

African Journal of Education and Practice (AJEP)

**THE EFFECT OF COMPETITIVE STRATEGIES ON PERFORMANCE OF PRIVATE
PRIMARY SCHOOLS IN KENYA. A SURVEY OF PRIVATE PRIMARY SCHOOLS IN
NAIROBI**

JANE NTHAMBI



THE EFFECT OF COMPETITIVE STRATEGIES ON PERFORMANCE OF PRIVATE PRIMARY SCHOOLS IN KENYA. A SURVEY OF PRIVATE PRIMARY SCHOOLS IN NAIROBI

^{1*} JANE NTHAMBI

**POST GRADUATE STUDENT KENYA
METHODIST UNIVERSITY
*janenthambi@yahoo.com:**

ABSTRACT

Purpose: The purpose of this study was to analyze the effect of competitive strategies on performance of private primary schools in Kenya. A survey of private primary schools in Nairobi

Methodology: The research design for this study was explanatory research design. There are 350 private primary schools that are registered with Ministry of Education and also appear in the KNEC list. The study target population was 700 obtained from purposively targeting a Director and administrator from each school. A sample of 10% (70) was used. The researcher used Statistical Package for social Sciences (SPSS) to do the data analysis. Regression analysis was used to demonstrate the relationship between the competitive strategies and the performance of private schools in Nairobi County.

Results: Cost leadership was found to affect level of performance in a positive manner. However, its effect was insignificant. Focus Competitive Strategies was found to positively affect level of performance. The relationship was positive and significant. Hence, employing focus strategies such as focusing on GCSE curriculum, focusing on students from the affluent class, focusing on students from middle class, international students and focusing on special subjects may improve school performance. It can be concluded that use of differentiations strategies such as offering GCSE curriculum, e-learning, research and development, extracurriculum activities (music and arts) improve performance.

Unique contribution to theory, practice and policy: T It is recommended that private primary schools should employ differentiation strategies as this would improve school performance. Schools should employ focus strategies such as focusing on GCSE curriculum, focusing on students from the affluent class, focusing on students from middle class, international students and focusing on special subjects as doing so may improve school performance

Keywords: *competitive strategies, Cost leadership, differentiation strategies*

1.1 INTRODUCTION

Schools need to learn to manage tomorrow's opportunities as competently as they manage today's activities. The new market development can be geared up by developing the capability to redeploy the human resources quickly from one business opportunity to another. It is the top management's responsibility to inspire the organization with a view of distinct goals and help them to achieve and reach the set target (Hamel and Prahalad, 1991). Building core competence becomes essential to competitive advantage building, because advantages emanating from the product-price-performance-tradeoffs are almost short term. Especially in an era where technologies are altering the existing boundaries of business; advantage can last only through competence enjoyed at the very roots of products. And only through expertise over several technologies and a complete command on their infinite variety of users, a company can occupy a highly advantageous position.

Chen(2013) notes that in recent years, higher education institutions have been influenced by the marketed approach. Although many academics and personnel of higher education institutions are likely to view marketing as compromising academic freedom, following the coming of the trend of fewer children, they must know their markets and effectively distribute them to various publics and markets to survive and succeed. If they don't promote themselves, several educational institutions will be closed in the past few years alone under competitive market environment.

Price Waterhouse Coopers-PWC (2013) notes that Canadian universities and colleges have long faced funding and service-level concerns. Current fiscal strategies are not enough to maintain operations, much less allow the sector to grow and enhance Canada's competitiveness. To succeed, post-secondary leaders need to rethink their business strategy and take a realistic look at how they operate, spend and deliver services. This translates into transforming their entire organization to become more effective by considering the following: Integrated services instead of silos, Cost reductions not service reductions and making lasting transformation changes. By moving from standalone faculties and schools, universities and colleges can begin to understand their spending and make appropriate strategic investments in services and technologies. By understanding where they spend money, institutions can identify cost efficiencies and ensure they gather the most value from their investments. By developing a fact-based case for change, engaging stakeholders and developing cost-effective processes, institutions can undertake the transformation initiatives they need to build and increase their competitiveness Price Waterhouse Coopers-PWC (2013).

Teachers complain that pupils' frequent transfers from one school to another at any point of the term and in any class affect content delivery, (Eldah et al 2005). They observe some pupils who joined a particular school may have missed out for a term or several months and were likely to find some topics that had already been covered in their new school, (Eldah et al 2005). This suggests that the teachers had to look for ways of providing them with remedial lessons but their efforts were hampered by the large workload due to overcrowded class.

1.2 Statement of the problem

Education plays a very important role in the development of a nation as it leads to productivity and self-reliance by individuals acquiring knowledge, skills, habits, or attitudes (World book, 2001). As the Kenyan Government develops strategies for the realization of Vision 2030, in which the government hopes to transform the country economy to a globally competitive one, education is key to realizing this dream (Nyamute, 2007).

The problem of this study is that private primary schools are faced with competitive pressure from peers as well as from public primary schools. To manage the turbulent competitive environment, private primary schools have been forced to employ competitive strategies. The private primary schools play a very vital role in offering education systems that leads to qualifications that facilitate the productivity of the citizens. This study argues that private primary schools adopt various competitive strategies/priorities to beat off the cutthroat competition. In addition, the study argues that the adoption of competitive strategies affect their performance.

