

**COMPETITIVE STRATEGIES AND PERFORMANCE OF NON-GOVERNMENTAL  
ORGANIZATIONS IN NYERI COUNTY, KENYA**

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**D53/NYI/29194/14**

**A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF BUSINESS IN  
PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF THE  
DEGREE OF MASTER OF BUSINESS ADMINISTRATION (STRATEGIC  
MANAGEMENT) OF KENYATTA UNIVERSITY**

**JUNE, 2022**

## DECLARATION

This research project is my original work and has not been submitted in any other institution of learning for any academic award.

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This research project has been submitted for examination with my approval as the university supervisor.

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## **DEDICATION**

This research project is dedicated to my husband Desire Mobisa, my daughter Renata Moraa, my sons Reuel Kanogu and Reagan Omwansa. They have been a reliable source of love, encouragement, and undying support in the course of this endeavor and beyond. I am and forever will be very grateful to them for they encouraged me to follow my dreams tirelessly and relentlessly.

## ACKNOWLEDGEMENT

Foremost, I wish to acknowledge and thank all those who encouraged me and went out of their ways to ensure that I successfully completed this research project. The efforts of the lecturers at the Kenyatta University did not go unnoticed. They dedicated their time and effort towards my understanding of the course.

I am gratefully indebted to my supervisor Dr. Waithaka who gave me his full support during the preparation of this research project. He was always available to patiently and enthusiastically motivate me to keep going. He guided me with knowledge and skills that were critical to my successful completion of this research project.

My appreciations also go to my family: My husband Desire, my daughter Renata and my sons Reuel and Reagan for their unfading inspiration, unfailing support, and unwavering encouragement during the time I spent doing this research project.

Thank you and God bless each one of you in abundance.

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## **ABBREVIATIONS AND ACRONYMS**

<b>ANOVA</b>	Analysis of variance
<b>ASAL</b>	Arid and Semi-Arid Lands
<b>CEOs</b>	Chief Executive Officers
<b>EIU</b>	Economist Intelligence Unit
<b>EU</b>	European Union
<b>GDP</b>	Gross Domestic Product
<b>MFI</b> s	Micro Finance Institutions
<b>NACOSTI</b>	National Commission for Science, Technology and Innovation
<b>NGO</b>	Non-Governmental Organizations
<b>PAEA</b>	Practical Action Eastern Africa
<b>SDGs</b>	Sustainable Development Goals
<b>SPSS</b>	Statistical Package for Social Sciences
<b>US</b>	United States
<b>USA</b>	United States of America

## OPERATIONAL DEFINITION OF TERMS

<b>Competitive Strategies</b>	These are long term operational plan of an organization targeting economical advantage over her opponents in the industry and they include cost leadership strategy, differentiation strategy, focus strategy and speed strategy.
<b>Cost Leadership</b>	This is the establishment of a competitive edge by operating with the least operation cost in the industry and usually focuses on Non-Governmental Organizations' competitor strengths, cost minimizing and cheap sourcing.
<b>Differentiation Strategy</b>	Differentiation strategy is the generation of innovative services or products that possess unique characteristics and it is determined by Non-Governmental Organizations' service quality, quality of staff and products/service variety.
<b>Focus Strategy</b>	Focus strategy entails segregating the available markets and it is determined by the Non-Governmental Organizations' strategic location choices, market niche and cost of focus.
<b>NGO's Performance</b>	It refers to Non-Governmental Organizations' performance in terms of donor funding, beneficiary satisfaction, financial security, cost of projects and services, employee satisfaction, community engagement, partners and sponsors satisfaction and service and delivery of projects.
<b>Strategic Speed</b>	This refers to the "swiftness" of action/business operations as measured in units of time. It basically entails processes and timelines, completion rates, operations durations, and Non-Governmental Organizations response speed to donor funding.

## ABSTRACT

Despite their recent growth and contributions to the Kenyan economy, there is increasing pressure on Non-Government Organizations in Kenya to meet their organizational goals and objectives. These difficulties have been attributed to financial challenges and increased competition for resources. The industry is characterized by many Non-Government Organizations which operate seasonally or just few years and then disappearing due to poor organizational performance and poor development of sustainable competitive advantage. Therefore, application of well thought practically applicable competitive strategies is paramount to mitigate the challenges also improve Non-Government Organizations performance. The main objective of this research was to find out the effect of competitive strategies on the performance of Non-Governmental Organizations in Nyeri County, Kenya. Specifically, this research sought to determine the effect of focus strategies, cost leadership strategy, differentiation strategy and speed strategy on the performance of Non-Governmental Organizations in Nyeri County, Kenya. The study was underpinned on the later theories: dynamic capabilities theory, goal setting theory, resource-based theory, the generic framework theory and organization theory. This study used descriptive survey research design. The study's population and sample size were 100 respondents derived including directors, project coordinators, project officers and assistant officers from the 10 registered Non-Government Organizations in Nyeri County. Data was collected via a semi-structured questionnaire, and descriptive and inferential statistics were used to evaluate it. Means and standard deviation were utilized as descriptive statistics, whereas regression and ANOVA were utilized as inferential statistics. The research reveals that focus approach has a positive impact on the performance of non-governmental organizations ( $\beta=0.153$ ,  $p=0.003$ ). Furthermore, differentiation approach has a positive effect on Non-Government Organizations' effectiveness ( $\beta=0.210$ ,  $p=0.000$ ). Additionally, the study found that cost leadership approach has a significant and positive impact on NGOs' performance ( $\beta=0.358$ ,  $p=0.000$ ), whereas speed strategy has a positive and significant impact on Non-Government Organizations' performance ( $\beta=0.199$ ,  $p=0.012$ ). Relying on the finding, the research concluded that Non-Government Organizations usually use differentiation approach to provide goods and services that are in demand by consumer. Furthermore, the study shows that focus strategy has a positive and significant association with the performance of non-governmental organizations. The research also found that implementing a cost leadership approach has a positive and significant impact on Non-Government Organizations effectiveness, and that Non-Government Organizations in Nyeri have implemented the approach. Also, the study concludes that there is maintainable growth within the Non-Government Organizations performance which is as a result of acting and implementing speed strategy. Among the recommendations provided by the study is that Non-Government Organizations should orient themselves as quick to act organizations in order to realize their objectives faster and also tap on the available opportunities of growth.

## CHAPTER ONE: INTRODUCTION

### 1.1 Background of the study

Globally, NGOs comprise a broad category of people's groups and organizations that are solely independent from the government and which have principally humane or collegial in preference of profit goals (DeMars, 2015). To put it in another way, an NGO is any agency, entity, or organization that has been established spontaneously to haunt philanthropic aims without a return-based intent and is ideally independent of the influence or activity of the regime system (Stoddard, 2014). NGOs involve private agencies, indigenous entities organized on regional basis or national basis, and village member groups that promote growth and development. Charitable organizations, trusts and corporations, independent partnerships, neighborhood councils, unions, professional societies, trade associations, consumer groups, and faith-based organizations are examples of non-governmental organizations (NGOs) that mobilize private donations for production, food distribution, family planning programs, and society institution (O'Dwyer & Unerman, 2008).

In developed nations, there are several NGO events and projects. The number of international non-governmental organizations (NGOs) was reported to be about 40,000 (Anheier et al., 2019). In 2016, there was over 400,000 NGOs in Russia, and nearly 280,000 NGOs registered with the government in China, with maybe 50% of this figure unregistered. More than 500,000 non-governmental organizations (NGOs) were involved in India. More than one million NGOs operated in the United States, which was more than double the number in 2000. They employed 10.2 million employees, accounting for 7% of the total labor pool (Clinton, 2019).

Non-governmental organizations (NGOs) were becoming more and more vital in community advancement, notably in backwoods areas where scarcity is estimated to be high (Githae, 2012). The number of development-oriented Non-Governmental Organizations (NGOs) registered in developed North countries "increased to 2,970 in 1993 from 1,600 in 1980." It has also been indicated that "In current rates, the overall expenditure of these NGOs increased from US\$2.8 billion to US\$5 billion over the same time span. In 1993, there existed approximately 28,900 global non-governmental organizations (NGOs) in the country, with around 20,000 of them in Third World countries (Thomas, 2011).

NGOs are better at promoting input supply into management processes, interceding amidst persons and the larger political parties, networking, dissemination of information, and policy changes in Africa (O'Brien & David, 2014). As a result, they raised to cliff as important advancement organization whose exercise were complementary to the state effort. In essence, NGOs in Africa acted as the primary outlet for propagating western subsidize; for example, the US government streams approximately 40% of its assistance nourishment to Africa through NGOs. The NGOs working in Africa are responsible for distributing between 10% and 20% of entire relief to the continent. Hull and Lio (2016) adds that this is due to the elements or features of global Non-Government Organizations incursions, which are changing swiftly.

More than ever before, Non-Governmental Organizations were facing competitive pressures. In order to thrive, these businesses engaged in acceptable competitive conduct (Olson & Slater, 2015). NGOs therefore strived by adopting and implementing strategies geared towards their sustainability and these need to be developed from the main competencies that brought about long-term benefits to the organization (Gardener & Weiss, 2015). Contemporary studies still debate about sustainability issues and avers that most NGOs have not developed sustainable competitive advantage and they lack competencies for transient competitive advantages (Ayyildiz & Akmermer, 2017).

Creation of competitive advantage that is sustainable was the most attributable feature that NGOs focused on as they endeavored in their objectives (Gordenker & Weiss, 2015). According to Hull and Lio (2016) the competitiveness creation process entailed development of conquering competitive approaches that aimed at taking action to competitive threats, reviewing unmatched strengths, gathering competitive intelligence and categorizing growth opportunities. This was critical in helping the NGO achieve its growth and expansion goals by enabling it to innovate and carve out a sustainable and distinct competitive niche. The necessity of effective strategies thereby comes in if organizations were to uniquely stand in relation to their performance. The competitive force(s) that were strongest determined the performance of any organization and therefore equally important in strategy formulation and development, diverse forces take a compelling act in modifying the level of competition in any industry. These competitive level strategies included all the approaches and strategies that an organization adopted to withstand the

surrounding competitive pressures and to effectively advance its operations (Thompson & Strickland, 2011).

Hull and Lio (2016) state that one of the underlying reasons was the increased establishment of foreign incursions due to the use of formidable competitive strategies by various US based NGOs who encouraged their managers to work together with leaders from other countries in Africa. As a result of these use of formidable strategies, developed countries established major investments globally especially in other developed countries. For instance, 400 billion dollars have been invested by United States non-governmental organizations in Canada, in Japan and in the EU. Moreover, 410 billion have been placed for investment in US based NGOs activities by Japan's, Canada's and EU's investment organizations. The developing and newly industrialized countries are slowly becoming the focus of concern by the developed countries as they declared their aid too in these countries hence enabling all the nations whether undeveloped or developed to be economically interdependent to each other (Lawrence, 2011).

### **1.1.1 Competitive Strategies**

According to Andrews (2013), a competitive strategy is the anatomy of management ruling that define and reveal its strategic goals, ambitions, or targets, goods the primary plans and policies for accomplishing these goals, and determines the scope of accomplishments the organization is to explore, as well as the kind of monetary and non-monetary contribution it aims to offer to its stakeholders, employees, and other shareholders. Rudolf and Andrew (2012) underscored competitive strategy as the process of establishing a definite competitive niche or position in a certain industry in which competition occurs. They further elaborate that the competitive approaches aimed at launching a sustainable and financially viable position against the forces hence determining not for profit organizations' overall performance.

Zekiri and Nedelea (2011) aver that competitive strategy helps a NGOs to determine the areas to compete with as well as its business environment in future. Zook and Allen (2012) postulated that the level of competition in an environment determine the organizations' competitive viability as well as its overall performance. Competitive strategy aids NGOs in countering the effects of competitive forces in which it operates from. Porter's framework instigates relevant strategies were developed and initiated to adequately provide the organization with a strategic advantage that was advanced towards its competitors. Porter highlights about four major

strategies or approaches that an organization utilized in order to advance this strategic advantage (Han, Dong & Dresner, 2013). These strategies include speed, leadership, focus and differentiation strategies.

Speed strategy, is the practice of applying swiftness of action/business operations as measured in units of time. It is the speed at which organizations operates as well as decisions are made in an organization. The speed strategy is perhaps the most critical in today's hyper-competitive environment. NGOs no longer enjoy the luxury of operating on their space at their own speed because they constantly face competition from their peers and demand to deliver by donors to deliver on their promise (Ayyildiz & Akmermer, 2017). In support, Hull and Lio (2016) argues that donor funding can be difficult and stress to get, but once the NGOs receive the response from donors, application of speed strategy can help them move and respond quickly and potentially improve the chances of getting the funds. In their studies, Parnell and Koseoglu (2016) and Hull and Lio (2016) used processes and timelines, completion rates, operations durations, and NGO response speed to donor funding used as the indicators of speed strategy. Speed strategy can therefore be a catalyst of modifying the needs of NGOs and its stakeholders hence improve the NGO's competitiveness and sustainability as a result of improved relations with their donors. Thus, in this context, it is expected that NGO's who applied speed strategy, generates value to their organization and stakeholders and consequently affects the NGO performance.

Competitive strategies refer to the plans of gaining competitive edge by operating with the least operation cost in the industry usually determined by the NGO's operational efficiency, scope, size, scale and collective experience (Pearce, 2007). A cost leadership approach emphasizes economical scale of operation in order to deliver products or services at a reduced rate than their rivals. In support of cost leadership competitive strategy, Valipour, Birjandi and Hornarbakhsh (2012) asserted that cost leadership was important strategy which affected an organization's performance. Their study focused on NGO's competitor strengths, cost minimizing and cheap sourcing as the indicators of cost leadership strategy. Hence, this study anticipated that cost leadership strategy was important determinant of the NGOs' performance.

Differentiation strategy refers to when nonprofit organizations incorporate offering of services and products perceived to be unique industry wide. It is the generation of innovative services or

products that possess unique characteristics and it is determined by NGOs' service quality, quality of staff and products/service variety. The added benefit of uniqueness allows a non-governmental agency to command a higher price. Perception of quality is a key feature of differentiation strategy (whether real or not). In aspect of conditions of utility, versatility, customization, creativity, and quick feedback, NGOs across the world are now consciously attempting to distinguish themselves from their rivals (Mwasi, 2014). This is accomplished in a variety of ways, including superior brand management, automation, client service, distributor network, and other factors (Porter, 2008). The result of differentiation strategy is unique brand, highly competitive edge and industry prominence which bring success to the organization (Straus, 2013).

Focus strategy entails segregating the available markets and focusing on a particular set of client/s or industry beneficiaries (Porter, 2008). The emphasis approach, whether based on differentiation or low-cost, aims to meet the needs of a specific consumer segment. It is based on the idea that a company can serve a specific strategic goal more effectively or efficiently than rivals who compete on a broader scale. Resultantly, the company gains either distinction by surpassing the requirements of a given spot market or lowering costs in servicing the spot market, or twain (Porter, 2008; Munyiri, 2014), thus improving overall efficiency (Straus, 2013). Munyiri (2014) identified three indicators of focus strategy namely NGO's strategic location choices, market niche and cost of focus. The author found that NGOs focusing on these aspects are more likely to succeed.

The choice of the four competitive strategies in the current study were regarded as the Porter-based Competitive Business Strategies (CBS) typologies that dominated the strategic organization management literature (Tumbo, 2012). Mwasi (2014) noted that these CBS typologies were popular and validated in majority of the NGOs in Kenya. In that regard, one of the planned efforts that NGO's in Nyeri can apply to maximize their performance is to apply these competitive strategies. Nonetheless, not much is known regarding the impact of the four Porter-based competitive business strategies on different organizations performance levels.

### **1.1.2 Organizational Performance**

In strategic management, performance refers to a firm's certain yielding or chain reaction as correlated to its habitual outputs (or objectives and goals) (Hull & Lio 2016). Richard et al.,

(2009) defines organizational performance as a metric of management effectiveness is the ultimate measure of management's performance, and it includes: implementation, or how company's affairs are operated by organizational members; captainship, or how efficiently administration interacts and transforms the organization's vision and strategy to members; assignment, or how well management award tasks and get across with members and how the administration well utilizes its available financial, human and physical resources; conflict management, or how management is equipped to use conflict and teamwork skills; management's capacity to be versatile and appeal to mutual fortune; inspiration, how authority tries to consider the necessity of others and encourages them to deliver.

Many companies have tried to monitor organizational success adopting the balanced scorecard approach in recent years, where performance was monitored and evaluated across several extension such as monetary performance (e.g., shareholder return); customer support; corporate duty (e.g., corporate governance, community outreach); and guardianship of employee. (Hull & Lio, 2016). In the lens of balanced score card model, the performance of NGOs was evaluated on the basis of monetary and non-monetary performance. According to Lee (2008), measures of objective performance included revenue growth, profitability, and return on invested capital.

