

## **COMPETITIVE STRATEGIES AND PERFORMANCE OF PRIVATE PRIMARY SCHOOLS**

**Teresia Ndugo**

School of Business and Economics, Daystar University, Nairobi, Kenya

**Joanes Kaleli Kyongo** 

School of Business and Economics, Daystar University, Nairobi, Kenya

[jkyongo@daystar.ac.ke](mailto:jkyongo@daystar.ac.ke)

**Mercy Kanini Njagi Njoroge**

School of Business and Economics, Daystar University, Nairobi, Kenya

### **Abstract**

*The objective of the study was to determine the effect of competitive strategies on the performance of private primary schools and the corresponding hypothesis was formulated and tested. The study targeted 100 employees of 50 selected private primary schools in Kiambu County, Kenya and all of them responded. The study adopted a descriptive research design and purposive sampling. SPSS Version 21 was used to analyze data using simple linear regression analysis. Research findings from the test of hypothesis established that competitive strategies have positive and significant effects on the performance of private primary schools. The study confirms Competition Theory, Stakeholder Theory and Porter's Generic Model which show a close link between the two variables.*

*Keywords: Competitive strategies, Performance, private primary schools, Competition Theory, Stakeholder Theory, Porters Generic Model*

### **INTRODUCTION**

A competitive strategy is an art of creating or exploiting those advantageous aspects that are most telling, enduring and most difficult to copy or terminate (Pulaj, Kume, & Cipi (2015) whereas organizational performance is a collection of financial and non-financial indicators

which provide information on the degree of achievement of objectives (Lebans & Euske, 2006). Although empirical evidence strongly indicate a close link between competitive strategies and performance in private primary schools ( Mbwaya,2007; Ochenje, 2015; Odude, 2013) , most studies on competitive strategies are confined to other contexts such as banking, real estate, manufacturing, and processing.

Methodologically, most of the studies focused on larger population group like private schools in the whole country (Mbwaya, 2007) and others used both private and public primary schools in their samples.

### **Competitive Strategies**

Competitive strategies give the firm an upper advantage in the current business environment. The strategies include cost leadership, differentiation, and focus (Porter, 1992). The cost leadership strategy emphasizes on operations with lower costs to offer relatively cheaper products or services (Pulaj, Kume, & Cipi, 2015). Differentiation strategy entails being distinct and unique from competitors through offering highly customized products or services at premium prices. The focus strategy makes an enterprise to specialize on a narrow market and fulfilling the needs of such a market more effectively than competitors (Kinyuira, 2014).

### **Performance of Private Primary Schools**

The existence of private primary schools and public primary schools implies that parents need to make a choice. There are two models in school choice that is productive efficiency and freedom of choice (Nishimura & Yamano, 2008). Freedom of choice argument is based on the proposition that elements of social justice and civil rights which form part of school choice are highly demanded by citizens. On the other hand, productive efficiency is based on market competition among these learning institutions.

High competition creates strong incentives in private schools aimed at improving productivity (Center for Education Innovations, 2014). Through the perception of availability of adequate resources in private schools, productivity is improved through support facilities, offering bilingual and special education and transportation services. School directors are concerned with maintaining the financial records of the schools (Barrera-Osorio & Zable, 2009). The role of making of critical decisions was delegated to the various groups. For instance, head teachers are concerned with making decisions regarding daily operations and admission and retention of the students. The Board of Directors makes decisions concerning financial decisions like capital development. Hiring, motivating, disciplining and firing of teachers is done by the school owner, the board, school manager and the head teacher (Mbwaya, 2007). In this

study, such performance is viewed in terms of retention of teachers and their level of education; student performance in Kenya Certificate of Primary Education exam; school performance; performance in sports and other co-curricular activities. Other performance metrics included student enrolment rate per annum; annual training session for teachers and administrators; pupil to teacher ratio; teacher attendance rate; number of students in each classroom; rate of technology use by pupils and teachers; number of pupils staying at school.

### **Private Primary Schools in Kenya**

The Kenya Private Schools Association (KPSA) acts as a self-regulatory body that oversees the operations of private schools. The body is made up of managers and proprietors of registered private schools that offer the education curriculum which is approved by the Ministry of Education. KPSA is one of the thematic organizations under the Kenya Private Sector Association (KEPSA) which has the ability to influence policies related to the offering of education by the private sector in Kenya (Center for Education Innovations, 2014).

