USE OF RESOURCE BASED PERSPECTIVE AS A COMPETITIVE STRATEGY AT JOMO KENYATTA UNIVERSITY OF AGRICULTURE & TECHNOLOGY

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A Management Research Proposal Submitted in Partial Fulfillment of The Requirements for the Degree of Master of Business Administration (MBA), School of Business, University Of Nairobi.

2007

DECLARATION

This Management Project Report is my original work and has not been presented for a degree in any other university.

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DEDICATION

I wish to dedicate this research work to my late father Mr. Timothy Nderu, my beloved mother Mrs. Beth Wanjiru Nderu, my brothers and sister and finally my beloved husband Mr. Peter Ndegwa for their love, great support and constant encouragement.

ACKNOWLEDGEMENT

First I thank Almighty God for enabling me pursue this course. I would also like to thank my supervisors, Mr. Nyamwange and Mr. Chirchir for the time and advice they offered to me during the process of carrying out my research. To them I owe a great debt of gratitude. I also thank my friend Mr. Patrick Wandeto for his time and contribution towards my success. Finally I thank my beloved mother for her constant advice and encouragement.

ABSTRACT

The RBP is an emerging competitive strategy which emphasizes that for a firm to gain competitive advantage it has to also focus on its internal firm specific factors hereby referred to as resources. Before its emergence the mainstream theory of competitive advantage was externally focused, that is, different strategies that capitalized the opportunities in the firm's environment.

This research project was set up to asses the extent to which JKUAT uses the Resource Based Perspective as a competitive strategy. The study also looked at the challenges JKUAT has been experiencing in the implementation of RBP competitive strategy.

The study collected data on different aspects of RBP from the chairmen of departments. This is because they are the individuals who are involved in the basic administrative unit of the university, and regulate the resource acquisitions improvements and deficiencies. The study was analyzed using the mean, standard deviation, percentages and Eigen Values.

The use of RBP in JKUAT has been evidenced by the internal adjustment strategies like the cultural change, consideration of resources availability before strategy implementation and steady increase in its resources. The study also showed that the use of RBP as a competitive strategy has increased JKUAT's competitiveness in the market. The challenges have been JKUAT's processes and structures which have hindered maximum benefits of RBP.In conclusion, the study realized that JKUAT uses RBP to a moderate extent to counter the market forces and competition.

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CHAPTER ONE: INTRODUCTION

1.1 Background

The world we are living nowadays is becoming increasingly international. D,Aveni (1998) stated that now we are living in the era of hyper competition characterized by "intense and rapid competitive movers, in which competitors strike quickly with unexpected, unconventional means of competing"

Among factors driving the nowadays competitive landscape are the consumers expecting more and more value in the products they buy, the advancement in technology, the free trade both around countries and around industries and the trend towards strategic alliances which forces firms to face the competition not with a single firm anymore but with groups of firms being backed with unimaginable amounts of money. As a result the term sustainable competitive advantage is a myth and the companies are struggling to achieve temporary advantages. The new competitive landscape emphasizes flexibility and speed in responding to fast changing environments. The new factors of competitiveness such as valuable brands, quality, innovation, design activities and services to customers and suppliers are being developed and are in the centre of companies strategic thinking (Owen, 2001).

Since liberalization was introduced in Kenya (GOK, 1986), the environment has become highly dynamic and continually presenting opportunities and challenges. The rapidly changing global, economic, political and social trends have created the necessity for most organizations to re-examine their mandate and reason for their existence. Like other organizations, universities in Kenya have gone through dramatic transformation. In the Year 2003 the Kenyan government introduced performance contracts in Kenyan public institution. This has resulted in all public institutions giving its employees performance contracts to gauge their performance against set standards. This dispensation made it necessary for universities to be more performance and resulted oriented in the delivery of academic programs. To ensure that they will survive and succeed, universities in Kenya have had to develop capabilities to manage threats and exploit emerging opportunities promptly.

According to Bostock (2002), competitiveness of universities is over 100 years old and it originated in the United States, but globalization has helped to spread it worldwide. Bostock (2002) observes that as universities increasingly operate like corporations, new emphasis is being placed on market forces in higher education. Universities are now being seen as very similar to large business organizations and run in the same manner as a business entity. This has moved from the time when university top management were judged on their ability to restructure and declutter the universities to when their ability to identify, cultivate and exploit the core competencies of the universities that makes growth possible, was evaluated.

To remain relevant, Kenyan universities have been forced to redefine their missions and review their curriculum to produce graduates with "global skills". Corporatised universities are expected to raise more revenue, enter into business enterprise, acquire and hold portfolios, encourage partnerships with private firms, compete with other universities in production and marketing of courses to students who are now seen as customers among others. Therefore the critical task for top management in Kenyan universities has been to create a university that is capable of infusing products/programmes with irresistible functionality or better still create products/programmes that customers need but have not yet been imagined (Penrose 1959).Stamp (2002) observes that the core business activities of universities are also changing and universities are now finding increasingly varied products and services to a greater diversity of audience.

Shoemaker and Muston (1999) note that other challenges facing the higher education include the change in the customer mix from the traditional school age students to diverse mix ranging from traditional school age learners to adult learners ;stiff competition from local and foreign education providers for students and scarce resources.

According to Otieno (2004) universities in Kenya face new challenges from the changing relationship with government ,declining government funding, reduced donor support, poor infrastructure growth in students' enrollment, maintaining quality and standards, increased societal expectations and competition from private universities both locally and internationally. This situation requires greater corporate focus from universities fraternity in areas such as: good corporate governance; prudent financial management; enhanced human resources; capacity development and utilization; efficient and effective information management system; and above all new researched value adding and customer driven academic programs. To be competitive, better management of existing resources and the acquired new "dynamic" resources is also mandatory.

Universities in Kenya have been forced to be universally competitive and use different strategies to stay competitive. These has includes Benchmarking (Magutu 2006), ISO certification, TQM, Reengineering, educational marketing and the most recent resource based approach.

Much of these changes in the Kenyan Higher Educational field have led to the emergence of a unified and rigorous approach to strategy called the Resource Based Perspective (henceforth RBP).

1.2 Emergence of the Resource Based Perspective

In this new competitive milieu the issue of why some firms perform better than others is likely to be a critical one. This question is the centre of analysis of many business disciplines and the subject of never-ending debate. Porter (1980, 1985) made the term sustainable competitive advantage popular in the 1980s. Since that time, there has been a continuum of research into the reasons for some firms to be able to establish and maintain that kind of advantage while others have not (Barney, 1991; Hill & Jones, 1998; Lado & Wilson, 1994; Peteraf, 1993; Porter, 1980; Porter, 1985; Rumelt, 1984). Barney (1991) defines "sustained competitive advantage" as the implementation of value creating strategies by the firm that are not being implemented by any current or potential competitors. Lippman and Rumelt (1982) contribute to that definition by advancing the theory that, to be sustainable, the advantage that the firm has must continue to exist after efforts to replicate it on the part of other firms have failed or been abandoned. Previously, the mainstream theory of competitive advantage was focused externally, that is, developing strategies to capitalize on opportunities in its environment (Andrews, 1971; Ansoff, 1965; Hofer & Schendel, 1978). Porter (1980) also examined the environment in which most firms compete and found that the threat of entry by new competition, Intensity of rivalry among competitors, Pressure from substitute products, Bargaining power of buyers, and Bargaining power of suppliers are the five circumstances that would impact the ability to establish advantage.