However, in the context of NGOs financial performance entailed measures such as acquisition of donor funding, financial security, and cost of projects and or services. Whether in cash or in kind, NGOs that acquired grant support less likely got local resources. In that regard, majority of NGOs acquired resources from donors which were used to grow and deliver charitable services by NGOs. According to Fafchamps and Owens (2008), local non-governmental organizations (NGOs) were genuine altruistic organizations whose efficacy was boosted by foreign support, but donor funding was largely determined by the NGOs' delivery of services and strategy results. Therefore, the amount and frequency of donor funding was a testament of NGO's performance in terms of resource management, strategy performance and service delivery.

Non-financial success metrics, according to Viswesvaran (2006), include creativity, the ability to attract, grow, and retain talented individuals, management quality, product or service quality, environmental and community responsibility. In the context of this study employee satisfaction, beneficiary satisfaction, community engagement, partners, and sponsors satisfaction, timely service and project delivery were utilized as the key gauge of NGO non-monetary performance.

The beneficiary and employees' satisfaction were the key to success for every Non-Governmental Organization. If the beneficiaries are satisfied, it is an indication that the NGO delivered its core mandate and achieved its objectives (Chelniciuc, 2013). Therefore, this study evaluated the NGOs performance based on the frequency and amount of donor funding, beneficiary satisfaction, financial security, cost of projects and/or services, employee satisfaction, community engagement, partners and sponsors satisfaction and service and/or project delivery.

### **1.1.3 Non-Governmental Organizations in Nyeri County, Kenya**

Non-governmental organizations (NGOs) are non-profit support organizations that operate in developed and developing countries, to provide relief, recovery, or community development (Kamau, 2009). NGOs are part of public arena in community, which includes membership groups, people's associations, trade unions, religious based charities and cooperatives (Deloitte, 2008). They offer third approach development between state and market led strategies. Pressure on the government to give activists room in the early 1920s resulted in positive changes such as the rise of multi parties, open political spaces, and respect for fundamental freedoms and rights.

According to Kamau (2009), as they seek sustainability, NGOs in Kenya have become more vibrant, competitive, and financially sound. Nyeri County is home to ten non-governmental organizations (NGOs) spread across the county. These NGOs primarily engaged in economic and social activities such as providing water in arid regions, encouraging tree planting, and assisting orphans and vulnerable children (OVCs). The population of this study was therefore all the NGOs in Nyeri County, Kenya (Basher & Tarabieh, 2011).

Operational growth brings about both challenges and opportunities, and particularly, NGOs in Nyeri County faced a hand full of challenges, including inadequacy of financial capital, shifting donor trends, political intervention, and poor management, mostly from NGOs Board. Despite the fact that NGOs are not operated for profit or other monetary gains, regulations do not prohibit an NGO from engaging in substantial economic activities in furtherance of its objectives, and as a result, many NGOs were registering separate firms as trusts to conduct operations on their behalf (Deloitte, 2008). It is notable that most governance NGOs in Nyeri County outreach and programs are funded by donors. However, most of the NGOs face insufficient donor funding to fully conduct their activities which makes them struggle financially

and perform poorly in terms of beneficiary, partners, and funders satisfaction (Thomas, 2018). At the same time, the capacity of such organizations to gain continued and new support, as well as sponsorship from donors and funding agencies, was heavily influenced by their success (Togbolo, 2015). NGOs as well created value within their operations and ensure sustainability beyond donor support. Therefore, Non-Governmental Organizations (NGOs) in Nyeri County present a good setting to study their competitive strategies and how they influence the organizational performance.

## **1.2 Statement of the Problem**

As the country aims to attain sustainable Development goals (SDGs), Kenya Vision 2030, and other initiatives, NGOs were making important contributions complementary to government development projects. Despite their recent growth and contributions to the Kenyan economy, non profit organizations in Kenya experience a growing pressure to achieve their organizational goals and objectives. Many NGOs in Kenya have reported poor organizational performance in terms of delivering the services, employee and donors' retention, suppliers and partners satisfaction (Ondieki, 2015). Various authors suggest that the struggles faced by NGOs are due to poor governance and poor competitive strategies. Contemporary studies aver that most NGOs have not developed sustainable competitive advantage and they lack competencies for transient competitive advantages (Ayyildiz & Akmermer, 2017).

Kenyan NGOs depend on international donor support, rendering them vulnerable to external factors and jeopardizing their long-term viability. Following recent monitoring and evaluation reports on NGOs' programs, a large number of donors have withdrawn their funds or channeled them elsewhere (Ondieki, 2015). According to Kenya Open Data (2018), due to the withdrawal of both local and foreign donors' funding, 12 percent of the projects planned by various NGOs were unable to be accomplished, while 15% struggled to get off the ground entirely. Ondieki (2015) points the reason for withdrawal to poor structures, poor service delivery and poor strategies by NGOs. As a result, many non-governmental organizations have to close their doors on a daily basis, mostly due to lack of long-term funding. NGOs based in Nyeri County follow a similar trend and face similar issues as NGOs in other parts of the country. Many NGOs in Nyeri County operates seasonally and are yet to develop solid management frameworks in terms of governance. As a result, they lack adequate accountability, proper organizational performance

and track record which is essential for attracting donor funders and for their long-term sustainability.

To address the problem, the NGOs should first review their competitive strategies which would ensure that they remain competitive and sustainable. However, this is difficult to do without a thorough understanding of the strategic tactics that can be used to mitigate against financial obstacles and fierce competition for capital, which make self-sufficiency a mirage for many. Several research works have been carried out in regard to competitive strategies but they have failed to adequately address the context of competitive strategies and performance of NGOs. For instance, Wanjohi (2008) examined competitive strategy and positioning within a dynamic business environment practiced by non-government based but profit-making organizations in Kenya. Findings indicated that, competitive level strategy studied were of great importance and hence responsible for the organization's competitiveness.

Competitive strategies figured prominently in achieving customer retention as per according to Kihoro and Ombui (2012), in their study on the impact of marketing strategy on customer loyalty in security companies. Arasa and Kioko (2014) did a study focusing on NGO sector competitive environment in Kenya and that NGOs should regularly examine, evaluate and construe forces modifying their aggressive environment for purposes of fitting reforms, endurance and prosperity. These studies did not look at the competitive strategies as a predictor of NGOs performance and possible solution to the research problem. Besides, studies by Wanjohi (2008) and Kihoro and Ombui (2012) did not research the NGOs and their studies were based on the profit organizations problems hence the contextual gap. Thus, the intent of this study was to establish the effect of competitive strategies on performance of Non-Governmental Organizations in Nyeri County, Kenya.

### **1.3 Objectives of the Study**

This study sought to address the following general and specific objectives.

#### **1.3.1 General Objective**

The general objective of this study was to establish the effect of competitive strategies on performance of Non-governmental Organizations in Nyeri County, Kenya.

### **1.3.2 Specific Objectives**

This study was guided by the following specific objectives;

- i) To determine the influence of focus strategy on performance of non-governmental organizations in Nyeri County, Kenya.
- ii) To establish the effect of cost leadership strategy on performance of non-governmental organizations in Nyeri County, Kenya.
- iii) To investigate the effect of differentiation strategy on performance of non-governmental organizations in Nyeri County, Kenya.
- iv) To examine the effect of speed as a strategy on performance of non-governmental organizations in Nyeri County, Kenya.

### **1.4 Research Questions**

This study sought to address the following research questions;

- i) What was the effect of focus strategy on performance of non-governmental organizations in Nyeri County, Kenya?
- ii) How does the cost leadership strategy affect the performance of non-governmental organizations in Nyeri County, Kenya?
- iii) How does differentiation strategy influence the performance of non-governmental organizations in Nyeri County, Kenya?
- iv) What effect does the speed strategy had on performance of non-governmental organizations in Nyeri County, Kenya?

### **1.5 Significance of the Study**

The findings of this study would subsidize significantly to operation, policy and knowledge. For instance, the study would be of practical significance to the managers and other executives of individual registered NGOs in Nyeri County. These managers and executive will gain insights from the study findings and derive the best competitive strategic positioning that fits their needs and influence their NGO performance positively. In this case the administrators would be able to exploit the conclusions of this study as they formulated strategies intended to attain growth,

impacting positively on social and economic status of beneficiary community. In return, these NGOs would secure a competitive edge in the industry, enhancing sustainability and attracted more funds due to efficient and effective management.

In policy front, the Kenyan government also will also better informed when formulating governance related policies and regulations for governance organizations in the country. In particular, the Kenya government would be in line with the Sustainable Development Goal(s) develop policies that reduced donor funds withdrawal and that helped NGOs find other options of financing. In that regard, policy developers and formulators in Kenya, would use this study finding(s) to identifying the best strategies and their impacts towards the overall performance or Non-Governmental Organizations in Nyeri County and beyond. Further, the findings gave clear insights through which Non-Governmental Organizations performance and impact may be increased. Enhanced NGOs penetration and improved performance proportionately enhanced GDP by reducing poverty, enhancing empowerment thus improving the economic aspect of development as elaborated in the vision 2030.

Finally, the findings of this study would be of significance to future researchers and academicians willing to explore in the same field of use of competitive strategies and performance of organizations. In this case, the findings of this study formed a basis of their argument and the foundations of their literature concerning issues to do with the operations and performance of NGOs.

### **1.6 Scope of the Study**

The importance of the non-governmental organizations in Kenya cannot be underrated. NGOs contribute a significant economic growth by providing a stability and comfort ability to the people in the regions they operate in. The aim of the research was to look into the competitive strategies and performance of non-governmental organizations in Nyeri County, Kenya. In Nyeri County, Kenya, the research looked at cost leadership strategies, differentiation strategies, focus strategies, speed strategies, and NGO performance. The target population was all the CEOs among three other respondents drawn from the corporate level and business level respectively in each of the registered NGOs in Nyeri County. The study focused on performance of NGOs from year 2008 to 2019. This was the period since after post-election violence. During this period

NGOs were facing numerous challenges such as political interferences, duplication of efforts which led to unhealthy competition.

### **1.7 Limitations of the Study**

This study encountered a number of constraints towards the cognizance of its results. The study instrument was limited by its validity and reliability; and consequently, the reporting and data collected was limited to the extent at which the instrument was valid and reliable, as well as, extent to which the respondents were truthful and honest in answering the research questions. The study experienced a bit of unwillingness from some respondents hence contriving them to be reluctant and not reveal complete data concerning the fostering affairs. The investigator in this incident briefed the respondents that unconditional confidentiality will be maintained and that the study was designed for scholarly purposes only. In addition, through principled techniques such as the usage of an accredited letter from National Commission for Science, Technology and Innovation (NACOSTI) and an introduction letter from the graduate school, Kenyatta University. Herewith, the investigator elucidated to the participants on the basis of undertaking the research mainly for academic purposes only and not for any official use.

Most of NGOs depend of donor funding hence mode of operation may predispose to the ideology of their back donors also some of the NGOs considered may not have verifiable data about their performance hence the credibility of the organization performance data might be a challenge to generalize the conclusion. Adequate analysis and correlation of information provided by the responded gave sufficient lead on effect of competitive strategy and performance of the said organizations.

### **1.8 Organization of the Study**

The project was ordered to such a degree; chapter one presents the background of the research, statement of the problem, objectives of the research, research questions, significance of the study, scope and the limitations encountered in the course of the study. Chapter two presents the literature review on competitive level strategies and overall performance of nongovernmental organizations. The chapter entails the theoretical reviews of the study and empirical literature review based on competitive level strategies. Chapter three presents the research methodology used in the study in terms of targeted population, location and research design, sampling procedures, data collection instruments, reliability and validity of the research instruments, data

analysis. Chapter four presents the data analysis results, interpretations and discussion of the findings while chapter five presents research findings summary, conclusion and recommendation to policy and practice.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This chapter reviews the literature available on competitive strategies and the performance of non governmental organizations. It captures the theoretical and empirical reviews of competitive strategies and the performance of nongovernmental organization. Besides the theoretical review and empirical review the chapter also presents the conceptual framework, summary of the reviewed literature and the research gaps identified.

### **2.2 Theoretical Literature Review**

This study is underpinned on dynamic capabilities theory, the goal setting theory, the generic framework theory, the resource-based theory and organizational theory.

#### **2.2.1 Dynamic Capabilities Theory**

Teece, Pisano, and Shuen (1997) developed the dynamic capabilities theory. According to the theory, in order to maintain success in a hyper competitive setting, companies must constantly reconfigure internal resources and capacities to embrace corporate responsibility for adapting to a turbulent environment. Dynamic capabilities, according to Zahra, Sapienza, and Davidsson (2006), are basically an organization's strategy to continuously integrate, restructure, renew, and reconstruct assets and resources in response to rapidly shifting and dynamic market environments in the pursuit of competitive advantage. Dynamic capabilities differ with operational capabilities. The latter is often used to describe an institution's ongoing operations. Dynamic capabilities, on the other hand, refer to a company's ability to continuously develop, expand, or change its resource base in order to gain sustainable competitive advantage (Helfat & Peteraf, 2009). The dynamic capability framework's basic premise is that core appropriateness can be adopted to change interim market advantage in line to achieve a longer-term aggressive gain. The authors argue that in order to address new challenges or experiences, companies and their workers must be able to learn quickly and develop strategic assets. Furthermore, new strategic assets such as technology, customer input, and capability must be integrated into the business, while existing strategic assets must be modified or remodeled to align with the new strategic developments (Zahra, Sapienza, & Davidsson, 2006).

Teece (2007) emphasizes dynamic capabilities, which is the qualification to sense and form events and sense challenges, then capture the opportunities and function to maintain the firm's competitiveness by improving, integrating, securing, and reconfiguring the firm's physical and human assets. Dynamic Capabilities, according to Helfat & Peteraf (2009), illuminate how companies develop, identify, discover, and leverage entrepreneurial opportunities in dynamic and uncertain external environments while seeking a strategic alignment of resources and market requirements.

The theory faces a number of criticisms. Easterby-Smith et al. (2019) avers those dynamic capabilities concepts that are difficult to measure empirically, as are the underlying operational processes as well as the relationship between dynamic capabilities and firm performance. It is also difficult to measure the routines and processes that are often idiosyncratic to firms or part of resource bundles (Penrose, 1959). The theory has also been criticized for being repetitive and ineffective in providing a complete answer regarding DCs and they operate. DC theory has also suffered from a lack of clarity about what constitutes its core concepts. Despite the intense growth of studies discussing the idea of DCs (Ambrosini & Bowman, 2009), the progress of the theory still requires further collective efforts from researchers to illustrate concepts related to the theory and how to link them to empirical practices within organizations

Various studies have used dynamic capabilities theories to make a case for organization strategies. Ondieki (2015) employed the dynamic capabilities theory to expound on the concept of NGOs strategies to mitigate on donor funds withdrawal. Atiang (2019) used the theory of dynamic capabilities to discuss the concept of competitive strategies on firms' performance in Kenya. In that regard, the dynamic capability theory was key in assessing the competitive strategies making up the objectives of this study. According to Teece, Pisano and Shuen (1997) the key determinants of strategic orientation of the firm are the environment it operates in, resource endowment and its dynamic capabilities. This study extends that notion and argues that NGO's choice of strategic orientation is determined by its dynamic capabilities. Therefore, this theory is effective to this research because it further clarifies the choice of competitive strategies adopted by an organization; hence the research is based on this dynamic capabilities' theory.

### **2.2.2 Goal Setting Theory**

Goal setting theory was propounded by Latham and Locke (2007). Goals and success have a positive relationship, according to the theory. The theory provides that success in enterprises is improved when targets are precise and demanding. Organizations often use goals to measure performance. Goal setting theory is one of the motivational theories that claims that employees must be motivated to achieve their stated objectives. Goal setting increases efficiency, which is why goal-based programs like Management Information Systems (MIS), Management of Objectives (MOB) and strategic planning exist (Mwaniki, 2013).

The setting of goals directs non-government organizations towards relevant targets. Empirical literature proves that goal-setting theory bestows to the operation of the firm and to the individual performance of employees working for the organization. Human resources are critical in moving enterprises towards success in international business, and goal setting theory supports promotion of employee engagement in achieving organizational objectives. Employees should set targets that will inspire them to attain excellent performance if they are followed; if the goals are not met, they have the opportunity to change or enhance them, according to Wanyonyi (2011). Maina (2012) stated that the more difficult the goals are, the more inspiring they are since they take more effort to achieve. In this regard, both non-profit and profit organizations should set goals to be achieved through various strategies formulated by the management of the organizations and that the strategies be compelled to generate competitive advantage if the organization is in competitive environment.

