

**STRATEGIES EMPLOYED BY MOUNT KENYA UNIVERSITY  
TO ACHIEVE COMPETITIVE ADVANTAGE**

**BY  
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## **DECLARATION**


I hereby declare that this research project is my original work and it has not been submitted for the award of any degree in any other university.

Signed:  ..... Date: 9<sup>th</sup> November 2020

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

Signed:  ..... Date: 26<sup>th</sup> November 2020

**For Prof. Evans Aosa**

## **DEDICATION**

I dedicate this research project to the Lord God Almighty. He is a faithful God.

## **ACKNOWLEDGEMENT**

My gratitude goes to the Almighty God for giving me this opportunity to embark on this rewarding MBA program. I am grateful to God for bringing wonderful people my way to support me in this study. Many thanks to my supervisor, Prof. Evans Aosa whose guidance was pivotal in this research project.

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## **ABBREVIATIONS**

MKU: Mount Kenya University

Dr.: Doctor

Mr.: Mister

ICT: Information and Communications Technology

MoU: Memorandum of Understanding

UN: United Nations

PhD: Doctor of Philosophy

CUE: Commission for University Education

CBD: Central Business District

## ABSTRACT

Organizations are open systems that interact with the environment. The organizations serve the environment, and they also depend on the environment. The environment provides the organization with resources, and opportunities needed for it produce goods and services. The organization in turn offers its goods, and services to the environment. The organization environment consists of the customers, the suppliers, the government and all other stakeholders that the organization interacts with. When the organization receives the right configuration of resources from the environment it can produce it can operate effectively, and produce efficiently. Therefore, the organization achieves competitive advantage. The organization needs to employ the right strategies in order to operate effectively, and to produce efficiently. Therefore, the organization scans the environment through, and analyses the competitive forces that are at work. This makes the organization to adopt the right strategies that are relevant to the prevailing competitive forces in the market. The objective of this study was to determine the strategies employed by Mount Kenya University to achieve competitive advantage. The primary data was collected using an interview guide, and the secondary data was gathered by reading the university's publications. This study employed content analysis in the data analysis. The findings of the study show that MKU operates in a sector that is influenced by competitive forces. The competitive forces are the Porter's five competitive forces that are: the degree of competition rivalry in the higher education sector, the threat of substitute products, the threat of new entrants, the bargaining power of suppliers and the bargaining power of buyers. MKU has employed various strategies to in response to these competitive forces in order to achieve competitive advantage. The strategies employed by MKU include: cost focus, cost leadership, differentiation focus, differentiation, innovation, excellent customer service, diversification, strategic alliances among other strategies. The findings of this study generated some recommendations to MKU. First, MKU should use its expertise to venture into viable businesses. These businesses will give more funds to MKU. Second, MKU should open more campuses to cater for the growing number of students. Third, MKU should involve all the staff in the strategic management process of the university. This is because the staff are human resources who work to steer the university forward.



# CHAPTER ONE: INTRODUCTION

## 1.1 Background of the Study

Andrews (1971) explained strategy as a set of vital objectives, goals and crucial policies and plans for attaining the objectives of the organization. Porter (1980) stated that strategy is the fundamental plan to achieving competitive advantage in the market. The purpose of strategy is to gain a sustainable competitive advantage in the market against the factors that cause industry competition. According to Thompson, Strickland and Gamble (2007), a company achieves competitive advantage whenever it has some type of edge over rivals in attracting buyers and coping with competitive forces. Competitive advantage is the key to above average profitability and financial performance because strong buyer preferences for the company's product offering translate into higher sales or the ability to command a higher price, or both, thus driving up earnings, return on investment, and other measures of financial performance.

This study will be founded on theories relevant to strategy and competitive advantage. First, the resource-based theory will be relevant to this study because it links strategy and competitive advantage in organizations to resources and competencies that an organization possesses. The open systems theory will be relevant in this study as it is crucial in linking the environment, strategy and competitiveness in the organization. The theory of competitive strategy will also be relevant in this study as it links competition analysis in the market and the organization's strategies, to achieving competitiveness in the market.

This study seeks to examine the strategies employed by Mount Kenya University in response to environmental stimuli in order to stay above the competition. The study unit in this research is Mount Kenya University. Mount Kenya University is a private institution of higher learning, and it was established in 2008 by Prof. Simon N. Gicharu. MKU is a fully chartered university as it was awarded a charter by the Government of Kenya through the Commission for Higher Education. The university has progressed to be recognized as one of the advanced universities in the region, due to its high number of scholars and academic courses.

### **1.1.1 The Concept of Strategy**

According to Chander (1962) the formulation of goals and objectives of an organization for the long term, the implementation of these goals and assigning of resources to achieve these goals is strategy. Chandler (1962) perceived strategy to be a way of finding the organization's purpose by outlining its long-term goals, strategic choices and resource administration courses to achieve the established goals. Andrews (1971) explained strategy as a set of vital goals, crucial policies and plans for attaining the objectives of the organization. Porter (1980) stated that strategy is the fundamental plan to achieving competitiveness. The purpose of strategy is to gain a competitiveness that is sustainable against the factors that cause industry competition.

Chaffe (1985) perceived strategy as an organization's way of attracting people in a social contract or a group of cooperative deals. Strategy here is viewed as an instruction that helps enhance collaboration from diverse stakeholders of a company. Such collaboration is important for attaining organizational success. Ralph (2010) revealed strategy as a connection between assets and competencies of the organization and the opportunities in the environment, the threats it's faced with and the plans it wishes to accomplish. According to Ansoff and McDonnell (1990) strategy can be viewed according to the market and diverse products. Furthermore, strategy links the organization's undertakings and its market.

Ansoff and McDonnell (1990) stated that strategy is a group of guidelines for direction on organizational practices. They added that there are four discrete kinds of such guidelines as follows. The first is yardsticks through which the current and subsequent functioning of the organization is checked. They say that objectives represent the quality of yardsticks, while the intended quantity is goals. The second type of guidelines is for growing the organization's relation with its outside environment, which is referred to as business strategy. Thirdly, the guidelines are for creating internal dealings and processes within the organization, which are called organizational concept. Finally, are the guidelines through which the organization performs its daily business, which are referred to as operating policies. The varied descriptions accorded to strategy depict that it's a multidimensional aspect. No single explanation seems to include all the aspects of strategy entirely. Mintzberg (1987) states, these definitions seem to substitute each other in some ways. Their complementary nature provides additional insights, to enhance our understanding on

strategy. Therefore, strategy can be viewed as a logical, unified, and integrated sequence of decisions meant to establish and reveal the organizational plan in the short term and in the long term (Hax & Majluf, 1998).

### **1.1.2 Competitive Advantage**

According to Thompson, Strickland and Gamble (2007), competitiveness is seen when an organization is able to meet the needs of its customers, such that the customers remain attracted to its products or services, over others in the market. The organization is also able to operate profitably in the midst of other competitors. Competitive advantage means that the organization is able to offer customers high quality products at affordable prices than what other organizations operating in similar business are offering.

In order, to maintain competitiveness an organization has to ensure that its superior products are not easily imitated by the competitors (Thompson, Strickland, & Gamble, 2007). According to Thompson, Strickland and Gamble (2007), competitive advantage offers organizations high profitability, because the organization is able to achieve higher sales than the competition, the organization can also sell its products at a higher price, because the customers prefer higher quality.

There are many competitive strategies' models. One of the models is Michael Porter's (Porter, 1998); it consists of generic competitive strategic choices that include: cost leadership, differentiation or focus strategies to achieve competitive advantage in the market. The other strategic choices are from the model of resource based competitive strategies. This proposes that an organization can gain a competitive advantage by focusing on its unique resources that are not possessed by the competitors, or which cannot be easily duplicated by competitors. The third model comprises of the grand strategies (Pearce and Robinson, 1997) which is a collection of all kinds of strategic choices which organizations employ to be competitive.