Studies on effect of competitive strategies on performance include Yu (2009) who carried out a study on principal leadership for private schools improvement, the Singapore perspective. The studies also include Gabriel (2005) who studied the industry attractiveness of banking in Tanzania using Porter's Five Forces model. In addition, Johnson and Johnson (1985) found out that the scope of the product and service line, cost advantage and a good bank reputation are critical basis for competitive advantage. Gitare (2006) conducted a study on a comparative study of the competitive strategies adopted by public and private primary schools in Kenya. The study which was a case of Evurori location in Mbeere district, and concluded that various factors attracted pupils to certain schools and not others. These factors included free primary education, performance in examination, close proximity, good leadership, quality facilities and ample learning environment, popularity in extra curricula activities, feeding programmes, transport services, boarding facilities, religious background or spiritual formation, and considerable fees. However, all the above studies had a research gap as they failed to address the competitive strategies used by private primary schools and their effect on performance of the schools. This study therefore was undertaken to establish the competitive strategies used by private primary schools and their effect on performance of the schools.

1.3 Objectives

1. To establish the effect of differentiation strategies on performance of primary private schools in Nairobi County
2. To evaluate the effect of cost leadership strategies on performance of primary private schools in Nairobi County
3. To establish the effect of focus strategies on performance for private primary schools Nairobi County

2.0 LITERATURE REVIEW

2.1 Theoretical Review

2.1.1 Structure Conduct Performance Theory

Traditional market structure analysis ascertains the structure of the industry in which a firm operates in terms of competition, monopoly or oligopolistic status. The inverse relation between the degree of market concentration and degree of Competition is the underlying assumption of the market Structure Conduct Performance hypothesis. Market concentration encourages firms to collude. Standard Structure Conduct Performance paradigm holds that there is a direct relationship between the degree of market concentration and the degree of competition among firms. Firms in more concentrated industries earn higher profits than firms operating in less concentrated industries, irrespective of their efficiency. Positive correlations between market concentration and profitability can be explained by the structure performance hypothesis or the efficient structure hypothesis (Shaik, Allen, Edwards, & Harries, 2009). Efficient firms charge lower prices than their competitors which enables such firms to acquire a larger market share leading to increased concentration. Traditional Structure Conduct Performance theory dictates three steps in analysing an industry. First, it emphasizes properly categorizing an industry's market structure according to the number of active competitors, barriers to entry and exit, and the extent of product standardization. Conventional models conclude that certain pricing and output decisions predictably arise from market power or its absence. Sparse competition, barriers to entry or product heterogeneity create market power. The theory suggests that the equilibrium price of any imperfectly competitive firm invariably exceeds marginal social cost and as a result too little of the good is produced, creating allocative and productive inefficiencies. Movement along the continuum of market structures from monopoly toward pure competition appears to yield more efficient resource allocations. The Structure-Conduct-Performance approach suggests that the government should outlaw monopolies or near monopolies and tightly regulate market power that arises from economies of scale in order to cure problems of industrial organization. The Structure Conduct Performance approach indicates that competition is the most efficient structure for an industry and unregulated monopoly. According to the theory of contestable markets, however, business tactics are not determined by the structure alone. Antitrust policy is intended to diffuse market power, as is much of the economic regulation of business (Byeongyong & Weiss, 2005).

2.1.2 Industrial organization Theory

The shift from the linear structure conduct performance paradigm to primarily empirically based, on the new industrial organization enshrined in game theory, has improved the quality of analyses in antitrust, but at a price (Jacquemoin, 2000). However, a reconciliation of the two approaches is currently both possible and desirable. Market analysis, either from the point of view of the firm that operates or desires to operate in it or from the viewpoint of the public authorities, requires proper characterization. The principal objective of industrial organization has been precisely to provide this characterization, resorting to a scheme that relates the market structure with the behavior of the economic agents who operate in it and with the performances that such a relation generates. Whether we refer to a manager of a firm or to a public authority responsible for antitrust

policy, the fundamental problems are analogous (Holmstrom & Tirole, 1987). At the level of market structure, industrial organization examines the number of competitors who operate in the relevant market and the distribution of market shares, the conditions of entry and exit, product standardization and its proximity to substitutable goods, the interdependence between upstream and downstream activities, and the quality of information controlled by partners and the degree of risk involved. As far as conducts are concerned, it should determine the respective role of price and non-price strategies, the level of cooperation which has been established over time among the various agents and the use of strategies of differentiation and diversification (Bagwell & Wolinsky, 2000).

Finally, through the examination of performances - which deals with the allocation of resources or with actual profitability - the results obtained are evaluated. A study so conceived that deals with structure, conduct and performances should, then, be able to provide an answer to a fundamental question: Which type of competition exists in this market? The sense of the question varies according to who asks it. In the view of public authorities, the intention is to determine if the spontaneous forces of competition which characterize the market in question can or cannot lead to an efficient allocation of resources and a socially acceptable distribution of income (Godbout & Belanger, 2005). However, from the firm's point of view, what counts is whether it knows if its own actual or potential relative position benefits sufficiently from market imperfections, in order to yield substantial and sustainable profits. The many studies of industrial organization have applied a useful filter to this matter, permitting the identification and classification of some complex competitive phenomena of our industrial society. They have conferred substance to the famous "empty box" of traditional microeconomic analysis (Ellison, 2005). Nevertheless, until the sixties for the most part, a dangerously reductive approach was adopted. It is worthwhile underlining at least two limits of the traditional industrial organization economics, one of a theoretical nature and the other of an empirical nature. On the theoretical ground, the analysis was seldom made in the context of a precise microeconomic model and rarely has the type of oligopolistic interdependence been made explicit. On the contrary, the accent has been placed on the description of the market structure and its direct links with the performances achieved (Spiegler, 2005).