One of the critics of goal-setting theory is that the focus it brings can create a sense of tunnel vision. For instance, when Coca-Cola set the goal of reformulating their signature cola to make it sweeter and more competitive with Pepsi, the company's focus on that goal trumped researching whether or not customers wanted the product to change. As a result of this, the release of New Coke in 1985 remains one of the greatest product failures in history. While a focus on goals doesn't always lead to spectacular failures, it can also lead to employees abandoning more mundane, but still necessary, tasks as they focus on the "one big thing" (Lander, 2018).

A number of studies have used this theory to explain strategies, human resource management and performance concepts in their studies Ngatia (2018), for example, utilized the theory to correlate competitive approaches to the performance of Kenyan Savings and Credit Co

Organizations. Ahmed, Yurtkoru, and Kola (2017) applied the theory in a Turkish context to assess work satisfaction, employee effectiveness, and organizational success. In the context of this study, strategies are plans set in place to allow achievement of certain goals such as attract donor funding or improve beneficiary satisfaction. The goal setting theory is pertinent to this study because it helps the NGOs determine the content and aspects of their strategic orientation. It considers the internal and external variables that influence the substance of an enterprise's aspirations, as well as the variable procedures by which these objectives are established and modified over period; as a result, it's useful in evaluating the relationship involving competitive strategies and NGOs' performance.

### **2.2.3 Resource Based Theory**

Edith Penrose (1959) is credited for developing theory and later other academicians added to the theory. The concept emphasizes the importance of resources and how they affect an organization's overall competitive advantage. Firms can gain a competitive edge, according to the concept, if they proficiently use their assets, encompass innovative thinking, and provide a higher premium to their intended audience than their industry rivals. This is possible if the firm's assets are utilized efficiently and productively (Barney, 2011). The Resource Based Model further emphasizes that organizational assets are also used as production aids (Crook, 2008). According to Currie (2009), different groups have different bankrolls, yet these assets can be a source of unusual abilities. The company's ability to execute is determined by the resources available to it. In the competitive world businesses are in, firms must constantly adapt their resources and how they use them if they are to continue operating in the future. The non-profit organization performance for example is thus influenced by the resources available (Crook, 2008).

The theory faces a number of criticisms. A first critique is that the RBV lacks substantial managerial implications or 'operational validity' (Priem & Butler, 2001). It seems to tell managers to develop and obtain VRIN resources and develop an appropriate organization, but it is silent on how this should be done. A related critique is that the RBV invokes the 'illusion of total control', trivializing the property-rights issues, exaggerating the extent to which managers can control resources or predict their future value (McGuinness & Morgan, 2000). Along similar

lines Kraaijenbrink et al., (2009) argue the theory suffers a tension between descriptive and prescriptive theorizing

Resource Based theory explains how a company can gain a competitive advantage by maximizing its capital. The theory is relevant to this research because it predicts that organizations with more resources may use them to come up with innovative strategies to employ more unconventional banking channels for productive outcomes. This was the principle that was central to this research because it stresses the need to improve an NGO's output by controlling the input, which for this case was the adoption and exploitation of alternate banking channels. The effectiveness of the strategies adopted can generate efficiencies in utilizing organization resource and consequently lead to better performance.

#### **2.2.4 Organizational Theory**

Organizational theory was developed by Eisenhardt (1985). It looks at how companies as a whole, the way they adjust, the process & tactics, and structures that govern them. Organizational concept, according to Eisenhardt (1985), is rational, information-based, efficiency-oriented, and centered on controlling approach objectives. He distinguishes between two forms of performance review control: behavior-based and outcome-based. It evaluates the ability to access actions and results, and can measure and evaluation control.

Organization performance can be analyzed using the perspective of organization theory and the effectiveness of the organizations. Sue et al. (1985) observes that the history of thought on organizational effectiveness has generally followed that of organizational theory. The authors argue that there are two primary axes around which the criteria of performance are organized. The first dimension suggests that people differentiate criteria according to the degree of flexibility or control that is implied. The effectiveness criteria at this end of the continuum are value of human resource adaptability, and readiness. At the bottom of the diagram, the emphasis is on centralization and integration. Effectiveness criteria at this end of the continuum are concepts like stability, control, planning, and goal setting.

Secondly, there is a concern with external criteria related to the competitive position of the overall system, to internal criteria related to the maintenance of the socio-technical system. Hence, organizations must have criteria such as productivity and efficiency, external support,

and resource acquisition and growth. McKinley (2010) added another dimension which is related to the difference between means and ends, between short term processes and long-term outcomes. Thus, budgeting and goal setting are seen as tools to increasing productivity and efficiency; adjustment and preparedness are seen as tools to expansion, capacity building, and additional support; records management and communication are seen as tools for maintaining consistency and control; cohesion and morale are seen as a tool for continue to increase the value of human capital. All these factors on aggregate are considered to be the antecedents of organization success by McKinley (2010). By extension therefore, this study employed the organizational theory perspective to anchor the NGO's performance. According to the theory, for NGOs to succeed or obtain good organizational performance, they must be effective in their operations and in acquiring the required resources.

The theory however, is not free of criticisms. According to Gabriel (2001) the theory takes a rigid as well as static view of organizations. He avers that the theory views organizations as a closed system with no interaction to environment. In addition, the theory focuses more on the structural and also the technical aspects of organizations and is thus oversimplified and mechanistic assumptions. Therefore, it is incomplete in explaining human behavior organizations.

## **2.3 Empirical Literature Review**

Empirical literature review concerns actual studies (including scientific tests, surveys and scientific studies). They are studies focused on intuition and experience rather than formal reasoning (Mugenda & Mugenda, 2010). The section below presents the empirical review on competitive strategies for NGOs;

### **2.3.1 Focus Strategy and Performance**

Arkolakis (2010) study in France showed that focus strategy concerns the development, marketing as well as sale of products and services to functional markets, like particular consumer types, specific lines of products or geographical areas that are targeted. The focus strategy's goal is usually to become a leading component in a determined niche through serving selected groups in a better way compared to other players. Hence; focus strategy's main goal is to become a go-

to product or brand for a group that one is making efforts in order to reach. However, the study does not show the relationship between focus strategy and performance.

In addition, a study by Green, Barclay and Ryans (2005) in Italy asserted that the focus strategy ensures that an organization focuses on few chosen target markets. The findings portrayed that player often hope that through focusing towards putting great efforts in marketing on several market sections and having a tailored marketing mix for such specified markets, an NGO can be in a position to meet all the needs of these markets. Kamau (2009) study adds that at this level organization develops a typical look towards gaining a highly competitive advantage though the means of being effective, rather than focusing on efficiency alone. Hence; it becomes appropriate for comparatively small organizations, however, can be utilized by any other NGOs. However, Kamau (2009) and Green et al., (2005) studies fail to connect strategies and performance hence their studies do not have significant implications on policy and practice for NGOs.

Barney (2012) follows a qualitative approach to discuss focus strategy. Focus strategy constitutes of two variants. The study asserted that one of them is the cost focus, through which organizations seek to acquire a high-cost advantage in the segment its targets. Barney (2012) does not show how focus strategy is relevant in the context of organization performance. The study does not clarify or answer the question regarding the effect of focus strategy on performance of organization. Besides, the study employs qualitative methods which cannot quantify the effect of focus strategy on performance.

A study by Zook and Allen (2012) on a total of 101 Thai listed companies reported that differentiation focus is a one through which organizations seek differentiation in their targeted segments. Both of these variations as used in the focus strategy are based on differences existing between focusers' targeted segments and even other industry. The study by Zook and Allen (2012) fails to establish the influence of focus strategy on performance. Besides, the study was conducted on 101 Thai listed companies hence there is a contextual difference since the current study focus is on NGOs in Nyeri, Kenya.

According Mose (2008) study revealed that NGOs are performing well in terms of attracting donor funds and service delivery. The study found that the cost focus makes use of cost behavior differences in particular segments, whereas differentiation focus targets specific requirements of buyers in a certain segment. However, they need to either have purchasers that have uncommon

desires and preferences, or otherwise the production as well as delivery systems that principally serve a target segment should be different from those serving other segments in an industry. However, Mose (2008) study does not inform the literature in anything regarding cost focus and performance of organization. Additionally, the study was qualitative which was critically not enough to model the relationship between cost focus and performance of NGOs.

Akintokunbo (2018) focused on the relationship between market focus strategy and organizational performance of telecommunication companies in Port Harcourt. The study used a cross-sectional design involving management staff of 4 telecommunication companies in Port Harcourt. The population was 134 and a sample size of 100 was obtained through the Taro Yamane formula for sample size determination with the simple random technique used. After data cleaning, only data of 93 respondents were finally used for data analysis. The internal reliability of the instrument was ascertained through the Crombach Alpha coefficient with all the items scoring above .70 bench mark. Descriptive statistics and Spearman's rank correlation were used for data analysis and hypothesis testing. Empirical results confirm that there is a very positive significant relationship between market focus strategy and organizational performance in telecommunication companies in Port Harcourt. The study concluded that market focus strategy bears a positive and significant influence on firm competitiveness. The study recommended that firms that choose to employ market focus strategies should concentrate on a narrow segment and within that segment attempt to achieve either a cost advantage or differentiation. However, the study focused on telecommunication companies, while the current study focuses on NGOs, which presents a contextual gap. Besides, the study used Spearman's rank correlation while the current study used correlation and regression analysis as inferential statistics methods.

Kavulya et al., (2018) examined the effect of customer focus strategy on the performance of SACCOs in Kenya. The study was a cross-sectional survey with a descriptive research design. This design is appropriate because it is considered suitable for gathering information and generating appropriate conclusions with respect to the research questions. The target population of this study was the 181 authorized deposit taking SACCOs in Kenya that have been in existence for at least the last 5 years SASRA (2014). The firms which have been there for 5 years are considered to have adequate knowledge and have deposit mobilization strategies in place.

The number of respondents was 181 CEOs and business development managers, who are in charge of strategies. The study used questionnaires as the main data collection instrument that contained both open and closed ended questions. Questionnaires were preferred because they are effective data collection instruments that allow respondents to give much of their opinions pertaining to the research problem. Primary data was collected through administering of questionnaires to Members of the SACCOs, senior staff of the SACCOs and Cooperative Ministry/regulatory officials. The study employed descriptive analysis technique on the collected data. Multiple regression analysis was used to establish the relationship between the dependent and independent variables. Correlation analysis showed that customer focus strategy and performance of Saccos are positively and significantly associated. Regression analysis indicated that customer focus strategy has a positive and significant effect on performance of Saccos in Kenya. The hypotheses results indicated that there is a significant relationship between customer focus strategy and performance of Saccos in Kenya. However, the study focused on SACCOs while the current study focused on NGOs, hence contextual gap.

### **2.3.2 Cost Leadership Strategy and Performance**

According to Scott-Jackso (2010), conducted a study on UK firms and found out that this can be achieved through coming up with very low prices in a targeted market section. For success in operating in lowest prices and at the same time still attaining profits as well as high 'Return on Investment', organizations need to be in a position to operate at very low costs as opposed to its competitors. The study concluded that cost leadership strategy entails an organization gaining a market share by making appeals to price-sensitive or cost-conscious consumers. However, Scott-Jackso (2010) theoretical perspective does not inform or model the relationship between cost leadership and performance. Besides, the author perspective is based upon the lens of UK firms, which are contextually different to Kenyan NGOs.

A study by Andrews (2013) reported that in-service businesses, for instance restaurants in Thailand, succeeded very fast, even airlines turning around flights in a rapid manner, whereby methods employed included fixed costs that were normally distributed over greater numbers of units of services or products, which resulted in lower unit costs. Even though the study by Andrews (2013) shows the effect of cost leadership strategy on cost reduction the study does not link the cost leadership strategy with other aspects of performance.

Basher and Tarabieh (2011) added that for manufacturing organizations in South Africa, production in masses is at that point considered as both a great strategy, and also the completion in itself. Arkolakis (2010) higher output levels both need and lead to high market shares, and generates entry barriers to possible rivals that may have inability of achieving a scale essential for matching an organization's low prices and costs. The two studies by Basher and Tarabieh (2011) and Arkolakis (2010) does not explicitly show how cost leadership correlates with the performance of the organization.

In Cairo, Egypt, a group study by Bartholomew, Steele, Galbraith and Moustaki (2008) asserted that there is the dimension of achieving lower indirect and direct costs of operation. This could be accomplished through providing great standardized products volumes, providing simple basic products as well as restraining personalization and customization of services. Costs of production are maintained at low levels through the use of rarer constituents, through the use of ordinary constituents, and also the limitation of prototypes manufactured to make sure greater productions are running.

According to Basher and Tarabieh (2011) mostly, overheads in most not for profit organizations in UK are maintained at low levels through payment of low salaries, location of premises in a low rent area', establishment of a culture that is cost-conscious. Maintenance of these strategies needs a constant examination of cost reduction in every aspect of an organization. This includes; outsourcing, control of costs of production, increasing capacity of assets use, as well as minimization of other costs that include; R&D, distribution as well as advertising. Basher and Tarabieh (2011) used qualitative methods which do not allow modeling the effect of cost leadership strategy on the performance.

Shah (2010) in his study on UK NGOs showed that the related distribution strategies are meant for obtaining the most wide-ranging possible distribution. Promotional strategies frequently involve making out a benefit from lower cost product characteristics. A third measurement entails control over value chains that encompasses all useful groups including supply, finance, marketing, information technology, procurement as well as inventory to make sure that operations are at low costs.

Bartholomew (2008) literature assertions explains that for procurement or supply chain, this is achievable through buying in bulk to delight in quantity related reductions, squeezing the price

of suppliers, instituting a competitive bid system for award of contracts, making sure that the organization works with the vendors in order to maintain records low through approaches like 'Just-in-Time' purchasing and use of Vendor-Managed Inventories. In regard to cost leadership strategy, Bartholomew (2008) fails to show how procurement or supply chain is related to cost leadership strategy. From the study, little insights are derived on whether procurement or supply chain helps in creating a competitive advantage and consequently better organization performance.

Mulburg (2010) in his study on airline firms in Kenya asserted that a cost leadership strategy is only practicable in huge organizations that have an opportunity of enjoying 'economies of scale' as well as large volumes of production, in addition to a large market share. Smaller organizations could be cost focused, rather than being cost leaders in case they delight in any benefits favorable to lower costs products. For instance, a locally established cafeteria in a relatively lower rent location has the ability to attract cost-sensitive consumers in cases where it provides a restricted menu, fast table turnovers and hires staff that are paid minimum wages. However, Mulburg (2010) asserts that cost leadership strategies are only applicable to big firms lacks evidence and it is only hypothetical since it is not supported by empirical data or modeling.

Literature by Scott-Jackson (2010) asserted that products and processes' innovation may possibly as well permit small organizations to offer cheaper products or services, where an incumbent's cost and price are very high. A good example could be the triumph of lower-cost airlines that regardless of having a smaller number of planes than a major airline is capable of achieving market share advancement through offering cheaper services compared to larger organizations. Mulburg (2010) asserts that during the commencement of lower cost, budget airlines opt to act through a focus strategy, however, after their market grows; large airline organizations begin offering similar low-cost characteristics, leading to cost focus becoming cost leadership.

Mang'ana and Gitau (2021) conducted a study on the effect of competitive strategies on the performance of commercial banks in Nairobi County, Kenya. The study adopted purposive sampling to select the senior managers as respondents in the study. A questionnaire consisting of both open and close-ended questions developed by the researcher in line with the objectives of the study was used to collect primary data. Using regression analysis, the study found that one

cost leadership strategy significantly influences performance of commercial banks in Nairobi County; in terms of effective use of cost leadership approaches such as low interest, low operating costs and competitive pricing can enhance performance of commercial banks. However, the study focused on commercial banks while the current study focus was on NGOs in Nyeri, County; hence contextual gap.

Mesci (2020) conducted a study on the relationship between cost leadership strategy to organizational performance through organizational learning that was studied via its dimensions including External Knowledge Acquisition, Knowledge Distribution and Internal Knowledge Acquisition. The subjectivity of this study is to examine the criteria for measuring. Self-administered questionnaires were mailed for this study to telecom sector in Pakistan. Cost leadership strategy via organization learning dimensions were found to be having significant impact on growth and overall organizational performance. However, the study was conducted in Pakistan while the current study was conducted in Kenya, focusing on NGOs in Nyeri County.