### **1.1.3 The Higher Education Sector in Kenya**

There has been an increase in the demand for university education in Kenya, with an increase in the number of students. The increase has resulted in a growing number of students who are unable to be enrolled in the local universities, and are therefore seeking admissions to higher learning institutions outside the country. In order, to increase the supply of higher learning institutions, constituent colleges and campuses associated with the universities have been set up (Ministry of Education, Science and Technology in Kenya, 2016). University education in Kenya is regulated by the Commission for University Education, which was formed under the Universities Act, No. 42 of 2012 (Commission for University Education, 2019). There are 74 institutions of higher learning in Kenya, which comprise of, 31 Public Chartered Universities, 6 Public Constituent Colleges, 18 Private Chartered Universities, 5 Private Constituent Colleges and 14 Institutions with Letters of Interim Authority (Commission for University Education, 2017).

The growth in university learning can be traced to an increase in student enrolments and in the diversification to the courses offered in the universities. The main contributor to the growth in embracing education in all levels, including at the tertiary level, is the emphasis placed globally, that education is the driver of social economic advancement. The higher education landscape is globally evolving in political, economic, social, scientific, cultural and technological aspects and causing the Kenya education system to grow or adapt to emerging trends (Citizen, 2018).

The higher education sector in Kenya has increased funding to research and development in the tertiary institutions to play the key role in advancing knowledge to the global economy. The Kenyan Commission for University Education, undertook an audit of Kenyan Universities, it discovered extensive issues in regards to student enrolments, progression, and in the conferment of degrees and certificates. This audit was ordered by the then Education Cabinet Secretary in the year, 2017. The audit led to a suspension of some degree programs in some universities. These discoveries indicate that the higher education institutions in Kenya, are straining to keep up with the high demand for higher education in the country. The university staff during a meeting with the Senate Education Committee cited that public institutions across Kenya were struggling to stay afloat and having debt problems (Wanzala, 2018). According to Wanzala (2018), some private universities in the country were also

facing financial crises. The universities need to formulate and adopt competitive strategies in order to gain a sustainable competitive strategy, by achieving operational effectiveness and production efficiency.

#### **1.1.4 MOUNT KENYA UNIVERSITY**

Mount Kenya University is a private institution of higher learning. The university was established in 2008 by Prof. Simon N. Gicharu. MKU is a fully chartered university as it was awarded a charter by the Government of Kenya through the Commission for Higher Education. MKU is ISO 9001:2008 certified which means that it meets the international criteria for offering high-quality education (Mount Kenya University website, 2020). Today, the university is a corporate body governed by the Universities (Amendment) Act, 2016 and the university's charter. MKU is one of the largest private universities in Kenya with a student population of, as at October 2020. The university is stratified into three schools, twelve institutes and three colleges. These academic institutions in MKU have developed diversified education programmes in various disciplines like the basic sciences, social sciences, humanities, arts, technology and applied sciences.

The university's governance comprises of the Chancellor, The University Council, The Founding Vice- Chancellor, The Board of Directors, and the deputy Vice-chancellors (Mount Kenya University website, 2020). The student leadership in the university allows students to participate in decision making, formulation and implementation of the plans. The student leadership also represents students' matters. MKU offers various resources, and services to cater for the wholistic development of the student. There are library services, computer and internet services, health services, student industrial placement, sports and games among other services.

Mount Kenya University is a non-profit making university (Mount Kenya University website, 2020). The money generated by the university through all its endeavours is used to support the university's teaching, and research potential. The university has recorded impressive achievements in research, and development, teaching and consultancy, while formulating and implementing strategies as the centre of excelling in knowledge in research, academics and professionalism (MKU website, 2020).

## **1.2 Research Problem**

According to Awino and Kariuki (2011) managers select the strategies that are relevant in the organization, in order to remain stable in the environment. The plans are influenced by the business conditions prevailing in the market and within the organization, because strategy links the organization and the environment. Therefore, the strategies employed affect the performance of an organization. Consequently, it will affect the competitive position of an organization in the outside environment. According to (Ologbo, Oluwatosin, Kwakye, 2012) the achievement of competitive advantage by an organization, and maintaining that position through sustaining competitiveness, is the chief goal of all organizations, in a competitive external environment.

The university education sub-sector in Kenya ranks as one of the fastest expanding amongst other sub-sectors of education in Kenya. Mount Kenya University has recorded impressive achievements in research and development, teaching and consultancy, while formulating and implementing strategies as the centre of excelling knowledge in research, academics and professionalism (Mount Kenya University website, 2018). Similar studies to this study have been conducted by other researchers. These studies include; Ogutu & Nyatichi (2009) on Competitive Strategies adopted by Multinational Banks in Kenya, Ogutu & Samuel (2012) on Strategies Adopted by Multinational Corporations to Cope with Competition in Kenya. Evusah (2013) conducted a study on the strategic responses by The University of Nairobi to changes in the external environment.

There exists a knowledge gap in these studies, because despite the various studies conducted on strategy and gaining a competitive edge in the market, I didn't find a specific study on the strategies employed to achieve competitive advantage and in the context of Mount Kenya University. Therefore, Mount Kenya University needs to employ strategies geared towards achieving competitive advantage to be a global centre of excellence. It is with this argument that the researcher seeks to fill in the knowledge gap. The study aims to answer this question: Which strategies does Mount Kenya University employ to achieve competitive advantage?

### **1.3 Research Objective**

The objective of this study is to determine the strategies employed by Mount Kenya University to achieve competitive advantage.

### **1.4 Value of the Study**

The study when completed will be of value to various parties. First, the study will be based on various theories, and will seek to support the theories. The study will also add to the existing knowledge and created a basis for conducting further research on strategic responses. Second, the study will benefit policy makers in the education sector to formulate, implement, monitor and evaluate strategies, in order to create viable strategies.

These strategies will help them to gain competitiveness in the education market. The findings will also be of value to the government of Kenya in its policy framework formulation for the higher education sector. The study will also be useful to the management at Mount Kenya University, to govern their managerial practices. The management will be equipped with the knowledge on the evaluation of the university performance, the universities' plans and strategies and how they place the university at the world class status and the market trends and developments.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This chapter outlines the available knowledge on strategic responses that can be employed to achieve competitive advantage. The review explains various theories and empirical literature from researchers in the same field of study. The chapter will also outline a conceptual structure that the proposed study, will be based on. Finally, the chapter will outline the critique of the literature reviewed and acknowledge the identified gaps.

### **2.2 Theoretical Foundation**

The study will be based on these theories: The Resource-based theory, the Human Resource-based theory and the Profit-maximizing and Competition-based theory. This will form a foundation for this study, in order to determine the strategies employed by the University of Nairobi to achieve competitive advantage.

#### **2.2.1 The Resource-based Theory**

The resource-based theory was developed from the work of Barney (1991) and Wernerfelt (1984). The theory is based on the concept that an organization's competitive advantage will originate from the unique set of resources and competencies it possesses (Steinthorsson & Soderholm, 2002). The competitive advantage may not be because of the organization's conditions in the outside environment or analyzing its chances or risks.

#### **2.2.2 The Open Systems Theory**

This theory emphasizes that organizations are open systems that interact with the environment. The theory was developed after the World War II. This was after assessing other theories that depicted the organization as an entity that could support itself (Bastedo, 2004). The organization depends on the external environment for resources to compete favorably in the market. The resources enable the organization to produce efficiently and to achieve operational effectiveness. Therefore, the organization becomes profitable and achieves a sustainable competitive advantage. The organization also supplies its products and offers its services to its customers, who are part of the stakeholders in the external environment.