There is no doubt that all competitors must contend with these circumstances, but Porter does not consider the individual strengths and competencies that enable one firm in an industry, to outperform others. They all face the same competitive issues, but some firms demonstrate a higher success rate. This notion led to the resource-based perspective (RBP), a theory that has gained in popularity since the 1980s.It is grounded in the firm-specific capabilities and competencies and the existence of differentiating mechanisms as the basic reasons for firm performance differentials (Barney, 1991; Penrose, 1959; Rumelt, 1984; Teece, 1984; Teece, Pisano, & Shuen, 1997; Wernerfelt, 1984).

RBP focuses on internal, firm-specific factors and their effect on performance while explaining why some firms in the same industry perform better than others. It sees organizations as bundles of resources which are combined to create organizational capabilities (Grant, 1991).RBP emphasize the firm's resources as the fundamental determinants of competitive advantage and performance.

The premise of RBP is that firms differ in fundamental ways because each firm possesses a unique bundle of resources. Because many of these resources cannot be accumulated instantaneously the firm's choice of strategy is constrained by its current resource stock and the speed at which it acquires or accumulates new resources. Thus resources are viewed as a substance of strategy and the very essence of sustainable competitive advantage (SCA) (Wernefelt, 1984).

1.3 Universities in Kenya and Competitiveness

According to Bostock 2002, a university in its basic form is a degree awarding educational institution with some official recognition. Ngome (2003), states that university education dates back slightly over fifty years. The objectives of public universities in Kenya as articulated in the Acts of Parliament is ;to participate in the discovery ,transmission and preservation of knowledge ,stimulate the culture and intellectual life of the society ;to determine who may teach and what may be taught and how it might be taught in the university ; to conduct exams and to grant such academic awards as may be provided for the statutes and to play an effective role in the development and expansion of opportunities for Kenyans wishing to continue with their education.

Abagi(1999) notes that the 1980s saw an unprecedented growth of public universities in Kenya. Rutten (2002) explains that by 1980 the government realized that University of Nairobi could not adequately meet the demand of education in Kenya. In response, Moi University was established in 1984.Kenyatta University and Egerton University were elevated to full university status through different Acts of Parliament in August 1985 and July 1986 respectively. Jomo Kenyatta University of Agriculture and Technology was started as a middle level college in 1981 and acquired full university status in 1988 through the Act of Parliament. Maseno was a constituent college of Moi University since 1990 and became an independent university in December 2000.

1.4 Jomo Kenyatta Universityof Agriculture and Technology and Competitiveness

The Jomo Kenyatta University of Agriculture and Technology (henceforth JKUAT) is situated to the north east of Nairobi, 36 Km from the city centre, along Nairobi –Thika highway. It was started as an institution of higher leaning with the generous assistance from the Japanese Government. It awarded diploma certificates in Agricultural Engineering, Food Technology, Horticulture, Civil, Mechanical and Electrical Engineering. In 1988, it became a constituent college of Kenyatta University. It was finally established as a University through JKUAT Parliament Act in 1994 and inaugurated on 7th December 1994.

Due to changing relationship with government ,declining government funding, reduced donor support, poor infrastructure growth in students' enrollment, maintaining quality and standards, increased societal expectations and competition from private universities both locally and internationally.JKUAT has had to develop a vision of being a world class institution of excellence for development and a mission of producing leaders in training in the fields of Agriculture, Engineering, Applied Sciences, Technology and Enterprise development to suit the needs of a dynamic world.

JKUAT has also been striving to emerge as a Regional Centre of excellence in the field of Agriculture, Engineering, Applied Science and Enterprise Development. To achieve this JKUAT has been extending its facilities, comprising of laboratories and workshop, lecture halls, studios and offices with advanced equipment to cope with the rigorous academic programmes in its areas of specialization. Efforts are being made to expand these facilities and also maintain the previously acquired at the highest level of quality. In response to the changing markets demands where the customer is the "king", JKUAT has been involving students in many of it organs for decision making.

To counter competition JKUAT has also been forging partnership with several academic and research institution, locally and internationally. These collaborations (cooperation's) have been aimed at enhancing staff exchange, training and research capacity through sharing of resources and experiences for mutual benefit. In response to the changing markets demands, new faculties ,institutes schools and new degree programs have been developed to meet the challenges. The programmes are aimed to be unique, market demanded and therefore suitability on the job market.

1.5 Statement of the Problem

As an organization's environment changes, it is necessary that the firm continuously adapt its activities and internal configurations to reflect the new external situation. Failure to do this endangers the future success of the organization (Aosa 1998).

Like other organizations, universities in Kenya have gone through dramatic transformation. The new performance contracting of public institution Kenya has made it necessary for institution of higher learning including universities to be more performance and result oriented in the delivery of academic programs. According to Magutu (2006), the social demand with respect to higher education in Kenya has clearly intensified. This has been exemplified by the rise in enrollment in public and private universities, the proliferation of more private universities and the establishment of self sponsored programmes in public universities.

Universities have adopted different methods of acquiring competitiveness for example benchmarking (Magutu 2006), ISO certifications, re-engineering, Total quality management, downsizing and the most recent the resource based perspective. There have been studies done on different aspects of competitiveness of universities. Njimu (2006) looked at the Bases of Competitive Advantage of the School of Business of the University of Nairobi. She concluded that to remain competitive University of Nairobi should differentiate itself. On the other hand, Kitoto (2005) looked at the Competitive Strategies adopted by universities in Kenya. She concluded that Universities in Kenya mostly use the differential strategy. Magutu (2006) makes a survey on benchmarking practices in higher education in Kenya, a case of public universities. The findings reveal that continuous improvements systems in Kenya public universities are good but not excellent. On the RBP, Kerama (2003) looks at Resource Based View of Competition, a case of large manufacturing firms quoted on Nairobi stock exchange. The study concludes that resources and capabilities can improve performance of the plant. To the best of the researcher's knowledge no study has been done on Resource Based Perspective in the universities in Kenya and especially not a case of Jomo Kenyatta University of Agriculture and Technology.

It can be noted that JKUAT is among the youngest public universities. It can also be noted that lots of studies have been conducted on different aspects of the older public universities in Kenya (University of Nairobi and Kenyatta University) compared to the younger public universities. JKUAT has also been disadvantaged because it was started at a time when there was a changing relationship with the government, declining government funding, reduced donor support, poor infrastructure, growth in students' enrollment, increased societal expectations and competition from private universities both locally and internationally. It is these challenges, the low number of studies on JKUAT and the relevance of the research topic to a turbulent environment that has prompted the researcher to choose JKUAT as a case study.

Firms have been changing their approaches and strategies by switching the focus from external environment, typified by Porter's paradigm (Porter, 1980, 1985), to internal resources and capability. This was in order to bring harmony between the industry and internal environment in turn focusing attention on how firms achieve and sustain advantages. The RBV contends that the answer to this question lies in the possession of certain key resources, that is, resources that have characteristics such as value, barriers to duplication and appropriatability.

The study had intended to ask questions like;

- Has JKUAT used its previously acquired resources and its present dynamic resources to acquire sustainable competitive advantage in the industry?
- If it has, how has this been done, and has it led to competitiveness?

This paper therefore intended to look at the RBP as an emerging strategic perspective, the competitiveness it creates in an organization and the challenges it encounters and the possible net competitive effects it causes in an organization.

Basically, the paper looked at Jomo Kenyatta University of Agriculture and Technology as a case study of the RBP. Its intention was to check whether JKUAT has consciously or unconsciously adopted the concept, the challenges of its adoption, and finally the possible net effect to the university.