Mohamed et al., (2019) conducted a study to establish the influence of cost leadership strategy on performance of medium scale miners in Taita Taveta County. Porter 's Generic Strategies guided the study which adopted a descriptive survey research design targeting 502 miners from 22 registered groups and 13 companies operating as medium scale miners in the region. From these a sample of 222 was selected for the study using simple random sampling. Data was collected using copies of questionnaire and was analyzed using descriptive statistics involving frequencies and percentages. The findings revealed that application of cost leadership strategy by MSMs in the area led to reduced costs of operation, increased production outputs and profitability. It is, therefore, recommended that the MSMs pursue the more competitive cost per unit of input technique which is more sustainable than just cost reduction. However, the study presented a contextual gap since it focused on miners while the current study focus was on NGOs in Nyeri County.

### **2.3.3 Differentiation Strategy and Performance**

A study Basher and Tarabieh (2011) surveyed the effect of beneficiaries' orientation, differentiation of innovation; differentiation of markets on institutional performance in Jordan's not for profit organizations. This survey focused on the administrative management of 13 not for

profit organizations is a major area, which had experiences of rapid revolution because of market deregulations as well as increasing worldwide competition. The findings of the study disclosed that customer orientations contribute certainly on organization performance through provision of market differentiation as well as innovation differentiation. Another finding was that innovation differentiation affected organizational performance to a greater extent compared to market differentiation. However, the findings cannot apply to non-governmental organizations in Kenya since Jordan has different economic and market conditions to Kenya.

Mulburg (2010) in his study of China based child support organizations found out that carrying out both differentiation of innovation and market related differentiation concurrently attains a higher greater competitive advantage resulting in enhanced organizational performance. The outcomes of the conceptual model that was analyzed concurred with previous studies' findings that; customer orientation normally attains competitive via innovation differentiation as well as market differentiation, ultimately improving organizational. Mulburg (2010) study shows the significance of differentiation on the organization performance but there exists a contextual gap since the study was conducted in China and the current study is conducted in Kenya. Thus, it is important to take into account differences in economic and social environment and model the relationship between differentiation strategy and performance of NGOs.

A study by Farris, Neil, Phillip and Reibstein (2010) in Nepal found out that differentiation of innovation results in greater effects on organizational performance as opposed to market differentiation. Consumer orientations have practically related effects on differentiation of innovation as well as market differentiations. By contrast, effects on organizational performance are different. Therefore, for enhanced organization performance, differentiation of innovations is comparatively more significant as opposed to market differentiation's importance in organization's structures and processes. Additionally, carrying out both processes concurrently attain a highly competitive advantage, resulting in enhanced organizational performance. Farris, Neil, Phillip and Reibstein (2010) study focused on profit organizations which structurally, and in terms of governance, goals and purpose differ with the NGOs. In that regard, the study findings give insights regarding the influence of differentiation strategy on performance but they cannot apply and contribute to practice regarding NGOs management.

Harps (2012) study in USA found out that differentiation as an organizational strategy encompasses organizations' attempts for gaining competitive advantage through increment of perceived value of their products or services relative to the perceived value of other organization's services and products. Therefore, some it could either be coherent that organization's competitors could provide substituted services and products. Enhanced performance differentiation can be categorized in to classes: empirical research and conceptual distinctions. The study by Harps (2012) qualitatively discusses enhance performance differentiation but fails to empirically model the relationship between differentiation and performance. Besides, the study focuses on US firms which are contextually different to Kenyan NGOs.

In the study by Mulburg (2010) differentiation concept is referred to as having its focus on organizations coming up with products and services that are different from those being sold by their rivals. They do this to make sure that they gain a highly competitive advantage compared to their rivals. As for Dawar and Frost (2011) porter and others contended that differential benefits are generated in cases where a corporation's product or service is different from that of its competitors, and is perceived to be better when compared to the rival's product by buyers. The findings indicated that competitive strategies originated along with efficiency creation concept within industries or segments.

A study by Dawar and Frost (2011) in Qatar clearly states that Porter and others as well have acknowledged that due to the globalization process, the greatest indicators of organizations' future success encompass the capacity of being dissimilar from rivals. This has the implication that insurance organizations should take on differentiation strategies that include changing products' nature and having variation characteristics like using variable colors in order to make a product attractive to beneficiaries the market. Arkolakis (2010) adds that value which is added by products' exceptionality can provide room for organizations to charge superior prices for the products. Due to the products' exceptional qualities, in cases where a supplier increases his prices, an organization cannot have the ability to transfer such costs to beneficiaries that are unable to get alternative goods easily

Ilovi (2011) studies in Uganda view is that; the differentiation strategies call for the creation of products or services that have appropriately distinguishing characteristics, which automatically

set an NGO from competitors. All organizations like to have confidence that they are different from their rivals in their beneficiaries' eyes. Ilovi (2011) does not empirically show the existing relationship between differentiation strategies and performance. In addition, the study fails to show the indicators of differentiation strategies and how they help in generating competitive edge to the NGOs.

Dawar and Frost (2011) assert that NGOs' employing differentiation strategies do so with a sole objective of creating services or products that have value and are considered by buyers be very unique. The study elaborated that the Not-for-Profit organizations that are successful in the implementation of differentiation strategies in Nigeria possess some unique attributes including leading in science-based research, having greatly creative and skilled product/service-development workers, having strong force of sales, strong reputation due to innovation and quality. Dawar and Frost (2011) study qualitatively show the indicators of differentiation strategy but does not model the relationship between these indicators and performance to empirically quantify their effects on organization performance.

Ilovi (2011) study states elaborates that a positive notion in successful products and services' differentiation strategies lies in that; organizations could charge premium prices products or services. Organizations do so with assurance due to their greatly advanced and robust corporate identities. Arkolakis (2010) suggests in his study that an organization could cheerfully pass along high costs of supplies to their ready products as in most cases; there will not be any substitute goods in the market. Possession of loyal consumers through differentiation assists in stabilizing an organization's revenue, and also lessens the effect of markets' downturns due to beneficiaries' loyalty in both in good and bad times.

According to a study by Dubrin (2011) differentiation strategies could as well not be perfect for all organizations. This is because maintaining differentiation in an indefinite time period may be difficult due to altering competition trends. The study reported that most US organizations have often attempted to seek the correct equilibrium through competition in aspects like service, price as well as quality, or in relation to any arrangement of characteristics that are believed to have importance to a NGO's beneficiaries. Dubrin (2011) identifies the indicators of differentiation and argues that organization seeks equilibrium without showing how and between what.

Additionally, the indicators are not linked to financial performance so it remains unknown whether these indicators hold any significant value to practice and strategy management.

Islami et al., (2020) conducted a study on differentiation strategy model and organizational performance. Quantitative methods were applied to measure the proposed relationships, and questionnaires were used as a tool in gathering primary data. Relationships proposed in the framework were tested using structural equation modeling. The results of this study indicated that pursuing the differentiation strategy leads on increasing competitive advantage and improving organizational performance. Also, it pointed out that the manufacture organizations' success is determined by their ability to be flexible on strategic planning and on integrating internal and industrial settings factors on differentiation strategy creating. Their research contributes to strategic literature clarifying a successful differentiation model helping the practitioners on increasing the ability and knowledge on pursuing the differentiation strategy. However, they focused on manufacturing industry while the current study focused on NGOs in Kenya.

Kim et al., (2018) examined the role of new ventures' differentiation strategy on their short- and long-term performance at the time of IPO (initial public offering) and during post-IPO stages. New ventures in the high technology industry strategically differentiate themselves by exploring novel technologies rather than continuing to exploit existing technologies or mimicking other firms' technologies. The results of empirical analysis showed that new ventures focusing on differentiation strategy yield superior performance compared to the others which prefers to utilize the existing technologies of incumbents. Further, they find that the presence of environmental uncertainty enhances the performance of new ventures that have developed novel technologies drawing upon their unique resources and capabilities. However, their study focused on IPOs and listed companies while the current study focused on NGOs.

### **2.3.4 Speed Strategy and Performance**

According to a study by Wheelen and Hunge (2012) organizations across variable sectors in Singapore have continually recognized that promptness could be utilized in developing competitive advantage in a business. Acting quickly is more than a desirable trait in the real world. It is essential for deriving value from an operation in order to provide a product or service to a consumer. Speed could be classified under diverse labels which include market speed,

delivery speed. Dubrin (2011) asserts that at times when businesses can do things in a faster manner as opposed to the existing rivalry, they usually experience particular success levels. In today environment that is hyper-competitive, the competence of an NGO in relation to execution of its business strategies is only a single portion of organizational success. Recently, an outcome has been supplemented in that: Maintainable growth is dependent on how fast a business could apply strategic inventiveness.

As the global competition pace increases, Wheelen and Hunge (2012) study showed that a large number of organizational leaders in Malaysia have their great concerns on their organization's capability of moving adequately to exploit existing opportunities or rather counter threats. In order to comprehend the effect and increasing significance of speed, forums are organized for identification of what factors make it possible for corporations to apply business approaches promptly and in a successful successfully manner in order to attain a strategic speed. Research has realized a number of factors that facilitate speed including people-oriented leadership. Although Wheelan and Hunge (2012) shows the significance of speed, their study fails in establishing the connection of speed strategy and performance.

According to Schroder (2015) study that constituted 10 different organizations in Africa and using correlation research design approach found out that; strategic speed has two basic elements: The first element is reduction of time for valuing and enhancing the value over a certain period of time. The study findings indicated that reduction of value time implies permitting organizations to acquire a breakeven point. Schroder (2015) says that it means the point at which monetary returns begin outweighing production costs. Increment of value over a certain time period means to sustain strategic initiatives' effectiveness, for instance, constantly intensifying markets for newly developed good and services, through modification for a better-fit of customer needs. Schroder (2015) shows a nexus between speed strategy and performance of the organization. However, the study was correlational which limited the credibility of the findings because correlation does not always imply causation. In this regard, the study should have modelled the association between speed, performance and strategy using regression methods of analysis.

A study by Chang and Lee (2005) in Japan was for the opinion that sustenance of speed encompasses continuous learning. The findings indicated that businesses that have decreased

time to value and increased value above time; hence; established strategic speeds' track record have as well reinforced the continuous learning idea. Faster organizations' intentions were based on learning from past experiences. The study discovered that executives were flexible to try to implement new concepts; nonetheless, they as well tried to debrief totally after new concepts were verified. The study revealed that slower businesses tend to shift to an upcoming project instantaneously, once a present one has been completed, devoid of stopping to carry out an analysis of shortcomings in the already completed project. However, the study provided no empirical quantitative evidence to support the claims and thus the findings can only be termed as hypothetical. Besides, Chang and Lee (2005) study were conducted decades ago and given that organizations usually evolve to new methods and strategies, the findings cannot be applied in today's market and organization environment.

Studies by Pearce and Robinson (2011) in USA faster organizations also take time for evaluation of what they have learnt previously and transmit it to the other people through formal procedures like training packages and methodical debriefs) as well as informal processes like deliberations amongst team members). The executives characteristically keep project teams together through a number of initiatives, as opposed to dissolution of teams after each project. Their findings indicated that this promotes knowledge from experiences and helps in establishing teams that are stronger, because members have the opportunity of knowing each other appropriately delight in working collectively more frequently. However, Pearce and Robinson (2011) study were conducted in USA organizations which operate on a different environment, under different regulations and different markets hence are contextually different to Kenyan NGOs. Besides, the study failed to show the relationship between speed strategy and performance of organizations.

#### **2.4 Summary of Literature reviewed and Research Gaps**

The view of Kwasi and Acquah (2008) their study was that; when organizations lack a clear strategic plan, they tend to be driven by existing functioning issues, as opposed to being driven by a well-planned future. Achievement of a highly competitive advantage, and also enhanced market share in highly competitive environments is rather complicated in a number of aspects because companies could be in great need to carry out their activities with well-planned characteristics and principles so that they can persistently adapt to any changes.

According to Spulber (2009) competitive strategies provide not for profit organizations with actions for creating defensive or offensive positions in their industries, and hence; produce a great 'Return on Investment'. Ombati (2012) study showed that executives do not have an alternative, except expecting from the future, attempting to shape it, and also to create equilibrium between short and long-term objectives. The collective theme the component of competitive advantage has been shown in studies to be value creation. Nevertheless, there lacks agreement who this value benefits, as well as the time at which competitive advantage generates this value. Most studies' schools of thought have shown that value can be created through availability of favorable trade terms in product and services' markets in such a way that; sales that are made go beyond production costs. According to Schroder (2015) another school of thought entails that benefit is discovered by "superior" revenues. Another important school of thought connects benefit to greater performance of stock markets.

Barney (2012) asserts that companies experience a competitive advantage in a case when their actions industries or market segments generate economic value, as well as at times when a number of rival companies engage in related activities. Barney also ties competitive advantage with performance in an argument that; companies obtain performance that is above-normal due to generation of value that is greater-than-expected from employed resources.

The study by Wheelen and Hunger (2012) states that though there is rich literature on business competitive strategies, there lacks a good explanation from the authors on how they influence the performance especially in the not-for profit organizations. In fact, the literature has well showed that penetration in markets entails increasing the market share in an existing market scope achievable by offering more services or products to existing consumers or even through searching for new consumers within the industry (Wheelen & Hunger, 2012).

**Table 2.1: Summary of Literature Review and Research Gaps**

Author and Year	Focus of the Study	Findings and Knowledge	Research Gap	Focus of the current Study
Arkolakis (2010)	Focus strategy	Focus strategy's main goal is to become a go-to product or brand for a group that one is making efforts in order to reach.	However, the study does not show the relationship between focus strategy and performance.	The focus of this study is on the nexus between focus strategy and NGOs performance.
Green, Barclay and Ryans (2005)	Focus strategy and marketing	Players often hope that through focusing towards putting great efforts in marketing on several market sections.	The study failed to connect strategies and performance hence their studies do not have significant implications on policy and practice for NGOs.	The current study specifically focused on focus strategy and NGOs performance.
Barney (2012)	Focus strategy and marketing	Focus strategy constitutes of two variants. The study asserted that one of them is the cost focus,	The findings were based on qualitative analysis. The study does not show how focus strategy is relevant in the context of organization	The current study followed a quantitative and qualitative approach.

		through which organizations seek to acquire a high-cost advantage in the segment its targets.	performance.	
Mose (2008)	Focus strategy and market segments.	Focus strategy makes use of cost behavior differences in particular segments, whereas differentiation focus targets specific requirements of buyers in a certain segment.	The study was qualitative in nature.	This research used qualitative as well as quantitative analytical approaches.
Scott-Jackso (2010),	Cost leadership strategy and market share.	Cost leadership strategy entails an organization gaining a market share by making appeals to price-sensitive or cost-conscious consumers.	The study was conducted in UK firms.	The current study focused on Kenyan NGOs.
Andrews (2013)	Cost leadership and	Restaurants in Thailand,	The study does not link the	Contextually, the current study

	service delivery	succeeded very fast, even airlines turning around flights in a rapid manner, whereby methods employed included fixed costs that were normally distributed over greater numbers of units of services or products, which resulted in lower unit costs.	cost leadership strategy with other aspects of performance.	sought to model the <u>relationship between cost leadership strategy and organizational performance.</u>
Bartholomew, Steele, Galbraith and Moustaki (2008)	Cost leadership strategy	Cost leadership be accomplished through providing great standardized products volumes, providing simple basic products as well as restraining personalization and customization of	The study was qualitative and did not show the relationship between cost leadership and performance.	The current study modeled the relationship between cost leadership and NGO performance.

		services.		
Mulburg (2010)	Cost Leadership strategy	Cost leadership strategy is only practicable in huge organizations that have an opportunity of enjoying 'economies of scale' as well as large volumes of production, in addition to a large market share.	The study focused on airlines companies and did not show how cost leadership strategy affect performance	The focus of the current study is on NGOs and the study sought to establish the connection between cost leadership strategy and NGOs performance.
Basher and Tarabieh (2011)	Beneficiaries' orientation, Differentiation of innovation; Differentiation of markets	Innovation differentiation affected organizational performance to a greater extent compared to market differentiation.	The study was conducted in Jordan and the sample size of 13 non-profit organizations is too small.	The focus of this study was on NGOs in Nyeri County, Kenya.

Farris, Neil, Phillip and Reibstein (2010)	Differentiation of innovation Organization performance	Differentiation of innovation results in greater effects on organizational performance as opposed to market differentiation.	Study focused on profit organizations which structurally, and in terms of governance, goals and purpose differ with the NGOs.	The focus of this study was on NGOs in Nyeri County, Kenya.
Dubrin (2011)	Differentiation strategies	The study reported that most US organizations have often attempted to seek the correct equilibrium through competition in aspects like service, price as well as quality, or in relation to any arrangement of characteristics that are believed to have importance to a NGO's beneficiaries	The study identifies the indicators of differentiation and argues that organization seeks equilibrium without showing how and between what.	The current study explicitly linked differentiation strategies with performance of NGOs.