2.1.3 The Theory of Competitive Advantage and Competitive performance

The Theory of competitive advantage was originated by Michael Porter. According to Porter (1980) every firm competing in an industry has a competitive strategy whether explicit or implicit. This strategy may have been developed explicitly through a planning process or it may have evolved implicitly through the activities of the various functional departments of the firm. Competitiveness is a multidimensional concept. It can be looked at from three different levels, global, industry and firm level. Competitiveness originated from the latin word 'competere' which means involvement in a business rivalry for markets. It has become common to describe economic strength of an entity with respect to its competitors in the global market economy in which goods, services, people, skills and ideas move freely across geographical borders (murths, 1998)

In a global industry, the most fundamental choice a firm must make is whether it must compete globally or whether it can find niches where it can build a defensible strategy for competing in one or a few national markets. Porter says 'it is the firms, not the nations which compete in the international markets(Porter,1998)'.the environmental factors are more or less uniform for all

competing firms and research shows that 36% of the variance in profitability could be attributed to the firms characteristics and actions (McGahan 1999). Country level competitiveness of nations in various areas of the economy, (Porter 1998 argues that in the modern global economy prosperity is a nations choice. Competitiveness is no longer limited to those nations with favourable inheritance; rather nations choose prosperity if they organize their policies, laws and institutions based on productivity. Industry level competitiveness refers to the competitiveness of different firms in the same industry. Porter(1998) states that competition in an industry depends on Porters competitive forces. He further notes that the goal of competitive strategy for a business unit in an industry is to find a position in industry where the company can best defend itself against these competitive forces or can influence them in their favour. An effective competitive strategy creates a dependable position against the five competitive forces. Competitive advantage is at the heart of firm's performance. It is concerned with the interplay between the types of competitive advantage, i.e., cost, and differentiation, and the scope of the firm's activities. The value chain plays an important role in order to diagnose and enhance the competitive advantage.

In spite of the vast conceptual and empirical study conducted on the notion of competitive advantage, Flint and Van Fleet (2005) have nonetheless argued that there is no clear definition of competitive advantage (CA) that is applicable in general term i.e. applicable in any dimension or criteria. Following Ma (2000), as far as the research on (sustainable) competitive advantage is concerned, researchers must first validate the research question and research design, and decide on the dependent and independent variables to be applied: are competitive advantage and firm (financial) performance equitable, which means other independent variables (or indeed moderating and/or mediating variables such as organizational structures, top management team composition and style, human resource management, etc) influencing its outcome; or indeed both are different concepts and constructs, which implies that firm (financial) performance indeed depends upon its competitive advantage position. Also, clear and specific definition and direction of the concept of (sustainable) competitive advantage will also further enhance the validity of the academic research in this specific strategic management area.

2.2.3 Differentiation Strategies and performance

A differentiation strategy is one in which a firm offers products or services with unique features that customers value. The value added by the uniqueness commands a premium price. According to Coulter (2002) the key characteristics of differentiation strategy is perceived quality whether real or not. This may be through superior product design, technology, customer service or other dimensions. Shell Education (2007) carried out a research on applying differentiation strategies and concluded that applying differentiation strategies offers teachers a step in the right direction for meeting the challenges of teaching toward diverse student needs

Firms with a market differentiation advantage have successfully created unique images for their market offerings by specifically tailoring their marketing mixes to their target customers and, thus, can reap the benefits of high levels of customer satisfaction and loyalty (Miller, 1988). A favorable image weakens the negative effect of competitors and enabling organizations to achieve a greater profit (Fombrun and Shanley, 1990). It is indicated by Amonini et al. (2010) that professional service firms seek to differentiate themselves by providing better service quality and greater value,

developing brands with strong reputations, and developing long-term relationships in order to achieve competitive advantage, and superior performance

2.2.4 Cost Leadership Strategies and performance

A cost leadership strategy is one in which a firm strives to have the lowest costs in the industry and offers its products and services to a broad market at the lowest prices. Porter (1998) states that characteristics of cost leadership strategy include low level of differentiation, aim for average customers; use of knowledge gained from the past experience and the addition of new products only after the market demands them. Thompson and the Strickland (1998) agree with Porters view on costs leadership's strategy and state that this strategy calls for being the low cost producer in an industry for a given level of quality.

Moser(2005) paper considered the marketing strategies small rural primary schools adopt within the educational market place and the varying responses parents make to these strategies. Using primary data collected through interviews and observations the research considered the marketing interface between the schools and their parent community. The research illustrated how taking the issue into the rural location and focusing on small schools draws out subtle differences between schools and within parent groups. This work-in-progress presented two case studies, located within a county with a high proportion of small schools, and illustrated their varying ability to respond to the market within the constraints of Government and Local Education Authority policies. The paper set out to capture the dynamism between structure and agency and showed the radically different ways the case study schools operate, ranging from embracing the governments extended childcare policy through to a 'chocolate-box' selling of a rural idyll. The schools managed their local reputations as a covert form of selection: the dynamic relationship between the school and the parents not only maintained particular pupil populations but also governed how parents select and self select. The paper concluded that examining the schools within the structural context of place, community and governmental institution aids a better understanding of how they react to market pressures.