1.6 Objectives of the Study

The objectives of the study were;

1. To assess the extent to which JKUAT used the resource based perspective in its strategy implementation.
2. To establish the challenges experienced in the implementation of the resource based perspective

1.7 Importance of the Study

The study intended to help the top management of all firms to;

- Have a systematic and a more complete methodology of deciding on a strategy to attain sustained competitive advantage.
- Make more reliable and insight choices between resources, core competencies and capabilities, that is, which ones to build for the future, those to sustain and those to discard.
- Access value hidden in under-utilized and unrecognized resources
- Capture more reliably the value of resources and competencies lying

outside the traditional industry boundaries,

- Reduce risks when choosing new markets to enter and new technologies to access and develop.
- Improve their judgments on how to build and sustain a competitive advantage leading to faster benefit in volume and /or profit growth.

For academics, RBP provides an extension of the Porter's model and therefore enables consideration of issues within the firm in conjunction with the environmental model to provide a more realistic and inclusive framework for management research. The study intended to extend resource, core competences and capabilities theories and extend knowledge on how these theories can be put in practice.

CHAPTER TWO: LITERATURE REVIEW

2.1 Strategy and Corporate Strategy

Strategy in general can be defined as the establishment of the long-term goals and objectives of an organization, including the taking of actions and allocation of resources for achieving these goals (Chandler, 1962).

Strategy can also be viewed as a "continuing search for rent" (Bowman, 1974), where rent is defined as return in excess of a resource owner's opportunity costs (Tollison, 1982). The existence and maintenance of rents depend upon a lack of competition in either acquisition or developing complementary resources.

The essence of formulating strategy is relating a company to its environment (Porter, 1998). The essence of strategy, according to Prahalad and Hamel (1994), lies in creating tomorrow's competitive advantage faster than competitors before they mimic the ones you posses today.

Strategy not only focuses on the goals and objectives of organizations and the means of achieving them, but also gives an indication of the company and its business, both in the present and in the long run. A well-formulated strategy enables an organization marshal and allocates its resources in a unique way on the basis of its relative internal competencies and limitations, expected changes in the environment, and contingent actions by competitors.

Johnson and Scholes (1999), identifies three levels of strategy: corporate strategy, business unit strategy, and operational strategy. Corporate strategy is concerned with the overall purpose and scope of the organization to meet the expectations of the owners or major stakeholders and add value to the different parts of the organization. Business unit strategy is about how to compete in a particular market. Operational strategy is concerned with how component parts of the organization in terms of resources, processes, people and their skills effectively deliver corporate and business-level strategic direction.

Therefore corporate strategy defines the business in which a company will compete, preferably in a way that focuses on the resources to convert distinctive competences into competitive advantage. These strategic decisions are effective over long periods of time thus focusing and committing a significant portion of its resources to the expected outcome (Porter, 1987).

2.2 Strategy, Competition and Competitive Advantage

Strategy is a major channel of connections between the competitive environment and resources. According to Porter (1996), "the essence of strategy formulation is coping with competition". Porter states that competition in an industry is rooted in its underlying economies and will include customers, suppliers, and potential entrants and substitute products.

Porter (1980), states that strategy is basically about competition and means by which an organization tries to gain a competitive advantage. The only purpose of strategic planning is to empower an organization to efficiently gain a sustainable competitive advantage edge over its competitors (Ohmae, 1983).

Strategy also acts as a fulcrum in the deployment of firms resources in the competitive environment with the aim to generate sustainable competitive advantage (Harris and Ruefli, 2000).On the other hand, strategy is dependent and constrained by the controlled resources (path dependency, Collis, 1991) while it coordinates the development and protection of existing resources plus the creation or acquisition of new resources, taking into account the competitive environment.

As an organization's environment changes, it is necessary that the firm continuously adapt its activities and internal configurations to reflect the new external situation. Failure to do this endangers the future success of the organization (Aosa 1998). In particular, firms constantly take offensive and defensive strategic actions vis-à-vis competitors (Baum and Korn, 1996) thus modifying the competitive environment. Thus, competition exerts pressure on firms to be proactive and to formulate successful response strategies to changes in the competitive environment, all in the effort to gain competitive advantage.

When a firm sustains profits that exceed the average for its industry, the firm is said to possess a competitive advantage. A competitive advantage exists when the firm is able to deliver the same benefits as competitors but at a lower cost (cost advantage) or deliver benefits exceeding those of competing products (differentiation advantage).Thus competitive advantage enables a firm to create superior value for its customers and superior profits for itself (Porter,1996).

The principle determining whether a firm should perform an activity or to compete in a business is whether or not the firm possesses resources that provide a competitive advantage in that activity or business. When the firm's resources generate no unique value in a business it should not enter that business.

The essential argument is that it should only perform those activities in which the firm's core competences are valuable. All the remaining activities should be out-sourced to others. The first determination of the firm's scope is simply whether or not the firm's resources create a competitive advantage in each business or activity. If they do, the firm should consider competing there. If they do not then the firm should not be active in that business unless other competing reasons require it (Williamson, 1991).

2.3 Resource Based Perspective

The emergence of the RBP can only be seen as a background of the setback in popularity and respect that strategy suffered at the end of the 1970's. This was both a matter of the strategic tools not being able to deliver what was expected from them and as a result critiques of some of the important premises of the strategic enterprise. Firms learnt the hard way that what was then called "long-range planning" and somewhat less ambitiously, "strategic tools", did not lead to the necessary adaptiveness or even survival (Collins and Montgomery, 1995). Since then, the strategic management field has traditionally focused on business concepts that affect firm performance trying to answer the question of why some firms perform better than others.

Since mid 1980's,the dominant paradigm regarding those issues is Resource based perspective(Wernerfelt,1984,Barney,1991,Grant,1991,Peteraf,1993,Amit and Shoemaker,1993, Collins,1994 and many others). In general, the theory suggests that organizational internal factors are responsible for generating firm sustainable competitive advantage and superior performance. The value of a firm lies in the complex interplay between the firm and its competitive environment along the dimensions of demand, scarcity and appropriability (Collis and Cynthia 1995).

The RBP emphasizes the firm's resources as the fundamental determinants of competitive advantage and performance. It adopts two assumptions in analyzing sources of competitive advantage. First, this model assumes that firms within an industry (or within a strategic group) may be heterogeneous with respect to the bundle of resources that they control. Second, it assumes that resources heterogeneity may persist over time because the resources used to implement firms' strategies are not perfectly mobile across firms (i.e. some of the resources cannot be traded in factor markets and are difficult to accumulate and imitate).

Resource heterogeneity (or uniqueness) is considered a necessary condition for a resource bundle to contribute to a competitive advantage. The argument goes "if all firms in a market have the same stock of resources, no strategy is available to one firm that would not also be available to all other firms in the market" (Cool, Almeida Costa and Dierickx,2002).RBP is also an efficiency-based explanation of performance differences (Barney,1991;Conner,1991;Teece,Pisano and

Shuen,1997;Peteraf and Barney,2003):"performance differentials are viewed as derives from rent differentials, attributable to resources having intrinsically different levels of efficiency, in the sense that they enable the firms to deliver greater benefits to their customers for a given cost(can deliver the same benefit levels for a lower cost). Thus value is created when a resource is demanded by customers, when it cannot be replicated by competitors, and when the profits it generates are captured by the firm (Brandenburger and Stuart 1996).