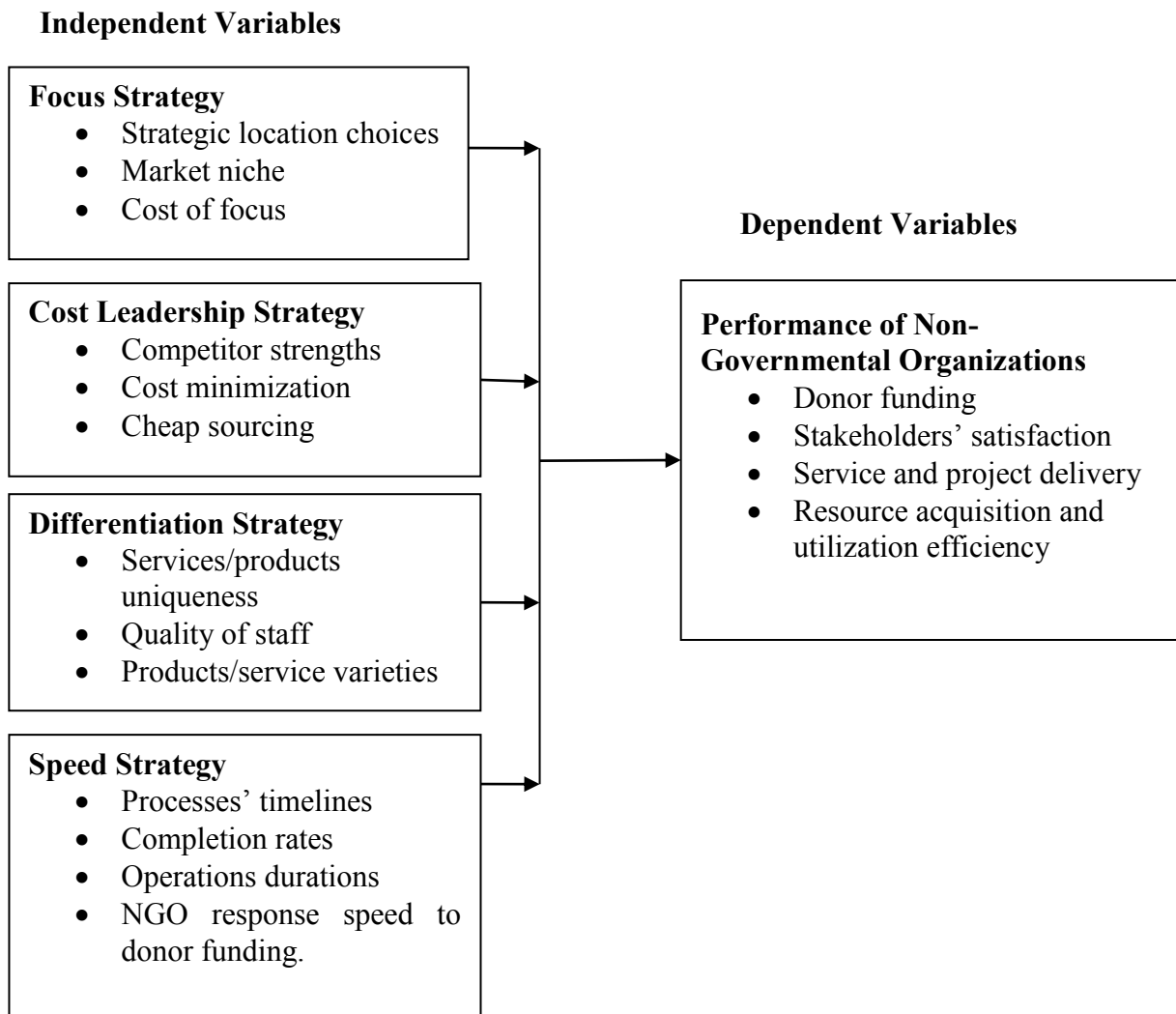
Wheelen and Hunge (2012)	Speed strategy	A number of factors that facilitate speed including people-oriented leadership.	Their study fails in establishing the connection of speed strategy and performance.	The current study aimed at establishing the relationship between speed strategy and performance of NGOs in Kenya.
Schroder (2015)	Strategic speed	Strategic speed has two basic elements: The first element is reduction of time for valuing and enhancing the value over a certain period of time. The study findings indicated that reduction of value time implies permitting organizations to acquire a breakeven point.	The study focused on strategic speed which conceptually is different to speed strategy.	The focus of this study was on speed strategy and its influence on performance.

Pearce and Robinson (2011)	Speed strategy and performance	Their findings indicated that this promotes knowledge from experiences and helps in establishing teams that are stronger, because members have the opportunity of knowing each other appropriately delight in working collectively more frequently.	This study was conducted in USA organizations which operate on a different environment, under different regulations and different markets hence are contextually different to Kenyan NGOs.	The current study focused on NGOs in Nyeri County, Kenya.
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Source: Author (2021).

## 2.5 Conceptual Framework

A conceptual framework, according as per Creswell (2013), allows the researcher to see the study variables clearly and provides a general framework for data analysis. It is used in studies to offer a desired approach to a concept or thinking or to outline alternative courses of action. A conceptual framework is a type of analytical method that comes in a variety of forms and contexts. It is employed in the formation of conceptual distinctions as well as the organization of ideas.



**Figure 2.1: Conceptual Framework**

**Source: Researcher (2021)**

The figure 2.1 above presents the conceptual framework of the study. According to the aspects presented, focus strategy if well adopted and implemented may lead to an increase of performance of the NGOs. Focus strategy in this study is operationalized using three indicators as determined from the empirical literature namely strategic location choices, market niche, and cost of focus. These indicators formed the constructs which were used to measure the extent of focus strategy using Likert Scale. In addition, the study hypothesized that when the effectiveness of the way cost leadership strategy is applied, the efficiency in the differentiation strategy adoption and robust speed application in the processes and delivery of services of a given NGO matters a lot towards the realization of its dreams (like seeing a changed society). differentiation strategy is identified using the following key indicators namely service quality, quality of staff and products/service variety while speed strategy indicators include processes and timelines, completion rates, operations durations, and NGO response speed to donor funding. These indicators were used to create constructs that were measured using Likert scale; hence allowing operationalization of the study independent variables. Similarly, cost leadership strategy in this study is identified using three indicators namely competitor strengths, cost minimizing and cheap sourcing. Moreover, performance of NGOs is measured using a number of indicators namely donor funding, beneficiary satisfaction, financial security, cost of projects and services, employee satisfaction, community engagement, partners and sponsors satisfaction and service and delivery of projects. These measures were adapted from the Kaplan and Norton (1992) balanced scored card model which establishes both the non-financial and financial aspects of an organization. The indicators were used to develop constructs which were measured in Likert-scale.

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

The sample selection and definition, study design, sampling design and population, methods of data collection, tools and procedures, and data analysis and reporting are all covered in this chapter. The following subsections made up the chapter: study design, target population, sample design, data collection methods, and data analysis.

### **3.2 Research Design**

Dul and Hak (2008) defined research design as a step-by-step process for gathering and analyzing data with the objective of delivering the study goals. A research design, according to Mugenda (2010), is the framework that is employed to meet the research's objective. A descriptive survey research technique was used in this research. It is a research method that portrays the features of an event or populace under consideration. It describes the study's objective, conditions, behavior, or occurrence instead of the reasons why it occurs. Descriptive research answers questions about what, when, where, who and how they connect with the research questions. Therefore, it tries to compile indisputable and measurable data that can be statistically assess a collection of predetermined topics or audience. It is used in this study because it allows for evaluation of a phenomena or a study topic without altering any of the variables. Thus, it will be used guide data collection and analysis of the influence of competitive strategies on non-governmental entity performance.

### **3.3 Target Population**

A target population is the entire number of objects or individuals that are to be involved during the study as they bear all the necessary characteristics to be included as a the population sample in the study as per Brink, Van Der Walt and Van Rensburg, (2009) . The target population was divided into unit of analysis and unit of observations.

A unit of analysis, as indicated by Collis and Hussey (2013), is the item for which you want to make a valid conclusion at the end of a research study. The NGOs in Nyeri County were the study's units of analysis. Nyeri County is home to ten non-governmental organizations (NGOs). These NGOs primarily engaged in economic and social activities such as providing water in arid regions, encouraging tree planting, and assisting orphans and vulnerable children (OVCs). Non-

governmental organizations (NGOs) in Nyeri County present a good setting to study their competitive strategies and how they influence the organizational performance. The population of this study was therefore all the NGOs in Nyeri County, Kenya.

Additionally, Collis and Hussey (2013) assert that unit of observations are the items that are actually observed or engaged in the study. Specifically, the study targeted the Directors, 3 Project Coordinators, 3 Project Officers and 3 support staff respectively in each of the NGOs (Hence, a total of 10 respondents from each of the 10 registered NGOs). These are the people who received the research equipment's. The reason for the choice of the respondents' categories was based on the fact that they were strictly the ones knowledgeable of the operations strategies of the NGOs they work for, and the day-to-day operations concerning the adopted competitive strategies and what determines performance. The total target population was 100 respondents. The target population was distributed in the Table 3.2 below.

**Table 3.1: Target Population**

<b>Category</b>	<b>Target population</b>	<b>Percentage</b>
Directors	10	10.00%
Project coordinators	30	30.00%
Project officers	30	30.00%
Support staff	30	30.00%
Total	100	100%

**Source: Researcher (2021)**

### **3.4 Sampling Technique and Sample Size**

The group of respondents drawn from a specific population with a goal of determining the demographic characteristics is called a sample (Siegel 2013). It relates to a subset of the population chosen to provide a clear picture of the complete population. A method or process for identifying a sample of the populace that will participate in a scholarly study is called sampling (Neuman, 2010). The current study adopted criterion-based sampling. Samples that meet a fixed selection criterion were chosen using criterion-based sampling. As per Saunders, Lewis, and Thornhill (2015), criterion-based sampling allows focusing in detail on examining a small

number of preselected samples to yield much more knowledge than collecting standardized data from a broad, statistically representative group. As a result, this study used criterion sampling to concentrate on the entire population of 100 participants who were specifically selected if they were director, project coordinators, project officers, and support staff from the only ten registered NGOs in Nyeri County.

### **3.5 Data Collection Instrument**

A semi-structured questionnaire was employed as a research instrument to obtain primary information on the impact of competitive strategies on the performance of non-governmental organizations in Nyeri County, Kenya. According to Saunders and Thornhill (2009) a questionnaire is a good data collection tool since it facilitates the large data collection within a limited time frame. Further, respondents were free to give their answers in an honest and candid manner without getting rushed. The device contained opened and closed ended questions.

The questionnaire was organized into 5 sections. The data concerning the respondent demographic information were collected in section A, section B consisted of statements on focus strategy variable, section C consisted of cost-leadership strategy constructs, section D consisted of constructs on differentiation strategy, and section E, NGO performance. The questionnaire was semi-structured which consisted of open-ended and close-ended questions. The close-ended questions were important for operationalization and measurement of the study variables using Likert-scale while open-ended questions allowed perceptions and judgments from the selected respondents regarding the question hence giving a comprehensive understanding of the question (Collis & Hussey, 2013). Semi-structured questionnaire was important in this study since it allowed measurement of variables using close-ended questions and respondents own perceptions using open-ended questions hence offering greater perceptiveness of the study problem.

### **3.6 Validity and Reliability of the Research Instrument**

The questionnaire survey was first piloted to establish its reliability and validity. A pilot study, as per Crowther and Lancaster (2012), is a small pre-study that examines duration, feasibility, expense, and challenging circumstances, and also allowing changes to the research design before the main research can be completed. According to Kothari (2010) the sample size required to conduct a pilot study should necessarily be 1% to 10% of the study sample size. In this regard, a 10 percent of the 100 is 10 respondents who were involved in pilot study. Since, every NGO

provides the study with 10 respondents, convenience sampling was utilized to select 10 respondents from one NGO. Specifically, the study targeted one NGO in Laikipia County, Kenya.

### **3.6.1 Validity of the Research Instrument**

Validity indicates the extent to which a test determines what it is intended to measure. Three types of validity were identified as; criterion, construct and content (Kothari, 2004). Criterion validity is the instrument's ability to predict the outcome of the present situation. In order for the analysis to be able to differentiate impacts by the individual independent variables on the dependent variable, the criterion validity should be met through the correlation coefficient among the independent variables (Schindler & Cooper, 2011). This is done through the comparison of device findings and similar equipment used in other studies. However, the study did not use this method since there are better methods which fit the study well. Additionally, Cavana, Delahaye and Sekaran (2001) noted that construct validity evaluation can be obtained from the board of experts who score the tools on how effectively they embody characteristics of the research intent. However, the study did not utilize this method because there is another method of validity testing which fits the study better and is convenient.

Further, there is content validity which measures the extent of the representativeness of the quality of a test of the domain it is intended to cover. This is achieved by asking experts to rate the content of the instruments. The simple and intuitive nature of its basic idea is one of the strengths of the content validation (Collis & Hussey, 2014). The study employed content validity index to check for the logical flow of the statements in the questionnaire. This was done by discussing the questionnaire with the supervisors who in this was the experts to score the tool on how it embodies attributes of the research intent. Following the content validity discussion with the supervisor, the study questionnaire was proved to be valid and embodied the attributes of research intentions.

### **3.6.2 Reliability of Research Instrument**

Reliability refers to an extent with which instruments produce constant output from recurrent measures. Babbie (2011) says reliability aids in bringing out the level that the measurement values are independent of dimensional errors. There are four types of reliability. The first type of

reliability is test and re-testing. It assesses the accuracy of findings obtained when the same test is performed on the same sample at different times. This method was not be used in this study because it is costly and time inconvenience. The second form of reliability was Interrater reliability that assess the level of agreement between different individuals observing or evaluating the same thing. When researchers collect data, they assign scores, categories or ratings, to a variable. This type of reliability was not be used because it does not apply to the nature and context of this study. Parallel type's reliability was the third type of reliability test, and it determines the similarity between two identical versions of a test. When two separate assessment instruments or set of questions are used to test the same item, this method is used. This method of reliability test was not be used because it is time consuming and given that there is another appropriate method in line with the current study.

The fourth type of reliability test was the internal consistency which measures similarity between different items in a test that are meant to determine the same construct. This test done using Cronbach alpha, which was useful in checking the internal accuracy of the responses of the participants in pilot study. Cronbach and Hedge (2003) asserted that alpha coefficient of less than 0.5 is considered unreliable, while an alpha coefficient greater than 0.5 is considered reliable while an alpha coefficient of more than 0.7 will be considered as very reliable. This study used Cronbach alpha method and threshold of 0.7 to check for the internal consistency of the questionnaire and the results of the findings were presented in Table 3.2.

**Table 3.2 Reliability Tests**

<b>Variable</b>	<b>Cronbach Alpha</b>	<b>Decision</b>
Differentiation strategy	0.791	Very Reliable
Cost Leadership Strategy	0.740	Very Reliable
Focus strategy	0.596	Reliable
Speed strategy	0.816	Very Reliable
Performance of NGOs	0.786	Very Reliable

**Source: Pilot Data**

As shown in Table 3.2, the Cronbach Alpha of differentiation strategy, cost leadership strategy, speed strategy and performance of NGOs was greater than 0.7, surpassing the standard threshold of very reliable, while focus strategy had an alpha of 0.596, which according to Cronbach and

Hedge (2003) is also reliable to a good extent. Thus, the questionnaire tool was qualified as reliable.

### **3.7 Data Collection Procedure**

Before distributing the questionnaires, the researcher obtained permission from the National Commission for Science, Technology, and Innovation (NACOSTI). A cover letter was also obtained from the Kenyatta University (KU) postgraduate research department, allowing the researchers to obtain data from all of the study's respondents. The researcher distributed the questionnaire to each subject after describing the criteria and ensuring that each item was understood correctly. The researcher gave each respondent sufficient time to answer the questionnaire before compiling them for research.

### **3.8 Data Analysis and Presentation**

The data obtained in this research was analysed using both quantitative and qualitative approaches, and the final conclusions and findings were assembled. Data collected quantitatively from a variety of closed-ended questions were categorized and analysed. They were coded further by assigning recognizable symbols, numerical values, or other signs (Creswell, 2009). The key statistical tool for calculating the estimated parameters was SPSS version 26.0. Descriptive statistics, which included graphs, charts, and frequency percentages, were used to measure central tendencies and dispersion such as mean and standard deviation, as well as to report the data gathered from the close-ended products. Thematic analysis was used to analyse qualitative primary data. Other types of analysis, such as correlation and ANOVA, were used in addition to inferential statistics like regression analysis to determine the relationship between the independent variables and dependent variable.

