

**COMPETITIVE DYNAMICS AND ORGANIZATIONAL PERFORMANCE  
OF METAL AND ALLIED MANUFACTURING INDUSTRIES IN MOMBASA  
COUNTY, KENYA**

**EPHRAIM MUSANYA  
D53/MSA/PT/28044/2014**

**THIS RESEARCH PROJECT HAS BEEN SUBMITTED TO THE SCHOOL  
OF BUSINESS, ECONOMICS, AND TOURISM TO PARTIALLY FULFILL  
THE REQUIREMENTS FOR THE MASTER OF BUSINESS  
ADMINISTRATION DEGREE (STRATEGIC MANAGEMENT) AT  
KENYATTA UNIVERSITY.**

**AUGUST, 2024**

**DECLARATION**

I confirm that I am the sole author of this research project and it has not been submitted for any academic qualification at another institution. Sharing any section of this project without the author's or Kenyatta University's clear consent is completely forbidden.

Sign  Date.....

**Ephraim Musanya**

**D53/MSA/PT/28044/2014**

I authorize this research project to be presented for evaluation as the responsible supervisor.

Sign.....Date.....

**Dr. Lawrence Wainaina**

**Department of Business Administration**

**Kenyatta University**

## **DEDICATION**

Dedication is directed to my wife Pauline, my boys Ethan and Matthew, and my daughter Olivia in appreciation of their encouragement throughout the study. My siblings, Celestine, Paul, Peter, and Maurice, for their inspiration and assistance throughout my academic career.

## **ACKNOWLEDGEMENT**

I wish to convey my appreciation to the Almighty for His blessings of wisdom, intellect, and well-being throughout my academic journey. I am appreciative of my loved ones' steadfast patience and support throughout this period. I am grateful to my supervisor, who has guided me throughout the document preparation. His support and patience with me are greatly appreciated.

## TABLE OF CONTENTS

DECLARATION .....	ii
DEDICATION .....	iii
ACKNOWLEDGEMENT .....	iv
TABLE OF CONTENTS.....	v
LIST OF TABLES .....	ix
LIST OF FIGURES .....	x
ABBREVIATIONS AND ACRONYMS .....	xi
OPERATIONAL DEFINITION OF TERMS .....	xii
ABSTRACT.....	xiv
CHAPTER ONE: INTRODUCTION.....	1
1.1 Background to the Study .....	1
1.1.1 Organizational Performance .....	3
1.1.2 Competitive Dynamics .....	4
1.1.4 Metal and Allied Manufacturing Industries.....	6
1.2 Statement of the Problem .....	9
1.3 Research Objective.....	10
1.3.1 General.....	10
1.3.2 Specific Objectives .....	11
1.4 Research Questions .....	11
1.5 Research Significance .....	12

1.6 Research Scope .....	12
1.7 Research Limitations.....	13
1.8 Organization of the Study .....	13
<b>CHAPTER TWO: LITERATURE REVIEW.....</b>	<b>14</b>
2.1 Introduction .....	14
2.2 Theoretical Review .....	14
2.2.1 Resource Based View Theory .....	14
2.2.2 Porter 5 Forces Theory .....	15
2.2.3 Dynamic Capability Theory .....	16
2.2.4 Agency Theory .....	17
2.3 Empirical Review .....	18
2.3.1 Product Differentiation Strategy.....	18
2.3.2 Cost Leadership Strategy.....	19
2.3.3 Focus Strategy .....	20
2.3.4 Strategic Outsourcing .....	20
2.4 Summarized Reviewed Literature and Gaps.....	22
2.5 Conceptual Framework .....	24
<b>CHAPTER THREE: RESEARCH METHODOLOGY .....</b>	<b>25</b>
3.1 Introduction .....	25
3.2 Research Design.....	25
3.3 Target Population .....	25

3.4 Sampling Design and Sample Size.....	26
3.5 Research Instrument.....	27
3.6 Piloting Test.....	28
3.6.1 Validity.....	28
3.6.2 Reliability.....	28
3.7 Procedure in Collecting Data.....	29
3.8 Methods of Analyzing Data.....	29
3.9 Ethical Concern.....	30
<b>CHAPTER FOUR: RESEARCH FINDINGS AND DISCUSSIONS.....</b>	<b>31</b>
4.1 Introduction.....	31
4.2 Response Rate.....	31
4.3 Reliability Test.....	32
4.4 Respondents' Background Information.....	32
4.4.1 Gender.....	32
4.4.2 Age Range.....	33
4.4.3 Education.....	34
4.4.4 Work Experience.....	34
4.5 Results of Descriptive Statistics.....	35
4.5.1 Product Differentiation Strategy.....	36
4.5.2 Cost Leadership Strategy.....	38
4.5.3 Focus Strategy.....	40

4.5.4 Strategic Outsourcing .....	41
4.5.5 Performance.....	43
4.5.6 Summary of Descriptive Statistics Results.....	43
4.6 Results of Multiple Regression Analysis .....	44
4.7 Results of Qualitative Data Analysis .....	47
<b>CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS.....</b>	<b>49</b>
5.1 Introduction .....	49
5.3 Conclusion.....	50
5.4 Recommendations .....	52
5.5 Suggestions for Further Study.....	53
<b>REFERENCES.....</b>	<b>54</b>
<b>APPENDICES.....</b>	<b>58</b>
Appendix I: Cover Letter.....	58
Appendix II: Questionnaire .....	59
Appendix III: Approval of Research Project Proposal.....	62
Appendix IV: Research Permit .....	63

## LIST OF TABLES

Table 2.1: Summarized Reviewed Literature and Gaps .....	22
Table 3.1: Target Population.....	26
Table 3.2: Sample Size .....	27
Table 4.1: Response Rate.....	31
Table 4.2: Results of Reliability .....	32
Table 4.3: Age Range .....	33
Table 4.4: Work Experience .....	34
Table 4.5: Product Differentiation Strategy .....	36
Table 4.6 : Cost Leadership Strategy .....	38
Table 4.7: Focus Strategy .....	40
Table 4.8: Strategic Outsourcing .....	41
Table 4.9: Performance .....	43
Table 4.10: Summary of Descriptive Statistics Results.....	43
Table 4.11 : Model Summary .....	44
Table 4.12: Analysis of Variance.....	44
Table 4.13: Coefficients.....	45

## LIST OF FIGURES

Figure 2.1: Conceptual Framework .....	24
Figure 4.1: Gender .....	32
Figure 4.2: Education.....	34

## **ABBREVIATIONS AND ACRONYMS**

<b>SPSS:</b>	Statistical Package for Social Sciences
<b>RBV:</b>	Resource-Based View
<b>R&amp;D:</b>	Resources & Development
<b>MNC:</b>	Multinational Corporation
<b>LME:</b>	Large and Medium Enterprises
<b>KAM:</b>	Kenya Association of Manufacturers
<b>JKIA:</b>	Jomo Kenyatta International Journal
<b>GDP:</b>	Gross Domestic Product

## OPERATIONAL DEFINITION OF TERMS

<b>Organizational performance</b>	An extensive analysis of how well a business is performing in respect to its aims and objectives are carried out. The evaluation encompasses various metrics such as market share, customer satisfaction, and the delivery of high-quality products and services.
<b>Competitive dynamic</b>	A range of actions and reactions exhibited by rival firms in a competitive business environment.
<b>Product differentiation strategy</b>	Denotes a cohesive series of strategies aimed at creating or providing products or services that customers view as distinct in ways that hold significance to them. It's measures include; product features, product variety and customized products in the study
<b>Cost Leadership Strategy</b>	Refers to gaining a competitive edge by maintaining the industry's most economical operational costs. Its measures include; cost advantage, pricing and transaction cost.
<b>Focus Strategy</b>	The factory utilizes a strategic approach by understanding its target market and offering competitive products to meet their requirements. Its measures include; product segmentation,

market segmentation and focused differentiation  
in the study

### **Strategic outsourcing**

The procedure for asking a service provider to help manage important tasks that internal staff members would normally do. Its measures include; cost minimization, core competence and increased revenue

## ABSTRACT

In Mombasa County, the manufacturing sector has struggled, with some folding and leaving stakeholders with losses. Research-based industry dynamics theories, when properly applied, may help organizations operate successfully. It is stated that a company's capacity to manage the dynamics of the industry determines how well it performs. This has forced a lot of attention to be paid to the performance of the company as a whole. A corporation may attain such consistent exceptional performance with the aid of well-conceived and well-implemented initiatives. Therefore, this study investigated influence of competitive dynamics on organizational performance of metal and allied manufacturing industries in Mombasa County, Kenya. The specific objective were to examine the influence of product differentiation strategy, cost leadership strategy, focus strategy and strategic outsourcing on organizational performance of metal and allied manufacturing industries in Mombasa County, Kenya. The research was informed by Resource Based View Theory, Porter's Five Forces Theory, Dynamic Capability Theory, and Agency Theory. The study utilized a descriptive research design, with Mabati Rolling Mills, Standard Rolling Mills, and Devki Steels Mills as the units of analysis. A total of 210 respondents were observed. Stratified sampling was employed to categorize respondents into departments for comprehensive representation. The next step was the use of simple random sampling to choose 138 respondents, or 65.7% of the total population. Semi-structured questionnaires were used to collect data, and a sample of twenty respondents was used for testing. The questionnaires were assessed for construct, content, and criteria validity to determine their validity. The questionnaire's reliability was assessed using Cronbach's alpha coefficient. The information gathered included both descriptions and numbers. The researcher presented the qualitative information in a story format. We looked at numbers to find out information. We used things like average and how spread out the numbers are to understand the data. We showed the results using tables and pictures when necessary. To find connections between the variables we used inferential statistics like multiple regression analysis and correlation analysis. The research shows that using a differentiation strategy can help companies stand out from competitors by offering special and creative products or services. The study indicated that the adoption of product differentiation strategy, cost leadership strategy, focus strategy, and strategic outsourcing positively impacted the organizational performance of metal and allied manufacturing industries in Mombasa County, Kenya. Cost leadership strategy empowers these industries to offer products at competitive prices. Focus strategy enables companies to channel their resources towards a specific target market or niche. Strategic outsourcing allows metal and allied manufacturing industries to enhance efficiency by focusing on core competencies and optimizing resource allocation, thereby enhancing performance and competitiveness. The study recommends that metal and allied manufacturing industries should focus on creating unique and innovative products so as to stand out in a crowded marketplace and capture the attention of customers. The companies in the metal and allied manufacturing industries can improve their profit margins by focusing on reducing production costs. The companies should enhance their focus strategy by investing in employee training and development. The metal and allied manufacturing companies should outsource certain non-core functions so as to save on expenses related to infrastructure, equipment, labor, and training.