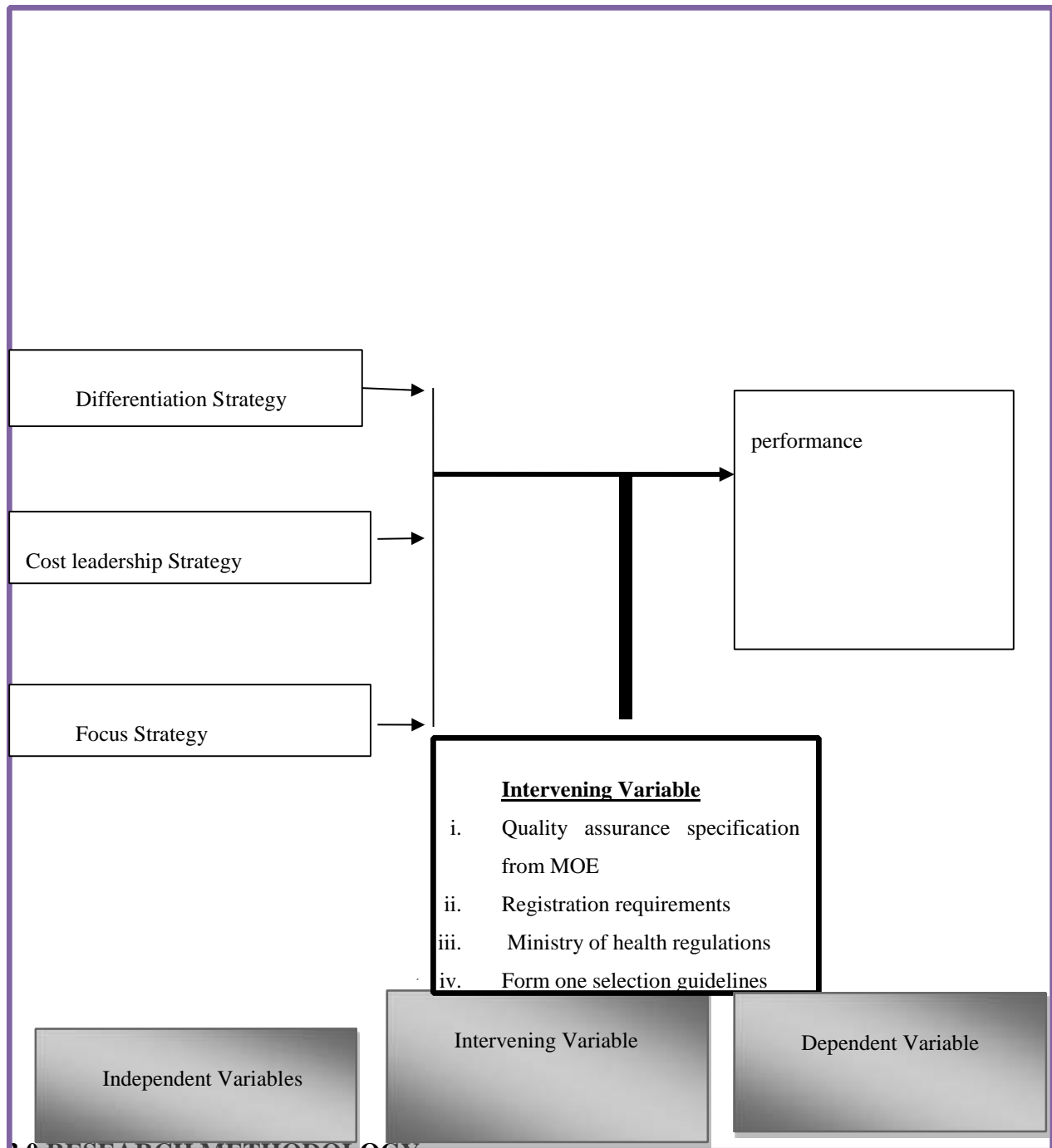
.2.2.5 Focus Strategies and performance

According to Porter (1998) focus strategy involves targeting a particular market segment. This means serving the segment more efficiently and effectively than the competitors. Consequently, focus strategy can be of cost leadership or differentiation aimed at a narrow market segment. Porter (1998) states that the advantages of focus strategy include having power over buyers since the firm may be the only source of supply. Buyers do not have a strong bargaining power given a firm competitive advantage. Customer's loyalty also protects a firm from threat of new entrants and threat of substitute product. The firm adopting focus strategy can easily stay closer to its customers and effectively monitor their needs.

Gibbons, Manchin and Silva(2005) note that government education policy in England, like in the US, has been increasingly geared towards increasing competitiveness between schools, at both primary and secondary levels. Theory suggests that in a world where parental preference over school quality has a key role to play in school admissions, competition for pupils between neighbouring schools could provide performance incentives, and parental choice could lead to

allocative efficiency gains. Although the economic rationale for choice and competition is clear, most of the evidence that exists relates to the US and there is rarely an attempt to distinguish between the two concepts. Gibbons et al (2005) exploited a large and detailed pupil census, with information on pupil and school locations, to establish whether primary schools in England that are in a position of potential competition over pupil admissions perform better than those that are in a more geographically isolated, monopolistic situation. They also explored whether pupils who live in places where a wide range of choices is available achieve more than those whose choices seem more limited. In simple least squares regression models, they found a positive, but small association between pupil performance and competition indices. However, this could be related to endogenous school location or pupil sorting and instrumental variables results based on admissions district boundaries do in fact suggest that there might very little gains to be had from improving pupil choice and school competition. Indeed, it is only in faith schools that competition seemed to be positively linked to performance, and even then only in terms of their competitive position in relation to other faith schools

Figure 2. 1: Conceptual framework



3.0 RESEARCH METHODOLOGY

The study employed a correlation research design. The study used correlation research design to collect data from principals, deputy principals and teachers in public primary schools in Athi River Sub County. The total number of respondents was 13 principals, 13 deputy principals and,

260 teachers and thus the total target population was 286. The researcher used census approach to select all the schools' heads and their deputies and stratified random sampling to select 104 teachers. The analysis was done by descriptive statistics using Statistical Package for Social Sciences version 21.0. In addition, Pearson's correlation analysis and regression analysis were used to establish the relationship between the study variables.