The statistical approach of correlation analysis is used to determine the extent of connectedness between two variables (Cooper & Schindler, 2014). This study is the initial phase in developing statistical models aiming at discovering the relationships or correlations between numerous dependent and independent variables. The researcher conducted a multiple regression analysis after constructing the correlation matrix, which is utilized to examine the link among the independent variables and supports the building of a predicted multiple design. Correlation analysis assists in the identification of potential multi-collinearity that may exist. A correlation value of 0 implies that the given dependent and independent variables have no likelihood of

being related. Moreover, if the correlation index is 1.0, it means that the variables have a negative or positive association. Hair et.al, 2010. The values were evaluated as negative 1 or positive 1, with -ve 1 denoting a negative perfect relationship, 0 denoting no relationship involving the variables, and +1 denoting a perfect positive relationship. When  $r$  is between 0.1 and 0.29, the correlation is considered moderate, medium when  $r$  is between 0.3 and 0.49, and strong whenever  $r$  is 0.5 and above.

To determine if there was a meaningful association between the study variables, the researchers used multiple regression research. This link was discovered owing to a regression model (Lategan, 2010). The dependent variables in this study were cost leadership strategy, cost strategy, speed strategy, and differentiation strategy, while the independent variable was the performance of NGOs. The interpretation of the independent variables was interpreted based on outputs from the SPSS where the researcher expressed his/her personal thoughts in terms of the magnitude of effect. The results were presented in figures and tabular format and the level of significance was determined at 0.05 significance level.

### **3.9 Ethical Considerations**

'Ethical' behaviors, as per Neumann (2013), are those that are regarded as acceptable and suitable in a profession. Three study factors were taken into account by the researcher: ethical concerns pertaining to the specific researcher, ethical problems pertaining to the respondents, and the manner in which the study was conducted. To guarantee that the research could proceed, an authorization from the National Commission for Science, Technological, and Innovations (NACOSTI) was obtained. The researcher also received consent from all of the sampled NGOs, as well as an introductory letter from Kenyatta University's Business school, which was included with the questionnaires. When working with study participants, the researchers followed tight ethical and transparency guidelines. Respondents learnt about the study's objectives, the input the researcher needs from them, why this input is important, how they may part, and how the investigation will affect them. The researcher did not misuse any control over the participants in this research, whether it was cognitive, legal, expertise, or authoritative, by encouraging them to engage in actions that could put them at risk or make them victims.

## CHAPTER FOUR: RESEARCH FINDINGS AND PRESENTATION

### 4.1 Introduction

This section presents the analysis results, interprets and discusses them in line with the study objectives. Data analysis was performed using Statistical Packages for social sciences that generated both descriptive and inferential analysis presented in form of tables and figures. Descriptive statistics describe the respondents' profile and show the general trend of the respondents. Correlation and regression analysis under the inferential analysis infers meaning between the study variables, while diagnostic tests were conducted to test the robustness of the regression model, hence the reliability of the findings.

### 4.2 Response Rate

Questionnaires were given to all the 100 NGOs Workers working at Nyeri County. Out of 100 administered questionnaires, 85 were fully filled and returned, which is an 85 percent response rate, presented in Table 4.1.

**Table 4.1 Response Rate**

Questionnaires	Number	Percentage
Questionnaires Sent	100	100%
Questionnaires fully filled and returned	85	85%

**Source: Research Data (2021).**

A response proportion of more than 70% is excellent, and over 50% is good, as per Mugenda & Mugenda (2003), and that percentage is a reasonable reflection of the general populace. Inferential analysis can also be performed with this number of observations (85) because it is deemed sufficient. According to Gujarati (2003), the minimum number of observations required for linear regression models is 30, but some models, such as time series models, may require more than 150 observations.

### 4.3 Respondents Bio-Data Information

The respondents' Bio-data information includes age in years, gender, and educational level. These three were used to determine the respondent's profile and the reliability of the information provided by the respondent.

#### 4.3.1 Respondents' Age

Respondents' age is important in studies because it gives a loose perspective on the experience, skills, and level of information the respondents might have. The age distribution of this study respondents' is presented in Table 4.2 below.

**Table 4.2 Age Distribution of the Respondents.**

	Frequency	Percent
21 to 30 years	17	20
31 to 40 years	21	24.7
41 to 50 years	33	38.8
Over 50 years	14	16.5
<b>Total</b>	<b>85</b>	<b>100</b>

**Source: Research Data (2021).**

As shown in Table 4.2, majority 38.8% (33) of the respondents were between age 41 to 50 years, followed closely by the respondents aged between 31 to 40 years at 24.7% (21). Age is positively related with experience and general knowledge according to Mose (2008). Thus, the results indicate that the respondents were well informed given their experience at various positions.

#### 4.3.2 Respondents' Gender

Respondents were prompted to specify their genders, and the results are presented in Table 4.3.

**Table 4.3 Gender Distribution of the Respondents**

	Frequency	Percent
Female	24	28.2
Male	61	71.8
<b>Total</b>	<b>85</b>	<b>100</b>

**Source: Research Data (2021).**

As shown in Table 4.3, 71.8% of the participants were male and 28.2% were female. This is indicative of the uneven distribution of the gender at NGOs work-force. Also, the results indicate that the NGOs at Nyeri County was not able to fulfill the one-third gender employment rule in the organization. Despite the uneven distribution of gender, the percentage of female participants in the study helps in eliminating the bias that may be caused by each gender. This finding is in agreement with that of Zhang (2016) who revealed that women are under presented in positions involving leadership at just 20% of the total.

### 4.3.3 Respondents' Education Level

The participants were also asked to specify their highest level of education and the results of the analysis are given in Figure 4.3.

**Table 4.3 Education Level Distribution of the Respondents**

	<b>Frequency</b>	<b>Percent</b>
College Level	35	41.2
Secondary Level	3	3.5
University Level	47	55.3
<b>Total</b>	<b>85</b>	<b>100</b>

**Source: Research Data (2021).**

As shown in Figure 4.3, the majority of the respondents (55.3%) had a university level of education and 41.2 % of the respondents had a college level of education. The result suggests that NGOs at Nyeri county are occupied by skilled man power with most having an undergraduate level of education. With the current study, the result suggests that all respondents could understand the purpose of the research, questions in the questionnaire, and the job ethics practices, and policies.

### 4.4 Descriptive Analysis

The study checks for the general trend of the responses using descriptive statistics namely mean and standard deviation.

#### 4.4.1 Focus Strategy

The participants were invited to rate how much they agreed with the statements about the Focus Strategy and NGO performance on a scale of 1 to 5, with 1 indicating significant disagreement, 2 indicating disagreement, 3 indicating neutrality, 4 indicating agreement, and 5 indicating strong agreement. Table 4.4 shows the results of generated mean and standard deviation.

**Table 4.4 Focus Strategy descriptive Statistics**

	<b>Mean</b>	<b>Std. D</b>
<b>Better focusing on specific target group leads to lower operational costs and improved NGOs performance</b>	4.2	0.6
Better focus objectives in this organization have been to become a leading component in a determined niche through serving selected groups in a better way compared to other players.	4	0.6
<b>The outcomes of being focused to win have had a favorable effect on the overall organizational performance in the recent past</b>	4	0.9
The management understands and resolves well on focus strategy issues in this organization	4	0.8
Being focused makes use of cost behavior differences in particular segments	3.9	0.9
<b>There is a policy that guides the activities related to remaining focused alignment in this organization which ensures its overall performance</b>	4.2	0.7
<b>Mean</b>	<b>4.05</b>	<b>0.78</b>

**Source: Research Data (2021).**

The extent of focus strategy on NGO performance was measured using three indicators namely strategic location choices, market niche, and cost of focus. As per Table 4.4, most of the participants agreed on constructs on focus strategy. For example, majority of the respondents agreed that better focusing on specific target group leads to lower operational expenses and improved NGOs performance (Mean = 4.2, SD = 0.6). The mean of 4.2 implies that most of the participants agreed with the statement while a standard deviation of 0.8 shows that the responses did not largely deviate from the mean, therefore, most of NGOs that focus on specific target group achieve lower operational costs and improved NGOs performance. Also, from the results in table 4.4 above, most of the participants were in agreement that better focus objectives in this

organization have been to become a leading component in a determined niche through serving selected groups in a better way compared to other players (Mean = 4, SD = 0.6). The mean of 4.2 implies that most of the participants were in agreement with the statement while a SD of 0.6 shows that the responses did not largely deviate from the mean; hence it can be deduced that most of the NGOs in Nyeri county have focused objectives which is a good factor that helps them serve their target group effectively. In addition, most of the participants were in agreement that the outcomes of being focused to win have had a favorable effect on the overall organizational performance in the recent past (Mean = 4, SD =0.9). Similarly, the mean of 4 and a standard deviation of 0.9 suggest a high agreement and low deviation of the responses from the mean; hence it can be deduced that NGOs that focus on winning have favorable impact on the overall organization performance. Moreover, the findings showed that most of the participants agreed that there is a policy that guides the activities related to remaining focused alignment in this organization which ensures its overall performance (Mean = 4.2, SD = 0.7). The mean of 4.2 indicates a high agreement rate while a standard deviation of 0.7 shows that the responses did not deviate largely from the mean. Thus, it can be deduced that most NGOs in Nyeri county have policies and guidelines that align the organization activities on focused objectives hence improving the overall performance.

Overall, the respondents agreed on the constructs of focus strategy as revealed by the high number of agreements by the participants. These results are in tandem with those of Barney (2012) who found out that a scholar, the focus strategy can as well be utilized in the selection of target markets, which are substitutes, or those subjected to lesser vulnerability or even others that are vulnerable to competition so that they can be in a position to earn a return on investment that is above average. However, Barney (2012) indicates that there is no significant relationship with focus strategy and NGOs performance. This further gives room for more research to be conducted in Kenya regarding the focus strategy and NGOs performance.

#### **4.4.2 Cost Leadership Strategy**

On a scale of 1 to 5, the participants were prompted to indicate how much they agreed with the assertions about cost leadership strategy on NGO performance. The mean and standard deviation were generated and the results presented in Table 4.5.

**Table 4.5 Cost Leadership Strategy Descriptive Statistics**

	<b>Mean</b>	<b>Std. D</b>
The lowering of activity costs adopted in this organization has enhanced convenience for one can access the NGO services/products anywhere in Nyeri County	3.9	0.9
The optimization of costs adopted entails this organization's gaining a market share by making appeals	4	0.9
Overheads in this non profitable organizations have been maintained at low levels through payment of optimized salaries, location of premises in a low rent area's	4.2	0.6
Through use of low but assured costs NGO has benefited from the decreased cost of delivery of services to their clients	4.2	0.7
The management understands and resolves well on activity cost issues in this organization	4	0.8
There is a cost guidance model and approaches adopted in this NGO involving reaching the target group at a faster rate	4.2	0.8
There is a policy that guides the activities related to cost optimization strategy adopted by this NGO which ensures the overall performance	4	0.7
<b>Mean</b>	<b>4.07</b>	<b>0.81</b>

**Source: Research Data (2021).**

Table 4.5 shows the cost leadership strategy indicators namely; activity costs, optimization of costs, payment of optimized salaries, delivery of services, management and governance, target group, and cost optimization strategy. According to Table 4.5, majority of the respondents agreed on the constructs on cost leadership strategy. For instance, respondents agreed that lowering of activity costs adopted in this organization has enhanced convenience for one can access the NGO services/products anywhere in Nyeri County (Mean =3.9, SD= 0.9). Furthermore, respondents also agreed that optimization of costs adopted entails this organization's gaining a market share by making appeals (Mean =4, SD= 0.9).

In addition, findings reveal that the respondents agreed that overheads in their NGOs have been maintained at low levels through payment of optimized salaries, location of premises in a low rent area's (Mean =4.2, SD = 0.6). Further, the results reveal that most of the participant agreed that use of low but assured costs has benefited the NGO as a result from the lower expense of

delivering services to its consumers (Mean = 4, SD = 0.8). The mean of 4 imply high agreement rate while the standard deviation of 0.8 shows that the responses did not deviate largely from the mean; hence it can be deduced that majority of the NGOs in strategy of low cost has beneficial impact on the service delivery to the clients.

Further, the analysis indicated that most of the participants agreed that their NGOs have a cost guidance model and approaches adopted in this NGO involving reaching the target group at a faster rate (Mean = 4.2, SD =0.8). The mean of 4.2 imply high agreement rate while the standard deviation of 0.8 shows that the responses did not largely deviate from the mean; hence it can be inferred that most NGOs in Nyeri have cost guidance model and approaches that help them reach their target audience quickly and effectively. Finally, the analysis also reveals that majority of the participants are in agreement with the assertion that there is a policy that guides the activities associated to cost optimization strategy adopted by this NGO which ensures the overall performance (Mean = 4, SD =0.7). The mean of 4.2 imply high agreement rate while the standard deviation of 0.7 shows that the responses did not largely deviate from the mean; hence it can construe that most NGOs have set policies and guidelines that ensures optimization of costs and consequently that leads to improved performance.

Overall, findings ascertain that the participant were in agreement with cost leadership strategy statements on NGO performance as revealed by high agreement level on cost leadership constructs (mean= 4.07, std= 0.81). This study is in tandem with that of Mulburg (2010 who showed that there is a positive correlation with performance of the organizations.

#### **4.4.3 Differentiation Strategy**

The participants were invited to rate how much they concurred with the statements on NGO performance and differentiating strategy. The mean and standard deviation were generated and the results presented in Table 4.6.

**Table 4.6 Differentiation Strategy descriptive Statistics**

	<b>Mean</b>	<b>SD</b>
I believe that the innovations adopted by this organization has been driven by the essence of internet and social media platforms	3.9	1
Picking right target groups approaches adopted by the NGO reduce the costs of operations and improves the Overall performance	3.7	1
The payback duration of differentiating well is lower than ten years hence improved the performance for the NGO	4.1	0.8
The benefits deduced from differentiation in targets and related technologies favorably affects the performance of this NGO	4	0.9
The management understands and resolves well on differentiation issues in affecting the performance of this NGO	4	0.9
The differentiation approaches adopted in this NGO involves improving the services to established target group at a faster rate	3.9	0.9
There is a policy that guides the activities related to differentiation practices adopted by this organization which ensures the overall performance of this NGO	4	1
<b>Mean</b>	<b>3.94</b>	<b>0.93</b>

**Source: Research Data (2021).**

The extent of differentiation strategy on NGO performance was measured using three indicators namely services/products uniqueness, quality of staff and products and services varieties. The large percentage of participants concurred with the assertions derived from the indicators, according to Table 4.6. For example, the most of participants felt that the basis of the internet and social media platforms has spurred the innovations employed by their firm (Mean = 3.9, SD = 1). A mean of 3.9 implies that majority of the respondents were in agreement that their NGO innovations are from internet and social media platforms, but a standard deviation of 1 indicates that the responses were well spread hence some of the respondents did not support the statement. Further, majority of the respondents agreed that picking right target groups approaches adopted by the NGO minimize the expenses of operations and increases the overall performance (Mean = 3.7, SD=1). A mean of 3.7 indicates that most of the participants concurred with the statement that NGO reduces the costs of operations by picking the right target groups, however, the mean of 3.7 also implies that a good number of respondents were disagreement with statement as

revealed by the standard deviation of 1, which shows high deviation of the responses from the mean.

Moreover, it was revealed that most of the participants concurred with the statement that payback duration of differentiating well is lower than ten years therefore improved the performance for the NGO (Mean = 4.1, SD = 0.8). The mean of 4.1 suggests that respondents were in agreement that payback duration of differentiation has improved over the past years and that strong agreement is also reflected in standard deviation of 0.8, which imply that the responses did not deviate largely from the mean and that majority of the respondents shared the same view. Moreover, the results also suggest that participants concurred with the statement the benefits deduced from differentiation in targets and related technologies favorably affects the performance of their NGO (Mean = 4, SD= 0.9). The high mean score implies high agreement rate and shows that differentiation strategic targets have beneficial effects on NGO performance and this is supported by a standard deviation of 0.9 which implies the responses did not largely deviate from the mean. Further, the findings also show high agreement levels on the statement that the NGO management understands and resolves well differentiation issues affecting performance (Mean = 4, SD = 0.9). Likewise, a mean of 4 suggest high agreement rate and a standard deviation of 0.9 shows the responses did not deviate largely from the mean; hence it can be deduced that NGOs management is effective in resolving differentiation issues that may cause poor performance.