## CHAPTER ONE: INTRODUCTION

### 1.1 Background to the Study

The implementation of an organization's strategies determines its effectiveness because by successfully executing these strategies, firms can evaluate their performance based on market coverage, customer retention, profit maximization, product development, customer loyalty, and employee morale (McGivern & Tvorik, 2020). Almatrooshi, Singh, and Farouk (2021) argue that the alignment approach prioritizes the organization's structure and environment, overlooking strategic positioning. However, the competitive advantage approach concentrates on competitive strategy and does not consider internal organizational characteristics. So in order to do well in a world that is connected and always changing businesses need to be able to quickly and effectively adjust to new circumstances.

Gavrea, Ilies and Stegorean (2019) posit that the dynamic evolution of the business landscape in recent decades can be attributed to various important factors such as globalization, technological advancements, market segmentation, and deregulation. In the view of Ferris, Russ, Albanese and Martocchio (2021), organizations aspiring for longevity must exhibit agility in adapting to heightened competitive pressures, unprecedented in prior eras. Consequently, entities capable of navigating through turbulent business environments are those that strategically embed comprehensive plans for sustained success. These strategic initiatives are designed to confer a competitive edge upon the organization vis-à-vis its rivals, thereby bolstering long-term operational effectiveness and financial viability.

The idea of dynamism has always been an important topic in business writing because the business world is always changing. Yet, the comprehension of how businesses

change and grow has been decreasing in the last few years (Lamberg, Tikkanen, Nokelainen & Suur-Inkeroinen, 2019). Banerjee, Farooq, and Upadhyaya (2020) argued that a rise in uncertainty in the global economy since the 1970s led to a surge in innovative market entry. Emerging companies disrupt established firms by introducing fresh ideas into the business landscape. A notable consequence was the replacement of outdated firms by new, innovative ones.

International competitiveness necessitates convenient access to global inputs at prices close to those found worldwide and a domestic market that is influenced by competitive pressures, both among local producers and in competition with imports (Arshad, Azhar & Khawaja, 2018). Shahzad, Xiu, and Shahbaz (2021) highlight that experiences in Pakistan and other regions indicate that heavily protected domestic markets not only diminish the drive to export but also harm the economy by enabling inefficient local producers to gain excessive profits from domestic consumers due to policy regulations. While there is a valid theoretical argument for supporting nascent industries that have significant learning outcomes and positive externalities, past encounters suggest that if such a strategy is adopted, it should be temporary and linked to performance.

In Nigeria, the telecommunications sector has a vital role in the highly competitive economic environment. Consequently, organizational abilities are expected to influence the relationship between competitive factors and the performance of Nigeria's telecommunications sector (Chen & Miller, 2019). Olasehinde (2022), in a study examining the connection between competitive dynamics, organizational competencies, and the performance of telecommunication companies in Nigeria, demonstrates that the association between competitive dynamics and organizational capabilities within the telecommunications sector is minimal and inconsequential. Hence, companies in the telecommunications industry must endeavor to stay relevant

by prioritizing competitive elements such as pricing strategies, promotional activities, and product enhancements to enhance their performance.

Kenya has a long history of producing metal and related products; at the moment, the majority of steel is imported from European countries. The largest investment in steel and iron goods was made in 1902, when the Kenya-Uganda railway was being built (Parrenas, 2012), supporting the economic expansion and the construction sector. The demand for steel products is expected to expand by 2030 as a result in expansion of the building industry and the development of sizable government projects aimed at the middle class. The steel production industry is thriving, as indicated by the increasing supply and demand of its products. This success is critical for ensuring efficient resource utilization within a company. The main objective is to increase shareholder value by producing the highest possible return on capital investments. Financial performance is considered a critical factor in creating a winning strategy (Richard, 2011). Evaluating a company's monetary performance is essential for regulators and business owners to identify the appropriate measures required to deal with competition, internal processes, and the company's ability to adapt to change, such as adopting new technology.

### **1.1.1 Organizational Performance**

The tangible productivity levels attained by an organization in relation to its specified goals and targets are referred to as organizational performance as highlighted by Richard, Devinney, Yip & Johnson (2019). Assessing how well a company is doing involves looking at the valuable things it has like people stuff and money all working together towards the same goal. Andrews Boyne and Walker (2021) state that an

organization's success depends on how well it can handle problems and chances while knowing its strengths and weaknesses.

Abu-Jarad Yusof and Nikbin (2020) argue that when we measure how well a company is doing we shouldn't just look at financial numbers like profits, stock prices and growth. We should also consider other things like how happy customers are, how satisfied employees are and the company's impact on society. As per Singh, Tabassum, Darwish, and Batsakis (2020), organizational performance encompasses both internal performance indicators associated with streamlined and enhanced processes, and external aspects like corporate social responsibility, which entail considerations beyond purely economic aspects.

Petty, Beadles, Chapman, Lowery, and Connell (2019) suggest that organizational performance is gauged through established criteria focusing on efficiency, effectiveness, adherence to regulations, as well as environmental preservation efforts. Conversely, Russell Terborg and Powers (2022) say that how well a company meets its goals and uses what it knows is what determines its performance not just collecting information. So, we can see organizational performance as the outcome of everything a company does and plans showing how successful it is in reaching its objectives. In this study we looked at how well a company is doing by thinking about things like how much of the market they have if customers are happy and how good their products and services are.

### **1.1.2 Competitive Dynamics**

Competitive dynamics encompass the range of actions and reactions observed in a competitive business environment among rival firms. The primary indicator of competitive dynamics lies in the actions undertaken by individual firms, as they strive

to bolster their competitive advantage vis-a-vis their competitors (Chen & Miller, 2020). As posited by Hutzschenreuter and Israel (2021), competitive dynamics are the actions and reactions of companies competing in the same market. Therefore, companies analyze their competition to predict the possible actions and reactions that their rivals may take.

Smith (2019) notes that product differentiation strategies center on providing customers with a special or distinctive feature that distinguishes the business's goods or services from those of its competitors. Reinhardt (2021) underscores a significant benefit of differentiation, highlighting that customers of differentiated products exhibit lower sensitivity to price fluctuations. This implies that firms may have the ability to transfer price increments to their customers, and focusing on top-notch quality strategies might help the company grow its market share and improve its overall performance. The main idea behind a differentiation strategy is that customers are willing to spend extra money for a special product.

Amit (2018) explains that cost leadership strategies involve a company being able to offer a product or service at a lower price than its competitors. The main aim of a strategy that focuses on being the most cost-efficient is to have a big cost advantage over competitors. This advantage can then be used to offer lower prices to customers and attract a large portion of the market. An affordable strategy provides a company with opportunities a competitive edge when it can obtain a bigger profit margin than selling products at the going rate in the market, claim Valipour, Birjandi, and Honarbakhsh (2020). Often, businesses trying to save money are aiming to offer a product that attracts the average buyer in a big group of potential customers.

Focus strategies are designated to assist a company in targeting a specific niche within an industry. Firms have the option to develop a focus by either implementing a cost-based approach to cater to a specific market niche or segment, or by adopting a differentiation-based approach (Johnson, Lee, Saini & Grohmann, 2017). According to Wu, Porter, and Brown (2021), firms that employ focus strategies and identify a narrow market niche can often sustain high profitability, even in situations where the broader industry may seem unattractive. London and Hart (2014) suggest that through the implementation of a focus strategy, a firm can establish a market niche in competition with larger, more diversified competitors. Some companies follow this plan and have found smaller specialized markets within already small markets. This helps them stay ahead of bigger companies that can't serve these specialized markets as well.

Nyameboame and Haddud (2017) note that strategic outsourcing can significantly impact organizational effectiveness. This enables them to allocate resources in a more efficient and effective manner, ultimately leading to enhanced overall performance. Charles and Ochieng (2023) highlight that strategic outsourcing can aid organizations in cost reduction and enhanced flexibility by delegating certain operational responsibilities to external vendors. This can lead to improved financial performance and greater agility in responding to changing market conditions. Therefore, strategic outsourcing can play a key role in enhancing organizational effectiveness by enabling companies to focus on their core strengths, access specialized expertise, reduce costs, and increase flexibility.

#### **1.1.4 Metal and Allied Manufacturing Industries**

There are numerous metal and related manufacturing firms in Mombasa. However, according to KAM journal (2022), Mabati Rolling Mills, Devki Steel Mills, and

Perforated steel Mills hold the largest market shares. The Safal Group's major business, Mabati Rolling Mills Limited (MRM), was the organization's first venture, starting in 1962. MRM was the first business in Africa to create covered steel using a unique aluminum-zinc alloy, which is now known as the world's top technique for giving the steel a longer service life. BIEC International has licensed this innovation to the Safal Group.

