Competitive Advantage for Universities in Kenya: A Qualitative Study
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Abstract - The purpose of this paper is to explore the factors that make universities gain Competitive Advantage in Kenya.

Design/methodology/approach – This is an exploratory qualitative research. A total of 378 respondents from 17 universities participated in the research. A questionnaire comprising of two open ended research questions was distributed to both students and faculty. Thereafter data was analyzed through thematic analysis.

Findings – Regarding how universities enhanced quality, five themes emerged namely: research, staff focus, student focus and governance and planning. As to the sources of competitive advantage four themes emerged; strong brand name, research, methodology of teaching and learning environment.

Research limitations/implications – The study has been carried out only among universities operating in Kenya. Furthermore, the study has been only in service industry. This limits applicability to universities operating outside Kenya and other non-service industry.

Practical implications – The study supports developing and focusing on distinctive competences in order to gain competitive advantage. Management then need to work on crafting strategies that best combines resources in order to generate sustainable competitive advantage.

Originality/value – This is one of the first studies that focuses on competitive advantage of universities in Kenya and uses the resource based view to anchor the research.

Keywords - Competitive advantage, core competencies, distinctive competencies, intangible assets, universities, organizational performance

I. INTRODUCTION

Higher Education industry has seen growth the past decade leading to intense competition. Wahlers and Wilde (2011) notes that national and international competition in the university sector continues to grow while demand for stakeholders is high. Cubillo, Sanchez and Cervino, (2006) observe that competition among universities is increasing with universities entering into joint ventures and franchise operations. Messah (2011) notes that intensity of competition has led to some universities have relatively low student enrolment. As a result of this, the need for universities to build competitive advantage is self-evident, calling for strategies that can make the universities to thrive and prosper is evident (Taylor & Darling, 1991; Nicholls, Harris, Morgan, Clarke, & Sims, 1995; Coates, 1998; Canterbury, 1999; Hasan, 2008).

Over the past few years new universities have emerged and a number of colleges have been upgraded to universities (Onsongo, 2007; Gudo, Oel, & Oanda, 2011). This phenomena has resulted to increase in competition among universities since services offered are similar and customers have options to choose from (Ugboma, Ogwude, Ugboma, & Nadi, 2007; Hasan, 2008; Cerri, 2012; Wahlers & Wilde, 2011). While competition improves services on one hand, on the other it makes some to compromise on the services just to locking them in. In the recent years quality has become an important competitive strategy in the global market (Wit & Meyer, 2005; Hasan, 2008; Cuthbert, 1996; Hanaysha, Abdullah, & Warokka, 2011; Deshields, Kara & Kaynak, 2005; Jaspreet, 2009).

Competition has also intensified due to the increase in number of degree choices making prospective students have a wider variety of universities from which to choose from (Cubillo, Sanchez, & Cervino, 2006). In today’s competitive academic environment where students have many options available to them, factors that enable universities to attract and retain students should be seriously studied (Hasan, 2008). Universities which want to gain competitive edge in the future, may need to begin searching for effective and creative ways to attract, retain and foster stronger relationships with students.

According to Sawyerr (2004) Africa has seen rapidly increasing number of private universities and private wings (self-sponsored students) of public universities. This has resulted to numerous challenges especially to private universities. Some of the challenges include: maintaining a steady supply of students who can afford to pay for private university education, stiff competition from their public universities counterpart who have introduced parallel degree courses for full paying students, aggressive competition from foreign universities who have launched an aggressive campaign for recruiting local students and, offering specific and narrow programs (Oketch, 2004). From this intense competition in the industry we ask the question, what significant competitive advantages do universities have and do such lead them to better performance?

II. RESEARCH OBJECTIVE

The assumption of this research is that understanding elements that lead to competitive advantage would result to better service delivery. This assumption is in line with resource based view theory of (Barney, 1991). This research therefore seeks to explore the competitive advantages that universities possess and assess whether they are significant and lead to organizational performance. The specific objectives are (a) to find out the core and distinctive...
competences that universities have in relationship to organizational performance (b) to explore if the core competences and distinctive competences significantly influence on organizational performance of universities.

III. BACKGROUND

The following section presents a review of most relevant approaches presented in literature to measure competitive advantage and organizational performance. The section begins by reviewing the concept of organizational performance and thereafter the frameworks of competitive advantage.