2.4 Resources

The premise of the resource-based view is that firms differ in fundamental ways because each firm possesses a unique bundle of resources. Because many of these resources cannot be accumulated instantaneously firm's choice of strategy is constrained by its current resource stocks and the speed at which it can acquire or accumulate new resources. Without asymmetries in resource stocks, and constraints on the rate of change, any firm could elect to follow any strategy it wished. As a result, successful strategies would be very quickly imitated and profits rapidly driven to zero. Resources, therefore, are the substance of strategy, the very essence of sustainable competitive advantage (Wernerfelt 1984).

RBP defines resources as physical assets, intangible assets and organizational capabilities that are tied semi-permanently to the firm (Wernerfelt 1984).Those valuable resources can take a variety of forms and many different classification of resources exist in RBP literature. Barney (1991) divided resources into physical capital resources, human capital resources and organizational capital resources. Amit and Schoemaker(1993) wrote about resources ,capabilities and strategic assets. Teece Pisano and Shuen (1997) distinguished between technological, complementary, financial, reputation, structural, institutional and market assets. Recently, the greatest consensus was achieved on the integrating classification provided by Fahy and Smithee (1999);tangible assets (having a fixed long run capacity and the properties of ownership, relatively easy to measure and relatively easy to duplicate), intangible assets (intellectual property, having relatively unlimited capacity and being relatively resistant to duplication) and capabilities (invisible assets ,encompassing the skill of individuals and groups, organizational routines and interactions, having not clearly defined property rights and being very difficult to duplicate).Both theoretical and empirical literature provides many different examples of firms resources which can be classified under these three general headings and table.

TABLE 2.1 RESOURCE TYPES AND EXAMPLES

RESOURCE TYPE	EXAMPLES
TANGIBLE RESOURCES	Physical technology used in the firm, firm's plant, firm's equipment, geographic location of the company, access to raw materials, financial assets.
INTANGIBLE RESOURCES	Intellectual property rights (trademarks, patent, copyrights, registered design) brand names, contracts and licenses, trade secrets, company reputation, customers loyalty, long-term customer relationships, distribution channels company networks, know-how of employees, suppliers and distributors, organizational culture, company databases, formal reporting structures, informal and formal planning, controlling and coordinating systems, norms, procedures and guidelines, internal organizational structures.
CAPABILITIES	Low cost, high quality production, high level of innovation, lean manufacturing, fast product development, supplier chain, managerial judgment, teamwork, trust between management and workers, superior engineering skill, superior technical skills, market sensing, customer linking, channel bonding, technology development, integrated logistic, manufacturing process, human resources management, environmental health and safety, customer order fulfillment, pricing ,purchasing ,customer service delivery, new products/services development, strategy development.

Source :Own Elaboration Based on Barney(1991),Halt (1992,1993), Montgomery (1995) ;Fary and Smithee(1999);Day and Wensley(1998);Dierkxand Cool (1998),Grant(1991);Amit and Shoemaker(1993),Day (1994),Rongone(1999)

Resources are ultimate source of value creation both within and across businesses. Therefore, identifying, building, and deploying valuable resources, are critical aspects of both corporate and competitive strategy.

2.5 Resources and Capabilities

Capabilities refer to the firm's ability to utilize its resources effectively. Such capabilities are embedded in the routine of the organization and are not easily documented as procedure and thus are difficult for competitors to replicate.

The firm's resources and capabilities together form its distinctive competencies. The competencies enable innovation, efficiency, and quality and customer responsiveness, all of which can be leveraged to create a cost advantage or a differentiation advantage.

According to the resources based view, in order to develop a competitive advantage the firm must have resources and capabilities that are superior to those of its competitors. Without this superiority, the competitors simply could replicate what the firm was doing and any advantage would quickly disappear.

Therefore the resource-based view emphasizes that a firm utilizes its resources and capabilities to create a competitive advantage that ultimately results in superior value creation.

2.6 RBP, Profitability and Rent Generation

A major contribution of the resource based model is that it explains long lived differences in firm profitability that cannot be attributed to differences in industry conditions. Indeed, there is considerable evidence to show that such difference are not well explained by industry participation (Schmalensee,1985; Mueller, 1986; Wernerfelt and Montgomery, 1988; Hansen and Wernerfelt,1989; Rumelt,1991).There is less agreement on the relative magnitude of firms effects, but several studies have indicated that these effects are substantial(Mueller,1986;Hansen and Wernerfelt,1989; Rumelt,1991).The resource-based model is a theoretical complement to this work.

The resource-based view incorporates the insights of the early seminal contributions to strategic management in order to explain how firms generate rents. The traditional concept of strategy (Andrews, 1971; Ansoff, 1965) considers the resource position of the firm. A firm selects its strategy to generate rents based upon their resources and capabilities. Organizations with the strategic capability to focus and coordinate human effort and the ability to evaluate effectively the resource position of the firm in terms of strengths and weaknesses have a strong basis for competitive advantage (Andrew, 1971).

Rent theory helps SWOT framework to identifying exactly what can be real 'strengths' and firm capabilities for strategic advantage. Differences among firms in terms of *information,* luck, and/or *capabilities* enable the firm to generate rents.

The firms' unique capabilities in terms of technical know-how and managerial ability are important sources of heterogeneity that may result in sustained competitive advantage. In particular, distinctive competence and superior organization routines in one or more of the firm's value-chain functions may enable the firm to generate rents from a resource advantage (Hitt and Ireland, 1985).

2.7 Sources and Types of Rent

The existence and maintenance of rents depend upon a lack of competition in either acquiring or developing complementary resources. Rents derived from services of durable resources that are relatively important to customers and are simultaneously superior, imperfectly imitable, and imperfectly substitutable, will not be appropriated if they are non-tradeable or traded in imperfect factor markets (Barney, 1991; Dierickx and Cool, 1989; Peteraf, 1990).

The generation of above-normal rates of returns (i.e. rents) is the focus of analysis for competitive advantage (Porter, 1985). In contrast to efficient market theorists, most resource-based theorists insist that short-term (if not long term) economic rents are possible (Schoemaker, 1990).

Several types of rents may be usefully distinguished. First, rents may be achieved by owning a valuable resource that is scarce (Ricardo, 1817). Resources yielding ***Ricardian rents*** include ownership of valuable land, locational advantages, patents and copy-rights. Second, ***monopoly rents*** may be achieved by government protection or by collusive arrangements when barriers to potential competitors are high (Bain, 1968). Third, ***entrepreneurial (Schumpeterian) rent*** may be achieved by risk-taking and entrepreneurial insight in an uncertain/complex environment (Cooper, Gimeno-Gascon, and Woo, 1991; Rumelt, 1987; Schumpeter, 1934). Entrepreneurial rents are inherently self-destructive due to diffusion of knowledge (Schoemaker, 1990; Schumpeter, 1950).

Finally, the firm may be able to appropriate rents when resources are firm-specific. The difference between the first-best and second-best use value of a resource – the so called ***quasi-rent*** (Klein, Crawford and Alchian, 1978) – is precisely the amount that a firm may appropriate to achieve above-normal returns. Quasi-rents are appropriable from idiosyncratic physical capital, human capital and dedicated assets (Williamson, 1979).

2.8 Conditions for Competitive Advantage in Resource Based Perspective

Firms endowed with efficient resources are able to produce more economically and/or better satisfy customer wants. Firms with marginal resources can only expect to breakeven. Firms with superior resources will earn rents. For resources to yield a sustainable competitive advantage, they should meet the following four basic criteria. These include:

2.8.1 Heterogeneity

A basic assumption of resource-based work is that the resource bundles and capabilities underlying production are heterogeneous across firms (Barney, 1991).