MRM produces its goods in various locations provides a variety of renowned roofing materials from its international covered and painted covered coil products produced at its integrated coil facility in Mariakani. For coated steel products, MRM also boasts the broadest network of distributors in the nation. As Zincal, steel is offered with a metal coating. Optima, Optimization algorithm Plus, and Colorplus are the brand identities, color-coated Zincal is sold in a variety of trendy colors that are both long-lasting and attractive. MRM's roofing materials are market leaders and continue to set standards for the construction sector as a whole. These consist of the unquestionably dominant brands in the market, Dumuzas, Galsheet Resincot, and Versatile. There are also a variety of other items available for the developing projects market, such as the cutting-edge Saflok700 hidden steel trusses with a permanent solution and easy fabrication yet good stiffness.

MRM actively contributes to the elevation of the underprivileged via charitable endeavors in the areas of shelter, education, health, and the environment. "Our Societies are with us Homes" is the firm's motto. The Safal-MRM Organization oversees the Mabati Technical Training Institute and the Mabati Medical Centre, both of which are located in Mariakani close to the MRM facilities. According to KAM journal 2022, MRM, which is led by Dr. Manu Chandaria, has repeatedly been named Kenyan Company of the Year and continues to offer the tools and training required to foster a

culture where each employee can advance both professionally and personally while also having a positive impact on their communities and co-workers.

The Devki Group's first significant effort at diversification and expansion was Devki Steel Mills Limited. Devki Steel Mills Limited, which started as a single tube mill in Athi River, has diversified and expanded over the course of more than twenty years to become the biggest multi-product steel maker in Kenya, controlling a sizeable portion of the market. Devki Steel Mills Limited assists the industry by supplying a variety of steel goods bearing the Diamond Excellence Seal at reasonable prices in order to achieve 100% client satisfaction. The company has offices in Mombasa, Athi River, and Ruiru. Devki Steel Mills Limited thanks KCB, Citi Bank, NIC Bank, and I&M Bank for their support and help. Devki Steel Mills Limited also thanks its dependable, long-standing clients, as stated in the KAM journal from 2022.

The Perforated Group of Businesses was established in 1958 by a businessperson doing business as Venus Metal Ltd. The Group has become one of East Africa's major steel houses in a very short forty years. All steel goods may be purchased from the Group in one location. The Group offers a broad variety, including Hot Rolled or Cold Rolled and Galvanized. The capability of corrugated steel factories to produce a variety of industrial goods in mixed ranges is above 100,000 MT per year. In the neighboring African nations, they have been supplying galvanized corrugated sheets, nails, and other wire items. The highest emphasis has always been on the package's quality. Additionally, quality inspections at various stages of production guarantee that the product meets Kenyan as well as other global standards. They aim to achieve customer delight since they believe in establishing a long-lasting relationship with their clients. According to the 2022 KAM journal, the firm has expanded activities outside of the steel industry, including in the stone quarries and bitumen products industries.

## **1.2 Statement of the Problem**

With increased rivalry from foreign goods and the introduction of new, well-established gamers, transforming legal frameworks and regulation plus supervision rules, mass producing sector intensifying procedures, shifting customer tastes, desires, and technical advances, the Kenyan manufacturing industry has undergone a paradigm shift over the past couple of years. This has had an impact on the performance of the manufacturing industries, and more specifically the metal and allied companies because they are unable to contend. These factors are contributing to the poor performance of Kenyan manufacturing firms, particularly in the metal and related industries (Mwasiaji, 2019). Multiple studies reveals that Kenyan Manufacturing firms are constantly struggling even to meet their operational costs and quality standards in comparison to their peers in the developed economies (Kleibert & Mann, 2020; Andersen et al., 2022). Due to their inability to successfully compete in the commercial environment, small industries are going down, as stated in (Nyariki 2012). According to (KAM) Journal 2022, a lobby for industrialists, Kenya's industrial electricity prices are greater than most of its African rivals, blunting the nation's competitive edge.

Local firms are also burdened by unstable utility grid, which slows down manufacturing and depletes staff morale, resulting in subpar performance. This creates a gap that has to be filled because extra incentives are required in order for the manufacturers to break even. According to the KAM journal (2022), lack of operational money was another reason given for business closure. Additionally, 30% of companies shut down due to rising operating costs, diminishing sales, and business losses. Enterprise shutdown were also caused by the diversion of profits and operating capital from the enterprise to other purposes. The Kenya Manufacturing Association (KAM), whose criticisms have begun to draw attention, is quoted in Kimani (2011) as attributing the departures to a number

of causes, including the high cost of manufacturing and the local market being oversaturated with low-priced imports.

Mulande (2019) carried out a study that examined the competitive tactics used by Kenyan coffee roasters and packers. The study found that developing tactics in line with consumer wants is what makes roasted coffee sales successful. Unfortunately, the study's cross-sectional research design made it more difficult to identify the variables' causes. A study conducted in 2020 by Keraro Mokamba Cheluget Kithitu and Mbogo looked at different ways to improve how tea factories are run in Kenya's small tea farming sector. The findings indicated that more people started growing tea on smaller farms which made the competition in the industry stronger. In 2021, Wamalwa studied how sustainable supply chain management can help companies gain an edge in Kenya's tea market. The study found a marginally favorable correlation between competitiveness and strategic product development methods. However, the study was fundamentally qualitative, highly dependent on the unique competencies of the researcher, and subject to the researcher's own prejudices.

### **1.3 Research Objective**

#### **1.3.1 General**

The general objective of the study was to ascertain the influence of competitive dynamics on organizational performance of metal and allied industrial enterprises in Mombasa County, Kenya.

### **1.3.2 Specific Objectives**

- i. To assess the influence of product differentiation strategy on organizational performance of metal and allied industrial enterprises in Mombasa County, Kenya.
- ii. To establish the influence of cost leadership strategy on organizational performance of metal and allied industrial enterprises in Mombasa County, Kenya.
- iii. To ascertain the influence of focus strategy on organizational performance of metal and allied industrial enterprises in Mombasa County, Kenya.
- iv. To ascertain the influence of strategic outsourcing on organizational performance of metal and allied industrial enterprises in Mombasa County, Kenya.

### **1.4 Research Questions**

- i. How does product differentiation strategy influence organizational performance of metal and allied industrial enterprises in Mombasa County, Kenya?
- ii. To what level does cost leadership strategy affect organizational performance of metal and allied industrial enterprises in Mombasa County, Kenya?
- iii. What is the influence of focus strategy on organizational performance of metal and allied industrial enterprises in Mombasa County, Kenya?
- iv. How does strategic outsourcing impact organizational performance of metal and allied industrial enterprises in Mombasa County, Kenya?

### **1.5 Research Significance**

By highlighting the issues that could prohibit the manufacturing sector from achieving the goals set forth in the economic blue print, this research was anticipated to help realize the goals of Vision 2030. Once these issues had been recognized, the government and individual businesses could work together to find solutions, increasing the manufacturing sector's competitiveness on a worldwide scale and bringing vision 2030 to fruition. Another contribution that this study was anticipated to make is to shed light on the whole idea of porter's forces, including its drawbacks and advantages as well as the best way to use it. Businesses functioning in the manufacturing industry as well as production is affected in other economic sectors would find this information to be of great use. By educating companies about the concepts and advantages of porter's forces, some may elect to apply them as a smart decision, which might very well help them become extremely competitive on the global market and provide the employment that are required by the projected 40% of jobless Kenyans. Last but not least, it is anticipated that investors would gain from the findings of this research and were convinced and motivated to adopt the policy choices that increased the manufacturing sector's competitiveness on a worldwide scale.

### **1.6 Research Scope**

The research was conducted in Mombasa County, located in Kenya, and only manufacturers of metal and related products that are currently members of the KAM and are included in the KAM and Exporters Directory were included in the study scope. The competitive landscape included a range of tactics, including strategic outsourcing, focus, cost leadership, and product differentiation. The study focused on assessing how these competitive dynamics have affected businesses' performance during the last five years (2018–2022).

### **1.7 Research Limitations**

The majority of businesses keep their performance and what influences them a secret. They dislike revealing information regarding the business's performance. There is a chance that the replies would not accurately reflect the actual circumstances, which might have an impact on the findings of the study. By phoning the respondents and guaranteeing them of the secrecy and non-disclosure of any information provided by the participants, the investigator won the respondents' trust and confidence. As confidence is built, this aided in reducing any potential restrictions.

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

The research is divided into discrete sections. The study's background, problem statement, objectives, research questions, significance, constraints, scope, and organization are all covered in Chapter A summary, theoretical and practical research, identification of gaps in research, and a theoretical model are all included in the literature review, which takes up chapter two. Exploring the research methods is the focus of Chapter 3. The data is thoroughly analyzed in Chapter 4, with the results being addressed in light of the goals and study questions. Any patterns or trends that surfaced from the data are also highlighted. Finally, In order to fulfill the study's aims and provide answers to the research questions, chapter five offers conclusions based on the discussions and research findings. The study's conclusions are used to provide recommendations for researchers, practitioners, and policymakers. Suggestions for future research highlight possible topics for additional study and development.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

This section provides an overview of the literature concerning response strategies and organizational performance.

### **2.2 Theoretical Review**

#### **2.2.1 Resource Based View Theory**

The Resource-Based View (RBV) theory, initially presented by Penrose in 1959, was employed in this investigation. Per this theoretical framework, a firm can achieve and preserve a competitive edge if it has resources that are unique, valued, hard to replicate, and non-substitutable. In an organization, though, not every resource is strategically relevant. When an organization develops and acquires all the resources it needs, whether from within or outside the company, its goal is to make sure it controls and obtains valued resources. The RBV theory predicts and emphasizes the importance of organizational performance and competitive advantage. Kozlenkova, Samaha, and Palmatier (2018) point out that to comprehend the success or failure of leveraging organizational operations, one must adopt an internally focused strategy that emphasizes internal organizational resources over an externally focused approach.

