faculties, schools, institutes and centres and sixty-nine departments. To expand and reach more students UoN absorbed Kenya Polytechnic and South Eastern University College as constituent colleges and Kenya Science Teachers' College as a campus in 2007. Its structure also comprises of a central

administration that is headed by the Vice Chancellor and his four Deputy Vice Chancellors who oversee all the operations of the university.

The growth of UoN over the years has consequently made it a very complex entity. Its resources and assets are scattered in all its seven campuses in Nairobi, Mombasa and Kisumu cities and other towns of the country. It is the responsibility of heads of units and the central administration of UoN to ensure that the resources are not only safeguarded but also utilized efficiently. UoN has acquired many stakeholders due to its size and they include students, sponsors, parents, Government, charitable organizations, Donors, suppliers, teaching and non-teaching staff and the society. All these stakeholders rely on the university to satisfy their needs to their satisfaction and at the shortest time possible.

Apart from contending with an ever-changing external environment, UoN is also facing fierce competition from both local and foreign institutions. Financial support from the government like in all other public universities is reducing against increasing demand for higher education, research and consultancy services. Continued performance improvement has therefore become a requirement for the university. It has therefore become necessary for UoN to monitor and review its five year strategic plan regularly to align it with the ever changing environment.

According to the chairman, department of business administration, UoN did not have a strategic plan until 1993 when the World Bank challenged it to have one. That was when a strategic plan was formulated. It was reviewed after every ten years. Currently the university has formulated a clear strategic plan that is reviewed after every five years. However in the recent years it has become necessary to monitor and incorporate short-

term reviews to accommodate frequent inevitable changes from the external environment. For instance the current strategic plan was reviewed on June 2010 to synchronize it with Vision 2030, the new constitution, the strategic plan of the Ministry of Higher Education, Science and Technology and the Governments reviewed sector performance standards that streamlined approach to performance contracting for public sector institutions. Other reasons for the review included the need to fast track staff motivation, retention and performance strategy due to challenges of staff poaching by other universities and aggression from unions like UASU representing all teaching staff, UNTESU and KEDHEHIA representing the non-teaching staff and SONU representing the students. During the course of this study the teaching and non-teaching staff of all public universities initiated an industrial strike for a period of three weeks and disrupted all operations of the university. Although their grievances were resolved it affected all parties and especially UoN.

The review of the strategic plan is also guided by the findings of a team of experts from various disciplines within and outside the university who carry out a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis to determine whether the strategies adopted are able to sustain the alignment of the internal affairs of university to the external environment.

A SWOT analysis carried out before the review of the current strategic plan revealed the following strengths; high visibility due to good reputation that has attracted high profile local and international dignitaries, strategic location within the capital city that is also the central hub in the region, an established corporate name with over 80,000 graduates since inception most of whom are in key managerial positions in Government and the private

sector, qualified and talented teaching staff, a diversity of academic programmes, renowned for quality and relevant research work, attracts brilliant and talented students, large real estate asset base, international linkages and collaborations, an established network of extra mural centres countrywide, vast potential for income generation, capacity of consultancy from the large pool of highly qualified professionals and improved ICT capacity covering all the seven campuses.

The weaknesses identified include; over reliance on module II and III finances, pressure on facilities due to increased student numbers, low output at postgraduate training level, stretched resources and facilities, weak link between supply and demand for staff pay packages, uncoordinated management of student affairs, low enrollment of foreign students, inadequate public relations profile, inadequate exploitation of real estate resources, less involvement by senior staff in mentoring of junior staff, cumulative budget deficit and stalled projects.