### **2.2.3 Theory of Competitive Strategy**

Porter (1979) developed the porter's five forces model, to analyze the position of an organization in the market, in relation to its competitors. The five forces model comprise of: The degree of competition rivalry in the market, the threat of entry of new rivals in the market, the threat of substitute products, the bargaining power of suppliers and the bargaining power of buyers. This determines the degree of competition in the market. An organization needs to analyze these five forces in the market, before venturing into a new market or before diversifying its operations in the current market. This will enable the organization to employ the most viable strategies to secure its competitive position, in the market.

### **2.3 Strategy and Organization**

According to Ogutu and Nyatichi (2009) strategy is a plan by the management on the ways to succeed. Strategy contributes to the success of organizations. Additionally, the success of a strategy delivering on its intended purpose is when it's well formulated and implemented. According to Awino and Kariuki (2011) strategy connects the organization to the environment, whereby the organization selects the relevant strategies to the prevailing environment conditions. This avoids any, misalignment of the organization and the environment, which influences the performance of an organization.

The study continues to explain that the strategic choices of an organization are guided by factors that are within or outside the organization. This causes strategies adopted to differ across different organizations. The factors that influence the strategic choices are firm and industry factors. The selection of the strategies to adopt is a fundamental step when crafting a strategy. Organizations have different factors involved within and without, therefore their strategic choices differ. This is seen in the accomplishments of the organization, when measured. Druker (1954) who was among the earliest authors to define strategy stated that strategy is a way of explaining the business of a company. Aosa (1992) stated that strategy is developing a link between the outside and internal factors of an organization to provide a solution to a strategic issue. The strategic issue was defined as a disconnection between inside conditions of an organization and its outside environment. The fit can be attained by harnessing an organization's main competencies relevant to the outside environment, sufficiently to support the utilization of chances and minimization of the threats in the outside

environment. Gluek and Juach (1984) perceived strategy as an organization's response to the outside environment, with regard to the resources at the organization's disposal. Mutua (2010) discovered that strategy is an interconnected plan that associates the accomplishments of the organization, to the risks posed by the outside environment. Strategy is created to ensure that the organization achieves its goals, by implementing them properly.

## **2.4 Strategy and Competitive Advantage in Organizations**

According to Courtney and Viguerie (1997), in order to bear with varying degrees of changes in the environment, it's crucial that organizations consider varied approaches for strategic analysis, to determine the best possible strategies. One of the causes of environmental turbulence could include high degree of competition rivalry among organizations in the same target market segment. According to Awino and Kariuki (2011) strategic management entails the drafting and execution of viable plans. The management has to select the strategies that are most relevant to the organization, in order to remain competitive in the turbulent external environment.

The strategic choices are affected by the environment for conducting business, as there is a connection between strategy and the environment. Therefore, the strategies employed affect the performance of an organization. Consequently, it will affect the competitive position of an organization in the outside environment. According to (Ologbo, Oluwatosin, Kwakye, 2012) the achievement of competitive advantage by an organization, and maintaining that position through creating a competitiveness that is sustainable, is the chief focus of many organizations, in a competitive external environment. Ologbo, Oluwatosin, Kwakye (2012) continue to say that gaining competitiveness establishes, and creates a better position for the organization in the market. They argue that the competitive advantage will be attained when the strategies employed are not concurrently being implemented by other organizations in the same competitive industry. According to Ogutu and Samuel (2012) competitive strategies comprise a variety of strategic choices employed by organizations, in order to cope with competitors or to position themselves ahead of the competition.

According to Thompson, Strickland & Gamble (2007) the close relationship between competitiveness and profitability, reveals that the pursuit of a competitive advantage that is sustainable, is the priority in formulating a strategy. What distinguishes an

effective strategy from a futile one is the competency by the management to implement strategies, both in the outside environment and in the organization that distinguishes the organization from competitors (Thompson, Strickland & Gamble, 2007).

This places the organization at an advantage in the market, as buyers will prefer its products, and gives the organization competitiveness in the market (Thompson, Strickland & Gamble, 2007). Notably, for an organization to employ a strategy which results in gaining industry competitiveness there is need to first, comprehend the industrial forces which influence its operations. Porter (1980) says that most businesses need to consider five forces of competitive forces. These forces are the degree of competition from rivals and entrants, competition from substitutable products, and the bargaining possibilities of suppliers and buyers.

## **2.5 Strategy and Competitive Advantage**

According to Ogutu and Samuel (2012), scholars have proposed strategies that organizations can employ to compete in the market. The main models are Porter's generic competitive strategies model and grand strategies (Pearce & Robinson, 1997). According to (Porter, 1980) there are four generic strategies for achieving competitiveness, these are being a cost leader, distinction, cost focus and differentiation focus strategies. In cost leadership, an organization seeks to produce at low cost, a given level of quality in its industry.

The aim to produce at the lowest cost in the industry is a competitive strategy in many markets where there are price sensitive buyers (Thompson & Strickland, 1989). Cost leadership needs dedicated construction of facilities that enable efficient sales, diligent pursuit to lower costs from experience, rigid cost curve and cost reduction in different functions (Porter, 1980). An organization can achieve and maintain cost leadership, thus performing above the average in the industry. Moreover, this will be possible if it can command prices near or similar to the prevailing industry prices. Thompson, Strickland and Gamble (2007) state that aiming to have the least production costs in the industry, is seeking to be competitive in the market. Attaining costs that are lower than competitors can achieve competitiveness, if competitors encounter difficulty in imitating the strategy of reducing business costs. Porter (1998) stated that differentiation is a feasible strategy that can enable an organization to earn

above average profits, if achieved as it shields against the industry's competitive forces, although in a way that is different from cost leadership.

According to Thompson, Strickland and Gamble (2007) differentiation involves competing rivals through employing differentiation strategies that include: offering high level quality products, diverse products to choose from, additional benefits, value addition to the services, styling that is more attractive, technological advancement or unique value for the money. According to Thompson and Strickland (1989) the cost focus strategy entails concentrating on a specific market segment and creating a competitive advantage over the rivals. The organization seeks a cost advantage in this narrow market segment. According to Porter (1996) this focused strategy, aims at creating competitive advantage by offering lower prices to the narrow market segment, than rival competitors. The organization can lower its costs significantly, by focusing on the narrow market segment. According to Ogutu and Samuel (2012) an organization seeks to differentiate inside one or a group market segments it's targeting.

The market segment may have unique needs that are different from the mass market. Therefore, this creates an opportunity for an organization to tailor make products that are different from the rivals' products that may be targeting a broader market. The next set of strategies to be discussed is the grand strategies, which are diverse, long lived plans of necessary undertakings by organizations to achieve crucial objectives (Pearce & Robinson, 1997). The key focus of the strategies may be to acquire competitive advantage in the market, advancements in the organization and the products, through: joint ventures, strategic alliances, excellent customer service, innovation, diversification, licensing and franchising. The parties involved in the joint venture, seek to share their resources and possessions, pool competencies, knowledge and human resources (Tayeb, 2009). Due to globalization, the idea of international joint ventures has been adopted wholly by businesses and it's today regarded as an avenue for rapid advancement and sustainability in the marketplace. Joint ventures have enabled many organizations to access inaccessible markets, gain new ideas and changes the conventional methods of operating in the industry. According to Ogutu and Nyatichi (2009) a strategic alliance is an agreement between two or more organizations. The partners seek to increase their competencies, by pooling together their resources to accomplish a purpose agreed. The potential benefits of a strategic

alliance are market accessibility, risk reduction, pooling together of competencies that can be costly and time consuming to possess. Another strategy that can be employed is excellent customer service. Organizations want to exercise excellent customer service, to ensure their customers are satisfied and delighted. An organization seeking to develop a world class service culture will develop a customer service plan that emphasizes on excellent customer service to every customer.