RBV resources encompass the firm's controlled assets, business processes, capabilities, firm attributes, knowledge, information, and more. These tools help us figure out and put into action ways to make things work better and faster (Barney, 1991). According to Acedo, Barroso and Galan (2018) the sources of company resources can be different, from inside and outside the organization. Furthermore, Organizations benefit from the RBV theory because it makes it easier to identify their unique internal resources, which comprise organizational, human, and physical capital resources. Organizations can

enhance their performance and obtain a competitive edge by recognizing these resources.

### **2.2.2 Porter 5 Forces Theory**

Porter came up with the Theory of Competitive Advantage in 1980, served as the basis for this study. The competing forces method highlights how crucial it is to comprehend how a company relates to its environment in formulating its competitive strategy. The structure of the industry strongly influences the competitive dynamics and the range of strategies that firms can potentially adopt. Five industry-level forces are identified by the competitive forces model: rivalry among industry incumbents, entrance barriers, threat of substitution, buyer and supplier negotiating power, and supplier bargaining power. The intrinsic profit potential of an industry, or a particular area within one, is determined by these forces taken together. This methodology can aid a company in pinpointing a tactical stance inside a sector that enables it to successfully counteract rivalry or perhaps sway it to its advantage (Porter, 1980).

The five force framework makes it easier to understand how competitive forces operate within an industry and how they impact the profitability of various industries and segments. It is based on particular theories regarding the nature of the strategic process and the origins of rivalry (Porter, 1980). Competitive tactics are often center on shifting the company's standing in relation to suppliers and rivals in the market. This theory is significant for research as it presents a sophisticated tool for analyzing competitiveness comprehensively. It is crucial to look at the dynamics of local competition as well as the environment in which businesses are founded, constructed, and managed in order to completely understand the elements impacting competitive advantage.

### **2.2.3 Dynamic Capability Theory**

David Teece first introduced the theory in 1980 to elucidate how companies can meet two apparently conflicting imperatives. Shiozawa & Fujimoto (2018) found that the dynamic capability perspective looks at how companies can create and maintain valuable resources that are unique hard to copy and not easily replaced. This perspective also focuses on how companies can adapt and replenish their resources when faced with changing conditions. Dynamic capabilities are about how well a company can adapt improve and change its skills - both inside and outside the company - when things around them are changing fast.

Metal and allied manufacturing industries must be aware that the environment's demands are always changing. Management should focus on adapting the company to meet these evolving needs. Sustainable competitive advantage comes from core competencies that provide long-term benefits. According to Koch et al. (2018), dynamic capabilities theory emphasizes the significance of organizations possessing dynamic skills and flexibility to adjust to the competitive landscape. The term 'dynamic' here means the capability to make updates competencies to adjust to the evolving business surroundings.

However, the idea of "capabilities" focuses on how critical strategic management is to efficiently modifying, combining, and reorganizing organizational resources, abilities, and functional skills both inside and outside the company in order to meet changing conditions. As indicated by this theory, it is imperative for metal and allied manufacturing sectors to recognize that dynamic capabilities play a vital role in underscoring the necessity for firms to concentrate on enhancing internal resources like systems, assets, processes, knowledge, and technology that give them a competitive

edge, leading to reduced production expenses or a higher standard of excellence in their offerings (Dobni & Sand, 2018). This is a direct linkage between the goals of this study which is directly supported by the proponents of this theory.

#### **2.2.4 Agency Theory**

Agency theory looks at the problem between a principal and an agent when the principal gives a task to the agent. Both sides are seen as rational careful about dangers and focused on their own needs. The theory focuses on two main concerns: the risk-sharing problem and the agency problem, where the agent's objectives may conflict with the principal's, making supervision of the agent's actions challenging and pricey due to differing risk-sharing preferences, resulting in increased agency costs for contract establishment and enforcement.

Agency theory and transaction cost economics share common ground in various aspects. The presumption of opportunistic behavior underlies both of them, indicating that the principal's best interests may not always be served by the agent. Additionally, they both consider bounded rationality, acknowledging the limitations in creating a comprehensive contract. Furthermore, there are similarities between agency theory concepts such as the notion of incomplete information in transaction cost economics, uncertainty of results, extent of supervision, and ease of planning (Sharpe, 1997). The term "span of control" particularly describes how many workers a manager can effectively oversee.

The relationship between agents and principals in strategic outsourcing is highlighted by agency theory, which made it relevant to the study. When an agent helps a person in a business deal they must prioritize that person's interests over their own. Conflicts can

arise when principals and agents have different because not every agent will always ensure that your actions are in the best interest of the principal.

## **2.3 Empirical Review**

### **2.3.1 Product Differentiation Strategy**

In their study, Githumbi and Ragui (2017) examined how the performance of major rice mills in Kenya is influenced by the implementation of a differentiation strategy. Results showed that the performance of big rice milling plants was positively impacted by product, physical, and service differentiation. Physical differentiation did not, however, appear to have a statistically meaningful impact. The study concluded that the success of large rice milling facilities is influenced only by strategies for product and service differentiation. But the study's particular focus was on Kenya's large rice milling factories' performance.

Nuru (2019) studied how using different methods affect the success of water bottling companies in Mombasa County Kenya. Using a cross-sectional explanatory design the research studied the water bottling companies in the county that are officially approved. By using advanced statistical methods like Pearson's correlation and logistic regression we were able to gain important information. The study's findings demonstrate a positive correlation between differentiation strategy and business performance. Interestingly, it was discovered that the performance of water bottling enterprises was more affected by product differentiation strategy than by service differentiation strategy.

Gorondutse and Hilman (2021) looked at how differentiation strategy affected hotel performance, focusing on the moderating effect of environmental munificence. 83 managers from hotels in the state of Kano participated in the survey. Data on performance, environmental munificence, differentiation strategy, and

sociodemographic were collected by a questionnaire. The results showed that performance, environmental generosity, and differentiation method were positively correlated. It was also discovered that the correlations between differentiation strategy and performance were totally moderated by environmental munificence. Still, this study focused on the hotel industry's performance in particular.

### **2.3.2 Cost Leadership Strategy**

Atikiya Mukulu Kihoro and Waiganjo (2019) conducted a study to look at how the performance of Kenyan manufacturing companies is linked to the way they try to keep costs low. The researchers collected information from 131 businesses in 12 different industries in Nairobi and nearby areas by using a survey and interview questions. The study used a research design that described and explained the information. The results indicated that using a cost leadership strategy greatly affects how well manufacturing companies perform. Nonetheless, the study's primary focus was on Kenyan manufacturing companies' performance between 2014 and 2028.

Chepchirchir Omillo and Munyua (2018) did a study to see how using a cost leadership strategy affects how well a company does. The study collected data from ten logistics companies based at JKIA Nairobi that have active websites. Researchers chose participants for the study using a random sample method. Researchers found that logistics companies that focus on cost leadership tend to perform better. However, the study's main focus was on how well logistics companies performed at Kenya's Jomo Kenyatta International Airport.

Marangu, Mwiti, and Thoronjo (2017) assessed how adopting cost leadership techniques affected the ability of Kenyan Sugar Firms companies to compete. To determine how closely the various cost leadership techniques related to one another,

correlation analysis was used. The study's results supported the hypothesis that cost leadership approach has a statistically significant impact on an organization's ability to compete. But the study's particular goal was to assess how competitive Kenyan sugar companies were.

### **2.3.3 Focus Strategy**

Focus strategy and firm performance were examined by Arasa and Gathinji (2020) in the context of Kenyan mobile telecommunications companies. This research was conducted using a descriptive methodology. Participants' completion of structured questionnaires constituted the main technique of data collection. The study found that the total performance of the companies providing mobile services was significantly improved by the combined application of focus strategies. Still, the main emphasis of the research was placed on mobile telecommunications firms in Kenya.

Chelanga Rono and Boit (2021) did a study to see how small businesses' money performance is influenced by standing out and focusing on specific things. The study selected a sample of 95 small and medium-sized businesses through a method called systematic random sampling. We collected data by using organized questionnaires and then we analyzed the data using both descriptive and inferential statistics. The results indicated a clear and positive link between standing out from competitors targeting specific markets and how well a company is doing financially. Nonetheless, the study's focus was on SMEs' financial performance in particular.

### **2.3.4 Strategic Outsourcing**

Musanu (2018) carried out research on how strategic outsourcing impacts organizational performance. Using a detailed design, the research analyzed the information using regression analysis, correlation analysis, and descriptive statistics

before displaying the findings in table format. The results indicated that outsourcing approaches centered on cost, innovation, or focused strategies greatly influenced the organization's performance. However, the primary emphasis of the study was on the case study of Bidco Africa Limited.

Munanu (2019) conducted research to investigate the relationship between organizational performance and strategic outsourcing. This research used a specific method called case study with numbers and a focused examination plan. Analyzing the numbers we found that strategic sourcing made profits go up and costs go down. The study looked at how the Police Service is run and found that outsourcing makes the organization work better.

Kihanya, Wafula, Onditi, and Munene (2020) conducted a study on how strategic sourcing impacts an organization's performance. The descriptive design study centered on employees at the Main Campus of Jomo Kenyatta University of Agriculture and Technology. Surveys were utilized in the data gathering process, and the results indicated that strategic sourcing not only helps organizations gain strategic benefits but also acts as a way to effectively tackle business obstacles. However, the study was centered on the performance of higher institutions of learning.