Finally, most of respondents agreed that there is a policy that guides the actions linked to differentiation practices employed by this organization, ensuring the overall performance of this NGO (Mean =4, SD =1). A mean of 4 suggest high agreement rate while a standard deviation of 1 show there were responses which deviated significantly from the mean; hence it can be deduced that most of the NGOs have policies that guides the activities related to differentiation practices while few NGOs do not have those policies. Overall, the results suggest that majority of NGOs are applying differentiation strategy as revealed by high agreement level of constructs of differentiation strategy (Mean =3.94, SD = 0.93). The result is consistent with that of Dawar and Frost (2011) who asserted that NGOs' employing differentiation strategies do so with a sole objective of creating services or products that have value and are considered by buyers be very unique.

#### 4.4.4 Speed Strategy

The participants were prompted to rate how much they concurred with the comments on speed strategy and NGO performance. Table 4.7 shows the outcomes of generated mean and standard deviation.

**Table 4.7 Speed Strategy descriptive Statistics**

	<b>Mean</b>	<b>SD</b>
Adoption of right optimized speed allows for flexibility and convenience thereby increasing target satisfaction levels	3.6	1.1
<b>The use of optimized speed by our systems replaced labor intensive and paper-based record keeping methods leading to quicker services access</b>	3.9	0.9
The management understands and resolves well on duration of processes among other issues in this NGO	3.9	0.9
The Speed optimization approaches adopted in this NGO involves more services provision to established groups at a faster rate	4	0.9
<b>There is a policy that guides the activities related to robust speed adopted by this organization which ensures the overall performance</b>	4.3	0.8
<b>Mean</b>	<b>3.94</b>	<b>0.92</b>

**Source: Research Data (2021).**

The extent of speed strategy on NGO performance was established on four indicators namely; processes' timelines, completion rates, operations durations, and NGO response speed to donor funding. As shown in Table 4.7, the respondents agreed with the constructs of those indicators. For instance, the respondents perceived adoption of right optimized speed allows for flexibility and convenience thereby increasing target satisfaction levels (Mean =3.6, SD =1.1). A mean of 3.6 implies that respondents were in agreement with the statement while the standard deviation of 1.1 implies that the responses deviated significantly from the mean. Even though there was good amount of deviation of respondents' responses from the mean, they generally agreed that speed is important in achieving convenience and level of satisfaction. They also agreed with the statement that the use of optimized speed by our systems replaced labor intensive and paper-based record keeping methods leading to quicker services access (Mean =3.9, SD = 0.9). The mean of 3.9 shows there was high agreement rate that systems in the organization help improve the speed of the organization operations by replacing the labor-intensive paper-based method to

record keeping methods. The standard deviation of 0.9 shows that the responses were close to the mean; hence majority of the respondents shared same view.

Similarly, the respondents agreed that the NGO management understands and resolves well on duration of processes among other issues (Mean = 3.9, SD = 0.9). The result implies that majority of the respondents were of the view that NGO management is effective in management the operations and processes in the organization and a standard deviation of 0.9 indicates that the responses did not deviate significantly from the mean. Moreover, the findings revealed that majority of the respondents agreed that there is a policy that guides the activities related to robust speed adopted by this organization which ensures the overall performance (Mean 4.3, SD = 0.8). The mean of 4.3 implies that that most of the respondents believed that their NGOs have policy guides and activities that enhance speedy operations, and a standard deviation of 0.8 reveals that the responses did not deviate largely from the mean; hence majority of the respondents held the same view.

Overall, the respondents were in agreement with the constructed statements regarding speed strategy. This implies that most NGOs in Nyeri County apply speed differentiation strategy to gain competitive edge and improve their organization performance. This finding echoed the assertions of Chang and Lee (2005) who asserted that sustenance of speed encompasses continuous learning. The findings indicated that businesses that have established strategic speeds' track record have as well reinforced the continuous learning idea. However, Chang and Lee (2005) were referring to Japan organizations and further analysis is needed to establish the relationship between speed strategy and NGOs performance.

#### **4.4.5 NGO performance**

On a scale of 1 to 5, participants were requested to rate how much they agreed with the assertions about NGO performance. 1 was strongly disagree, 2 was agree, 3 was neutral, 4 was agree and 5 was strongly agree. Table 4.8 shows the results of generated mean and standard deviation.

**Table 4.8 NGO performance descriptive Statistics**

	<b>Mean</b>	<b>Std. D</b>
1. The NGO Donor funding is efficient	4	1
2. The NGO has managed to reduce operational costs over the years	4	0.9
3. This is high client satisfaction	4	0.9
4. Increased NGO Assets	4	0.9
5. The NGO engages in Non-profit community projects	3.7	0.9
6. Over the years of operation, there is improved community volunteer's participation.	3.8	1
7. Resources utilization efficiency	3.8	0.9
8. Over the years of operations, the NGO has experienced donors and donation growth.	4	1
9. The partners and sponsors engagement with the NGO are high	3.6	1
10. The NGO over the years of operation has improved their donation and service delivery frequency.	3.9	0.9
<b>Mean</b>	<b>3.88</b>	<b>0.94</b>

**Source: Research Data (2021).**

Table 4.8 shows the constructs of NGO's performance indicators and the results suggests that most of the participants agreed with the constructed assertion. For example, majority of the respondents agreed that NGO funding is efficient (Mean= 4, SD =1), which implies that most of the responses leaned on the agreement side and the standard deviation of 1 reveal that the responses deviated significantly from the mean. In addition, most of the NGOs have managed to reduce the operational costs over the years (Mean = 4, SD = 0.9). The mean of 4 implies that most of the participants agreed with the statement that their NGOs has managed to reduce the operational costs over the years while a standard deviation of 0.9 indicates that responses did not largely deviate from the mean.

Moreover, the findings reveal that there is high client satisfaction (Mean = 4, SD = 0.9). The mean of 4 shows that majority of the responses leaned on agreement side while a standard deviation of 0.9 shows that the responses did not deviate significantly from the mean which

implies that most of the NGOs have achieved high client satisfaction. In addition, NGOs in Nyeri have increased their assets over the years (Mean = 4, SD = 0.9). The mean of 4 shows that most of the responses leaned on agreement side while a standard deviation of 0.9 shows that the responses did not deviate significantly from the mean which implies that most of the NGOs in Nyeri have managed to increase their assets over the years.

Furthermore, the results reveal that most NGO's in Nyeri county engage in Non-profit community projects (Mean = 3.7, SD = 0.9). The mean of 3.7 shows that participants who agreed with the statement were the majority compared to those who disagreed, while a standard deviation of 0.9 shows that the responses did not deviate significantly from the mean. This indicate that some of the respondents were not sure about the statement but the majority agreed that NGO's in Nyeri County mostly engage in non-profit community projects. Moreover, the results reveal that over the years of operation, there is improved community volunteer's participation (Mean = 3.8, SD =1). In addition, the results also indicate that NGOs in Nyeri county usually achieve resource utilization efficiency (Mean = 3.8, SD=0.9). The mean of 3.8 indicates that most of the participants agreed with the statement that their NGOs have resource utilization efficiency and the standard deviation of 0.9 show that the responses did not deviate significantly from the mean; hence majority of the NGO's in Nyeri county have high efficiency in resource utilization.

Moreover, the results reveal that over the years of operation NGOs has experienced donors and donation growth (Mean = 4, SD =1). In addition, the results also indicate that NGOs in Nyeri county have partners and sponsors engagement with the NGO are high (Mean = 3.6, SD=1). The mean of 3.6 indicates that most of the participants agreed with the statement that their NGOs have resource utilization efficiency and the standard deviation of 0.9 show that the responses did not deviate significantly from the mean. This indicate that some of the respondents were not sure about the statement but the majority agreed that NGO's in Nyeri County have high engagement with partners and sponsors. Further, it is revealed that NGO over the years of operation has improved their donation and service delivery frequency (Mean = 3.9, SD = 0.9). The mean of 3.9 indicates that most of the participants agreed with the statement that their NGOs have over the years of operation improved their donation and service delivery frequency and the standard deviation of 0.9 show that the responses did not deviate significantly from the mean.

Overall, the average mean score of 3.88 indicated that most of the participants agreed on matters of performance of the non-governmental organizations and the standard deviation of 0.94 suggests that responses did not deviate largely from the mean. The result implies that operational NGOs in Nyeri County are reporting good performance. This finding is in tandem with that of Mose (2008) who led support that NGOs in Kenya are performing well in terms of attracting donor funds and service delivery.

## 4.5 Inferential Analysis

### 4.5.1 Correlation Analysis

Correlation shows a linear relationship between variables in question. This study employed a pairwise Correlation of moments and the findings are summarized using the correlation matrix in Table 4.9.

**Table 4.9 Correlation Matrix**

		<b>I.</b>	<b>II.</b>	<b>III.</b>	<b>IV.</b>	<b>V.</b>
<b>NGO performance(I)</b>	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	85				
<b>Speed Strategy (II)</b>	Pearson Correlation	.461**	1			
	Sig. (2-tailed)	0.0001				
	N	85	85			
<b>Differentiation (III)</b>	Pearson Correlation	.639**	.388**	1		
	Sig. (2-tailed)	0.0001	0.0001			
	N	85	85	85		
<b>Cost Strategy (IV)</b>	Pearson Correlation	.547**	.510**	.751**	1	
	Sig. (2-tailed)	0.001	0.0001	0.0001		
	N	85	85	85	85	
<b>Focus strategy (V)</b>	Pearson Correlation	.464**	.489**	.608**	.692**	1
	Sig. (2-tailed)	0.0002	0.0001	0.0001	0.0001	
	N	85	85	85	85	85

\* Correlation is significant at the 0.05 level (2-tailed).

**Source: Research Data (2021).**

As shown in Table 4.9, there is a positive and significant correlation between NGO performance and speed strategy with a correlation coefficient of 0.641 and p.value of 0.000. Similarly, there is a positive and significant relationship between differentiation strategy and NGO performance ( $r=0.639$ ,  $p=0.000$ ). Moreover, cost strategy has a positive and significant correlation with NGOs performance ( $r=0.547$ ,  $p.value =0.001$ ). Likewise, NGO performance and focus strategy have a positive correlation ( $r= 0.464$ ,  $p.value =0.0002$ ). The result implies that improvement or NGOs orientation in focus strategy, differentiation strategy, cost leadership strategy and speed strategy coincide with improvement in NGOs performance. Similar to previous studies, Stra Green, Barclay and Ryans (2005) found the extent to how the Focus strategy resulted in a blend of quality attributes to the NGO performance.

#### 4.5.2 Regression Analysis

Regression analysis was carried out to establish the strength and direction of relationship between independent and dependent variables. Table 4.10 indicates the model summary.

**Table 4.10 Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.639a	0.408	0.401	0.1675

**Source: Research Data (2021).**

Table 4.10 shows that the independent variables explain much of the changes in dependent variable. The adjusted R square shows that the independent variables explain 40.1 percent change in dependent variable. That means that 59.9 percent change in dependent variable are explained by other variables which are not accounted in the model. Table 4.11 shows the analysis of variance summary results.

**Table 4.11: ANOVA Results**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.479	4	1.370	110.314	.000 <sup>b</sup>
	Residual	0.993	80	0.012		
	Total	6.472	84			

*a. Dependent Variable: NGO performance*

*b. Predictors: (Constant), Focus strategy, Speed Strategy, Differentiation, Cost Strategy*

**Source: Research Data (2021).**

From Table 4.11, the model is significant given the F statistic of 110.314 and p-value of 0.001. The findings indicate that the independent variables in the model have a joint significant effect on the dependent variable. Table 4.12 shows the regression coefficient results.

**Table 4.12 Regression Coefficient**

	<b>Unstandardized Coefficients</b>	<b>Std. Error</b>	<b>Standardized Coefficients</b>	<b>t</b>	<b>Sig.</b>
	<b>B</b>		<b>Beta</b>		
(Constant)	0.396	0.187		2.112	0.038
Focus strategy	0.153	0.049	0.197	3.109	0.003
Differentiation	0.210	0.047	0.303	4.483	0.000
Cost Leadership Strategy	0.358	0.079	0.349	4.559	0.000
Speed Strategy	0.199	0.040	0.257	4.930	0.012

*a. Dependent Variable: NGO performance*

**Source: Research Data (2021).**

The regression model is as shown below:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon \dots\dots\dots \text{Model (4.1)}$$

From the regression results, the optimal model of the study is as follows:

$$Y = 0.396 + 0.153X_1 + 0.210X_2 + 0.358 X_3 + 0.199X_4 + \epsilon \dots\dots\dots \text{Model (4.2)}$$

The first objective of the study was to determine the influence of focus strategy on performance of non-governmental organizations in Nyeri County, Kenya. Regression findings illustrated that a unit increase in focus strategy results to a 0.153 increase in NGOs performance ( $\beta = 0.153$ ,  $p = 0.003$ ). The relationship is significant at 0.05 significant levels with p-value of 0.003. In that regard, there is a positive effect of focus strategy on NGOS performance in Nyeri County, Kenya. The findings are in consistent with Green, Barclay and Ryans (2005) in Italy who asserted that the focus strategy ensures that an organization focuses on few chosen target markets. The findings portrayed that player often hope that through focusing towards putting great efforts in marketing on several market sections and having a tailored marketing mix for

such specified markets, an NGO can be in a position to meet all the needs of these markets. Kamau (2009) adds that at focused orientation, organization develops a typical look towards gaining a highly competitive advantage through the means of being effective, rather than focusing on efficiency alone. Hence; it becomes efficient and effective in its operations.

The second objective of the study was to determine the influence of differentiation on performance of non-governmental organizations in Nyeri County, Kenya. Regression findings illustrated that a unit increase in differentiation strategy results to a 0.210 increase in NGOs performance ( $\beta = 0.210$ ,  $p = 0.000$ ). The relationship was significant at 0.05 significant level with p-value of 0.000. In that regard, there is a positive effect of differentiation strategy on NGOs performance in Nyeri County, Kenya. The findings were consistent to that of Mulburg (2010) who in his study of China based child support organizations found out that carrying out both differentiation of innovation and market related differentiation concurrently attains a higher greater competitive advantage resulting in enhanced organizational performance. Particularly, customer orientation normally attains competitive via innovation differentiation as well as market differentiation, ultimately improving organizational.

The third objective of the study was to determine the influence of cost leadership strategy on performance of non-governmental organizations in Nyeri County, Kenya. Regression findings illustrated that a unit increase in cost leadership strategy results to a 0.358 increase in NGOs performance ( $\beta = 0.358$ ,  $p = 0.000$ ). The relationship is significant at 0.05 significant level with p-value of 0.0001. In that regard, there is a positive effect of cost leadership strategy on NGOs performance in Nyeri County, Kenya. The study findings were in agreement with those of Andrews (2013) who reported that in-service businesses, for instance restaurants in Thailand, succeeded very fast, even airlines turning around flights in a rapid manner, whereby methods employed included fixed costs that were normally distributed over greater numbers of units of services or products, which resulted in lower unit costs.

The fourth objective of the study was to determine the influence of speed strategy on performance of non-governmental organizations in Nyeri County, Kenya. Regression findings illustrated that a unit increase in speed strategy results to a 0.199 increase in NGOs performance ( $\beta = 0.199$ ,  $p = 0.012$ ). The relationship is significant at 0.05 significant level with p-value of 0.001. In that regard, there is a positive effect of speed strategy on NGOs performance in Nyeri

County, Kenya. The study finding was in consistent with a study by Wheelen and Hunge (2012) who asserted that organizations across variable sectors in Singapore have continually recognized that promptness could be utilized in developing competitive advantage in a business. Acting quickly is more than a desirable trait in the real world. It is essential for deriving value from an operation in order to provide a product or service to a consumer. Speed could be classified under diverse labels which include market speed, delivery speed. Dubrin (2011) asserts that at times when businesses can do things in a faster manner as opposed to the existing rivalry, they usually experience particular success levels. In today environment that is hyper-competitive, the competence of an NGO in relation to execution of its business strategies is only a single portion of organizational success. Recently, an outcome has been supplemented in that: Maintainable growth is dependent on how fast a business could apply strategic inventiveness.

#### **4.6 Qualitative Analysis**

First, the researcher identified the common themes and presented the findings in prose form. Among the questions were the main activities for the NGOs in Nyeri County. According to the responses on focus strategy, the common theme was that NGOs in Nyeri County focus on welfare, health and child support activities, while few NGOs conduct multiple activities including education, and environment preservation. NGOs social welfare activities in Nyeri County aim to meet societal needs through the provision of concrete resources and services. Among the areas of focus is provision of health care, education, services to people, provision of basic needs to people, and fight against drug abuse, domestic abuse and environmental abuse. Another question sought to understand how NGOs work to serve the targeted group efficiently and effectively. The question was aimed at establishing whether NGOs employ focus strategy. According to the responses, NGOs concentrate on areas in which they have particular expertise, experience or interest, and balance the projected return on the investment against time and effort required to manage it. Second, they concentrate on projects that are a good fit for their skills and experience and as well as ones that are in line with their quest. These reactions show that non-governmental organizations (NGO) use focus strategy by engaging in activities that actually bring change to the society.