A. Concept of Organizational Performance


The concept of organizational performance can be explained by the Expectation Disconfirmation theory which argues that ‘satisfaction or performance is related to the size and direction of the disconfirmation experience that occurs as a result of comparing service performance against expectations’ (Ekinci & Sirakaya, 2004). According to the theory, individuals anticipate a specific level of service when they are about to engage in a purchase transaction (Oliver, 1977). A positive disconfirmation occurs when service performance exceeds initial expectations, which leads to higher satisfaction, while as, a negative disconfirmation takes place when service performance falls short of what was originally expected, which causes lower satisfaction (Yi, 1990).

Szymanski and Henard quoted in Petrick (2004) found in the meta-analysis that the disconfirmation paradigm is the best predictor of customer satisfaction. Basically, satisfaction is the result of direct experiences with products or services, and it occurs by comparing perceptions against a standard. Research also indicates that how the service was delivered is more important than the outcome of the service process, and dissatisfaction towards the service often simply occurs when guest’s perceptions do not meet their expectations (Mattila & O’Neill, 2003). Performance in this research was measured by financial, but by marketing parameters. These measures are conceptualized by Mazzarol and Soutar (1999) who conceptualized performance in terms of demand for places of study.

B. Competitive Advantage

Competitive advantage occurs when an organization acquires or develops an attribute or combination of attributes that allows it to outperform its competitors (Eden & Ackermann, 2010). These attributes can include access to natural resources, or access to highly trained and skilled personnel human resources, new technologies. The following section points out some of the parameters of competitive advantage.

(a) Resource Based View Theory

The resource-based view adopts an internal perspective to explain how a firm’s unique internal resources serve as a basis for its strategy and performance. Resource heterogeneity means that different firms hold different resource portfolios and that these differences produce variability in performance across firms (Wernerfelt, 1984; Barney, 1991; Peteraf, 1993). Although firms may attempt to imitate resources held by successful competitors, or at least to replicate their benefits, resource bundles remain heterogeneous due to imperfect inimitability, created by ‘isolating mechanisms’ (Rumelt, 1984). Barney (1991) examines the link between firm’s resources and sustained competitive advantage. Four empirical indicators of the potential of firm’s resources to generate sustained competitive advantage—value, rareness, inimitability, and non-substitutability — are discussed. The model is applied by analyzing the potential of several firms’ resources for generating sustained competitive advantage.

Sustained competitive advantage can only be achieved when the resource is valuable, rare, is difficult to imitate, has no substitutes and is taken advantage by the organization. If a resource lacks some of these can only give temporary competitive advantage or competitive parity or can even be a disadvantage to an organization. Therefore, in order to gain and sustain competitive advantage, organizations need to evaluate resources that give them sustained distinctive competence and build them.

According Pearce and Robinson (2007) resources are classified into three basic groups tangible, intangible assets and organizational capabilities. Tangible assets are physical and financial means a company uses to provide value to its customers. They are the types of resources found on a firm’s balance sheet. They include production facilities, raw materials, financial resources, real estate and computers. Although tangible resources may be essential to a firm’s strategy, because of their standard nature, they are only occasionally a source of competitive advantage. Intangible assets are resources such as brandnames, company reputation, organizational morale, technical knowledge, patents and trademarks, and accumulated experience within an organization. These assets often play important roles in making a firm gain and sustain competitive advantage.

(b) Michael Porter’s five-forces theory

The ultimate aim of competitive strategy is to cope with and ideally to change those rules in the firm’s favor (Porter, 1998). The rules of competition in a service are embodied in entry of new competitors, threat of substitutes, bargaining power of buyers, bargaining power of suppliers and the rivalry among existing competitors. Educational strategists should be more concerned with two out of the five forces of Porter (1979): the threats of new entrants...
C. Generic strategies

The second contribution of Porter (1985) derives from the five-forces known as generic competitive strategies of cost leadership, differentiation, and focus. Porter argued that by adeptly pursuing the cost leadership, differentiation, or focus strategies, which are also known as generic strategies, businesses can attain significant and enduring competitive advantage over their rivals (Porter, 1998).