## 2.4 Summarized Reviewed Literature and Gaps

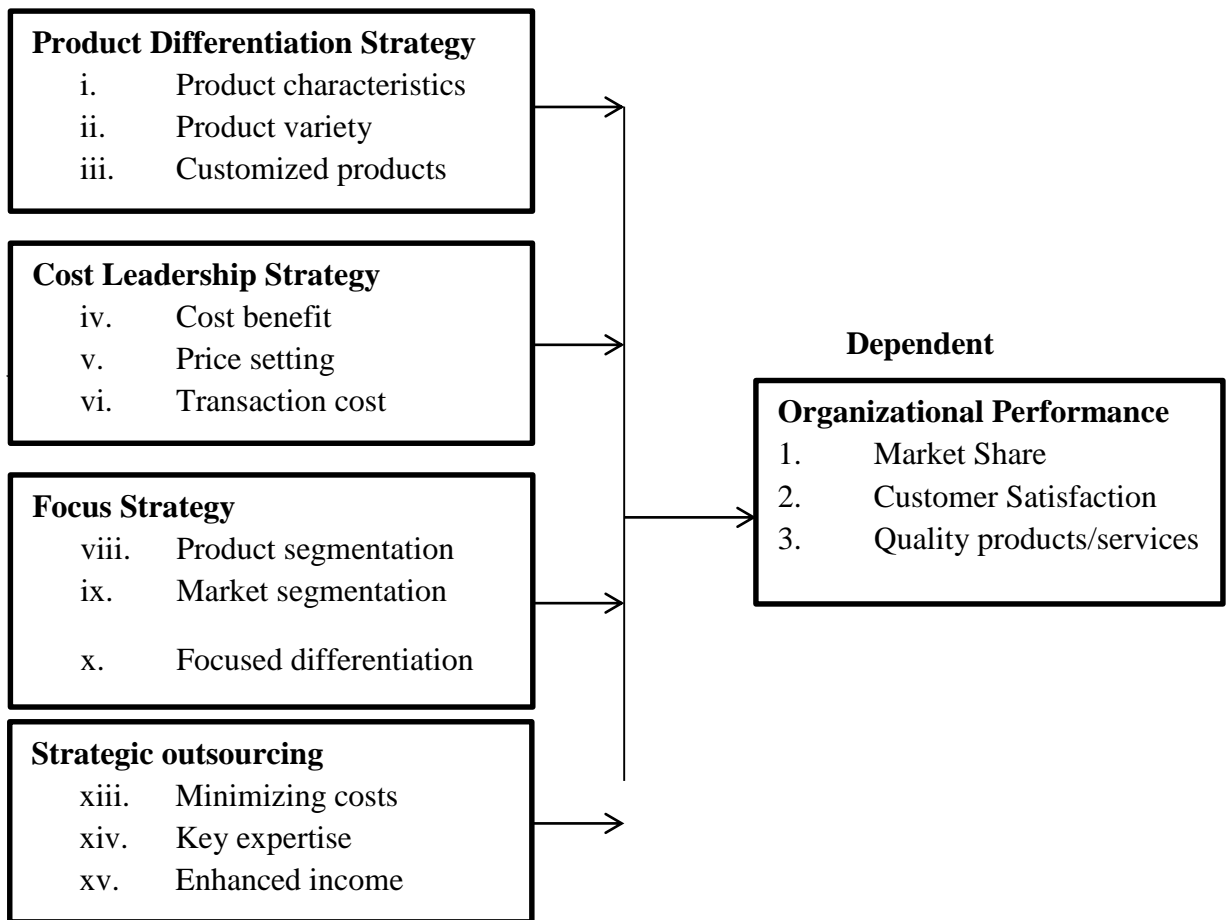
**Table 2.1: Summarized Reviewed Literature and Gaps**

<b>Name</b>	<b>Study focus</b>	<b>Result</b>	<b>Gap</b>	<b>Present focus</b>
Githumbi and Ragui (2017)	Correlation between differentiation strategy and the performance	Large rice milling facilities' performance was positively impacted by distinction in terms of product, physical attributes, and services	The performance of Kenya's large rice milling factories was the study's primary focus.	The focus was on performance of metal and allied manufacturing industries in Mombasa County, Kenya
Gorondutse and Hilman (2021)	Differentiation strategy on the performance of hotels	Differentiation strategy, performance, and environmental generosity are all positively correlated.	Specifically concentrated on the performance of the hotel industry	The focus was on performance of metal and allied manufacturing industries in Mombasa County, Kenya
Arasa and Gathinji (2020)	The correlation between focus strategy and firm performance within the context of mobile telecommunication companies in Kenya	On the whole performance, the focus methods' combined application was noticeably beneficial.	The primary focus of the study was on mobile telecommunication companies in Kenya	The focus was on performance of metal and allied manufacturing industries in Mombasa County, Kenya
Chelanga, Rono, and Boit (2021)	The connection between differentiation and focus strategies and the financial performance	Manufacturing companies' performance is significantly impacted by the implementation of a cost leadership strategy.	The study specifically concentrated on the financial performance aspect of SMEs	The focus was on performance of metal and allied manufacturing industries in Mombasa County, Kenya

Musanu (2018)	Strategic outsourcing on organizational performance	Organizational performance was greatly impacted by outsourcing that was focused, cost-driven, and innovative.	Examined Bidco Africa Limited served	The focus was on performance of metal and allied manufacturing industries in Mombasa County, Kenya
Munanu (2019)	The correlation between strategic outsourcing and organizational performance	Strategic sourcing positively enhanced cost efficiency and profitability	A case study approach	The focus was on performance of metal and allied manufacturing industries in Mombasa County, Kenya
Kihanya et al. (2020)	Strategic sourcing and performance of firms	Strategic sourcing not only enables organizations to achieve strategic advantage but also serves as a means to address business challenges efficiently	The focus of the study was on how well higher education institutions performed.	The main point was how well metal and related manufacturing businesses were doing in Mombasa County Kenya.

## 2.5 Conceptual Framework

### Independent Variables



**Figure 2.1: Conceptual Framework**

**Source: Researcher (2023)**

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

The study provides a summary of the methodology used:

### **3.2 Research Design**

In order to ensure that the researcher successfully resolves the research problem, the overall strategy utilized to logically and cohesively integrate the various aspects of the investigation is included in the research design, also known as the technique used in the study. Additionally, it serves as a manual for data collection, measurement, and analysis (Abutabenjeh & Jaradat, 2018). The study's research design used was descriptive in this specific case, as outlined by Dulock (2019), which aims to present a precise depiction of individuals, occurrences, or circumstances. Through this method, researchers were able to outline the pertinent aspects of the phenomenon of interest from various perspectives including individual, organizational, and industry-centric viewpoints. Consequently, owing to this research approach, the study successfully gathered data from a diverse spectrum of participants.

### **3.3 Target Population**

Cooper and Schindler (2006) explain that the population is the complete set of elements that the researcher intends to draw conclusions from. Mugenda & Mugenda (2012) define the target population as the individuals that the researcher aims to apply their findings to. Numerous companies of all sizes make up the metal and related industry. Small businesses and major global corporations are included in this (KAM, 2022). The Ministry of Industry, Trade, and Cooperatives is responsible for the Metal and Allied Company. This study's focus was on significant multinational corporations with significant market shares in this industry. There were at least 30 registered metal and associated industrial companies in Mombasa, according to KAM (2022).

**Table 3.1: Target Population**

<b>Firm</b>	<b>Population</b>
Mabati rolling mills	70
Standard rolling mills	70
Devki steels mills	70
<b>Total</b>	<b>210</b>

**Source: KAM (2022)**

### **3.4 Sampling Design and Sample Size**

According to Kombo and Tromp (2006), sampling design refers to the methodology of selecting cases for observation, elucidating the composition of subjects under investigation and the methods used to choose them from the intended audience. Using the stratified sample technique, respondents were divided into departments to guarantee the inclusion of every instance. The method of using simple random sampling was utilized to choose the participants.

The research utilized a sample size calculation derived from the study by Taro Yamane in 1967, with a 5% margin of error assumed.

$$n = \frac{N}{1 + N(e)^2} = \frac{210}{1 + 210(0.05)^2} = 138$$

Therefore, 138 respondents in all, or 65.7% of the total population, were included in the sample.

**Table 3.2: Sample Size**

<b>Firm</b>	<b>Population</b>	<b>Sampling %</b>	<b>Sample Size</b>
Mabati rolling mills	70	65.7%	46
Standard rolling mills	70	65.7%	46
Devki steels mills	70	65.7%	46
<b>Total</b>	<b>210</b>	<b>65.7%</b>	<b>138</b>

**Source: Researcher (2024)**

### **3.5 Research Instrument**

Questionnaires were utilized for collecting data which was required in order to carry out the study. Typically, a questionnaire contains of a series of questions presented on paper, which is then provided to the respondent with the expectation that they will fill it out. The replies provide the researcher with information that helps him or her arrive at the research's conclusions. Since questionnaires are simple to use for recording, coding, categorizing, reconciling, and analysis, the research chose them as the primary method of data collection.

The survey was partitioned into four distinct sections, with each section utilizing the use of a five-point Likert scale for collecting answers. Section A focused on obtaining demographic information from the respondents. Section B was dedicated to collecting data on product differentiation strategy, while Section C focused on gathering data on focus strategy. Section D was specifically designed to collect data on strategic outsourcing, and Section E was dedicated to collecting data on organizational performance.

### **3.6 Piloting Test**

A preliminary investigation is conducted, known as a pilot study, to support the investigator in assessing the caliber of the questionnaires and identifying any potential shortcomings prior to moving forward with the last phase of data collection (Orodho, 2005). Thirteen participants received questionnaires as per instructions with Mugenda & Mugenda's (2003) recommendation that a pilot study should involve no more than 10% of the population. These people were also left out of the final data collection process.