Heterogeneity in an industry may reflect the presence of superior productive factors which are in limited supply. They may be fixed factors which cannot be expanded. More often, their supply cannot be expanded rapidly. They are scarce in the sense that they insufficient to satisfy demand for their services

In lieu of efficiency difference across resources, if resources are not heterogeneous there cannot be any difference in the rents firms earn (in fact, there cannot be any rents at all).This indicates that resources heterogeneity, leading to efficiency difference and therefore rents, is a basic condition for competitive advantage (Barney,1991)

2.8.2 Imperfect Mobility

Imperfect mobility means that resources should be relatively specific to the firm. Resources are perfectly immobile if they cannot be traded. (Dierickx and Cool (1989); Meade, 1952; Bater, 1958).For example, the superior bargaining position obtained from being tied to a firm can be utilized by the resource (or the resource's owner) to appropriate the rent (or, at least a large portion of the rent)that the resource helps create.

There are other kinds of resources which may be described as imperfectly mobile. These are resources which are tradable but more valuable within the firm that currently employees them, than they would be in other employ. Resource are imperfectly mobile when they are somewhat specialized to firm-specific needs. This includes resources which are idiosyncratic to the extent that they have no other use outside the firm. (Williamson 1979).

2.8.3 Ex Ante Limits to Competition

The ex ante limits to competition mean that resources have to be acquired at a price below their discounted net present value in order to yield rent. Otherwise future rents will be fully absorbed in the price paid for the resources (Demsetz,1973;Barney,1986;Rumelt,1987)

Barney (1986) argues that the economic performance of firms depends not only on the returns from their strategies but also on the cost of implementing those strategies. Without imperfections in strategic factor markets, where the resources necessary to implement strategies are acquired, firms can only hope for normal returns. Rumelt (1987) makes a similar point in noting that unless there is a difference between the *ex post* value of a venture and the *ex ante* cost of acquiring the necessary resources, the entrepreneurial rents are zero.

2.8.4 Ex Post Limits to Competition

This means it should be difficult or impossible for competitors to imitate or substitute rent -yielding resources. There are a number of mechanism at work that often makes it hard for competitors to copy the sources of competitive advantage of a successful firm e.g. "causal ambiguity" which means that competitors confront difficulties ascertaining precisely how a bundle of resources contributes to success (Dierickx and Cool,1989).

In summary, the four conditions must be met for a firm to enjoy sustained above-normal returns. Resource heterogeneity creates Ricardian or monopoly rents. *Ex post* limits to competition prevent the rents from being competed away. Imperfect factor mobility ensures that valuable factors remain with the firm and that the rents are shared. *Ex ante* limits to competition keep costs from offsetting the rents.

Finally, it is important to recognize that the productivity of superior resources depends upon the nature of their employment and the skill with which a strategy based on resource superiority is implemented.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research Design and Population

This was a case study, aimed at finding out if JKUAT has acquired the resources based perspective in its strategy formulation and implementation. It was also aimed at establishing whether resources previously endowed to JKUAT and the current acquired dynamic resources have helped in the implementation of the RBP oriented strategies in order to gain sustainable competitive advantage. Finally it was to establish the challenges JKUAT was encountering in the implementation of the RBP. The target respondents consisted of heads of department of different departments in JKUAT.

3.2 Respondents

Stratified random sampling was used .The strata were based on the departments in the three main facilities. The main respondents were the head of departments, because they were the ones who represented the simplest unit in the university, i.e. the department. They have also been relaying departmental resource needs to management, helping in the acquisition and/or improvements of the same, checking on the efficient use of the resources and finally relay the deficiencies to management. Thus these were the best placed respondents to interview for the resource based perspective in a university.

Based on all departments in JKUAT, a stratified random sample of 40 units was acquired. This was to conform to the widely held rule of thumb that to be representative, a sample should have 30 or more test units. This technique was chosen in anticipation of its reduced cost, time and delivery of accurate result.

3.3 Data Collection Methods

The study used primary and secondary data to collect the information required. Questionnaires were used to guide the collection of primary data and the drop and pick method was administered. The research also used an in-depth type of interview with a semi –structured questionnaire which constituted simple questions at the beginning sections with the latter questions being highly structured. It I mainly contain open –ended questions.

The secondary data was also obtained from records on past performance of JKUAT. Secondary data from the newsletters and publications from JKUAT were used to collect the information.

3.4 Data Analysis

The data collected was analyzed using content analysis. Relational type of content analysis was appropriate for this study in order to show the semantic relationship that exists between the university responses, the turbulent environment and RBP.

The content analysis method was preferred because it was an unobtrusive means of analyzing interactions and for its ease of reference and interpretation by the beneficiaries of the study. It also guarded against selective perception of the content, and had provision for the rigorous application of reliability and validity criteria and was amenable to computerization.

The study analyzed its data using the mean, standard deviation and percentages. These were easy to generate with computerized packages and easy to interpret. It also used Eigen Values. Eigen values are multipliers and numbers that represent how much stretching has taken place or, in other words, how much something has been scaled up by. To make sense an eigen value must have an associated 'operation' and an associated 'direction'. These were easily generated by the JAVA computer system and were very easy to interpret.

CHAPTER FOUR: DATA ANALYSIS AND FINDINGS

4.1 Introduction

This chapter covers the analysis and findings of the study as set out in the research methodology. The data is summarized and presented in the form of proportions, tables and graphs. It documents the extent to which JKUAT uses the resources based perspective to as a competitive strategy. Data was collected from the departmental heads within the three faculties, directors of the five institutes and the principal of the one school of building sciences. Of the 40 intended sample population only 32 responded, that is a responds rate of 80 per cent.

4.2.1 Gender

The higher education sector has been mainly male dominated due to the early girl-child negligence. Of late, emphasis are been placed on gender equity in the employment policy of most institutions of higher learning. The respondents were asked to indicate their gender to show the distribution of male to female chairmen of departments. The responses are presented in table 4.1 below.

Table 4.1 Gender Distribution of Respondents

Gender	Frequency	Percentage
Male	21	66
Female	11	34
TOTAL	**32**	**100**

Source: Respondents data

21 male respondents accounting for 66% of the population responded yet 11 of the total respondents were female, accounting for 34% of the whole population. This was expected as the gender equity has truly not set in and the male employees have generally dominated the chairmen of departments' positions.

4.2.2 Systems for Systematic Comparisons with the Competitors

The resource based perspective (Barney,1991,Wernerfelt,1984) complements Porter's Industry Analysis by providing managers with a systematic and more complete methodology of deciding on a strategy to attain sustainable competitive advantage and therefore enable considerations of issues within the firm in conjunction with the environmental model to provide a more realistic and inclusive framework for management research.

The respondents were asked to indicate whether there is a systematic comparison of JKUAT with the environment regularly. The responses are presented in table 4.2 below.

Table 4.2 Comparison with Competitors

Results	Frequency	Percentage
YES	20	62.5
NO	12	37.5
TOTALS	**32**	**100**

Source; Respondents data

20 respondents felt that JKUAT facilitates systematic comparisons and evaluation of practices, process and performance with competitors. This accounts for 62.5% of the population. 12 respondents felt that JKUAT does not facilitate systematic comparisons .This accounts for 37.5% of the population. This shows that JKUAT compares its different aspects with the environment to a large extent.