The opportunities identified included; High speed Internet connectivity (under-sea fibre cable) and national fibre backbone, increased utilization of mobile phones for various academic applications, increased demand for academic and executive development programmes, growth potential created by the new constitution, increased autonomy, university-Industry collaboration, growing demand for higher education ,growing demand for consultancies, existing ICT capacity, rapid technological advances. The threats that were identified included; emerging thinking regarding utilization of module II and III funds, poaching of university staff by other universities, emerging legislation regarding ownership and use of land, increased pressure to admit more students, inaccurate perceptions on the quality of academic programmes, constraining regulatory

framework, escalating cost of education, HIV/AIDS and other emerging life threatening medical conditions, inadequate funding by Government, high cost of ICT facilities, high rate of poverty in the country

A strategic plan committee meets to discuss and formulate the strategic plan based on the findings of the SWOT analysis carried out. All the units of UoN are represented in the committee with experts from the School of Business and other units. A unit at the Deputy Vice Chancellor, Finance and Administration's officer is responsible for the preparation, implementation, monitoring and review of the final strategic plan and does this in consultation with all other units of UoN.

Upon discussion, consultations with all stakeholders and review of the SWOT analysis findings the strategic plan committee decided to review the strategic plan 2008-2013 that addressed the current environmental trends, which meant revising the vision, mission and strategies of the university. The new vision is: A world-class university committed to scholarly excellence. The mission is: To provide quality university education and training and to embody the aspirations of the Kenyan people and the global community through creation, preservation, integration, transmission and utilization of knowledge. Four strategic issues or challenges were identified for action. These included; Resources and Governance, Teaching and Learning, Research, Innovation and Technology, Competitiveness of the University. From the strategic issues, four strategic objectives are to be pursued in the plan period. These are; to manage the University efficiently, produce quality and holistic graduates, contribute to scientific and technological innovations and enhance the competitiveness of the university.

The strategies of UoN strategic plan are cascaded down to the colleges. The college strategic plans are also cascaded to the various schools, faculties, institutes and departments, which formulate their own strategies in line with the overall strategies. Each unit through workshops, seminars and office meetings collects feedback from the lower level staff. The objectives of each department are translated into performance targets, which are used to measure performance of individual departments as well as individual persons. At the beginning of each year all units set their performance targets as part of their Performance Contracts and as derived from their strategic plans.

4.3 Competitive Strategies Adopted by the University of Nairobi to Achieve Sustainable Competitive Advantage

The University of Nairobi has adopted various strategies that have helped the university to remain competitive over the years. Among the competitive strategies adopted by UoN were differentiated programmes. From the findings it was noted that UoN had continued to offer differentiated or unique programmes that other universities had not been able to replicate for a long time. Uniqueness was achieved through the use of various distinct capabilities like development of high quality curriculum, employment and retention of competent and experienced teaching staff, high quality teaching standards, efficiency in exam processing, using modern teaching methods, provision of quality network infrastructure, improved student and staff access to ICT resources, automation of university activities, continuous development of new competitive programmes and rebranding of the existing programmes.

The public relations manager emphasized that with increased competition locally and internationally UoN has realized that product differentiation was an asset for it to sustain

increased enrollment. To achieve this all Deans and Directors have on regular occasions been directed to regularly carry out a strengths and weaknesses, opportunities and threats analysis on all their programmes with a view to develop and offer programmes that are relevant to the current job market. Recent reviews ensured that the programmes were suitable to support the Vision 2030 and the new constitution. They have also been directed to embrace modern technology by for example using projected presentation and communicating to staff and students through emails.

Another competitive strategy adopted is marketing. UoN has managed to consistently market itself locally and globally through the use of the local media, an up to date university website, education fairs, open door policy encouraging enrollment of foreign students, university open days where all the units and departments of the university show case their products and services. The university has over the years developed a calendar of its marketing activities each year through education fairs and open days. A budget is allocated to the calendar events each year.

However data findings indicated that the greatest marketing strategy used by UoN was goodwill and good corporate image. By UoN positioning itself in the global market the general public and international community were consistently attracted to it. The chairman, department of Business Administration, School of Business noted that; “Over the years employers have preferred to hire graduates from UoN since they are assured of the quality. We have never received complaints of non-performance by our graduates from any employer.”