#### **3.6.1 Validity**

Sarmah and Hazarika (2012) clarify validity as the extent to which the instrument assesses the ideas under study. The assessment of validity comprises three main categories: content, criteria, and construct validity. The current study employed content validity, which evaluates the adequacy of items in representing the content intended to be measured by the test. Additionally, the instruments' validity was evaluated by the University supervisor simultaneously. Criterion validity was utilized to ascertain the predictive ability of one measure in relation to another, while construct validity was utilized to determine the soundness of conclusions derived from data, especially when it comes to determining if a test effectively captures the desired concept.

#### **3.6.2 Reliability**

The extent to which a tool demonstrates consistent measurements across various conditions with the same subjects is known as reliability (Ranjit, 2015). The principal objective of reliability pertained to evaluating the consistency of measurements. Thus, the Cronbach's alpha reliability coefficient was used to assess the survey's reliability. According to Morse et al. (2012), a valid data collection instrument should possess an

alpha value exceeding or equal to 0.70. Consequently, this research accomplished the following concerning reliability assessments.

### **3.7 Procedure in Collecting Data**

The firms' management was approached in order to solicit approval for the collection of data from their employees. Subsequently, the researcher proceeded to visit various departments by scheduling appointments with department heads to seek authorization in collecting data. After that, the respondents received questionnaires, and two weeks were given to them so they could go over each one. This approach contributed to an improvement in the response rate, thereby ensuring the accuracy of the gathered information.

### **3.8 Methods of Analyzing Data**

Data obtained in the research encompassed both qualitative and quantitative aspects. The qualitative information underwent thorough analysis and was presented in a narrative format through the application of a content analysis methodology. Descriptive measures, including the average and variability, were computed to summarize the numerical data. The results were shown in tables and figures when needed. Researchers used multiple regression analysis to examine how the dependent variable is connected to different independent variables. We used correlation analysis to figure out how strong and in what direction two variables are connected. The study was done using SPSS version 20. Data from the Statistical Package for Social Sciences. The results of the analysis were shown in tables and figures as necessary.

The regression equation was created in this way:

$$y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_4X_4 + \varepsilon$$

Y representing the 'organizational performance'

$X_1$  representing ‘product differentiation strategy’

$X_2$  representing the ‘cost leadership strategy’

$X_3$  representing the ‘focus strategy’

$X_4$  representing the ‘strategic outsourcing’

$\beta_1$ , to  $\beta_4$  are coefficients

$\varepsilon$  is the error term

### **3.9 Ethical Concern**

Ethical guidelines serve as protocols that researchers are expected to adhere to during the course of their research endeavors (Rani & Sharma, 2012). The researcher's application for a research permit from NACOSTI was made easier by obtaining a project approval letter from the university. These essential documents were instrumental in the researcher's introduction to the participants, substantiating the academic nature of the data collection process. Participants were provided with assurance regarding the confidentiality of their personal information, ensuring that no data would be shared with any external parties. After receiving a thorough description of the objectives of the study, volunteers were solicited to participate in the investigations.

## CHAPTER FOUR: RESEARCH FINDINGS AND DISCUSSIONS

### 4.1 Introduction

This section provides a summary of the main data collected from the field through questionnaires. These are arranged as follows;

### 4.2 Response Rate

The engagement and participation of the individuals were evaluated in order to determine the response rate from the target population based on sample size of 138 respondents drawn from Mabati rolling mills, Standard rolling mills and Devki steels mills.

**Table 4.1: Response Rate**

Category	Frequency	Percentage
Non response	23	16.7
Response	115	83.3
<b>Total</b>	<b>138</b>	<b>100</b>

**Source: Survey Data (2024)**

The analysis results presented in Table 4.1 demonstrate an 83.3% response rate and a 16.7% non-response rate. Baruch and Holtom (2014) suggest that a response rate of 80% or more is suitable for analyzing data. Consequently, the decision was made that the study's response rate of 83.3% was suitable for analyzing the data. The elevated rate of response in the study improved the credibility and trustworthiness of the research results.

### 4.3 Reliability Test

**Table 4.2: Results of Reliability**

Variable	Chronbach's $\alpha$ value
Strategic outsourcing	0.765
Product differentiation strategy	0.715
Focus strategy	0.702
Cost leadership strategy	0.851
Organizational performance	0.772
<b>Aggregate score</b>	<b>0.761</b>

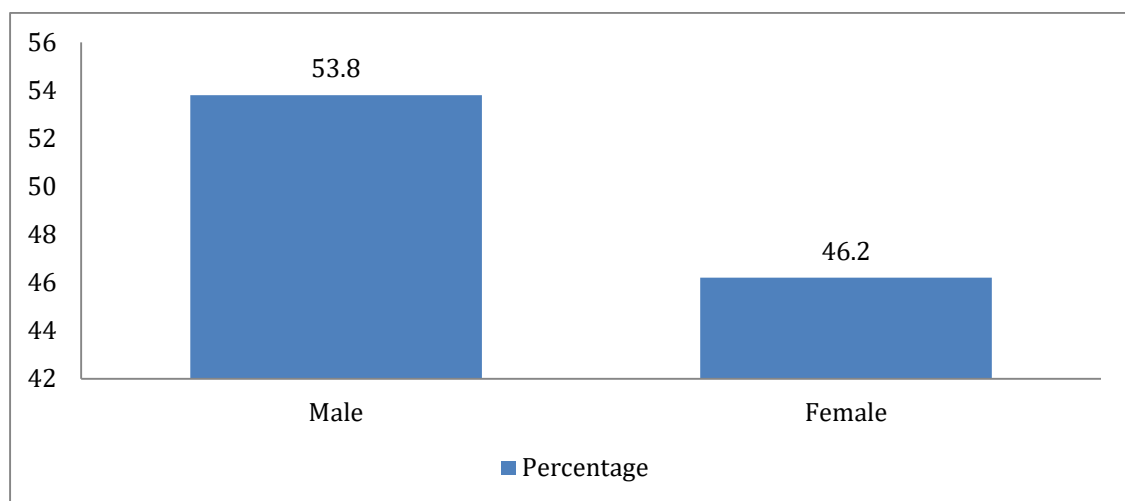
**Source: Pilot Study (2024)**

The data illustrated in Table 4.2 reveals that the total score of the variables was 0.761, indicating that the questionnaire items were reliable as proposed by the research by Morse, Barrett, Mayan, Olson, and Spiers (2012).

### 4.4 Respondents' Background Information

This section presents the findings of respondents' background information which are presented as follows;

#### 4.4.1 Gender



**Figure 4.1: Gender**

**Source: Survey Data (2024)**

The majority of responders were men, according to the study's findings, which are shown in Figure 4.1, accounting for 53.8% of the total participants while female respondents comprised 46.2% in the study. The information was important because the study could capture the diverse perspectives and experiences of employees, which may vary based on gender by including both genders in the study.

#### 4.4.2 Age Range

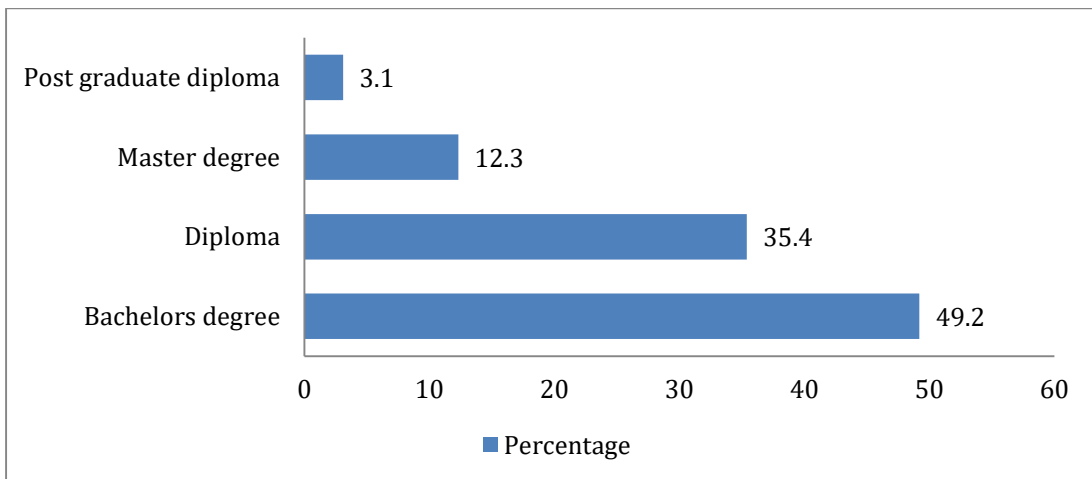
**Table 4.3: Age Range**

<b>Age Bracket</b>	<b>Frequency</b>	<b>Percentage</b>
> 25	10	8.7
25 to 34	60	52.2
35 to 44	30	26.1
45 +	15	13.1
<b>Total</b>	<b>115</b>	<b>100</b>

**Source: Survey Data (2024)**

Table 4.3 results show that the respondents whose age ranged between 25 years to 34 years were majority as represented by 52.2%, followed by 26.1% representing those aged between the ages of 35 and 44, 13.1% of individuals are 45 years old or older as well as 8.7% individuals aged under 25 years. This indicates a mix of both young and older respondents in the research. This information was important because different age groups may have varying levels of experience, knowledge, and skills, which can shape their understanding and response to competitive dynamics.