True excellent customer service requires customization and personal attention to the customer (Kotler & Armstrong, 2001). Innovation is another strategy employed to achieve competitive advantage that is sustainable. Innovation that is successful comprises of the production and utilization of new methods of conducting the operations and conveyance of services, which bring crucial advancements in achieving high levels of quality and other necessary outcomes (Mulgan & Albury, 2003). The diversification strategy brings and raises the barriers to entry for the competitors. Porter alluded that industry factors can be tapped strategically to grow an organization's achievements (Porter, 1980).

Diversification affects performance positively, as it enables an organization to exploit the opportunities present in one enterprise, whilst reducing threats in another business through the diversification of businesses and managing the risk of its investments (Ansoff, 1985). Licensing is a grand strategy that can be employed to achieve competitiveness. It is a legally binding agreement between two businesses in which the licensee is allowed to utilize a brand name, ownership right, and patent at a fee. According to Stern and Stalk (1998) licensing benefits the licensor with competencies and capital for expansion. It is a strategy that is employed by producers to tap into foreign markets, where they have no expertise. Franchising is another grand strategy that is employed to gain competitive advantage.

Globalization has caused the current business environment to experience a crucial transformation. Franchising as a competitive strategy has become embraced, to achieve growth of business, creation of job opportunities and economic advancement (Kotler & Armstrong, 2001). It assists organizations to grow into foreign market, to embrace other laws governing businesses in the foreign market. Organizations have adopted franchising as the cornerstone to expand internationally.

## **2.6 Empirical Studies and Research Gaps**

Ogutu & Nyatichi (2009) conducted a census study on competitive strategies adopted by multinational banks in Kenya. The survey was conducted on 10 multinational banks in Kenya. They proved that the multinational banks in Kenya adopted these strategies to remain competitive: offering a wide range of products, the organization having a wide coverage, strong customer relationship, improved customer service, differentiation focus with the products, low administration costs, skilled staff, offering professional service to customers, history of the organization, use of the image of the organization as the selling point, strong marketing competencies, innovativeness, lowering overhead costs, the perception of image and service, employee output, figuring out the needs of potential clients, competence in conducting fundamental research, a diverse organizational culture, rewarding the creativity of employees, financial results of the organization and development of the organization processes.

The strategies they listed are classified under cost leadership, wide and narrow differentiation focus. They concluded that for an organization to achieve a competitiveness that is sustainable, it requires to adapt to the evolving economic situation and adopt strategies that are aligned with its daily operations, while ensuring that the organization achieves profitability. Since the study focused on the Kenya context, mainly focusing on Porter's generic strategies, they suggested that more research can be carried out, on the international strategies being implemented by the multinational banks to remain competitive locally and internationally. Ogutu & Samuel (2012) conducted a descriptive survey on strategies adopted by multinational corporations to cope with competition in Kenya, in 40 multinational corporations. They found out that multinational corporations in Kenya have adopted several strategies that include: Innovation, diversification, excellent customer service, differentiation, cost advantage strategies, excellent customer service, strategic alliances, superior quality, acquisitions and mergers, joint ventures, offering lower prices, franchising and licensing. They suggested further research on the extent of strategies adoption differences between the purely foreign owned multinational corporations and the both foreign and locally owned multinational corporations. They also suggested further research on the degree to which various strategies influenced the multinational corporations' performance. Evusah (2013) conducted a case study on the strategic responses by the University of Nairobi to changes in the external

environment. He found out that the University of Nairobi has employed these strategies: Investing in information technology, pursuing an expansion strategy through launching new products and finding new markets, introducing new programs that align with vision 2030, opening new branches in major towns, local and global marketing, a policy to favor enrolment of foreign students, goodwill and corporate image marketing strategy, customer care service, strategic alliances, corporate social responsibility, diversification of programs, increasing the number of schools, rewarding the staff, efficient and effective utilization of its resources, innovations and producing quality graduates. He suggested that there is a need for the university to connect with the social world and the corporate world, in order to carry out joint research projects in fields of similar interest.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

This research was meant to study the strategies employed by Mount Kenya University to achieve competitive advantage. The method that was used to conduct the study is outlined in this chapter. The following subjects will be outlined: research design, methods of data collection, and the method to be employed in the data analysis.

### **3.2 Research Design**

This study employed a case study as the research design. Kothari (2004) states that a case study is a deliberate and total investigation of a social unit, a program, an institution, a cultural group, a sub county or a family. Additionally, case study is a study focused on a single system, or one unit. A case study will describe the study unit, in depth, rather than conducting a shallow statistical survey. Cooper and Schindler (2003) explained that case studies mainly focus on complete contextual examination of occurrences or situations that are fewer and their interrelations.

This study used a case study, as it allowed the researcher to gather in depth data from the management at Mount Kenya University on the strategies that the institution has employed to achieve competitive advantage. The case study was useful for testing the applicability of the theories in the real business environment. A case study has the merit of not having material bias, and it aids the researcher in conducting an intensive examination of the single study unit.

### **3.3 Data Collection**

The researcher collected primary and secondary data for this study. The primary data collected is original and not a duplicate from another source. The data collected is qualitative in nature.

The primary data was gathered through an interview guide that is structured. The interview guide was developed by assessing the objectives of the study to enable the collection of data that is relevant to this study. Additionally, the interview guide was developed by assessing the literature review, in order to collect information that is guided by the literature reviewed in the study. The data collection method was face to face. The researcher sought to interview the Founding Director of MKU Foundation, The Director of Graduate studies, the Dean of students, and the head of innovations



intellectual property and community engagements in MKU. The data from the secondary sources was amassed through data mining. The secondary data was amassed from reading through the university's publications, which comprised of the various publications about the university.

### **3.4 Data Analysis**

The data that was collected is qualitative in nature. First, the data was screened to ascertain its completeness and consistency. Content analysis was carried out on the data, to provide an in-depth comprehension of the issues in the case study. According to Nachmias and Nachmias (1996) content analysis is a method for making deductions by methodically and purposefully locating defined aspects of a communication and applying the same technique to correlate with trends.

Content analysis was considered because enables the researcher to examine the collected data in a structured manner. Content analysis method was successfully applied by Evusah (2013) on his case study on the strategic responses by Mount Kenya University to changes in the external environment.

## **CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSION**

### **4.1 Introduction**

This study sought to find out the strategies employed by Mount Kenya University according to the objective stated. An interview guide was used to interview the respondents for purpose of gathering the data. Secondary data was collected by reading the publications about the university, and through the university's website. Content analysis was employed to analyse the data that was gathered.

The findings of the study were mapped on the theories, and the objectives that this study was based on. The study found out that the university has prioritised strategic management in the institution. This is because the departments in the university are given the chance to give their feedback to the strategic management consultants. Therefore, the respondents were knowledgeable about strategic management in the university.

### **4.2 The Profile of the Respondents**

The respondents for the interview guide included the university's management, and these are the people involved in strategic management in the university. The interviewees were two directors in the university, the dean of students and the head of innovations, intellectual property and community engagements

### **4.3 Strategies Employed by MKU to Achieve Competitive Advantage**

Since its inception, Mount Kenya University has grown in leaps and bounds. The student population has increased to more than 40,000 students. This indicates that many buyers are willing to take the courses offered by Mount Kenya University. According to the data collected it shows that Mount Kenya University is offering similar courses but in a different superior way.

The acting principal of College of Graduate studies and research stated that the different superior way is in excellent customer service. The courses are also tailored to fit the teaching methods and the students learning requirements. The university has also specialised in the field where they have a strength which is in the field of sciences.

There are other universities in the higher education sector. These universities pose competition to Mount Kenya University locally, and globally. Therefore, Mount Kenya University has strived to offer superior quality than its rivals. The university has ensured that it performs different activities from rivals, or it performs similar activities in a different superior way.

Mount Kenya University has many students seeking for admission in the university. According to the head of innovations, intellectual property and community engagements MKU receives a high number of student admissions. MKU has a strict criterion so that they can admit students who meet all the criteria. The demand for education in MKU is high, therefore there is no shortage of students in MKU.