4.2.3 Purpose of Systematic Comparisons

According to the resource based perspective, in order to develop a competitive advantage the firm must have resources and capabilities that are superior to those of its competitors. For these resources to be superior regular improvement and development over and above government regulation is necessary and achievement of a competitive advantage. The respondents, who said yes in the availability of systematic comparisons at JKUAT, were asked to give reasons as to why JKUAT compares itself with the external environment. The following are the reasons they gave for the comparisons. The responses are presented in table 4.3 below.

Table 4.3 Purpose of Comparisons

Result	Frequency	Percentage
Regulatory purposes	5	25
Development and improvement	6	30
Both	9	45
TOTAL	**20**	**100**

Source; Respondents data

Thus 45 per cent of the population believes that, the reason why JKUAT systematically compares itself with its competitors is for regulatory purpose, development and improvement purposes.JKUAT being a public institution there are government regulatory laws it ought to follow over and above meeting the market requirements of development and improvement to a world class institution.

4.2.4 Factor Consideration before Strategy Implementation

There are certain factors that need to be considered carefully before the implementation of any strategy. These requirements must be met for efficient implementation of a strategy.

The respondents were asked to comment on the extent to which these factors are considered before implementing any strategy in JKUAT. The responses are presented in table 4.4 below. Financial requirements to a large extent of 47% are considered when implementing a strategy. Thus financial requirements seemed to be the most considered in JKUAT before implementing a strategy.This is reflected by the high Eigen value it portrays i.e. 3.13.

Table 4.4 Factor Consideration before Strategy Implementation

Factor	Extent of Consideration					Total (N) Percentage	Eigen values
	Very large	Large extent	Some extent	Small extent	Not at all		
Financial requirements	12(38)*	15(47)	2(6)	3(9)	0(0)	32(100)	3.13
Government regulation	7(22)	4(12)	12(38)	4(12)	5(16)	32(100)	0.23
Industry competitor analysis	11(35)	7(22)	9(28)	3(9)	2(6)	32(100)	1.87
Resource availability	15(47)	9(28)	6(19)	2(6)	0(0)	32(100)	2.48
Return on capital venture	10(32)	5(16)	4(12)	9(28)	4(12)	32(100)	0.33
Human resource development	9(28)	7(22)	13(41)	2(6)	1(3)	32(100)	1.002

Source; Respondents data.

** Note: Values in parentheses are percentages*

Resource availability to a very large extent of 47% is considered when implementing a strategy. It follows in importance with an Eigen value of 2.48, Then the industry and competitor analysis with Eigen Value of 1.47. Human resource development, Return on capital venture and Government regulation are the least considered when implementing a strategy. This is reflected by either low Eigen values i.e. 1.002, 0.33 and 0.23 respectively. The interpretation of these findings is that JKUAT considers financial requirements and resource availability very important in the implementation of a strategy.

4.2.5 Use of Other Strategies to Stay Competitive

There being a very unpredictable environment in the higher education sector, JKUAT has had to definitely develop strategies to counter the competitive environment.

The respondents were asked the extent of use of certain strategies by JKUAT to acquire competitive advantage. The responses are presented in table 4.5 below.

Table 4.5 Use of Other Strategies

Strategy	Extent of usage					Total (N) Percentage	Eigen values
	Very Large Extent	Large Extent	Some extent	Small extent	Not at all		
Bench marking	12(37)*	7(22)	6(19)	5(16)	2(6)	32(100)	1.88
ISO Certification	12(37)	6(19)	6(19)	4(13)	4(13)	32(100)	0.67
TQM	7(22)	3(9)	7(22)	10(31)	5(16)	32(100)	0.33
Re-engineering and reconstructing	6(19)	1(3)	12(37)	9(28)	4 (13)	32(100)	0.47
Performance contracting	9(28)	12(37)	2(6)	5(16)	4(13)	32(100)	1.00
Culture Change	10(31)	9(28)	6(19)	5(16)	2(6)	32(100)	1.52

Source; Respondents data.

**Note: Values in parentheses are percentages*

Benchmarking and ISO certification were to a very large extent used i.e. 37% by JKUAT in order to remain competitive. Benchmarking seems to have a higher Eigen value of 1.88 thus, being popular in JKUAT as a strategy. Culture change also featured as an important strategy to a very large extent of 31%. It had an Eigen value of 1.52.

Being a public institution JKUAT followed the performance contracting strategy of which the respondents ranked as having a Eigen value of 1. This strategy was used to a large extent of 37%. JKUAT has been trying to implement the ISO 9001 certification thus its popularity with respondents. It has a eigen value of 0.67. This shows that even though ISO certification is on its way to implementation it has not yet being used as a competitive strategy. Reengineering and reconstructing and TQM are the least used strategy in JKUAT. This is shown by the Eigen values of 0.47 and 0.33 respectively. The interpretation of these findings is that JKUAT finds collaborated networks, its reputation and cultural change very important though its structures and processes inhibit it from gaining full potential.

4.2.6 Importance of Different Resources

For an organization to compete within the external environment, the internal environment which mainly consisted of the resources and organizational capabilities should be well developed. The respondents were asked to rank the importance of the resources and organizational capabilities within JKUAT.

As reflected in Table 4.6 below, the collaborated networks have proved to be very important to JKUAT with a mean of 4.47 and a standard deviation of 0.01.This has caused JKUAT brand name or reputation to increase with a mean of 4.35 and a standard deviation of 0.02.This reputation has in turn generated a culture change in the university with a mean value of 4.12 and a standard deviation of 0.02. Even with all these positive aspects, the structure and process have remained highly rigid and bureaucratic thus attracting a mean of 3.14 for both and a standard deviation of 2.24 and 2.37 respectively.

4.2.7 Increases in Resources

According to the RBP, increases in resources and capabilities within an institution reflect increases in internal capacity as a way to counter the external environment and create a competitive advantage.

Table 4.6 Importance of Different Resources

Resource	Mean	STD DEV
Collaborated Networks	4.47	0.10
JKUAT Name (Brand Name)	4.35	0.02
JKUAT Culture	4.12	0.02
Lecture Halls	4.02	0.05
Laboratories	3.82	1.2
Office Space	3.82	1.57
Production Facilities	3.82	1.05
New Campuses	3.82	1.47
Teaching Equipments/ Furniture	3.82	1.05
Staff	3.82	1.27
Technological Developments, patent and trademark	3.65	0.14
JKUAT Structure	3.41	2.24
JKUAT Process	3.41	2.37

Source: Respondents Data

Table 4.7 Increases in Resources

Resource	Extent of in increase					Total (N) Percentage	Eigen values
	Very Large Extent	Large Extent	Some extent	Small extent	Not at all		
Lab Space	8(25)*	7(22)	9(28)	5(16)	3(9)	32(100)	1.05
Office Space	6(19)	4(12)	9(28)	7(22)	6(19)	32(100)	1.03
New Campuses	10(32)	7(22)	4(12)	8(25)	3(9)	32(100)	0.87
Collaborated networks	15(47)	9(28)	7(22)	1(3)	0(0)	32(100)	3.917
Computer technology	15 (47)	4(12)	3(9)	4(12)	6(19)	32(100)	2.94
Qualified staff	13(41)	8(25)	7(22)	2(6)	2(6)	32(100)	2.45
Teaching Equipment	9(28)	8(25)	10(32)	3(9)	2(6)	32(100)	2.45
Intellectual property	8(25)	4(12)	3(9)	10(32)	7(22)	32(100)	0.87
Positive organizational culture	12(37)	5(16)	7(22)	2(6)	6(19)	32(100)	3.05
Efficient organizational processes	5(16)	3(9)	3(9)	12(38)	9(28)	32(100)	0.67
JKUAT reputation.	9(28)	10(31)	6(19)	6(19)	1(3)	32(100)	3.82