### 4.4.3 Education



**Figure 4.2: Education**

**Source: Survey Data (2024)**

Based on the information presented in Figure 4.2 most of participants (49.2%) had completed a Bachelor's degree, while 35.4% had only completed a diploma, 12.3% had master degree and 3.1% had post graduate diploma. The finding indicates that the study had involved the respondents from a diverse level of education. The educational qualification of the participants in the research is of utmost importance as they provide valuable insights into the knowledge and expertise that individuals provide.

### 4.4.4 Work Experience

**Table 4.4: Work Experience**

Work experience	Frequency	Percentage
Less than 5 years	12	10.4
5 to 9 years	37	32.1
10 to 15 years	45	39.1
Above 15 years	21	18.3
<b>Total</b>	<b>115</b>	<b>100</b>

**Source: Survey Data (2024)**

Table 4.4 shows that most of the people who took part in the study had prior experience. With the organization as 39.1% represented those who had worked from 10 years to 15 years, the respondents were found to be engaged in varying durations, with 32.1% being engaged for a period ranging from 5 years to 9 years, 18.3% being engaged for over 15 years, and 10.4% being engaged for less than 5 years. This finding implies that the respondents' degrees of involvement varied depending on how many years they had been employed. This data is significant because the professional backgrounds and levels of expertise of the respondents have a direct bearing on the validity and dependability of the study's conclusions and findings.

#### **4.5 Results of Descriptive Statistics**

The analysis of quantitative data involved the utilization of Mean (M) and Standard Deviation (SD) in order to determine the level of agreement among respondents regarding the statements describing each variable. The findings are presented in the following manner;

#### 4.5.1 Product Differentiation Strategy

**Table 4.5: Product Differentiation Strategy**

<b>Statements</b>	<b>M</b>	<b>SD</b>
The company strives to offer a distinctive product or service to set itself apart from other manufacturing companies.	3.84	1.159
The distinctive product characteristics enable customers to identify the company and associate its brand with a higher level of quality compared to other competitors.	4.56	0.439
Through product unique proposition it easy for customers to perceive the value of the firms' product	3.99	1.010
Differentiation strategy allows multiple products to be offered in the market as long as they are built on different attributes	3.67	1.329
The differentiation strategy capitalizes on the distinct characteristics of a product, thereby impacting customer loyalty.	4.62	0.379
<b>Aggregate mean and standard deviation score</b>	<b>4.12</b>	<b>0.875</b>

**Source: Survey Data (2024)**

The participants strongly concurred with the assertions that a Differentiation strategy capitalizes on the distinct characteristics of a product, thereby impacting customer loyalty (M=4.62, SD=0.379) and that unique product attributes enable customers to identify the company and associate its brand with meeting higher standards compared to other companies (M=4.56, SD=0.439). These findings align with the findings of a previous study Githumbi and Ragui (2017) that looked at the relationship between large

rice milling factories in Kenya's operational success and differentiation strategy. The results showed that the performance of big rice milling plants was positively impacted by product, physical, and service differentiation.

There was agreement of statements that; through product unique proposition it easy for customers to perceive the value of the firms' product (M=3.99, SD=0.439), the company aims to differentiate itself from other manufacturing enterprises by providing a unique product or service (M=3.84, SD=1.159) and Differentiation strategy allows multiple products to be offered in the market as long as they are built on different attributes (M=3.67, SD=1.329). The result aligns with the research conducted by Nuru (2019) that examined the effect that differentiation approach has on Mombasa County, Kenya, water bottling firms' performance. The study's findings show a favorable correlation between differentiation strategy and firm performance.

#### 4.5.2 Cost Leadership Strategy

**Table 4.6 : Cost Leadership Strategy**

<b>Statements</b>	<b>M</b>	<b>SD</b>
The company employs competitive pricing for its products to stay ahead in the manufacturing sector.	3.85	1.146
Implementing a cost-effective strategy allows the factory to outperform its rivals by cutting down on operational expenses.	4.11	0.889
The focus of cost leadership strategy is on establishing cost-efficient operations in the manufacturing sector, resulting in increased profit margins.	4.56	0.439
This approach allows the factory to secure a competitive edge in the future by offering a more attractive pricing structure to customers.	4.51	0.490
By keeping prices low, you can prevent new competitors from entering the market because it will be difficult for them to match your prices.	4.66	0.339
<b>Aggregate mean and standard deviation score</b>	<b>4.34</b>	<b>0.661</b>

**Source: Survey Data (2024)**

The respondents highly agreed with the notion that keeping prices low can prevent competitors from entering the market by making it difficult for them to provide similar prices (Mean=4.66, Standard Deviation=0.339). Furthermore, the focus of a cost leadership strategy is on establishing cost-effective operations in the manufacturing sector, resulting in increased profit margins (Mean=4.56, Standard Deviation=0.439). Furthermore, by providing a superior pricing structure to its clients, implementing a cost leadership strategy can help a company achieve a competitive edge in the market (Mean=4.51, Standard Deviation=0.490). These results match the research of Amit

(2018) who found that cost leadership strategies focus on a company's ability to provide products or services at a lower price than other companies. The main aim of a low-cost leadership strategy is to do better than competitors in terms of cost. This way the savings can be given to customers and the business can grab a big share of the market. The participants reached an agreement on the statements indicating that the manufacturer can gain a competitive edge by keeping its operating costs less than those of its competitors by putting into practice a lower cost strategy (M=4.11, SD=0.899). In order to be competitive in the manufacturing sector, the corporation also uses low costs for its products (M=3.85, SD=1.146). These findings align with research conducted by Valipour, Birjandi, and Honarbakhsh (2020), which found that when a company adopts a low-cost strategy and attains a bigger profit margin than when it sells its products at the market rate, it can gain a competitive advantage. A common goal of businesses using low-cost solutions is to provide products that appeal to the typical consumer in a large target area.

### 4.5.3 Focus Strategy

**Table 4.7: Focus Strategy**

<b>Statements</b>	<b>M</b>	<b>SD</b>
The focus strategy is instrumental in fostering robust connections within individual target markets.	4.09	0.909
Implementing product segmentation enhances the pricing framework of the business.	3.97	1.029
Market segmentation empowers the factory to pinpoint its prospective customers with precision.	4.23	0.940
By adopting a focus strategy, the factory can seize the chance to deliver superior quality without the fear of diminishing consumer appeal.	4.55	0.449
Focus strategy helps the factory to improve customer service	4.60	0.400
<b>Aggregate mean and standard deviation score</b>	<b>4.29</b>	<b>0.745</b>

**Source: Survey Data (2024)**

The participants were in strong consensus regarding the following statements: Firstly, the implementation of a focus strategy contributes significantly to enhancing customer service at the factory (M=4.60, SD=0.400). Secondly, a focus strategy allows the factory to enhance the quality of its products without compromising consumer interest (M=4.09, SD=0.909). These outcomes concur with the conclusions of Johnson, Lee, Saini, and Grohmann (2017), who observed that focus strategies are instrumental in helping companies target specific market niches. Companies can establish a focus by either adopting a cost-based approach to serve a certain market niche or group, or by the application of a differentiation-based focus.

There was agreement on the following statements; Market segmentation enables the factory to identify its future customers with specificity (M=4.23, SD=0.940), the focus strategy contributes to establishing robust connections within specific target markets (M=4.09, SD=0.909), while product segmentation enhances the pricing framework of the business (M=3.97, SD=1.029). This observation aligns with the study conducted by Wu, Porter, and Brown (2021), suggesting that companies implementing focus strategies can sustain high profitability by catering to a narrow market niche, even in challenging industry conditions.

#### 4.5.4 Strategic Outsourcing

**Table 4.8: Strategic Outsourcing**

<b>Statements</b>	<b>M</b>	<b>SD</b>
Businesses can better focus on their core competencies through strategic outsourcing, freeing up employees to focus on their main responsibilities and long-term plans.	3.66	1.338
Businesses can increase operational efficiency through strategic outsourcing, which produces more productive and efficient services that are frequently of higher quality.	4.49	0.507
Cost savings from outsourcing help businesses raise money to spend in other aspects of their operations.	4.33	0.665
Strategic outsourcing gives businesses access to resources and facilities that they wouldn't otherwise have or couldn't afford	4.53	0.467
Through strategic outsourcing, firms can leverage knowledge and skills across their entire supply chain	4.55	0.448
Effective outsourcing reduces costs and improves service quality while helping businesses become more adaptable and flexible in reaction to barriers and shifting market conditions.	4.57	0.428
<b>Aggregate mean and standard deviation score</b>	<b>4.36</b>	<b>0.642</b>

**Source: Survey Data (2024)**

The participants expressed a high level of agreement regarding the benefits of strategic outsourcing for businesses. They strongly believe that strategic outsourcing enhances flexibility and agility, enabling firms to effectively respond to market changes and obstacles, while also leading to cost savings and improvements in service levels (M=4.57, SD=0.428). Furthermore, they acknowledge that strategic outsourcing allows firms to tap into a wider pool of knowledge and expertise throughout their entire supply chain (M=4.55, SD=0.448). Lastly, they understand that companies can acquire resources and capabilities that would otherwise be unattainable or prohibitively expensive through strategic outsourcing (M=4.53, SD=0.467). The finding agrees with Nyameboame and Haddud (2017) research which observe that strategic outsourcing can greatly influence how effective an organization is since it involves contracting out certain tasks by outsourcing specific tasks to experts from outside companies organizations can concentrate on their main strengths and long-term objectives..

The participants concurred with the statements that strategic outsourcing allows companies to enhance their operational efficiency, leading to a more productive and efficient service, often of superior quality (Mean=4.49, Standard Deviation=0.507). Outsourcing helps companies save money allowing them to invest in different parts of their business. The standard deviation is 0. Sure I can help with that. Just provide me with the content you'd like me to paraphrase in a simpler way. Furthermore by strategically outsourcing work companies can focus on what they do best giving their employees more time to work on important tasks and future goals (Mean=3.66, Standard Deviation=1.338). The results are consistent with study by Charles and Ochieng (2023), which found that smart outsourcing can assist businesses in cutting expenses and increase flexibility by shifting certain operational responsibilities to external vendors.