MKU has the money to finance the projects because the university has engaged the donors too. The university receives grants, and donations from its stakeholders. They have a donations tab on the top right corner on the website. The tab is noticeable upon logging in the website, and it has the major globally recognized forms of payment indicated. This is an indication that the university is strategic in soliciting for funds.

The collaborations that the university has with different institutions also contribute to the institution's income. According to the dean of students in MKU, the university is a non-profit institution. This means that the money earned by the university is used for development in the university.

Mount Kenya University has a portfolio, and experience of working with notable global institutions and the government. As shown in the university's website, MKU has worked with Ohio State University in a community charity project. The project involved students from MKU's School of Nursing, and some students from Ohio State University. The project was done in Marsabit County where they were involved in treating chigoe fleas. They treated children from several schools in the region.

According to the dean of students in MKU, the university admits government sponsored students. This makes the private university to be perceived as an inclusive university. Additionally, this shows that MKU is not biased to particular market segments. They want to be an inclusive university that gives higher education to anyone by eliminating the market segmentation barriers. This in turn gives the university a good reputation for being all inclusive, and unbiased.

According to the dean of students in MKU, the institution is ranked at position 2 in Kenya among the private universities. The MKU school of law moot court is a well-equipped facility for the law students. The moot court gives the students a state-of-the-art facility to facilitate their acquisition of skills. The university has ensured that the students perform exemplary in their studies. Employer data shows that MKU's students perform well at their work places. This contributes to the ranking of the university among the top institutions in the country.

According to the head of innovations, intellectual property and community engagements, MKU has an ICT department that is dedicated to ensure that the technology needs of the university are handled by ICT professionals. The ICT department manages the university's website, the students and staff portals. The department ensures that the university delivers online teaching to the students. The university has the open, distance electronic learning program that is seamless, and smooth.

According to the director of graduate studies in MKU, the university excels in creating ties with strategic partners like the Kiambu County Government. These partnerships ensure that the students are linked with job opportunities where they develop diverse skills. MKU has partnered with the Kiambu County Government through a MoU. The partnership seeks to train the county government's employees. The university has sponsored an institute called the Institute of Capacity Building. The county government employees will be trained through this institute. MKU School of Journalism will also work with the County Government to support their communication needs. The MoU will see MKU support the County with their IT needs, and the development of sports infrastructure in the County.

MKU has mastered the art of giving scholarships to deserving students. MKU has a foundation that raises funds to offer scholarships. The director of MKU Foundation mentioned that the university checks the needs of the students whom apply for scholarships. This is done to award the scholarships fairly without any bias.

According to the dean of students MKU is a fully accredited private institution. The accreditation gives all stakeholders in MKU security because their work is recognized by the authorities. According to the head of innovations, intellectual property and community engagements MKU sponsors its staff to attend international seminars.

This has cemented the collaboration culture in MKU because the university is keen on harnessing its strengths through strategic partnerships.

MKU has achieved profitability in the business operations. The institution has achieved this by upholding integrity in all the departments. The integrity ensures that there is no stealing of funds meant for development. According to the director of graduate studies the university's finance department ensures that every expenditure is budget for, and approved. The proper use of the resources has ensured that the university has enough money to pursue strategic alliances. These strategic alliances are with companies like Microsoft, the UN, Bidco among others. The university's profitability has enabled the university to finance the construction of its modern premises, and to acquire more prime premises.

MKU offers a variety of courses in the business, science and technology fields. According to the acting principal college of graduate studies and research these courses are well outlined on their website. Therefore, any person can access the information to make a decision to enrol to a course. According to the head of innovations, intellectual property and community engagements MKU seeks to employ lecturers who meet the industry's standards. Lecturers need to have a PhD degree to be considered for employment in MKU. Tutorial fellows need to be enrolled for a PhD program. MKU ensures that the teaching staff meet the academic, and other professional requirements set by CUE. This makes MKU to compete with other universities favourably by engaging professionals.

According to the director of MKU foundation, MKU gets sought after for grants, collaborations and partnerships. The university has established itself as the largest private university in Kenya. This has increased the visibility of the university globally. MKU receives visitors who are seeking for strategic alliances. MKU saves on the costs of searching for strategic alliances. This is because the university has already positioned itself as a leader in the higher education sector.

According to the head of innovations, intellectual property and community engagements MKU campuses are located in the major towns in Kenya. The main campus is located in Thika town. They have campuses in the capital city of Kenya, which is Nairobi. The towns are easily accessible by road, and air transport. The

social amenities in the towns are many. This makes MKU to be preferred by the stakeholders because of the convenience gained through the prime location.

According to the director of graduate studies in the institution, MKU has incorporated great architectural design on their buildings. The compound is also well designed to match the iconic stature of their buildings. These competencies make the stakeholders to have an image that portrays success. Stakeholders want to work, and to be associated with a successful institution.

According to the head of innovations, intellectual property and community engagements MKU has a sister campus in Rwanda. This makes MKU to be the first private university to own another campus in another country. The Rwanda campus is called MKU international institute technology. This makes MKU a reputable institution that is keen on offering higher education internationally.

MKU is a leading private institution in Kenya because it receives high number of student admissions, among other factors. According to the dean of students MKU operates effectively, and efficiently so that they can charge affordable fees. Many students seek to study in MKU because they get value for their money.

MKU has an interactive website that enables the interaction between the university, and all stakeholders. The website sells the university to the public by serving as a point of contact. The website has courses, activities from various departments listed, and all other relevant information. The grouping of information on the website enables a visitor to find the information they need. Researchers can easily find data about the university on their website. This makes the university to be very accessible, and to ease the interaction.

Communication in MKU is excellent, and the communications department even sends text message to individual students. This is according to the university's website which shows that MKU has open communication channels. Therefore, when the applicants apply for the courses they are notified about the status of their application. By using the various channels of communication, the communications department ensures that no student lacks important information. This shows that MKU is an institution that is flexible, and willing to change its structures to accommodate the needs of all its stakeholders.

The director of MKU foundation pointed out that the university has a strategic plan that steers it towards the achievement of its vision, and mission. The implementation of the strategic plan directs the daily operations in the university. Moreover, the university hires external strategic management consultants to help craft its strategic plan. The strategy consultants work in tandem with the corporate, business and functional levels of management. These levels of management usually hold meetings with the consultants to table their input. When the input of a certain department is needed the department holds meetings with the consultants to state their functional level goals.

The director of MKU foundation pointed out that the university has a strategic location in the Nairobi CBD and in Thika town. The strategic location has made its iconic buildings to be directly visible to the people. The university is easily accessible making it an ideal choice for the stakeholders. Young people like to be in the urban areas, near all social amenities. Therefore, the strategic location of the university attracts many stakeholders to the university.

The head of innovations, intellectual property and community engagements agreed that the university has an iconic brand name that features its country-of-origin name which is Kenya. The name makes the university to be visible, and to have global recognition. The brand name makes the university to sound powerful, and to give it the image that it commands influence in the region. The name has contributed to attracting stakeholders to the university who contribute to the attainment of the mission, and vision of the university.

MKU boasts of a pool of highly professional staff who have various requisite accolades in academics. They employ notable professionals who will impart their expertise to the students. According to the dean of students and head of innovations, intellectual property and community engagements the university requires that the lecturers have doctorate degrees which is an indication that they have spent the necessary knowledge in their field. The lecturers give high quality course training to the students. The students then become well trained professionals in their fields after the completion of their studies. Therefore, by producing high quality graduates the university has achieved competitive advantage.