A number of empirical and theoretical studies have been conducted to test the validity of Porter’s generic strategies (Galbraith & Schendel, 1983). A study by Porter (1985) unveiled that Competitive strategy depends on the positioning of the organization within its environment, particularly its industry and its ability to defend itself against competitive forces, or influence them in its favour. According to Hamel and Prahalad (1994) distinctive competencies which allow an organization to outperform its competitors. Competitive advantage comes as a result of identifying specific ways in which an organization can differentiate its products or services and promoting those differences that will appeal mostly to its target market (Baharun, 2002). Joseph and Joseph (2000) state that courses, career information, physical aspects and facilities are critical issues that must be kept in mind when educational institutes are trying to create sustainable competitive advantages in marketing strategies.

A study by Dirisu, Iyiola and Ibiuduni (2013) which was carried out in Unilever Nigeria found out that product differentiation as it is an important instrument for achieving competitive advantage which leads to greater organizational performance. A study by Ngogu and Sakwa (2012) showed that private universities that gained competitive advantages had the following components: embraced technology and differentiated their products/services through innovation.

A study by Al-alak and Tarabieh (2011) which was carried out in Jordan unveiled that customer orientation contributes positively to organizational performance by providing innovation differentiation and market differentiation. A study by Ismail, Rose, Abdullah, and Uli (2010) which was carried out in Malaysian Manufacturers found out that only the age of firms is a significant moderator in the relationship between competitive advantage and performance, and that this relationship is stronger for older firms.

In a study done by Lynch and Baines (2004) in United Kingdom universities found out that universities possess the resources such as knowledge-based, reputational, innovative and architectural related advantages. A study done in Israel by Carmeli and Tishler (2004) concluded that intangible resources and capabilities are more critical to firm performance than environmental and structural factors. A study by Mazzarol, Hosie and Jacobs (1998) which was carried out in Asia-Pacific region found out that institutions seeking to obtain a competitive advantage need to make effective use of information technology in order to assist them with both promotion and service delivery tasks.

While as there are a number of studies that relate components of competitive advantage to organizational performance, many of them are in the industry other than higher education and the relationship remains unclear. Moreover, most of the studies recorded are carried out outside the context of Kenya and Africa. However, scant literature both theoretical and empirical on the relationship is revealed on the relationship between Competitive Advantage and Organizational Performance in universities in Kenya. There are also inconsistent findings noted in the literature. This makes one to wonder whether the same findings could be relevant to the Kenyan context or they will be mere assumption. This therefore, questions the reliability and applicability to the Kenyan context which is faced with different challenges. The researcher finds it crucial to find out what makes universities competitive and what factors lead to organizational performance of universities. This study therefore, sought to fill these gaps and add to the body of knowledge by focusing on factors that can lead to competitive advantage in universities in Kenya. From the literature originates two questions:

1. How do universities enhance quality?
2. What are the factors that make universities to stand out from others?

IV. METHODOLOGY

This research used cross sectional survey research design. The study was also exploratory and descriptive designs which is appropriate when the study is vague hence the goal is to improve the final research design by becoming familiar with the basic facts and concerns, developing a picture of what is occurring and determining the feasibility and sense of direction for rigorous follow-up (Burns & Burns, 2010). The population of interest was all universities in Kenya that have a charter and the respondents were lecturers and students. At the time the study was carried out there were 53 universities in Kenya. The respondents who were 378 came from 17 universities. Data was collected by use of open ended questionnaire.
V. RESULTS

A. Demographic Data

The descriptive statistics of the study indicated that 168 (44.4%) of the respondents were male while the remaining 210 (55.6%) were female. The age category of the respondents out of 378 was as follows: 193 (51.3%) of the respondents were between 18-30 years of age, 158 (41.8%) of the respondents were between 31-45 years of age, 21 (5.6%) of the respondents were between 46-55 years of age, while only 6 (1.6%) were over 55 years old. This result illustrates that most of the respondents being students are in the youthful age bracket of 18-45. Regarding the profession of the respondents 306 (81.0%) were students and 72 (19.0%) were members of faculty. As for the educational level of the respondents: 9 (2.4%) were for certificate, 76 (20.1%) diploma, 186 (49.2%) BA Degree, 83 (22.0) Master’s Degree, 24 (6.3) were pursuing PhD studies or were lecturing.