Kiambu County stands out at a strategic position by neighboring Nairobi and thus acts as a residential to many civil servants and private business people. The county is well endowed with adequate infrastructure in terms of roads, schools, rental houses and apartments. The county acknowledges education as one of the main pillars of economic development because it improves the skills, knowledge and competence of the workforce. Therefore, the county administration supports education through various strategies like fostering early childhood development (County Government of Kiambu, 2017).

Currently, Kiambu has 578 primary private schools (KPSA, 2017). These schools offer the additional learning experience to pupils compared to public schools. For instance, they offer international education and first class learning facilities. Other private schools offer co-educational boarding and day educational services in a family friendly atmosphere which nurtures the community feeling across students (Private Schools, 2017).

### **Competitive Strategies and School Performance**

A study on competitive strategies utilized by private primary schools in Nairobi established that most of the schools' management adopts differentiation strategies to remain distinct and attract a large pool of customers; in this case wealthy students (Mbwana, 2007). A research on private secondary schools in Westlands in Kenya showed that availability of teaching and physical activities in private schools have positive impacts on the Kenya Certificate of Secondary Education performance (Odude, 2013)

In a study done by Racho (2011) to establish the link between competitive strategies and firm performance indicators adopted by Mombasa county private schools, it was found that, private schools in Mombasa County in Kenya have moderate usage of cost leadership and differentiation strategy with significant variations in their adoption. Mwangi (2008) carried out a study to establish the competitive strategies adopted by independent oil companies in Kenya and their link to performance in the market place and established that the independent oil companies in Kenya generally adopted competitive strategies in their operations and realized good performance. In another study conducted by Nthambi (2016) on the impact of competitive strategies on performance of private primary schools in Nairobi, it was established that cost leadership strategy has significant and positive effect on the performance of the sampled private primary schools. For the purpose of this study, the following hypothesis was formulated;  $H_1$ : Competitive strategies have a positive effect on the performance of private primary schools.

## METHODOLOGY

The study adopted a descriptive research design. Primary data was collected from 110 employees of fifty purposely selected private primary schools in Kiambu County, Kenya. A pre-test was done, and based on the pre-test results, the instrument was amended accordingly. Data was analyzed using SPSS version 21. A reliability test was performed and the results are presented in Table 1.

Table 1: Reliability Analysis

Factor	Cronbach's Alpha	Number of Items	Comments
Differentiation strategy	0.741	5	Reliable
Focus strategy	0.720	4	Reliable
Leadership	0.743	4	Reliable
School culture	0.729	6	Reliable
School performance	0.712	10	Reliable

Table 1 shows that, all the alpha values were more than 0.7. Differentiation strategies had an alpha value of 0.741, focus strategy had Cronbach's alpha value of 0.720, leadership strategy had an alpha value of 0.743, and school culture had a Cronbach's alpha value of 0.729, while school performance had Cronbach's alpha value of 0.712. Accordingly, all the Cronbach alpha values were found to be above 0.7 for all the variables and therefore the construct was found to be acceptable. Based on results in Table 4.1 it is clear that the research instrument was reliable with Cronbach's alpha value of above 0.7. These results corroborate with the argument by

Mugenda and Mugenda (2003) that coefficient of 0.6 to 0.7 is a commonly accepted rule of thumb that indicates acceptable reliability and 0.8 or higher indicated good reliability.

## ANALYSIS AND FINDINGS

The study used both descriptive and inferential statistics to analyze the data. Simple linear regression was used to establish the nature and magnitude of the relationship between the independent and the dependent variable and to test the hypothesized relationship. The Beta value shows the amount of change in the dependent variable caused by the independent variable. The F- statistic measures the goodness of fit of the model. The regression model adopted was;  $Y = \beta_0 + \beta_1 X_1 + \epsilon$ , where  $Y$  = performance of private primary schools;  $\beta_0$  = Intercept;  $\beta_1$  = Coefficients;  $X_1$  = differentiation strategy,  $X_2$  = focus strategy and  $\epsilon$  = Error term

### Study Response Rate

The number of questionnaires issued out was 100 and all of them were properly filled in and brought back as shown in Table 2.