The next strategy adopted is customer service. From the findings it was noted that UoN valued and ensured a cordial relationship with its clients. UoN had put in place strategies that ensured that customer service is not compromised. The launching of the university service charter made it evident that the university was committed to serving its clients efficiently. The service charter states that UoN commits to providing various services to all its stakeholders within the specified time frame. UoN has also installed customer feedback boxes on all offices for gathering regular feedback to help improve on service delivery. Furthermore UoN carries out customer surveys annually and feedback received is discussed at the various levels in meetings and workshops for action so as to ensure customer royalty. The secretary general SONU however indicated that although service deliver was excellent in some areas of the university some pressing issues had not been addressed like the limited space in the halls of residence and learning facilities in some schools. The deputy finance officer, Students Welfare Authority noted that the university was aware that capacity was a challenge. But the issue of accommodation was being addressed as well as the learning facilities, and he pointed out that a building was soon to be put up inside the main campus to address the issues. He reported that such projects required huge financial resources hence stretching the capacity of UoN. However he noted that the university was exhausting all the options at its disposal to address the challenges.

UoN has also adopted modern technology as a strategy. Currently UoN has a very good management information system that ensures almost all functions and activities of the university are carried out online. The student management information system is among the best in the region. It has integrated very well the financial reports and the academic reports so that students and staff as well can view all the information from the same

source. For security reasons everyone with access to the management information system has been allocated a username and a password.

The Students Management Information System allows students to check their fees payable, generate invoice for the semester, view fees paid, register subjects, access the class timetable, view their results and apply for students ID card on their students portal from anywhere in the world as long as they have access to the internet. Likewise staff can perform their daily functions online.

The other competitive strategy adopted by UoN is product diversification. UoN has continued to offer diversified programmes in all its six colleges. The college of humanities and social sciences recently opened major branches in Kisumu and Mombasa where it is already offering degree programmes like Bachelor of Commerce, Bachelor of Law and Master of business administration with other programmes like Bachelor of Economics in the processes. It also has initiated distance-learning courses for Bachelor of Commerce and Bachelor of Arts, which are referred to as the module III programmes. Module III programmes are offered through electronic media and students do not need to be physically present in the learning institution. These programmes will ensure UoN is able to tap a market that it had not considered in the past and will ensure it competes with the international universities that have already introduced these programmes.

The Principal, college of education and external studies reported that his college is offering courses in all the provinces through the current 10 extra mural centers established. He indicated that the college was in the process of opening more extramural centers. The college has also launched distance learning or the module III courses through

the Open and Distance learning Centre reaching the many aspiring students who cannot get time to attend classes for various valid reasons. Module III Programmes have also been introduced at the College of Biological and Physical Sciences and all the Bachelor of Science programmes have a module III intake.

To meet the current market needs UoN successfully launched new programmes recently that include Master of Science in Entrepreneurship, Master of Science in Marketing, Master of Science in human resource management, Master of Arts in Human Rights, Master of Science in Leather Science, Master of Science in Finance, Bachelor of International Studies, Bachelor of Economics and Statistics, Master of Arts in Environmental Law, Master of arts in Environmental policy, PhD in Environmental Policy, Bachelor of Arts in Project Planning and Management and Master of Public administration.

The research findings have shown that UoN has managed to meet its Strategic issues like managing the university efficiently. This is evidenced by ISO 9001-2000 certification of UoN by KEBS for achieving high quality standards through quality and timely service to all stakeholders and ensuring continual improvement. The development and successful launching of the new programmes purchase of learning facilities in Mombasa and Kisumu and successful opening of braches in the two cities illustrated efficient utilization of resources. Enhanced competitiveness of the university evidenced by improved web metrics ranking to position one in East Africa and position fourteen Africa. UoN was also ranked position one in the 2011/2012 performance contracting and becoming the only state corporation that has ever scored excellent performance since the introduction of performance contracting by the government of Kenya.

UoN has managed to establish a corporate name locally and internationally by producing quality and holistic graduates. UoN has graduated over 80,000 graduates since inception. Of these, many are established and in key positions in Government and other institutions worldwide.

4.4 Challenges Faced by the University of Nairobi in Pursuit of Sustainable

Competitive Advantage

From the study UoN is currently facing challenges in its pursuit to gain sustainable competitive advantage. The first challenge is competition. UoN is currently faced by competition both from the local and international. Local universities have aggressively opened branches and campuses directly opposite the main campus of UoN and also in almost all other towns. The chairman of the department of business administration described the situation as worrying. He indicated that the lower Kabete campus where the Bachelor of Commerce students attend classes during the day has been affected with most students preferring the universities in the central business district due to their proximity. However he indicated that the evening programmes have not been affected.