According to the acting principal college of graduate studies and research, and the dean of graduate studies MKU has signed a MoU with the Kiambu County Government. The MoU is the partnership where MKU, and the County government undertake joint development projects together. Both MKU and the County government benefit from the partnership. The Kiambu County Government will benefit on creation of sports facilities in the county by MKU. The MKU School of Journalism will work the county's communications department. Additionally, MKU will offer IT support to the County Government. MKU will benefit by getting a workplace for the students, and staff. The workplace will give MKU a platform to utilise their skills, knowledge and to acquire more skills.

According to the dean of students MKU has Research partnerships for the staff with other institutions in the higher education sector. MKU has a research directorate that coordinates the research activities in the university. The director of MKU foundation who is also the director of research and development in the university said that the university supports its students, and staff to conduct research. The research activities in the university are explained on the university's website. Some of the information shows that the university endeavours to seek grants to fund research. The head of innovations, intellectual property and community engagements also agreed that the university also supports its students, and staff to attend international seminars. MKU is keen on creating a research culture in the university.

According to MKU's website information, MKU is keen on partnering with other institutions. The university has partnered with companies, and other universities. These partnerships are strategic alliances where the partners are seeking to share their competencies for their mutual benefit. MKU has many partners as shown in their Linkages and Partnerships page on their website. According to the director of graduate studies one example is a partnership that MKU has with Bidco Limited. Bidco is offering MKU internship opportunities for their students, among other benefits. MKU is offering the joint hosting of conferences on agreed topics, among other benefits.

MKU has entered into joint venture projects in the corporate world, and in the higher education sectors. The director of MKU foundation mentioned that the university's website contains the necessary information about the joint ventures by MKU. The



information is on the Linkages and Partnerships page on the university's website. An example of a joint venture on the page between MKU, and the Manchester Metropolitan. Both institutions are seeking to conduct mutual research projects, and other joint activities too.

MKU is an institution that understands the benefits of supporting development in the society. The dean of students agreed that the institution has diversified their activities to include offering community service. The university's School of Nursing in partnership with some students from Ohio State University undertook a project. The project was done to fight Chigoe fleas in Marsabit County. The students treated more than three hundred children from several schools in the county.

The respondents agreed that MKU offers outside the classroom activities like sports. Sports are vital for the development of all rounded students. Their sports facilities include Karate, Swimming, and the Ball games. Their sports facilities are well built, and state of the art. They have dedicated enough outdoor space for games like football.

MKU offers a wide selection of courses ranging from the medical sciences to the social sciences. According to the dean of students MKU has diversified the course offering so that they have a diverse community of students. This is beneficial because when the students meet at the social places in the university, they appreciate each other's diverseness. The variety of the courses enables the staff to utilize their expertise fully. The teaching staff get more engaged as they teach common course units like communication skills in the different programs offered in the university.

The respondents agreed that MKU has engaged in business ventures like laundry business, a bookshop, and two cafeterias in the university. This gives the university the finances needed to buy the resources needed. With the necessary resources well mobilized the university can fund its operations to produce efficiently, and operate effectively.

The respondents agreed that the University's staff engage in research activities. MKU is a sciences-oriented university, and science requires a lot of research. According to the director of graduate studies MKU has invested in research as they have well equipped laboratories. The dean of students stated that the lecturers usually partner

with lecturers from other universities to undertake research. They have a page on their website that contains information about the research activities done by the university.

According to the dean of students MKU admits government sponsored students. MKU university is among the private universities that enrolled government sponsored students in the academic year 2018. This indicates that MKU seeks to host a diverse community of students. MKU has embraced the government sponsored students. Therefore, showing that the university has embraced diverse options of students' sponsorships.

MKU has a foundation where they raise funds to offer scholarships to students from humble backgrounds. The MKU Foundation that supports the issuance of the scholarships. The director of MKU foundation, and the head of innovations, intellectual property and community engagements mentioned that the students go through a fair selection criterion to be awarded scholarships. MKU has diversified their ventures to include even a dedicated scholarship department. This shows that MKU is keen on enabling diversity. The diverse environment removes the barriers of increasing the uptake of higher education.

The director of MKU foundation mentioned that MKU has an open-door policy approach in order to offer excellent customer service. MKU prides itself in offering excellent customer service. The head of innovations, intellectual property and community engagements agreed that the staff are trained regularly to offer great customer support. The university has a customer service charter that outlines how the customers should be handled. They have dedicated phone numbers on their website that customers can use to contact the institution. The university also has a phone number that is dedicated to handling complaints. In the university premises there is a no smoking zone notice. This notice serves to create a conducive environment for every person in their premises. MKU has customer service officers whose job is to ensure that the customers' needs are fully satisfied.

The participation, and involvement of stakeholders in the strategic management of MKU saves costs. MKU needs to achieve profitability in order to be competitive. MKU has devised various measures that are aimed at saving the business costs in the university. According to the director of MKU foundation, MKU outsources strategy consultants when formulating its strategic plan. MKU saves the business costs by

involving strategy consultants in the formulation of its strategies. MKU is able to save the costs by outsourcing the strategy experts while they focus on their scope of operation which is offering higher education. The institution doesn't have to spend resources to train their own strategy consultants for a seasonal job. MKU aims to produce at the lowest business cost in the industry so that they charge affordable fees to the customers.

The director of graduate studies and, the dean of students stated that there's efficient utilization of the university's assets in order to stop wastage. The director of graduate studies said that the university uses solar energy during the sunny days instead of electricity which saves on the energy costs. The dean of students said that the students are not allowed to cook in the hostels. This is aimed at controlling the power consumption in the university. The dean of students added that the university has minimised paper work in order to save on paper costs. The digitization of services also helps to lower the manpower costs as the work is made efficient.

The acting principal of the college of graduate studies and research stated that MKU specialises in the science, and technology fields. These two fields are connected, and interdependent. MKU has succeeded to position itself as a market leader in the fields of technology, and science. MKU has reduced its business costs by focusing on science, and technology. MKU is a private university, and their fees are not as exorbitant as in other private universities. MKU has ensured that they deliver high quality training to their students at an affordable fee.

The acting principal of the college of graduate studies and research stated that MKU offers high quality education that is customised to the students' learning needs. In addition to being a science and technology-oriented university, MKU offers business courses too. MKU offers sports activities like swimming to its students. The acting principal of the college of graduate studies and research, and the head of innovations, intellectual property and community engagements agreed that MKU offers online learning resources. The dean of students said that MKU has resources like a well-stocked library. The director of MKU foundation and the dean of students agreed that MKU charges affordable tuition fees for these value-added services that they offer.

MKU is doing remarkably well in the field of innovations. According to the director of MKU foundation the University's staff have created innovative hand washing

machines that are positioned in the institution's premises. The hand washing machine is operated using foot pedals to prevent handling it with the hands. The head of innovations, intellectual property and community engagements added that MKU has also developed incubators for hatching chicken.

MKU school of law was granted a license to operate independently as a law school campus. The dean of students agreed that the law school was granted a license by the Council of Legal Education. MKU is a fully licensed higher education institution by the relevant authorities like the Commission for University Education. According to the dean of students this accreditation gives MKU customers security because the courses are recognized by the authorities.

#### **4.4 Discussion**

This case study shows that the relationship between the findings of the study and theories that the study is founded on is direct. This is in relation to competitive advantage in MKU, and the strategies the university has employed to achieve the competitive advantage. Thompson, Strickland and Gamble (2007) state that an organization achieves competitive advantage when it can satisfy its customers' needs. Therefore, the customers prefer its products and services over the competitors'. This means that the organization can be run profitably even when there are other competitors in the market.

The study showed that MKU attracts high number of students even with it being a private institution. People are willing to pay extra fees compared to the lower fees in regular courses in the public universities. This shows that MKU has achieved competitive advantage because people are willing to pay a premium price in exchange for the institution's high-quality services. MKU must be implementing viable strategies in order to achieve competitive advantage. These viable strategies employed by MKU to achieve competitive advantage is what this study is about.