*Source: Respondents data. *Note: Values in parentheses are percentages*

Respondents were asked to show the extent of increase in resources in the past 5 years. The responses are presented in table 4.7 above. The findings reflect that collaborated networks have increased to a very large extent of 47% with an Eigen value of 3.917, JKUAT reputation follows to a large extent with 31% and a Eigen value of 3.82. Organizational culture has increased to a very large extent of 37% and an Eigen value of 3.05. Respondents also felt that the computer technology has increased to a very large extent with 47% and an Eigen value of 2.94. Qualified staff and Teaching equipment have similar Eigen values of 2.45. These are to a very large extent i.e. 41% and to some extent 32% increased respectively.Increase in laboratories and office space have to some extent increased at 28% with Eigen values of 1.05, 1.03 respectively. New campuses and intellectual properties have similar Eigen values of 0.87. Organizational processes have increased to small extent of 38% with a Eigen value of 0.67. This showed that JKUAT has been acquiring lots of collaborated networks all over thus enhancing its brand name, culture, computer technology, staff and equipments. Organizational processes are still the biggest hurdle.

4.2.8 External Drivers to Resource Improvements and Acquisition

According to RBP, resources and capabilities within the firm must be improved continuously over and above acquisition of the same. There are issues within and outside the firm that compel the firm to acquire and/or improve its resource and capabilities.

The respondents were asked the extent to which different external drivers affect resource improvements and/or acquisitions in JKUAT. The responses are presented in table 4.8 below. The respondents showed that 50% of the resources improvements and/or acquisitions are initiated by the customer/student requirements to a very large extent. On the other hand 43% of the resources improvements and/or acquisition to a large extent are due to the market/industry requirements.38%of the improvements and/or acquisitions to a very large extent

Table 4.8 External Drivers to Resource Improvements and Acquisition

Drivers	Extent of resource improvements and acquisition					Total (N)
	Very Great Extent	Great Extent	Moderate extent	Small extent	Not at all	
Customer/student requirements	5(50)*	4(40)	1(10)	0	0	10
Market requirements	3(43)	3(43)	1(14)	0	0	7
Competition	3(38)	2(25)	2(25)	1(12)	0	8
Legislation	2(28.5)	1(14)	2(28.5)	2(28.5)	0	7
TOTAL (N)	13	10	6	3	0	32

Source; Respondents data.

**Note: Values in parentheses are percentages*

are due to the competition in the higher education sector.Legislation affects resource improvements and /or acquisition to a small extent of 28.5%. These findings showed that JKUAT choice pf resources is mainly market oriented and not due to legislation.

4.2.9 Resources & Capabilities with Superior Value

A competitive advantage exists when a firm is able to deliver the same benefits as competitors but at a lower cost (cost advantage) or deliver benefits exceeding those of competing products (differentiation advantage). Thus competitive advantage enables a firm to create superior value for its customer and superior profits for itself (Porter, 1996).

Respondents were asked to name some resources and capabilities developed by JKUAT that have superior value compared to others in the higher education industry. Some of the resources narrated include:

(i) Innovations e.g. the walking tractor, the tissue culture bananas etc

(ii) Patents e.g. the JKUAT ought, the architectural & designing programs etc.

4.2.10 Level of Competition of the Programmes

According to the RBP, a firm ought to know its competitive position in the market. The firm needs to know how competitive its products are in the market in relation to other competitors. This helps the firm develop and improve its current resources and even know which competitive resource to acquire. The respondents were asked to state the level of competition in the programmes offered. The responses are presented in table 4.9 below

Table 4.9 Level of Competition of the Programmes

Level of competition	Frequency	Percentage
Low competition	4	12.5
Medium competition	6	19
Highly competitive	12	37.5
Very competitive	8	25
Not competitive	2	6
Total	32	100

Source; Respondents data

The respondents indicated that JKUAT programmes are highly competitive.37.5% of the respondents are for this opinion. This showed that because JKUAT programmes are market driven they are highly competitive.

4.2.11 Bases of Competitiveness

According to RBP, when a firm develops a product, it requires some performance measures relating to the product which help in checking if the product is still competitive in its industry.

The respondents were asked to state the extent to which the stated performance measures have been used to check the competitiveness of the programmes. The responses are presented in table 4.10 below. 40% of the respondents felt that the number of students enrolled to a very large extent forms the performance measurement base for checking how competitive a programme is in the market

Table 4.10 Performance Measures of Bases of Competitiveness

Performance Measure	Extent of use of a performance measure					Total (N)
	Very large Extent	Large Extent	Some extent	Small extent	Not at all	
Number of student enrolled	4(40)*	3(30)	2(20)	1(10)	0(0)	10
Number of students graduating	3(37.5)	2(25)	1(12.5)	1(12.5)	1(12.5)	8
Revenue accruing to the program	5(36)	5(36)	3(21)	1(7)	0(0)	14
TOTAL(N)	12	10	6	3	1	32

Source; Respondents data.

**Note: Values in parentheses are percentages*

before allocation of resources. This shows that JKUAT is offering market driven programmes of which the number of students enrolling for these courses indicate the competitiveness of the courses.

4.2.12 Challenges to Resources Allocations and Acquisitions

When implementing the RBP, there are challenges both within and outside the organization. The respondents were asked the extent to which they face the listed challenges both internally and externally. The responses are presented in table 4.11 below.

According to the Eigen values, organizational structure is the most challenging internal aspect with an Eigen value of 2.35 and a high percentage of 41%.Inadequate physical resources rank second with an Eigen value of 1.35 and a percentage value of 31%.Financial resources are also challenging with a percentage of 28% and an Eigen value of 0.94.Management of the current resources and the leadership style and culture change are least challenging with Eigen values of 0.43 and 0.25 respectively. Organizational structure and inadequate physical resources are the biggest handles internally in JKUAT. The responses are presented in table 4.12 below.

Table 4.11 Internal Challenges

INTERNAL CHALLENGE	EXTENT OF CHALLENGE					TOTAL (N) %	EIGEN VALUES
	1	2	3	4	5		
Leadership style and cultural change	10(31)*	8(25)	6(19)	4(12)	4(12)	32(100)	0.25
Organizational structure	5(16)	2(6)	4(12)	8(25)	13(41)	32(100)	2.35
Financial resources	6(19)	4(12)	6(19)	7(22)	9(28)	32(100)	0.94
Inadequate physical resources	4(12)	4(12)	8(25)	6(19)	10(31)	32(100)	1.35
Management of current resources	7(22)	8(25)	8(25)	4(12)	5(16)	32(100)	0.43

Source; Respondents data.

** Note: Values in parentheses are percentages*

Table 4.12 External Challenges

External challenge	Mean	Standard deviation
Political Changes	.25	1.25
Economic Trends	4.67	0.07
Technological trends	1.9	1.06
Organizational Implementation Capacity	3.93	0.23
Competitors replication ability of the programmes	2.78	0.45

Source; Respondents data.