Table 1: Response Rate

Category	Frequency	Percentage
Responded	100	100.0
Total	100	100.0

From the results shown in Table 2, out of the 100 questionnaires distributed among the respondents of private primary schools in Kiambu County, 100 of them were received back completely filled contributing to a response rate of 100%.

### Gender of the Respondents

The study sought to establish the gender of the respondents. Table 3 presents the results of the analysis. The output was summarized in table 3.

Table 2: Distribution of the Respondents by Gender

Gender	Frequency	Percentage
Male	68	68.0
Female	32	32.0
Total	100	100.0

The results shown in Table 3 indicated that majority (68 in number) of the respondents were male comprising 68% of the population studied, while the remaining 32 percent was occupied by females. These findings were desirable for the survey to ensure that there was no bias in terms of gender such that the results depict both female and male respondents. This is in accordance with Agbor (2008) who supported that gender affects the leadership approaches among the two genders in relation to competitive strategies for enhancing organizational performance.

### Age Brackets of the Respondents

The study sought to determine how the respondents were distributed across the various age brackets and consequently their opinions on the topic of study. Table 4 is a tabular presentation of the results.

Table 3: Age Brackets of the Respondents

Age Category	Frequency	Percent
Less than or equal to 25 years	8	8
26-35 years	41	41
Above 35 years	51	51
Total	100	100

Table 4 shows that 51 of the respondents (taking 51% of the responses) reported that they were above 35 years of age. The second category comprised of 41 respondents (equal to 41%) whose ages were between 26 years and 35 years, while the remaining eight percent (8 respondents in number) indicated that their ages were less than or equal to 25 years.

This is in accordance with Barrera-Osorio and Zable (2009) that private primary schools employ staff of different age brackets from 18 years but are mainly dominated by middle aged population hence the results depicted in this study are likely to be representative of the real situation regarding the effect of competitive strategies on the performance of private primary schools in Kenya.

### Highest Level of Education

The study sought to establish the highest academic qualifications attained by the respondents. The results are as depicted in Table 5.

Table 4: Highest Level of Education

Academic Qualification	Frequency	Percentage
Diploma education	2.0	2.0
Bachelor's degree	75.0	75.0
Masters level	23.0	23.0
Total	100.0	100.0

The outcomes depicted in Table 5 show that majority of the respondents had at least a university degree and hence understood the information sought by this study. According to the foregoing tabulation, 75% (75) of the respondents unanimously reiterated that they had attained a bachelor's degree level of education. Twenty three percent (23 in number) of the respondents comprised of stakeholders who had attained a master's level of education as their highest level of education, while only two percent (frequency =2) of the respondents had a diploma level of education. These outcomes mean that majority of the respondents had at least a college level of education and hence understood the information sought by this study. These findings further imply that all the respondents were academically qualified and also familiar with their duties and could dispense them effectively in formulation and implementation of competitive strategies for enhancing performance of private primary schools. This is in agreement with Grant (2001) that education equips stakeholders with core capabilities and competencies which enable them in designing strategies that offer the sustainable competitive advantage in the long term.

### Test of the Hypothesis

The study sought to determine the effect of competitive strategies on school performance. A corresponding hypothesis was formulated and tested using linear regression. The results of the analysis are as depicted in Table 6.

Table 6: Effect of competitive strategies on School Performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.757	0.574	0.533	0.912

  

ANOVA						
Model	Sum of Squares	df	Mean Square	F	Sig.	
Regression	1.699	4	0.425	0.891	0.0473	
Residual	45.301	95	0.477			
Total	47.000	99				

**Regression Coefficients**

Variable	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	2.318	0.509		2.552	
Differentiation strategies	0.708	0.632	0.602	1.121	0.0140
Focus strategy	0.482	0.557	0.36	0.563	0.0237

*Predictor Variable: Competitive Strategies      Dependent variable: School Performance*