Most of the new institutions are promising prospective students better facilities and services. Although UoN still stands out ahead of the rest it is necessary to rethink the strategies that will ensure the other universities do not close the gap. International universities have also taken up a share of the Kenyan market with many students seeking higher education abroad. However with the introduction of module II and III programmes by the local universities those seeking higher education abroad have reduced. The capacity in terms of facilities and equipment are stretched at the moment in some schools

and especially class rooms and accommodation facilities. Other resources are also dwindling as the university continues to grow like human resources and financial resources. Also funding for research and development is still limited although it has increased in the recent years it is still not adequate.

Other challenges included restrictions and interference by the government on what can be done by the university, resistance by staff members to embrace change for fear of losing jobs and lack of enough sensitization, bureaucracy and stringent procurement procedures that delayed decision making, reduced funding by the government, lack of harmonious interactions with stakeholders, some UoN departments being too autonomous and ignoring others, poaching of competent staff by other universities and slow implementation of policies especially at the lower level units due to the disconnect between the higher level and the lower level units.

4.5 Measures to Address the Challenges

UoN has undertaken a process of implementing strategic management practices to address the challenges it is facing. To stay ahead of competition UoN has initiated strategies that are competitive in the current environment. Strategies like product differentiation, product diversification and quality customer service are being utilized by UoN. To address the challenge of limited finance resources the finance officer pointed out that UoN has over the years ensured it operates within its means. UoN has also lobbied for the Government to disburse full capitation to help it to implement projects that affect the strategic plan. There is also need for the university to shift focus on other donors other than the Government to fund its projects and operations.

To address the challenges of limited capacity a modern examination Centre had already been built at the Chiromo Campus that could accommodate a large number of students. To increase physical capacity UoN was Building a learning facility at the main campus. Respondents also indicated that the university had vast land where it could build modern teaching facilities and hostels. Others indicated that some class rooms were not utilized fully like in campuses outside Nairobi like Parklands, Lower Kabete and Upper Kabete and Kikuyu campuses.

UoN has also taken necessary steps of attracting and retaining qualified and competent staff by providing them with unique benefits and good terms of service like offering them unlimited medical cover. The university has employed temporary staff where there is scarcity of employees. Respondents also indicated that UoN should emphasize strict adherence to the service charter and have a strong and robust feedback system for all stakeholders to ensure continued customer royalty.

4.6 Discussion

According to Porter (1987) the primary factors of competitive advantage are innovation, reputation and relationships. From the findings the researcher could derive these three factors from UoN's practices in its quest to ensure customer royalty.

First is innovation where UoN has embraced innovative strategies in its core functions. According to the Chief Accountant, Self Sponsored Students' finance section UoN innovated a private wing (Module II Programmes) that has become larger than all the private universities put together. The module II or parallel programmes first launched by UoN have been adopted by all universities in the country and have become very popular and successful. It has also over the years innovated relevant and marketable programmes

and carried out quality research work that have contributed immensely to the development of the country. Secondly, UoN's reputation is undisputed both locally and internationally from its great achievements over the years. It has been attracting high profile local and international dignitaries like Barrack Obama, the president of United States of America and Willy Mutunga, Chief justice and the President of the supreme court of Kenya among others. Third is relationship. UoN has cordial relationships with local, regional and international partners. It is linked with 176 international institutions around the world, covering a diverse range of disciplines, and equaled in the diversity of programmes.

The findings of the study revealed that UoN has distinctive capabilities that include provision of quality education, reputable research and consultancy work. The capabilities are supported by competitive strategies like attracting and retaining competent and experienced staff, efficiency in service delivery demonstrated by effective implementation of the service charter, use of modern technology, regular reviews of the curriculum and continuous development of new programmes relevant to the market. UoN has utilized its pool of competent work force specializing in almost all areas to create value from within and therefore it is difficult for any other institution to replicate this. The result of these is sustained competitive advantage.