According to the results, the economic trends have been the most challenging external aspect in managing competition. This has heavily impacted on the JKUAT Organizational implementation capacity. Replication of JKUAT original programmes by competitors is also becoming a big challenge. Being the technological era technological trends have also affected the higher education sector. Of all the rest political changes have not been challenges to JKUAT.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter covered the summary and the conclusions of the findings of the research conducted. This chapter also outlines recommendations, limitations of the study and finally sets out the suggestion to further studies in the area of RBP.

5.2 Summary

The research problem or statement was to assess the extent to which JKUAT uses the RBP as a competitive strategy. The objectives of the study where;

1. Assess the extent to which JKUAT uses the RBP in its strategy implementation.
2. Establish the challenges JKUAT is facing in the implementation of RBP.

Literature was been reviewed on issues of strategy, competition, competitive advantage, RBP, resources, capabilities, profitability, rent generation and finally the interaction of all those aspect into RBP

Data was also collected on different aspects before finally analyzing it.

It was concluded that JKUAT uses RBP though moderately and unconsciously to counter the market requirements and competition.

5.3 Conclusion

It can be concluded that in JKUAT decisions regarding resources are mainly male dominated, this is due to the large numbers of male head of departments. It can be noted that their already exists a system that facilitated comparisons of different aspects of JKUAT with its competitors.

To remain competitive JKUAT has had to a large extent been benchmarking with the external environment and implementing a cultural change within its employees. When choosing the strategy to follow JKUAT to a large extent considers mainly the financial requirements and the resource availability at its disposal.

JKUAT considers intangible resources and capabilities more important than tangible resources. This is reflected by considerable growth in collaborated networks, reputation, and culture change in comparison to that of production facilities, teaching equipment, office and laboratory space. This is also evidenced by their steady increase over the last five years.

Resources changes have to a large extent been driven by the number of student enrolling in the highly competitive programs and their consequent requirements as customers. Internally, the rigid organizational structure and the inadequate tangible resources have been the most challenging hurdles. Externally the economic trends and the JKUAT implementation capacity are the most challenging hurdles.

Thus in conclusion, JKUAT have to a moderate extent used the RBP as a competitive strategy. This is evidenced by the use of internal adjustments strategies like the cultural change, consideration of resources availability before strategy implementation and a steady increase in its resources. This has not been done consciously but as a matter of trying to meet the market requirements and competition.

5.4 Recommendations

JKUAT should take seriously the RBP concept as it will enhance its competitiveness in the market. JKUAT organizational processes and structure should be renewed to ensure these processes enhance the RBP. Tangible, intangible resources and capabilities in JKUAT should be identified, built, deployed and used strategically.

5.5 Limitations of the Study

There was a time and financial constraint as most head of departments were busy and kept turning down their appointments. The study used descriptive statistics which tended to combine characteristics together hence individual characteristics didn't come out clearly. It generalized the different categories of respondents. Finally most of the informants were reluctant to participate and had to be really convinced that it was an academic exercise.

5.6 Suggestions for Further Research

This paper has sketched the connections between resources and competition For strategic managers, this approach suggests that resources should be at the heart of competitive strategy.

Future research may adopt a more dynamic approach to examine the impact of competition on the process of resource creation. It seems fundamental to understand how competitive environment, resources and competitive behaviors shape each other over time. To grasp this dynamic aspect of competitive behaviors researchers could make use of insights from the competitive dynamics literature.

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QUESTIONNAIRE

PERSONAL INFORMATION

1. Name ....Position ....
2. Number of years you have b een at the University ....
3. Name of Department ....
4. Gender ....

STRATEGY

1. Does JKUAT have a system of systematic comparison with competitors or any "best practices or smarter" institutions.

Yes | No

2a. If Yes for Question 1, what is the major reason for systematic comparison and evaluation of JKUAT practice, process and performance with competitors?

a. For regulatory purposes
b. For development and improvement
c. Both

2b. If No for Question1, what is JKUAT doing to achieve the level of having best practices, processes and support for continuous improvement to meet world class status / to be recognized as the best in the world.

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3. To what extent does JKUAT consider the following factors before implementing any strategy?

No	Practice	Very Large Extent	Large Extent	Some extent	Small extent	Not at all
1	Financial requirements					
2	Government regulation					
3	Industry competitor analysis					
4	Resource availability					
5	Return on capital venture					
6	Human resource development					

1. To what extent has JKUAT been using the following strategies to remain competitive?

No	Practice	Very Large Extent	Large Extent	Some extent	Small extent	Not at all
1	Bench making					
2	ISO Certification					
3	TQM					
4	Re-engineering and reconstructing					
5	Performance contracting					
6.	Culture Change					

RESOURCES

1. For JKUAT as an institution of higher learning to what extent does it consider important the different items of the categories of resources?

No	Practice	Very Large Extent	Large Extent	Some extent	Small extent	Not at all
A	**Physical resources**					
	Lecture Halls					
	Laboratories					
	Office Space					
	Production Facilities					
	New Campuses					
	Collaborated Networks					
	Teaching Equipments/ Furniture					
	Staff					
B	**Intangible Assets**					
	JKUAT Name (Brand Name)					
	Technological Developments, patent and trademark					
C	**Organizational Capabilities**					
	JKUAT Culture					
	JKUAT Structure					
	JKUAT Process					

2. To what extent has there been an increase in the following resources in the past 5 years?

No	Practice	Very Great Extent	Great Extent	Moderate extent	Small extent	Not at all
A	Increased Lab Space					
B	Increased Office Space					
C	Increase in New Campuses					
D	Increase in collaborated networks					
E	Increase in computer technology					
F	Increase in qualified staff					
G	Increase in Teaching Equipment					
H	Increase in intellectual property					
I	Increase in positive organizational culture					
J	Increase in efficient organizational processes					
K	Increase in JKUAT reputation.					

4. To what extent does the following external drives affected resources improvements and acquisition in JKUAT?

No	Practice	Very Great Extent	Great Extent	Moderate extent	Small extent	Not at all
1	Customer/student requirements					
2	Market requirements					
3	Competition					
4	Legislation					

5. Name some JKUAT Organizational routines, processes and cultures which have made JKUAT competitive...

....

....

....

6. W hat resources and capabilities developed by JKUAT have superior value compared to others in the industry?...

....

....

7. W hat resources and capabilities developed by JKUAT cannot be easily copied , or substituted by the competitors in the industry.

....

....

8. W hich market driven programmes within JKUAT have had sustained profits over their whole period since inception?.......................................

....

....

9. How would you describe the level of competition for your programs

   a) Low Competition
   b) Medium Competition
   c) Highly competitive
   d) Very competitive
   e) Not competitive

10. To what extent does JKUAT use the following performance measurement bases in checking how competitive a program has been in the market and thereafter allocation of resources?

No	Practice	Very large Extent	Large Extent	Same extent	Small extent	Not at all
1.	Number of student enrolled					
2.	Number of students graduating					
3.	Revenue accruing to the program					

11.How much have the following internal aspects of JKUAT been a challenge? (where is 1 least challenging and 5 extremely challenging)

No.	Practice	1	2	3	4	5
A	Poor leadership style and culture change					
B	Unsupportive organizational structure					
C	Lack of financial resources					
D	Inadequate physical resources					
E	Poor management of current resources					

12.What challenges were experienced by JKUAT in Managing competition?

No	Practice	Not Challenging	Least Challenging	Challenging	Very Challenging	Indifferent
A	Political Changes					
B	Economic Trends					
C	Technological trends					
F	Organizational Implementation Capacity					
H	Competitors replication ability of the programmes					