B. Reliability

In order to ensure reliability responses were transcribed into Microsoft word by three research assistants. There after open coding was done where by the three research assistants read responses while highlighting words, phrases and sentences that had possible meaning in relation to the research questions. Each highlighted text-unit was assigned a theme on the corresponding column in a programed Excel worksheet. There after axial coding was done in order to reduce the list of general themes. So similar texts were further assigned to similar thematic groups. Thereafter the three research assistants compared their themes agreed on themes based on initial coding. Finally themes that provided significant answers and similarity among the research assistants were taken as final themes for reporting. The following section reports the identified themes.

C. How Universities Enhance Quality

This qualitative questions, how does your university enhance quality, sought to find out the activities that universities engage in in order to enhance quality. Five themes emerged namely (a) research (b) staff (c) student (d) governance and planning.

(a) Research

A number of respondents stated that quality in universities is enhanced through research. This they related to evaluation of continuous improvement, evaluation of impact of alumni services, using suggestion boxes and through the evaluation of the alumni’s performance. The study relate to Boyle and Bowde (1997) who observed that those universities that had commitment to quality invested a lot in systems to assess and improve the quality of their activities thus focused on research. This findings also concur with a hand book for Quality Assurance in Higher Education which advocates for monitoring and evaluation instruments, and activities that aim at improvement. It further points out the external quality assessment, including benchmark activities, external audit or external quality assessment (Inter-University Council for East Africa, 2010).

(b) Staffing

Staffing is another theme that emerged. Respondents pointed out that quality is enhanced through staff commitment which they said depends on a number of motivation ways such as staff remuneration and benefits. The lack of commitment was observed by Archibong (2013) in Nigerian universities in the realm of moonlighting of academic staff a situation where an academic staff takes adjunct positions in different universities while still holding a full time appointment at the same time in another university. Archibong (2013) states that this behavior compromises quality.

The respondents also pointed out that quality is enhanced through proper and effective recruitment of qualified and experienced lecturers. Further, it was stated that once staff are employed they are further trained on the job. Others also pointed out that staff are taken through capacity building seminars focussing on being sensitive to the students and their needs. This concurs with who states that acquisition of a higher degree should not automatically translate to having efficient and competent lectures and further proposes training for quality improvement (Archibong, 2013). The Inter-University Council for East Africa (2010) also point out that an institution should have ways of satisfying itself that the staff members are qualified and competent to conduct the core activities of the institution: teaching and learning, research and community service.

On the contrary other respondents stated that while building and retaining outstanding, diverse faculty, empowering faculty to realize their potential as teacher-scholars is important, some universities were not able to embrace the culture of motivating faculty, hence faculty resort to moonlighting. This they said compromises on quality.

(c) Student-Feedback

Quite a number of respondents pointed out that they enhance quality through acting upon student’s evaluation or feedback. On the same note others stated that quality was enhanced through student placement or internship programs that made students be developed in holistic manner. Further respondents mentioned extra-curricular activities such as community service and clubs as enhancing quality of universities. Archibong (2013) notes the crucial role that students play to provide feedback. The author proceeds by saying that Student participation in the quality assurance process has great gains such as providing valuable feedback on instruction effectiveness and courses taken, promotion of the students’ imbibing of the university’s quality culture, inculcating sense of worth and responsibility into students. Their involvement contributes to improvement of not only their learning experiences but also in the overall development of the educational process. The neglect of ‘students’ input particularly with respect to teaching and learning leaves a gap...
in the university’s effort to improve quality. The study is also supported by the Inter-University Council for East Africa (2010) who add that student feedback is very important especially feedback from the labour market and from the alumni.

(d) Governance and Planning

Another theme that emerged regarding how universities enhance quality through the role which governance and planning play which encompassed improvement of structures, continuous review of policies, ambience and improvement of technology. It was stated that governance and planning are the ones tasked to see to it that there is a conducive environment for learning. This finding is supported by Inter-University Council for East Africa (2010) and Salmi (2009) which point out that institutions should have good management that sets clear procedures to ensure that the quality of the facilities needed for student learning are adequate and appropriate for each program offered. Also governance and planning looks into improvement of technology which supports e-learning and e-library. This relates to Archibong (2013) who underscores that physical facilities are a necessary component to enhance quality.

As noted in the above section literature point towards two groups of mechanisms for enhancing quality namely external and internal. External mechanisms include accreditation of programs, peer review, validation, quality audit and International standardizations of Organizations (ISO). As for the internal mechanisms, self-evaluation, self-accreditation, educational assessment and student/staff feedback (Endut, 2014).