MKU has achieved competitive advantage by employing these strategies: offering excellent customer service on all its platforms, offering a diverse number of differentiated courses that focus on specific learners' needs, offering sports activities for the students, by implementing business cost saving strategies, by offering scholarships to deserving students, through strategic alliances with the corporates and other institutions of higher learning and through technological innovations.

In relation to the resource-based theory, Steinthorsson and Soderholm (2002) mentioned that competitive advantage in an organization will be influenced by the configuration of the resources, and the competencies that it possesses. The theory implies that an organization will not achieve competitive advantage by merely assessing its opportunities and risks, or because of the factors prevailing in the external environment. MKU must configure its resources, and competencies in the right way in order to successfully implement the strategies that achieve competitive advantage. The findings of this study are backed up by Awino and Kariuki (2011). They stated that strategic management involves choosing, and employing the feasible strategies. The management of an organization has to choose the strategies that are most feasible to the organization in order to gain competitive advantage in a changing outside environment. Differentiation was mentioned as one of the feasible strategies that MKU has adopted to achieve competitive advantage. MKU has chosen strategies that are relevant to its course, for example differentiating itself as a science, and technology-oriented university. MKU has differentiated itself in order to fully harness its strengths, and competencies as a leader in the sciences and technology fields.

According to Bastedo (2004) the open systems theory was crafted after studying other theories that implied that an organization can be self-reliant as an entity. According to the open systems theory organizations are open systems that rely on the outside environment for resources in order to compete at a good position in the industry. The outside environment is also dependant on the organization for the products, and services offered by the organization. This supports the findings that MKU has partnered with all its stakeholders. The partnership includes: the strategic alliances with the corporates, other institutions of higher learning and with the County Government of Kiambu. MKU offers high quality education to its customers, who are the students enrolled for the various courses in the university.

In the theory of competitive advantage, Porter (1979) stated that there are five competitive forces that determine an organization's competitive position in the market. The five forces determine the level of competition in the market. Therefore, an organization needs to study the five forces before employing its strategies. This is in order to implement the most feasible strategies that will give the organization competitive advantage in the market. This theory supports the findings that MKU has understood the five competitive forces. MKU has employed cost leadership strategy

which is a feasible strategy in response to the five competitive forces. MKU ensures that its finances are professionally managed to eliminate wastage of funds, and to ensure integrity in the usage of the finances. This efficient use of resources has enabled MKU to have the resources to implement its viable strategies in response to Porter's five competitive forces.

Porter (1980) explained that four major strategies are employed to achieve competitive advantage. The four strategies are cost leadership, differentiation strategy, cost focus strategy and differentiation focus strategy. From the study, it was evident that MKU has employed these four strategies to achieve competitive advantage. This is evident because MKU has specialised in the science, and technology fields. The institution employs the efficient use of its resources to eliminate wastage. MKU services are differentiated to offer high quality customized services to the stakeholders.

Pearce and Robinson (1997) explained that there are grand strategies which are broad. The grand strategies are adopted by an organization to achieve competitive advantage in the long-term. MKU has adopted these grand strategies: Joint ventures, innovation, franchising, strategic alliances, licensing, excellent customer service and diversification.

In reference to the empirical studies, Ogutu & Nyatichi (2009) conducted their census study on competitive strategies adopted by multinational banks in Kenya. This study showed that multinational banks in Kenya adopted various strategies to remain competitive in Kenya. These strategies are classified in wide and narrow differentiation focus, and cost leadership. Their findings are similar to this case study's findings, where the strategies employed by MKU comprise of the Porter's differentiation, and cost leadership strategies.

A study by Samuel (2012) makes a good comparison to this study too. This study was a descriptive survey on strategies adopted by multinational corporations to cope with competition in Kenya, in 40 multinational corporations. The findings of the study indicate that the multinational corporations have adopted these strategies: Diversification, differentiation, innovation, cost advantage, excellent customer service, joint ventures, strategic alliances, licensing, superior quality, franchising, acquisitions and mergers and offering lower prices. These findings are similar to the

findings in this study because MKU has employed these strategies to achieve competitive advantage: Joint ventures, strategic alliances, excellent customer service, innovation, licensing, diversification, cost focus, cost leadership, differentiation and differentiation focus strategies.

A similar study to this case study was done by Evusah (2013). He did a case study on the strategic responses by the University of Nairobi to changes in the external environment. The findings of his study indicate that the University of Nairobi has employed these strategies: efficient and effective utilization of resources, customer care service, innovations, investing in information technology, introducing new programmes that align with vision 2030, goodwill and corporate image marketing strategy, pursuing an expansion strategy through launching new products and finding new markets, opening new branches in major towns, strategic alliances, local and global marketing, corporate social responsibility, rewarding the staff, diversification of programmes, producing quality graduates, a policy to favour the enrolment of foreign students and increasing the number of schools.

Most of these strategies employed by the University of Nairobi are similar to the strategies employed by MKU to achieve competitive advantage. MKU employs the efficient and effective utilization of resources, excellent customer care service, innovations, investing in information technology, introducing new programmes that align with vision 2030, goodwill and corporate image marketing strategy, pursuing an expansion strategy through launching new products and finding new markets, opening new branches in major towns, strategic alliances, local and global marketing, corporate social responsibility, rewarding the staff, diversification of programmes, producing quality graduates, a policy to favour the enrolment of foreign students and increasing the number of schools.

## **CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATION**

### **5.1 Introduction**

This case study was conducted to establish the strategies employed by Mount Kenya University to achieve competitive advantage. This chapter contains the summary of this study, the conclusion, the recommendations of the study, the limitations and the suggestions for additional study.

### **5.2 Summary**

In reference to the findings of this study, it's clear that Mount Kenya University carries out strategic management in order to achieve competitive advantage. The strategic management is done by the university's management in consultation with the strategic management consultants who are hired. The functional levels of management which are the departments in the university are also asked to give their input in the university's strategic plan. Implementation of the strategies is done by all stakeholders in the university, when they follow the university's guidelines. The university's guidelines are guided by the strategic plan. The study reveals that MKU faces competition from other institutions of higher education. The higher education sector is an industry that is faced with the five competitive forces that are: the degree of competition rivalry, the threat of substitute products, the threat of entry of new rivals in the market, the bargaining power of suppliers and the bargaining power of buyers.

MKU has employed strategies to deal with the five competitive forces in the higher education sector. The interviewees mentioned that MKU is working on gaining more strategic alliances and partnerships with companies, and other institutions of higher education. By forging these ties with other institutions, MKU creates avenues for their students to get employment, and industrial attachments. In turn MKU gives professional expertise, and facilities to these institutions. MKU aims at establishing a research culture in the university. The university has invested in facilities, and equipment for the staff and the students to conduct research. The findings of the study showed that MKU has employed various strategies to achieve competitive advantage.



These strategies are: cost focus, cost leadership, differentiation focus, differentiation, joint ventures, innovation, excellent customer service, diversification, strategic alliances, and licensing.

### **5.3 Conclusion**

This case study concludes that MKU has achieved competitive advantage by employing the strategies stipulated in its strategic plan. This is despite being faced with the five market competitive forces that include: the threat of entry of new institutions of higher learning in the market, a high degree of competition rivalry in the market from the numerous universities in Kenya and beyond, the bargaining power of suppliers, the bargaining power of the stakeholders, and the threat of substitute courses. This study also sought to confirm if the employed strategies were effective in giving MKU competitive advantage. Implementation of strategies is geared at giving the university the right direction to take opportunities, and to minimise threats. Therefore, the university is able to acquire the resources that it needs to operate effectively, and to produce efficiently. This in turn achieves sustainable competitive advantage. The interviewees agreed that the strategies employed by MKU are effective in achieving the competitive advantage despite the competitive forces present in the higher education sector.