4.0 RESULTS AND DISCUSSIONS

4.1: Response rate

The successful response rate was deemed to include all those responses that were returned. In addition, they had to be properly filled for them to be included in the data analysis.

Questionnaires that were not returned at all were classified as unsuccessful responses. Hence the study had a successful response rate of 86 % since 60 questionnaires out of a total of 70 questionnaires were returned properly filled. According to Mugenda and Mugenda (2003) and also Kothari (2004) a response rate of 50 % or more is ideal for data analysis. Based on these assertions from renown scholars 86% response rate is adequate for the study. Results are presented in Table 1.

Table 1:Response rate

	Response	% Response
Successful	60	86%
Unsuccessful	10	14%
Total	70	100%

4.1.1Number of Years In Teaching

The respondents were requested to indicate the years they have taught. Study findings in figure 4.4 indicate that 67% of the respondents indicated that they had been teaching between 1-5 years. A further 20 % has been teaching between 5-10 years, 10% for less than 1 year, while 3% have been teaching for over 10 years. This implies that the teachers had taught the school for a long period of time and therefore they were more likely to be aware of the issues that the questioner

had addressed.

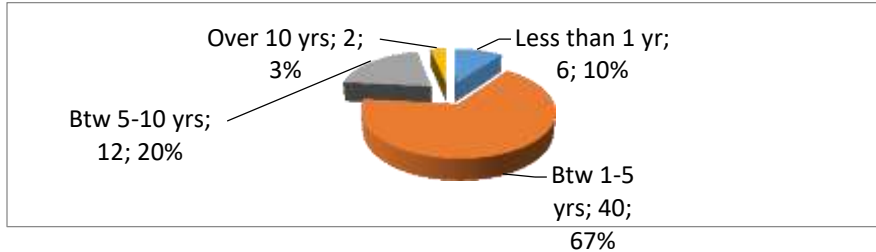


Figure 1: Number

4.22: Level of competition

The respondents were requested to indicate their major competitor(s). Study findings in figure 4.5 indicate that 72% of the respondents indicated that other private schools were major threats. And a further 28% indicated that public schools were their major competitors. This implies that the other private schools posed as major competitors thus leading to competition between private schools.

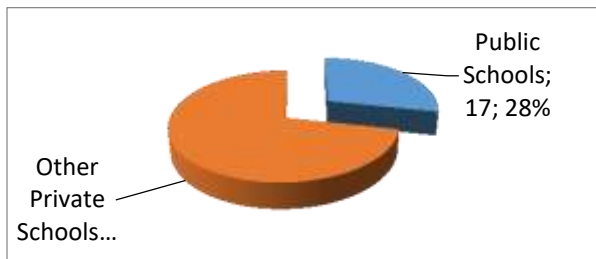


Figure 2: Level of competition

4.3 Level of Performance

The study sought to establish the level of performance of private primary schools in Kenya. Results in table 4.2 indicated that 82% of the respondents agreed with the statement that the school performance in final exams has improved after the introduction of competitive strategies, 85% of the respondents agreed with the statement that the school market share has improved after the introduction of competitive strategies, 89% of the respondents agreed with the statement that the school profitability has improved after the introduction of competitive strategies, 92% of the respondents agreed with the statement that the school reputation has improved after the introduction of competitive strategies, 89% of the respondents agreed with the statement that the parents satisfaction and loyalty to the school has improved, 85% of the respondents agreed with the statement that the employee (teaching and non teaching) morale has improved.

The findings agree with those in Yu (2009) who carried out a study on principal leadership for private schools improvement, the Singapore perspective. The study concluded that those effective principals are able to establish trust, create structures that promote principal-teachers communication and maintain a high level of moral values and also that the private school industry

has emerged not only as a complementary sector to the traditional school sector, but also as a profit-making industry. The findings also imply with those of Powel (2001) who assert that among the possible relationships between organizational capabilities, competitive advantage and performance, a direct relationship between organizational capabilities and competitive advantage likely exists rather than a relationship straight from that to performance.

Table 2:Level of Performance

	strongly disagree	disagree %	neutral %	agree %	strongly agree %
The school performance in final exams has improved after the introduction of competitive strategies	1,2%	4,7%	6,10%	37,62%	12,20%
The school market share has improved after the introduction of competitive strategies	1,2%	7,12%	1,2%	20,33%	31,52%
The school profitability has improved after the introduction of competitive strategies	1,2%	1,2%	5,8%	37,62%	16,27%
The school reputation has improved after the introduction of competitive strategies	1,2%	1,2%	3,5%	37,62%	18,30%
The parent's satisfaction and loyalty to the school has improved	1,2%	5,8%	1,2%	40,67%	13,22%
The employee (teaching and non-teaching) morale has improved	1,2%	1,2%	1,2%	37,62%	20,33%

4.4 Cost Leadership Competitive Strategies

The study sought to establish the cost leadership competitive strategies of private primary schools in Kenya. Results in table 4.3 indicated that 95% of the respondents agreed with the statement that the school has increased its branches and employees so as to achieve economies of scale, 95% of the respondents agreed with the statement that the school has increased its expenditure in ICT and automation to manage administration costs, 95% of the respondents agreed with the statement that the school deliberately seeks cheap ways of raising funds or access to capital required for investment, 82% of the respondents agreed with the statement that the school has a procurement

function in place to manage procurement costs, 90% of the respondents agreed with the statement that the bank invests for efficiency in the branches.

