Linking competencies with strategies: the case of small and medium-sized exporting firms in Kenya

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The purpose of this study was to assess the relative importance of management competencies and competitive strategies among Kenyan exporting small- to medium-sized enterprises, and to determine if relationships existed between the managers' ratings of the importance of competencies and the firms' competitive strategies. The stratified random sampling technique was used to select 60 firms from three dominant exporting sectors namely the manufacturing, agricultural and the services. Instrumentation included a standardized instrument and a self-made questionnaire. A survey was the major method of data collection. Data analysis included the use of basic descriptive statistics and the analysis of variance.

The results indicate that while some competencies are equally important (or not equally important) among the small and medium-sized enterprises, other competencies are much more important in one sector type or the other. Furthermore firms differed among themselves (by sector type) with respect to the competitive strategies they used in the export activities. The services sector competed mostly by the differentiation strategy, the manufacturing sector competed mostly on the low-cost strategy while most of the firms in the agricultural sector employed the focus strategy. Firms were also found to be strategically flexible. Lastly, it was found that the relationships between certain competencies and competitive strategies could differ significantly among the exporting firms. The results further showed the importance of a firm's competencies in achieving certain competitive positions.

These findings have both theoretical and practical considerations for the exporting firms, HRD educators and professionals, and researchers. The most significant implications suggest that the relative efficacy of competencies is likely to be context dependent and that sustainable competitive advantages are likely to result if firms increase their competencies on a continuous basis.

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