However some challenges posed by the environment have been difficult for UoN to address. It has for example been difficult for UoN to adjust itself quickly to the changes in its external environment. The current environment requires a prudent and more business-like approach in the management of the university in order to seize the emerging opportunities. But the many regulations governing UoN's operations like Acts of

Parliament, the Universities of Nairobi Act (1985) Cap 210 of the Laws of Kenya and State Corporations Act combined become more restrictive instead of being facilitative.

According to Porter (1985), there are three strategies for achieving sustainable competitive advantage which are cost leadership, differentiation and focus. The three strategies are known as generic strategies. An organization has to choose one of the strategies since being superior in one means sacrificing the other strategies. From the findings of the study the researcher is inclined to conclude that UoN has continuously adopted strategies that have largely focused on differentiating itself from the other institutions. The continued use of differentiation strategies by UoN will ensure that it continues to be ahead of competition.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The study was undertaken with the objective of determining the strategies adopted by the University of Nairobi to gain sustainable competitive advantage. This chapter summarizes the research findings, conclusion, recommendation for policy and practice, limitations of the study and the recommendations for further study.

5.2 Summary of the Findings

The study brought out the fact that UoN has a strategic plan, which is reviewed after every five years. The strategic plan states clearly the strategic issues to be addressed in the plan period and the strategies necessary for addressing them. The strategic plan is cascaded to the lower levels of the university. The strategic issues of units are formulated in line with the performance targets and within the budget allocation.

The strategies adopted by the University of Nairobi in the current strategic plan include managing the University efficiently, producing quality and holistic graduates, contributing to scientific and technological and innovations and enhancement of the competitiveness of the university. UoN was able to formulate and implement effectively competitive strategies that are able to effectively address the strategic issues despite the challenges posed by the external environment.

5.3 Conclusion

The study findings indicate that there is a link between the implementation of competitive strategies and gaining sustainable competitive advantage UoN. Such strategies like

quality customer service, differentiation, marketing, diversification among others were viewed as essential for achieving competitive advantage.

The challenges posed by the size of UoN and the many Government regulations however hinder the achievement of the university goals. However the management style embraced by the University of Nairobi assumes an aggressive mood that ensures challenges are addressed. UoN has been formulating and effectively implementing competitive strategies which meet its objectives. As such this study concludes that given an appropriate life span, an enabling leadership style and supportive regulatory framework the University of Nairobi can continuously adopt strategies that would lead to achievement of sustainable competitive advantage.

5.4 Recommendations for Policy and Practice

In the wake of the major happenings in the current turbulent environment, the challenges have increased and the public expectations are high for UoN to demonstrate a leadership role in learning and research, being the oldest institution in the country. It is therefore inevitable for the university to embark on a process of change and rejuvenation. UoN will have to develop a flexible strategic structure, which will favour the use of strategic tactics, and activities that will configure the strategies whenever the competitive advantage appears to be at threat.

UoN has used various strategies of differentiating its products to maintain long-term competitive advantage. The choice of these strategies has emanated from its strategic issues or challenges, its resource capacity and the culture of the university. The competitive strategies adopted in the past and resulted in successful outcomes should be

maintained while reviewing strategies that did not work and taking corrective action. Unfamiliar environments will call for the application of new strategies that are suitable for such environments.

5.5 Limitations of the Study

The study was carried out under very challenging circumstances. Not much research work has been done on sustainable competitive advantage by higher learning institutions internationally. Therefore conceptual data was not easily available. The bureaucratic structures of public universities are still being followed most of which have become obsolete due to the many changes that have occurred in the recent years in the education sector in Kenya. The time allocated and resources were very limited. This constrained the scope as well as the depth of the research. Data collection came at a time when all university staff had gone on industrial strike which lasted three weeks. This delayed data collection since the researcher had to wait for staff members to report back.

It was also difficult to get appointments for interviews and a lot of time was wasted visiting some offices severally. The distance covered was also a limiting factor as the researcher spent a lot of time moving from one campus to the next most of which were outside the city of Nairobi. Some of the interviewees were reluctant to be interviewed while others were very busy or out of office.