The findings imply with those of Porter (1998) who asserts that Firms that succeed in cost leadership strategy usually have adequate capital, skills experience and efficient distribution channels; the cost advantage protects a firm from new entrants hence reducing competition. However Christensen (1997) also finds that the risk of cost leadership is that competitors may leap frog the technology and production capabilities hence eliminating the competitive advantage acquired from cost reduction.

Table 3: Cost Leadership Competitive Strategies

	disagree		disagree		strongly neutral	strongly agree
	%	%	%	%	%	%
The school has increased its branches	1,2%	1,2%	1,2%	21,35%	36,60%	and employees so as to achieve economies of scale
The school has increased its expenditure in ICT and automation to manage administration costs	1,2%		1,2%	1,2%	31,52%	26,43%
The school deliberately seeks cheap ways of raising funds or access to capital required for investment	1,2%		1,2%	1,2%	37,62%	20,33%
The school has a procurement function in place to manage procurement costs	1,2%		6,10%	4,7%	15,25%	34,57%
The school invests for efficiency in the branches	1,2%		1,2%	4,7%	13,22%	41,68%

4.5 Differentiation Competitive Strategies

The study sought to establish the differentiation competitive strategies of private primary schools in Kenya. Result in table 4.4 indicated that 55.92 % of the respondent agreed that the school has invested in Research on better teaching methods, 53.88% agreed that school provides a variety of extra curricula subjects eg Art, Music and Scouting, 57.95% agreed that the school provides a variety of curriculums-GCSE and KCPE, 57.95% agreed that The school has a variety of marketing aspects e.g. through the internet, Radio and TV. Fifty-three point eight nine percent of the respondent agreed that the school has alternative learning channels e.g. e-learning. The findings imply with those of Metropolitan Center for Urban Education (2008) conducted a study on Culturally Responsive Differentiated Instructional Strategies and concluded that teachers who differentiate instruction recognize that students differ in many ways, including prior knowledge and experiences, readiness, language, culture, learning preferences, and interests and they realize they must change the way they teach in order to reach all students thus through differentiated instruction, students will get to the same place, but take different paths.

Table 4.: Differentiation Competitive Strategies

	disagree		neutral	agree	agree	strongly	strongly
	%	%	%	%	%		
The school has invested in Research on better teaching methods	1,2%		1,2%		3,5%	10,17%	45,75%
The school provides a variety of extra curricula subjects eg Art, Music, Scouting	1,2%		1,2%		5,8%	18,30%	35,58%
The school provides a variety of curriculums- GCSE and KCPE	1,2%		1,2%		1,2%	19,32%	38,63%
The school has a variety of marketing aspects e.g through the internet, Radio,TV	1,2%		1,2%		1,2%	28,47%	29,48%
The school has alternative elearning	1,2%	1,2%	5,8%	19,32%		34,57%	learning channels e.g

4.7 Focus Competitive Strategies

The study sought to establish focus competitive strategies of private primary schools in Kenya, 50.84 % of the respondent agreed that the school focuses on GCSE curriculum, 49.82% agreed that school the school focuses on students from the affluent class, 48.79% agreed that the school focuses on student from the middle class, 53.89% agreed that the school also focuses on international student .Finally 49.82% of the respondent agreed that the school focuses on special subjects. The study imply with those of Porter (1998) that focus strategy involves targeting a particular market segment. This means serving the segment more efficiently and effectively than the competitors. Consequently, focus strategy can be of cost leadership or differentiation aimed at a narrow market segment.

Table 1: Focus Competitive Strategies

¹ .6 Multi Variate Regression

Regression results in Table 4.6 indicate the goodness of fit for the regression differentiation, focus, cost of leadership and level of performance is satisfactory. An R squared of 0.562

	strongly disagree %	disagree %	neutral %	agree %	strong ly agree %
The school focuses on GCSE curriculum	4,7%	5,8%	1,2%	28,47%	22,37%
The school focuses on students from the affluent class	3,5%	5,8%	3,5%	27,45%	22,37%
The school focuses on student from the middle class	7,12%	1,2%	5,8%	22,37%	25,42%
The school focuses on international students	1,2%	1,2%	5,8%	28,47%	25,42%
The school focuses on special subjects	3,5%	5,8%	3,5%	25,42%	24,40%

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.750 ^a	.562	.539	.44502

a. Predictors: (Constant), focus, cost leadership, differentiation

Anova statistics in table 4.7 indicate that the overall model was significant. This was supported by an F statistic of 23.981 and p value of 0.000. The reported probability was less than the conventional probability of 0.05 (5%) significance level.