**DISCUSSION**

Table 6 shows that  $R=0.757$ , meaning that there is a high correlation between competitive strategies and school performance. The coefficient of determination also known as the R square is 0.574. This means that competitive strategies explain 57.4 % of the variation in school performance. This means that only 42.6 % is explained by other factors that are not part of this study. The Analysis of Variance shows that the competitive strategies are a good predictor of performance in Private primary schools. This was supported by an F statistic of 0.891 which was statistically significant ( $p < 0.05$ ). The regression model established becomes:

$$Y = 2.318 + 0.708X_1 + 0.482X_2$$

According to the regression equation established, taking all factors (differentiation strategies, focus strategy and leadership strategy) constant at zero, the performance of selected private primary schools in Kiambu County will be 2.318. The data findings analyzed also shows that taking all other indicators of the independent variables at zero, a unit increase in differentiation strategies will lead to a 0.708 increase in performance of selected private primary schools in Kiambu County all else held constant; a unit increase in focus strategy will lead to a 0.482 increase in performance of selected private primary schools in Kiambu County all else held constant. The findings of the regression analysis are in agreement with findings by Nthambi (2016) who found positive and significant effects of competitive strategies in private primary schools in Nairobi County.

**CONCLUSION**

The study aimed to determine the effect of competitive strategies on the performance of private primary schools in Kiambu County, Kenya. The research adopted a descriptive design. Descriptive and inferential statistics were used to analyze the data. The study tested and confirmed the hypothesis that competitive strategies have a positive and significant effect on the Performance of private primary schools.



## RECOMMENDATIONS

The study recommends the adoption of differentiation and focus generic strategies to academic institutions and other organizations for them to enhance their performance. Further studies can be conducted using one more competitive strategy that is, low cost leadership and operationalizing performance differently or even using competitive advantage as the dependent variable. The variables can also be tried in different contexts.

## REFERENCES

- Barrera-Osorio, F., & Zable, I. (2009). Private School Support Program: A Characterization of the Private Segment of Kenya Educational Sector. Nairobi : World Bank .
- Center for Education Innovations. (2014). Kenya Education Overview. Nairobi: Center for Education Innovations.
- County Government of Kiambu. (2017). County Integrated Development Plan 2013-2017. Kiambu: County Government of Kiambu .
- Grant, R. M. (2001). The Resource-Based Theory of Competitive Advanatage: Implication for Strategy Formulation. *California Management Review*, 114-136.
- Kinyuira, D. (2014). Effects of Porters Generic Competitive Strategies on the Performance of Savings and Credit Cooperatives (Saccos) in Murang'a County, Kenya. *Journal of Business and Management*, 16(6), 93-105.
- KPSA. (2017, May 15). Private Schools in Kiambu. Retrieved from KPSA: <http://www.kpsa.co.ke/institutions/county/22/kiambu>
- Lebens, M., & Euske, K. (2006). A conceptual and operational delineation of performance. *Business Performance Measurement*, Cambridge University Press.
- Mbwaya, K. J. (2007). Competitive Strategies Adopted by Private Primary School in Nairobi Under the 8.4.4 Curriculum. Nairobi : University of Nairobi .
- Mugenda , O., & Mugenda , A. (2003). *Research Methods: Quantitative and Qualitative Approaches*. Nairobi : ACT Press.
- Nishimura , M., & Yamano, T. (2008). School Choice between Public and Private Primary Schools under the Free Primary Education Policy in Rural Kenya . Kobe, Japan : GRIPS Policy Information Center .
- Nthambi, J. (2016). The Effect of Competitive Strategies on Perfomance od Private Primary Schools in Kenya. A Survey of Private Primary Schools in Nairobi. *African Journal of EducationPractice*, 1(2), 53-76.
- Odude, J. A. (2013). Factors Influencing Academic Performance in Kenya Certificate of Secondary Education Examinations in Private Schools in Westlands Division in Nairobi, Kenya . *Masters Thesis* , 1-92.
- Porter, M. E. (2008). The five competitive forces that shape strategy. *Harvard Business Review*, 86(1), 25-40.
- Private Schools . (2017). Marketing private Schools in Kenya. Retrieved from Private Schools : <http://www.privateschools.co.ke/>
- Pulaj, E., Kume, V., & Cipi, A. (2015). The Impact of Generic Competitive Strategies on Organizational Performance. The Evidence from Albanian Context. *European Scientific Journal*, 11(28), 273-285.