The competitive forces in the higher education sector include the degree of competition rivalry in the industry, the threat of substitute courses, high cost of education, high cost of supplies, the threat of entry of numerous universities in Kenya, and the bargaining power of the stakeholders. MKU has employed strategies to handle the mentioned market forces in order to achieve competitive advantage. The strategies employed include the management of MKU leading the university in the strategic management process of the university, promotion of research, innovation, technological advancement, strategic alliances, excellent customer services, diversification and expanding the number of campuses. The strategies employed by MKU are customized to deal effectively with the prevailing competitive forces in the higher education sector. This is done by ensuring that the strategies are in line with the environment in which the university operates. Other strategies that MKU has employed include: the provision of diversified training programmes, provision of sports facilities in the university, community outreach projects, provision of state of the art premises and ensuring that the campuses are strategically located in the towns.

This study is in agreement with the theoretical foundation in this study, and the empirical studies that organizations have to employ the right strategies that will steer the organization in the right direction, and achieve the desired results. The strategies have to enable the organization to harness the opportunities, and to minimise the threats it's faced with. Then the organization will have the right configuration of resources, and competencies it requires to produce efficiently and operate effectively in order to achieve competitive advantage.

#### **5.4 Recommendation**

This case study recommends that those who formulate the policies in MKU to conduct an analysis of the business ventures that the university can venture into. This analysis will enable MKU to exploit its resources, and competencies more in order to start viable business ventures. The business ventures will help MKU to have income that is generated to fund the strategic management of the university. MKU will not have to rely on donors to fund some of its activities. MKU needs to acknowledge that there is a high degree of competition rivalry in the higher education sector. The university could be giving away its market share to other universities. Therefore, MKU needs to open more campuses to accommodate the growing number of students.

The study also recommends that MKU management should involve the staff in more areas of strategic planning in the university. The reason for this is because each motivated, and disciplined person has a unique view and experience about how best they can perform in their role. The management may not understand the many specific details of each junior role. Hence, the involvement of all the staff will help the management to capture information that helps the university to enter into new markets. The university may also get unique business ideas from the staff. Therefore, the university will be ahead of the competition by seeking having access to unique information.

The findings of this study have implications on policy, theory and practice. First, MKU will employ the findings in this study to pursue strategic alliances, and joint ventures that foster mutual research, learning and development. The strategic alliances will enable the institutions of higher learning to combine their resources, and competencies to create solutions. The institutions will also carry out joint research that will add to existing knowledge. Mount Kenya University will get connections so

that the students have access to the requisite resources needed for their full professional training. Additionally, the partnerships offer the base for the corporates and the institutions of higher learning to develop business policies that are in agreement. These business policies that are in consensus are used to direct the economies of countries. This ensures that the corporates, and the institutions of higher learning operate in a favourable business environment. This is when the countries' governments adopt the protective business policies aimed at protecting the domestic institutions, and organizations. The study was beneficial to the policy makers in the field of higher education. The higher education policy makers need to engage the corporates in the designing of courses. This is to ensure that there is no mismatch between the book knowledge, and the industrial knowledge and skills. This research is beneficial to the Government of Kenya because the government should involve the institutions of higher learning, and the corporates when creating business and economic policies for the country. There's a lot of research, and study that is undertaken in these organizations therefore they are better informed to inform economic policies in the country.

This study supports the resource-based theory. The resource-based theory says that an organization's competitive advantage is affected by its configuration of its resources, and competencies. MKU ensures that the resources in the university are efficiently utilized. Therefore, MKU is able to fund the implementation of its strategies in order to achieve competitive advantage. MKU is able to fund the construction of state-of-the-art premises, and to fund research and development in the university. This study contributes to the generic pool of knowledge, and offers the platform to carry out more research the methods of change management in operating a service-oriented business for business growth. Finally, this study is important to the practices in management of MKU. The management of MKU who include the Chancellor, The University Council, The Founding Vice- Chancellor, The Board of Directors, and the deputy Vice- chancellors received knowledge on the analysis of the university's competitiveness in the higher education sector.

## **5.5 Limitations of the Study**

There were some limitations that were faced in the course of this study. The main limitation that was faced is that the initial organization selected for this study didn't want to share information about their strategic management processes. They said that the information was confidential, and that the information could be shared with the competitors against their will. Therefore, this initial organization denied the researcher permission to collect data from the company. This research is a case study; therefore, the findings cannot fit all the other institutions of higher learning. This is because these institutions don't operate at the same level of competence, and resources. Additionally, the institutions may be located in different operating environments. Therefore, each institution must scan their internal, and environment in order to employ viable strategies.

Other companies sought for study in this research had very tight security measures that hampered access to the management. The researcher could not access the right people in these companies to explain the intent of this study to. The researcher had to explain this intent to the security personnel of the companies. This kind of limitation locks out the stakeholders who may be beneficial to these companies, even in the long run. Therefore, every company needs a dedicated customer service department to direct all stakeholders to the right offices. Excellent customer service is one of the strategies companies need to employ to achieve competitive advantage.

## **5.6 Suggestions for Further Research**

The context of this study was Mount Kenya University. Therefore, more research should be carried out to identify the strategies employed by other universities to achieve competitive advantage. This research will be compared to the other studies to determine how the findings relate to each other.

The findings indicate clearly that the main strategies employed by MKU to achieve competitive advantage are: offering excellent customer service, strategic alliances, differentiation, cost leadership, diversification and the incorporation of digital technology in learning. This study suggests that a customer satisfaction survey should be done regularly in MKU. This will help the university to know where its excelling in customer service, and the areas that need improvement, or a different strategy. The university will also know the challenges its facing, in a timely fashion. These challenges can be dealt with in a timely fashion making the university to operate at

the optimum level of competitive advantage. Finally, the higher education sector is competitive as it's influenced by the Porter's five competitive forces. These competitive forces will vary in their intensity over time because of the nature of the external environment. Therefore, the strategies employed are reviewed to ensure they are relevant to the market. Therefore, more research can be conducted on MKU to determine how the changes in its strategies affect the competitive advantage of the university over time.

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## **APPENDIX**

### **Appendix: Interview Guide**

#### **PART A: GENERAL INFORMATION:**

1. Which College or School do you work in?
2. Which Department in that College/School are you in?
3. Which position do you hold in the respective Department?
4. What is your role in the strategic planning at the university?
5. Who implements the strategies formulated?

#### **PART B: STRATEGIC CHOICES EMPLOYED AT MOUNT KENYA UNIVERSITY**

1. What strategies have you helped to formulate in your department?
2. Which of the strategies you helped formulate, has been implemented in the university?

#### **PART C: STRATEGIES EMPLOYED TO ACHIEVE COMPETITIVE ADVANTAGE**

1. Which strategies have been implemented in your knowledge, to help deal with each of these five competitive forces in the higher education sector, in order to achieve competitive advantage? (Mention each competitive force)

a) The degree of competitive rivalry in the sector?

b) The threat of substitute products? (Ask according to the product(s), the department

Handles/produces)

c) The bargaining power of suppliers?

d) The bargaining power of buyers?

- e) The threat of new entry?
2. How have the strategies mentioned in No. 1 of PART C above helped to deal with each of these five competitive forces in the higher education sector, in order to achieve competitive advantage?
3. Which of these strategic choices, in your knowledge has the university employed to achieve competitive advantage in the higher education sector?
- a) Cost leadership strategy
  - b) Differentiation strategy
  - c) Cost focus strategy
  - d) Differentiation focus strategy
  - e) Joint ventures
  - f) Strategic alliances
  - g) Excellent customer service
  - h) Innovation
  - i) Diversification
  - j) Licensing
  - k) Franchising
4. How have each of the strategies mentioned in No. 3 of PART C above helped to achieve competitive advantage in the higher education sector?

**THANK YOU FOR YOUR TIME**