Data collected was qualitative in nature and therefore the researcher was required to analyze this data using content analysis. The method is subjective and involves a lot of decision making which can lead to different conclusions by different researchers while analyzing same research data.

However with much sacrifice the researcher managed to collect enough data that was sufficient enough to establish strategies adopted by the University of Nairobi to achieve sustainable competitive advantage.

5.6 Suggestions for Further Research

This study sought to determine the strategies adopted by the University of Nairobi to achieve sustainable competitive advantage. Considering the contextual differences of various organizations resulting from differences in structures, systems, leadership cultures and goals the findings of this study may not work for the different organizations.

Other higher learning institutions have come up with different management styles. In Kenya churches, individuals or government manages higher institutions of learning. Their context is therefore different and there is need to study strategies adopted by these institutions to gain sustainable competitive advantage.

From the study it was clear that UoN had a lot of resources unutilized and therefore a study of how the resources can be utilized efficiently can provide better incites on whether UoN should continue relying on Government funds or it could sustain its operations fully through internally generated fund.

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APPENDICIES

Appendix 1: Introduction Letter

EDWIN WAITHAKA,
P.O BOX 68241-00200,
NAIROBI.
TEL. 0723 774699.
The University of Nairobi.

Dear respondent,

RE: REQUEST FOR A PERSONAL INTERVIEW.

I am a postgraduate student pursuing a Master of Business Administration (MBA) degree at the University of Nairobi, School of Business. As part of the requirement for the award of the degree, a student is expected to carry out and submit a management research project. I am carrying out a study on strategies adopted by the University of Nairobi to achieve sustainable competitive advantage.

This research will be very beneficial to the University of Nairobi. This research comes at a time when the university is faced with new and unique challenges. Your office has played a key role in the formulation, implementation and review of the university's competitive strategies that have led to its success. I am kindly request for a scheduled personal interview in order to gather the information I require for the research. The information provided will be kept confidential and it will only be used for research. This is purely a qualitative research and no names will be printed. A copy of the final report will be given to you upon request. Kindly find attached the questions necessary for the interview for your perusal. I am hoping to hear from you soon.

Yours faithfully,

Edwin Waithaka.

Appendix 2: Interview Guide

PART 1: BACKGROUND INFORMATION

1. What is the name of your College/School/Faculty/Institute/Department?
2. What is your current position in the College/School/Faculty/Institute/Department?
3. How long have been in the University of Nairobi?

PART 2: COMPETITIVE STRATEGIES FOR SUSTAINABLE COMPETITIVE ADVANTAGE AND CHALLENGES OF IMPLEMENTING THE STRATEGIES.

1. Who is responsible for strategy formulation at the University of Nairobi?
2. How is/are your current strategy (ies) formulated?
3. How often do you review the university's strategy (ies)?
4. How would you describe the current strategic health of the University of Nairobi?
5. Does the University of Nairobi consider being the most preferred university a priority?
Explain.
6. What strategies does the University of Nairobi adopted to ensure it's the most preferred university?
7. In the last five years, which major strategies has the University of Nairobi used to be the most preferred university?
8. How have the adopted competitive strategies assisted the University of Nairobi in the achievement of its strategic goals?
9. What measures does the university put in place to ensure that this strategy (ies) is/are sustainable in the long run?
10. What strategy (ies) does your department use to integrate activities from all other departments?
11. What value creating strategies has your department initiated since you joined the University of Nairobi?
12. Do you feel the university has adequate resources/assets to achieve its strategic objectives?

13. What major challenges has your department faced in the implementation of these strategies?
14. What challenges is the University of Nairobi facing in implementing the strategies?
15. Has the University of Nairobi been able to respond to these challenges? Explain?
16. How would you describe the level of competition facing the University of Nairobi currently?
17. How has University of Nairobi created uniqueness for its products/ services to its clients?
18. How does the University of Nairobi strive to maintain customer loyalty?
19. In your own assessment, does the University of Nairobi have the necessary capability to remain the best university? Explain.
20. What do you think the University of Nairobi can do to remain the best university?