Table . 6:Anova

indicates that 56.2. % of the variances in the level of performance are explained by the variances in focus, cost of leadership and differentiation

Table 5:Model Summary

Model	Sum of Squares	df	Mean Square	F	Sig.
1					
Regression	14.248	3	4.749	23.981	.000 ^a
Residual	11.090	56	.198		
Total	25.338	59			

a. Predictors: (Constant), focus, cost_leadership, differentiation

b. Dependent Variable: level_of_performance

Regression coefficients in table 7 indicate that the relationship between differentiation, and level of performance is positive and significant ($b_1=0.479$, p value 0.000). The findings imply that differentiation has a significant effect on level of performance and an increase in differentiation by one unit leads to an increase in performance by 0.479 units

The findings agree with those in Shell Education (2007) who carried out a research on applying differentiation strategies and concluded that applying differentiation strategies offers teachers a step in the right direction for meeting the challenges of teaching toward diverse student needs.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-.525	.643		-.817	.418
Cost leadership differentiation	.142	.195	.113	.732	.467
	.479	.152	.493	3.150	.003

focus	.461	.107	.389	4.302	.000
-------	------	------	------	-------	------

a. Dependent Variable: level_of_performance

5.0 DISCUSSION CONCLUSIONS AND RECOMMENDATION

The first objective was to find out whether Differentiation Competitive Strategies influenced level of performance. It was found that Differentiation Competitive Strategies was important in improving level of performance and it was statistically significant. The Second objective was to establish whether Cost Leadership Competitive Strategies affect the level of performance. Results showed that Cost Leadership Competitive Strategies influenced level of performance positively. However, the positive relationship was not significant. The third objective of the study was to explore the influence of Focus Competitive Strategies on level of performance. The study findings showed that the effect of focus competitive strategy was statistically significant and positive

5.1 Conclusions

Based on the objectives and the findings of the study the following conclusion can be made. Competitive strategies are a key driver to improved level of performance. This kind of finding is a familiar as it has been supported by other scholars and hence highlighting the need for crafting competitive strategies in performance.

Cost leadership was found to affect level of performance in a positive manner. However, its effect was insignificant. Cost leadership strategy usually includes adequate capital, skills experience and efficient distribution channels; the cost advantage protects a firms from new entrants hence reducing competition.

Focus Competitive Strategies was found to positively affect level of performance. The relationship was positive and significant. Hence, employing focus strategies such as focusing on GCSE curriculum, focusing on students from the affluent class, focusing on students from middle class, international students and focusing on special subjects may improve school performance.

Differentiation strategy was found to be effective in performance improvement. It can be concluded that use of differentiations strategies such as offering GCSE curriculum, e-learning, research and development, xtra-curriculum activities (music and arts) improve performance.

5.2 Recommendations

Based on the results, findings and conclusions, the following are the recommendations.

Schools should employ differentiation strategies such as offering GCSE curriculum, e-learning, research and development, extra-curriculum activities (music and arts) and rebranding as well as marketing through differentiate channels. This would improve school performance.

Schools should employ focus strategies such as focusing on GCSE curriculum, focusing on students from the affluent class, focusing on students from middle class, international students and focusing on special subjects as doing so may improve school performance

Awareness and knowledge on differentiation strategy to be created among both private and public schools. As this initiative will help and enable the Kenyan Government develops strategies for the realization of Vision 2030, in which the government hopes to transform the country economy to a globally competitive because education is key to realizing this dream. Education financing needs to be given priority as the access to cheap capital may improve the adoption technologies and more investment. Microfinance institution, Sacco's ,banks and government lending institutions needs

to develop financing products to cater for technology adoption as doing so would improve education and level of performance.

5.3 Areas for Further Study

Arising from the findings and the gaps in the study a replica study is recommended in another public schools or firm in order to test whether the conclusions of this study will hold true. Another study could be carried out to include other potential drivers of performance like, working conditions, employee transport, medical cover, company image and management style

REFERENCES

- Ansoff, I. (1988). *Corporate Strategy*. 2nd Edition. McGraw – Hill. New York.
- Barney, J. B. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, Vol. 17, No. 1, pp. 99-120.
- Barney, J. B. (2001a). Is the resource-based "view" a useful perspective for strategic management research? Yes. *Academy of Management Review*, 26: 41-56.
- Barney, J.B. (1986). Strategic factor markets: Expectations, luck, and business strategy. *Management Science*. Vol. 32, No. 10, pp. 1231-1241.
- Barney, J.B. (2001b). Resource-based theories of competitive advantage: A ten-year retrospective on the resource-based view. *Journal of Management*, 27 (2001): pp. 643-650.
- Barney, J.B. (2007). *Gaining and sustaining competitive advantage*, 3rd edition. Upper Saddle River, NJ: Pearson Education.
- Burden, R. and Proctor, T. (2000). Creating a sustainable competitive advantage through training. *Team Performance Management*, Vol. 6 No. 5/6, 2000, pp. 90-97.
- Chen, Y (2013). The study of marketing strategies of higher education institutions in Taiwan under competitive market environment. *Business and Information* 2013
- Christensen, C.M. (1997). *The innovator's dilemma: When new technologies cause great firms to fail* (1st Ed.). Harvard Business Press.
- Conner, K.R. (1991). A historical comparison of resource-based theory and five schools of thought within industrial organization economics: Do we have a new theory of the firm? *Journal of Management*, Vol. 17, No. 1, pp. 121-154.
- Coulter, M (2002). *Strategic Management in Action* (2nd edition). Prentice Hall. New Delhi.
- Cousins, P.D. (2005). The alignment of appropriate firm and supply strategies for competitive advantage. *International Journal of Operations & Production Management*, Vol. 25, No. 5, 2005, pp. 403-428.