D. Factors that make universities to stand out from others

The qualitative question wanted to explore the unique aspects that universities have that make them outperform others. Four themes emerged namely strong brand name, research, teaching methodology and learning environment.

(a) Strong brand name

The research found out that strong brand name comprising unique programs, cultural diversity, ratio of student and lecturer, diverse programs, values and employability of alumni made universities to stand out. Regarding unique program respondents mentioned that unique programs makes the graduates stand and makes them to be more competitive in the job market. Cultural diverse universities had an appeal to the job market because were termed to be of international standard cutting across tribal lines.

The finding also showed preference to universities that had a better student teacher ratio. This is finding relates to the criteria for university ranking. This indicator aims to identify the universities that are best equipped to provide small class sizes and a good level of individual supervision (Top Universities, 2015). The finding also relates to Akinsolu (2010) who support moderate student lecturer ratio for effective learning.

Regarding value standards, most respondents stated that those universities that upheld moral values stood out from others. Across board the issue of employability of graduates was often mentioned. Those universities that had reputation of releasing their graduates into the job market were termed to be above others. The finding correlate with the criteria for being university rating. According to (Top Universities, 2015 and Press release, 2015) academic reputation and employer reputation are very important in ranking of universities.

(b) Research

The respondents pointed out that citations and publications by universities make a university stand out. This was supported by World University ranking among the criteria is research (World University Rankings 2013-14 methodology, 2014). A number of respondents pointed out that while research was the ideal in order to stand out from other universities, a number of universities do not put research as priority. Another respondent stated that faculty take too many course or teach in universities hence do not have time to write and contribute to journals. Others pointed out that a number of universities do not support faculty to carry out research and to publish, hence research is looked at as a hobby by those doing it other than a contribution to quality enhancement.

(c) Methodology of teaching

Respondents also identified methodology of teaching as one of the components that made their universities stand out. A number of respondents mentioned holistic education as the kind of methodology of teaching that lead universities to stand out. Holistic methodology takes in consideration teaching the whole person hence blends theory, practice and involves co-curricular activities. This finding is supported by Salmi (2009) who further adds that a high concentration of talented teachers, researchers and students is crucial for ranking because such are open to new ideas and approaches.

(d) Learning Environment

The findings revealed that learning environment in form of ambience consisting of classroom, cleanliness of washrooms, external appearances, location (ease of access), safety and security, ICT integration, friendliness of staff and quality lecturers makes universities stand out. The study is in line with Higgins, Hall, Wall, Woolner and McCaughey (2005) who observe that physical elements in the school environment can be shown to have discernible effects on teachers and learners. In particular, inadequate temperature control, lighting, air quality and acoustics have detrimental effects on concentration, mood, well-being, attendance and, ultimately, attainment. The finding also relates to Akinsolu (2010) who support good learning environment for effective learning.
VI. CONCLUSION

The study sought to find out the Competitive Advantage components that influence Organizational Performance of universities. The study concluded that universities enhanced quality through: research, staff focus, student focus and governance and planning. If further revealed that strong brand name, research, methodology of teaching and learning environment are key components of Competitive Advantage that can enhance universities performance.

The findings lead to theoretical and managerial implications. Theoretically, the study contributes to the general body of knowledge on areas of what components comprise Competitive Advantages of universities by providing basis for linking Competitive Advantage and Organizational Performance.

As for managerial implications, managers of higher learning institutions have become aware of the components of Competitive Advantage that can enhance Organizational Market Performance. The findings of this study can therefore be used by managers in universities who seek to pursue Organizational Performance as a winning strategy in an increasingly competitive industry. Managers need to scale up in creating competitive advantage.

RECOMMENDATIONS FOR FURTHER RESEARCH

This research focused on organizational performance especially in the line of market performance. Future attention should be aimed at unearthing more determinants of Organizational Performance focusing on financial performance. Considering this study was conducted in Kenya, some of the findings might be more appropriate in the Kenyan context. It might not be appropriate for this study to make the claim that the findings are applicable to all service industries. However, it is hoped that the study can be replicated in Kenyan universities with significant consistency. Perhaps today insecurity has become a concern, a study could be done on whether (security) could be a source of competitive advantage.

VII. REFERENCES