The common themes identified from cost leadership strategy open-ended questions include efficient working, having clear and realistic objectives, and consolidation. According to the

responses, ensuring that the staff are working efficiently helps minimize costs and improve the value of the activities. In addition, the NGOs in Nyeri County averred that they are very particulate in their goals and activities which helps them minimize costs on non-essentials. Moreover, the NGOs managers reported that consolidation of activities or events is key in minimizing costs. For instance, rather than training one department, all staff are trained which helps maximize time spent on training but cut the costs associated. Finally, some respondents also indicated sharing of resources among other NGOs as being important in cost minimization. Pooling resources and sharing facilities with other NGOs is a common practice among NGOs in Nyeri County.

Moreover, in regard to differentiation strategy responses from open-ended questions revealed that the common theme was that NGOs build brand integrity that aligns with the targeted problems and desirable solutions for the targeted audiences. They achieve this by building a deeper, more trusted relationship, with the targeted audiences and donors which in turn gives them opportunities to exponentially grow. It was also noted that some NGOs follow differentiation approach through cost advantages bargaining power of supplies and resources, and bargaining power on donors. This is particularly the case for large NGOs who have achieved economies of scale and are less fazed by competition.

According to the speed strategy responses in the open-ended sections of the questionnaire, the common theme includes investment and employment of information and communication technology in the organizations to improve speed of communication. According to the responses, internet and social media are changing the information and communication between NGOs and donors is faster. In addition, the responses indicated that many NGOs in Nyeri County have digitized the tools and ways of working as well as developing digital skills and mindsets to improve the efficiency in the organization.

## **CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS**

### **5.1 Introduction**

NGOs in Nyeri County have reported poor organizational performance in terms of delivering the services, employee and donor retention, suppliers and partners satisfaction. Various authors suggested that the struggles faced by NGOs are due to poor governance and poor competitive strategies. Contemporary studies also averred that most NGOs have not developed sustainable competitive advantage and they lack competencies for transient competitive advantages. As a result, they lack adequate accountability, proper organizational performance and track record which is essential for attracting donor funders and for their long-term sustainability. To address the problem, the study examined the competitive strategies adopted by the NGOs and how they affected the organizational performance of the NGOs in Nyeri County.

This chapter summarizes the findings of the study as established in previous chapter. The section also gives conclusion in line with the study objectives and gives recommendations on policy and practice.

### **5.2 Summary of the Study findings**

#### **5.2.1 Influence of Focus Strategy on NGO performance**

Referencing the correlation output in our study, focus strategy had a positive and significant relationship with NGO performance ( $\beta = 0.464$ ,  $p = 0.001$ ). The correlation result was in agreement with the regression analysis results which was positive and significant related with  $\beta = 0.153$  and with significant level of 0.003. Thus, the results imply that a unit change in focus strategy would results to NGO performance increase by 0.53.

#### **5.2.2 Effect of Cost Leadership Strategy on NGO performance**

Additionally, the study found out that cost leadership had a positive and significant correlation NGO performance ( $r = 0.547$ ,  $p = 0.001$ ). The correlation result was in line with the regression analysis which was also significant and positively related with  $\beta = 0.358$  and  $p = 0.0001$ . This result means that a unit increase in cost leadership by 1 unit would result to NGO performance by 0.358.

### **5.2.3 Effect of Differentiation Strategy on NGO performance**

The study also found that differentiation strategy had a positive and significant relationship with the NGO performance ( $r = 0.639$ ,  $p = 0.001$ ). These correlation results were in agreements with the regression results which revealed that differentiation strategy had a positive and significant relationship with NGO performance ( $\beta = 0.210$ ,  $p = 0.000$ ). Thus, by this result, it means that a unit increase in differentiation strategy would result to a positive increase in NGO performance by 0.210.

### **5.2.4 Effect of Speed Strategy on NGO performance**

The study found that speed strategy had a positive and significant correlation with the NGO performance ( $r = -0.461$ ,  $p = 0.0001$ ). This was supported by the regression results which established that speed strategy has a positive and significant relationship with NGO performance ( $\beta = 0.199$ ,  $p = 0.012$ ). This implies that a for every unit change speed strategy increases NGO performance by 0.199.

## **5.3 Conclusions of the Study**

The conclusions are based on the research questions and findings. Based on the indicated findings from the analysis, the following conclusions were drawn.

### **5.3.1 Influence of Focus Strategy on NGO Performance**

In response to the first research question, namely, “What is the effect of focus strategy on performance of Non-governmental Organizations in Nyeri County, Kenya?” the study discovered that focus strategy has a positive influence on NGO performance. Increases in focus strategy has a beneficial impact on NGO performance in the long run.

### **5.3.2 Influence of Cost Leadership Strategy on NGO Performance**

The second research question was “how does the cost leadership strategy affect the performance of Non-governmental Organizations in Nyeri County, Kenya?” The study discovered that cost leadership strategy has a positive effect on NGO performance. Thus, it concludes that cost leadership strategy affects the performance of NGOs in Nyeri County Kenya positively.

### **5.3.3 Influence of Differentiation Strategy on NGO Performance**

“How does differentiation strategy influence the performance of Non-governmental Organizations in Nyeri County, Kenya?” was the third study question. The study discovered that differentiation strategy had a great influence on NGO performance. Hence, it was concluded that differentiation strategy has a beneficial influence on the performance of Non-governmental Organizations in Nyeri County Kenya.

### **5.3.4 Influence of Differentiation Strategy on NGO Performance**

“What effect does the speed strategy have on performance of Non-governmental Organizations in Nyeri County, Kenya?” was the fourth study question. The study discovered that speed strategy had a favorable and substantial effect on NGO performance after conducting descriptive and regression analyses. As a result, the study concluded that NGOs in Nyeri county who positions themselves as speed and quick to act organization realize improved performance.

### **5.3.5 Overall Conclusion**

The study sought to establish the competitive strategies adopted by NGOs in Nyeri County. From the findings, cost leadership strategy was widely practiced and also had high beneficial effects on NGOs’ organizational performance. This is because in turbulent environment, minimizing operational costs and expenses is the most effective way of gaining financial advantage and at the same time achieving the NGO purpose. In addition, it ensures that NGOs remain competitively flexible even though costs may increase, as well as, deter other NGOs from entering the industry.

Focus strategy and differentiation strategy have also been widely adopted by NGOs in Nyeri County and also have higher significant effects on NGOs organizational performance compared to speed strategy. For NGOs that runs a focus strategy they often achieve above average financial returns because it offers to its market superior client and donor service, as well as producing specialized services and products meeting specialized needs. Whereas, an NGO that runs differentiation strategy is able to isolate itself from different types of rivalry by developing loyalties between the service or product and clients, based on the product’s differentiation. If the differentiation is successful in a client’s or donor’s eyes, then the seller can charge higher fees

for its purchase as customers become insulated from substitutes, or raise more dollars as donors get less sensitive to the cost of service being provided.

This study offers a unique contribution to the strategic management literature in the context of Non-governmental Organizations. For most literature in strategic management, strategic planning has been developed in the private sector. However, this study indicates that strategic planning approaches developed in the private sector can help public and Non-governmental Organizations, as well as communities or other entities, deal with their dramatically changing environments, and thus can help them to be more effective. This research findings will thus be most beneficial and insightful to NGOs based not only in Nyeri County but also in the rest of the counties in Kenya.

#### **5.4 Recommendations of the Study**

The study concluded that speed strategy has a positive effect on the performance non-governmental organizations in Nyeri County, Kenya. The study recommends NGOs to orient themselves as quick to act organizations in order to realize their objectives faster and also tap on the available opportunities of growth.

Additionally, the study concluded that differentiation strategy has a positive effect on the performance of non-governmental organizations in Nyeri County, Kenya. The study recommends NGOs to align themselves as organizations who offer unique services in a unique way to gain differentiation from other NGOs and competitive edge to get donor funds. Further, the study recommends the NGOs to be creative, and innovative through research and service provision to enhance their value to beneficiaries and donors as well as position themselves as differently from other NGOs.

Moreover, the study concluded that cost leadership strategy has beneficial effects on the performance of non-governmental organizations in Nyeri County, Kenya. To realize those positive effects, the study recommends NGOs to adopt a low cost of operation that would in return lower the expense of the organizations. The savings can be used to increase the performance of the organization and take advantage of market gaps.

Finally, the study concluded that focus strategy has a positive effect on the performance of non-governmental organizations in Nyeri County, Kenya. The study recommends that NGOs should

adopt focused strategy in the face of dynamic environment. Focused strategy focusing on particular service or targeted beneficiaries will create credibility and reputation which will be attractive to donor funders hence more donor funds to help the NGOs achieve their objectives.

### **5.5 Suggestion for Further Studies**

The study found that 59.9 percent variations in dependent variable are explained by other variables which were not accounted in the model. This study recommends future researchers to study other determinants of NGOs' performance such as organizational culture, NGO specific characteristics, technology among others.

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## APPENDICES

### Appendix I: Letter of Introduction

To Respondents

Consolata Wothaya Kanogu

P.O Box 60702 - 00200

NAIROBI

To

The management,

Xxxxxx NGO

Dear Sir/Madam,

Re: MBA Research Questionnaire

I am a Masters student pursuing Masters of business administration in strategic management at Kenyatta University. I am carrying out a research study on “the effect of competitive strategies on performance of Non-governmental organizations in Nyeri County, Kenya. Your reputable organization was selected as part of sample population. I kindly seek your permission and time to fill out the attached questionnaire. The data collected will be treated with utmost confidentiality and will be used for academic purposes only. I will be grateful for your cooperation and active participation to this academic effort.

Yours faithfully,

.....

Consolata Wothaya Kanogu

## Appendix II: Questionnaire

You hereby requested to participate in the questionnaire below and provide your responses in the questions displayed which are simple and easily understandable. Kindly tick in the boxes provided after reading and understanding the question. The questionnaire will take approximately 10 minutes.

### Section A: General

#### 1. Gender

a) Male

b) Female

#### 2. Highest level of education

a) Secondary level

b) College level

c) University level

d) Others specify .....

#### 3. Kindly indicate your age bracket

a) 21 to 30 years

b) 31 to 40 years

c) 41 - 50 years

d) over 50 years

#### 4. Kindly indicate how long you have been working in an NGO

a) 1 - 2 years

b) 2 – 3 years

c) 3 – 4 years

d) 5 years and above

5. Kindly list the main activities of the NGO you work for

.....  
.....  
.....

Section B: Competitive Strategies

a) Focus Strategy

6. Kindly list the main practices that help the NGO you work for serve its target group effectively and efficiently

.....  
.....  
.....

7. How satisfied are you with the practices adopted by the organization towards its performance improvement in relation with the target group?

- Very satisfied
- Satisfied
- Undecided
- Dissatisfied
- Very dissatisfied

8. Kindly indicate your agreement level with the given statements that have to do with the influence of focus strategy on performance of Non-governmental organizations you are working for.

Rate where 5= Strongly Agree, 4 Agree, 3 =Moderately Agree, 2= Disagree and 1 = Strongly Disagree

Statements	1	2	3	4	5
Better focusing on specific target group leads to lower operational costs and improved NGOs performance					
Better focus objectives in this organization have been to become a leading component in a determined niche through serving selected groups in a better way compared to other players.					
The outcomes of being focused to win have had a favorable effect on the overall organizational performance in the recent past					
The management understands and resolves well on focus strategy issues in this organization					
Being focused makes use of cost behavior differences in particular segments					
There is a policy that guides the activities related to remaining focused alignment in this organization which ensures its overall performance					
Any other					

a. Cost Leadership Strategy

9. What are the main activities related to lowering activity costs of the NGO you work for?

.....

.....

.....

10. How satisfied are you with the cost leadership strategy adopted in your organization?

- Very satisfied
- Satisfied
- Undecided
- Dissatisfied
- Very dissatisfied

11. Kindly indicate your agreement level with the given statements that have to do with the influence of cost leadership strategy on performance of Non-governmental organizations in Nyeri County, Kenya. Rate where 5= Strongly Agree, 4= Agree, 3= Undecided, 2= Disagree and 1 = Strongly Disagree

Statements	1	2	3	4	5
The lowering of activity costs adopted in this organization has enhanced convenience for one can access the NGO services/products anywhere in Nyeri County					
The optimization of costs adopted entails this organization's gaining a market share by making appeals					
Overheads in this not-for-profit organizations have been maintained at low levels through payment of optimized salaries, location of premises in a low rent area'					
Through use of low but assured costs has benefited from the decreased cost of delivery of services to their clients					
The management understands and resolves well on activity cost issues in this organization					

There is a policy that guides the activities related to cost optimization strategy adopted by this NGO which ensures the overall performance					
There is a policy that guides the activities related to cost optimization strategy adopted by this NGO which ensures the overall performance					
Any other					

b. Differentiation Strategy

11. What do you think are the main activities related to making choices on differentiation approaches of the NGO you work for?

.....

.....

.....

12. How satisfied are you with the differentiation strategy adopted by this organization towards performance improvement?

- Very satisfied
- Satisfied
- Undecided
- Dissatisfied
- Very dissatisfied

13. Kindly indicate your agreement level with the given statements that have to do with the influence of differentiation strategy on performance of Non-governmental organizations in Nyeri County, Kenya. Rate where 5= Strongly Agree, 4= Agree, 3= Moderately Agree, 2= Disagree and 1 = Strongly Disagree

Statements	1	2	3	4	5
I believe that the innovations adopted by this organization has been driven by the essence of internet and social media platforms					
Picking right target groups approaches adopted by the NGO reduce the costs of operations and improves the Overall performance					
The payback duration of differentiating well is lower than ten years hence improved the performance for the NGO					
The benefits deduced from differentiation in targets and related technologies favorably affects the performance of this NGO					
The management understands and resolves well on differentiation issues in affecting the performance of this NGO					
The differentiation approaches adopted in this NGO involves improving the services to established target group at a faster rate					
There is a policy that guides the activities related to differentiation practices adopted by this organization which ensures the overall performance of this NGO					
Any other					

c. Speed as a Strategy

14. Kindly list the main activities associated that require optimized speed in the NGO you work for

.....

.....

.....

How satisfied are you with the speed strategy adopted by this organization?

- Very satisfied
- Satisfied
- Undecided
- Dissatisfied
- Very dissatisfied

15. Kindly indicate your agreement level with the given statements that have to do with the influence of speed strategy on performance of Non-governmental organizations in Nyeri County, Kenya. Rate where 5= Strongly Agree, 4= Agree, 3= Moderately Agree, 2= Disagree and 1 = Strongly Disagree

Statements	1	2	3	4	5
Adoption of right optimized speed allows for flexibility and convenience thereby increasing target satisfaction levels					
The use of optimized speed by our systems replaced labor intensive and paper-based record keeping methods leading to quicker services access					
The management understands and resolves well on duration of processes among other issues in this NGO					
The Speed optimization approaches adopted in this NGO involves more services provision to established groups at a faster rate					
There is a policy that guides the activities related to robust speed adopted by this organization which ensures the overall performance					
Any other					

a. Performance of NGOs in Nyeri County

16. Do you think competitive practices you answered for in the above questions enhanced overall performance of non-governmental organization you work for? Yes  No

Elaborate

.....  
 .....

17. To what extent has the following performance measures been enhanced by the adoption and use of competitive strategies in your organization (5= very great extent, 4= great extent, 3= moderate extent, 2= little extent, 1= no extent)

Performance measures	1	2	3	4	5
The NGO Donor funding is efficient					
The NGO has managed to reduce operational costs over the years					
This is high client Satisfaction					
Increased NGO Assets					
The NGO engages in Non-profit community projects					
Over the years of operation, there is improved community volunteer's participation.					
Resources utilization efficiency					
Over the years of operations, the NGO has experienced donors and donation growth.					
The partners and sponsors engagement with the					

NGO are high.					
The NGO over the years of operation has improved their donation and service delivery frequency.					

Thanks for your Participation

### Appendix III: List of NGOs in Nyeri County


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No	Name of NGO
1.	Unga Cottage Development Organization
2.	<b>Songa Mbele Women Organization (Move Forward Women Organization</b>
3.	Neema Cottages Development Organization
4.	Muongano Women Organization
5.	Mount Kenya Community Health Services
6.	International Centre for Development and Research (CIDR)
7.	Chunga Mtoto Shirikisho La Wamama
8.	Child Support Network
9.	Centre for Training Research and Development
10.	Child Promotion Support Network

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Source: CIDP Nyeri records on NGOs (2019)


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