- Fahy, J. (2000). The resource-based view of the firm: some stumbling-blocks on the road to understanding sustainable competitive advantage. *Journal of European Industrial Training*, 24/2/3/4 [2000] 94-104.
- Fahy, J., Farrelly, F. and Quester, P. (2004). Competitive advantage through sponsorship: A conceptual model and research propositions. *European Journal of Marketing*, Vol. 38 No. 8, 2004, pp. 1013-1030.
- Flint, G.D. and Van Fleet, D.D. (2005). A comparison and contrast of Strategic Management and Classical Economic concepts: Definitions, comparisons, and pursuit of advantages. *Journal of Business Inquiry*, 2005. Utah Valley State College, USA.
- Flint, G.D. and Van Fleet, D.D. (2005). A comparison and contrast of Strategic Management and Classical Economic concepts: Definitions, comparisons, and pursuit of advantages. *Journal of Business Inquiry*, 2005. Utah Valley State College, USA.
- Gibbons, S. Machin S., and Silva, O (2005). *Competition, Choice and Primary School Performance*. Retrieved from <http://www.cepr.org/meets/wkcn/3/3525/papers/gibbons.pdf>
- Hamel, G. & Prahalad, C.K. (1995). Thinking differently. *Business Quarterly*, 59(4), 22-35.
- Huang, H., Binney, W., & Hede, A (2011). *Strategic marketing of educational institutions*. Retrieved from <http://anzmac2010.org/proceedings/pdf/anzmac10Final00468.pdf>
- King, A.W. (2007b). Disentangling interfirm and intrafirm causal ambiguity: A conceptual model of causal ambiguity and sustainable competitive advantage. *Academy of Management Review*, Vol. 32, No.1, 156-178.
- Liao, S.H. and Hu, T.C. (2007). Knowledge transfer and competitive advantage on environmental uncertainty: An empirical study of the Taiwan semiconductor industry. *Technovation*, 27 (2007) 402-411.
- Lin, B.W. (2003). Technology transfer as technological learning: a source of competitive advantage for firms with limited R&D resources. *R&D Management*, 33, 3, 2003. 327-341.
- Ma, H. (1999a). Anatomy of competitive advantage: a SELECT framework. *Management Decision*, Vol. 37 No. 9, 1999, pp. 709-718.
- Ma, H. (1999b). Creation and preemption for competitive advantage. *Management Decision*, Vol. 37 No. 3, 1999, pp. 259-267.

- Ma, H. (2004). Toward global competitive advantage: Creation, competition, cooperation and co-option. *Management Decision*, Vol. 42 No. 7, 2004, pp. 907-924.
- Ma, H. (2000). Competitive advantage and firm performance. *Competitiveness Review*, 2000, Vol. 10 Issue 2, p16, 17p.
- Mills, J., Platts, K. and Bourne, M. (2003). Competence and resource architectures. *International Journal of Operations & Production Management*, Vol. 23, No. 9, 2003, pp. 977-994.
- Molina, M. A., Pino, I. B. & Rodriguez, A. C. (2004). Industry, management, capabilities and firms' competitiveness: an empirical contribution. *Managerial and Decision Economics*, 25, 265-281.
- Moser, M (2005). *School Size Matters: small school responses to the market*. Retrieved from <http://www.leeds.ac.uk/educol/documents/143570.htm>
- Mugenda, A., AndMugenda, O. 2003. *Readings in Research Methods: Quantitative and Qualitative Approaches*. African Centre for Technology Studies, Nairobi, Kenya
- Newbert, S. L. (2007). Empirical research on the resource-based view of the firm: An assessment and suggestions for future research. *Strategic Management Journal*, 28 (2), 121-146
- Pearce, J and Robinson R. (2000). *Strategic management: Formulation, implementation and control* (7th Ed.). McGraw-Hill.
- Peteraf, M.A. and Bergen, M.E. (2003). Scanning dynamic competitive landscapes: A marketbased and resource-based framework. *Strategic Management Journal*, Vol. 24, 2003, pp. 1027-1041.
- Porter, M.E. (1991). Towards a dynamic theory of strategy. *Strategic Management Journal*, 12(8): 95-117, Winter 1991.
- Porter, M. E. (1996). What is strategy? *Harvard Business Review*, November–December, 61-78. The value chain.
- Porter, M.E (1980). *Competitive strategy*. The Free Press, New York
- Porter, M.E. (1998). *Competitive strategy: Techniques for analyzing industries and competitors*. Free Press.
- Porter, M.E. and Kramer, M.R. (2006). Strategy and society: The link between competitive advantage and corporate social responsibility. *Harvard Business Review*, December 2006.

- Porter, M.E. (1985). *Competitive advantage: Creating and sustaining superior performance*. Free Press, New York, NY.
- Powell, T. C. (2001). Competitive advantage: Logical and philosophical considerations. *Strategic Management Journal*, 22(9), 875-888.
- Price Waterhouse Coopers-PWC (2013). *How can Canada's higher educational institutions stay competitive?*. Retrieved from <http://www.pwc.com/ca/en/public-sector-government/canada-higher-education-competition.jhtml>
- Raduan, C. R, Jegak, U., Haslinda, A., Alimin, I. I. (2009). Management, Strategic Management Theories and the Linkage with Organizational Competitive Advantage from the Resource Based View. *European Journal of Social Sciences – Volume 11, Number 3 (2009)* 402
- Rothschild, W. E. (1984). Surprise and the competitive advantage. *Journal of Business Strategy*, Vol. 4 Iss: 3, p.10-18.
- Thompson, A. Strickland, J. (1998). *Crafting and implementing strategy, texts and readings* (10th Ed.). McGraw- Hill, New York.
- Tuan, N. M. & Yoshi, T. (2010). Organizational Capabilities, Competitive Advantage And Performance In Supporting Industries In Vietnam. *Asian Academy of Management Journal*, 15(1), 1-21.