#### 4.5.5 Performance

**Table 4.9: Performance**

<b>Statements</b>	<b>M</b>	<b>SD</b>
The company has expanded its market presence.	3.01	1.890
The company has made enhancements on product and services to its customers	2.85	2.149
The factory has been able to offer services and products that satisfy their customers	3.21	1.788

**Source: Survey Data (2024)**

The findings displayed in Table 4.9 demonstrate that the participants expressed a neutral stance regarding the statements; The factory has been able to offer services and products that satisfy their customers (M=3.21, SD=1.788), the firm has widened its market share (M=3.01, SD=1.890) and the firm has improved product and services to its customers (M=2.85, SD=2.149). The finding contract with the finding of Andrews, Boyne and Walker (2021) study findings that the success of a company relies heavily on its capacity to efficiently and efficiently address both threats and opportunities, while being fully aware of its strengths and weaknesses.

#### 4.5.6 Summary of Descriptive Statistics Results

**Table 4.10: Summary of Descriptive Statistics Results**

<b>Variable</b>	<b>Aggregate mean score</b>	<b>Aggregate standard deviation</b>
Product differentiation strategy	4.12	0.875
Cost leadership strategy	4.34	0.661
Focus strategy	4.29	0.745
Strategic outsourcing	4.36	0.642

**Source: Survey Data (2024)**

The information presented in Table 4.10 shows that the average values of the variables fell within the range of 4.12 to 4.36. These results indicate that the participants agreed with how the independent variables were described in relation to the dependent variable. Furthermore, responses exhibited minimal variation, as evidenced by the aggregate standard deviation ranging from 0.642 to 0.875.

#### 4.6 Results of Multiple Regression Analysis

**Table 4.11 : Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.911	.829	.805	.514

**Source: Survey Data (2024)**

According to Table 4.11, the results show that the independent factors had an impact on the organizational performance of the metal and related manufacturing businesses in Mombasa County, Kenya. The corrected R square value was .805 in this case. It is significant to remember that the remaining 0.195 comes from the unstudied competitive dynamics.

**Table 4.12: Analysis of Variance**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	210.035	4	52.509	65.883	.002
	Residual	90.105	113	0.797		
	Total	300.140	114			

**Source: Survey Data (2024)**

According to the information in Table 4.12, the statistical F value exceeded the statistical mean value, with a value of 72.844 compared to 52.509. Furthermore, the significance value was calculated at 0.002, falling below the significance level of 0.05. Hence, it is clear that the model was important.

**Table 4.13: Coefficients**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.523	.234		2.235	.002
	Product differentiation strategy	.812	.305	.0025	2.662	.000
	Cost leadership strategy	.791	.228	.0415	3.469	.001
	Focus strategy	.708	.304	.5214	2.329	.001
	Strategic outsourcing	.752	.262	.4462	2.870	.002

**Source: Survey Data (2024)**

The findings presented in Table 4.13 demonstrate that, when the independent variables are maintained constant, the dependent variable is expected to be 0.523. These results suggest that enhancing the product differentiation strategy, focusing on cost leadership, and implementing strategic outsourcing would significantly improve the overall performance of the metal and allied manufacturing sectors in Mombasa County, Kenya, with corresponding increases of 0.812, 0.791, 0.708, and 0.752, respectively. The following is the expression for the final regression equation;

$$\text{Organizational performance} = 0.523 + 0.812(\text{product differentiation strategy}) + 0.791(\text{cost leadership strategy}) + 0.708(\text{focus strategy}) + 0.752(\text{strategic outsourcing})$$

Research findings revealed that the adoption of a product differentiation strategy had a beneficial effect on the overall success of metal and allied manufacturing sectors in Mombasa County, Kenya. This inference was made considering the beta value and the significance level obtained ( $\beta=0.0025$ ,  $p=0.000$ ). These findings align with a previous study conducted by Githumbi and Ragui (2017), which examined the relationship between Kenya's large rice milling factories' performance and their differentiation

approach. Their study's findings showed that improving the effectiveness of these sizable rice milling facilities required distinct product, physical, and service offerings.

The research confirmed that the implementation of a cost leadership strategy positively impacted the organizational performance of metal and allied manufacturing industries in Mombasa County, Kenya. This was determined based on the beta value and the level of significance value obtained ( $\beta=0.0415$ ,  $p=0.001$ ). This study backs up the findings of a research done by Atikiya Mukulu Kihoro and Waiganjo in 2019 about how well Kenyan manufacturing companies do when they focus on keeping costs low. The study found that when manufacturing companies use a cost leadership strategy, it has a big impact on how well they perform.

The study concluded that the implementation of the focus strategy had a positive impact on the performance of metal and allied manufacturing sectors within Mombasa County, Kenya. This assertion was substantiated by the beta value and the significance level obtained ( $\beta=0.5214$ ,  $p=0.001$ ). These results are in concordance with prior research by Odunayo (2018), which investigated the connection between organizational performance and market focus strategy in Port Harcourt-based telecommunications companies. The empirical findings from both researches support the notion that organizational performance in Port Harcourt's telecommunications enterprises and market focus strategy have a substantial and favorable link.

The research indicated that strategic outsourcing had a notable positive impact on the operational effectiveness of metal and related manufacturing sectors in Mombasa County, Kenya ( $\beta=0.4462$ ,  $p=0.002$ ). This result is consistent with Musau's (2018) study's conclusions showed that cost-driven, innovation-driven, and focus-driven outsourcing greatly aided in raising organizational performance.

#### **4.7 Results of Qualitative Data Analysis**

The respondents were questioned about other ways that their approach of product differentiation affected the success of Mombasa County, Kenya's metal and related industrial businesses. The answers are listed in the following order;

‘Product differentiation strategy drives innovation and technological advancements in the metal and allied manufacturing industries. These firms create unique products by investing invest in research and development, leading to the discovery of new manufacturing techniques and materials thereby improving the overall efficiency and quality of their products, making them more competitive in the market. Product differentiation strategy enhances Musa’s customer loyalty and brand recognition which leads to a loyal customer base and positive word-of-mouth marketing, which can further boost the performance of these industries.’

The participants were asked to clarify any other ways that Mombasa County, Kenya's metal and related manufacturing industries are affected by the cost leadership plan. The following are the responses that were given;

‘The cost leadership strategy enables companies to achieve economies of scale through producing goods in large quantities which makes these companies to reduce their per-unit production costs. This allows them to lower their prices while still maintaining a reasonable profit margin. In the metal and allied manufacturing industries, where raw material costs can be significant, achieving economies of scale is crucial for maintaining competitiveness. The cost leadership strategy requires these companies to make significant investments in technology and infrastructure. Therefore, companies need to carefully assess the potential return on investment and consider the long-term benefits of implementing a cost leadership strategy.’

The respondents were asked to explain other ways in which focus strategy influence the performance of metal and allied manufacturing industries in Mombasa County, Kenya. The responses are given as follows;

‘A focus strategy enhances the quality of products and services in the metal and allied manufacturing industries by concentrating on a specific market segment whereby these companies invest in research and development to continuously improve their offerings. This result in the development of innovative products or the implementation of advanced manufacturing techniques, which set them apart from competitors and attract customers who value high-quality products. A focus strategy contributes to the overall economic development of Mombasa County, Kenya because specializing in metal and allied manufacturing industries, companies create employment opportunities and contribute to the local economy. This leads to increased income levels, improved living standards, and the development of a skilled workforce’

The respondents were asked to explain other ways in which strategic outsourcing strategy influence the performance of metal and allied manufacturing industries in Mombasa County, Kenya. The responses are given as follows;

‘Strategic outsourcing help metal and allied manufacturing industries in Mombasa County to reduce costs and improve their bottom line through leveraging the economies of scale and expertise of external vendors whereby these industries are able to achieve cost savings in areas such as labor, materials, and overhead expenses. This cost efficiency ultimately led to higher profitability and competitiveness in the market’

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

### **5.1 Introduction**

This section outlines the results, inferences, suggestions for policies and practices, and suggestions for further research.

### **5.2 Summary of the Findings**

The study sought to explore how implementing a product differentiation strategy affects the performance of the metal and allied manufacturing industries in Mombasa County, Kenya. The results showed that implementing a strategy for product differentiation greatly improved the operational efficiency of metal and related manufacturing industries in Mombasa County, Kenya. This strategy capitalizes on the distinctive attributes of a product, thereby enhancing customer loyalty. The unique product characteristics enable customers to identify the company and associate its brand with superior quality compared to competitors. Moreover, the distinct value proposition of the product simplifies customers' understanding of the firm's product value.

The purpose of the study was to find out how Mombasa County, Kenya's metal and related manufacturing businesses performed overall after adopting a cost leadership approach. The study's conclusions showed that these industries' organizational performance in Mombasa County, Kenya, was significantly and favorably impacted by the implementation of a cost leadership strategy. Because rivals found it difficult to match the same pricing, the market saw little rivalry as long as prices remained low. The goal of the cost leadership approach was to create low-cost manufacturing operations that would increase profit margins in the market and industry. Furthermore,

this strategy provided the factory with a competitive advantage by enabling them to offer a superior pricing model to their consumers, ensuring future success.

The study's goal was to evaluate how focus strategy affected Mombasa County, Kenya's metal and related manufacturing industries' performance. The results showed that focus approach significantly and favorably affected these industries' organizational performance in Mombasa County, Kenya. By implementing a focus strategy, the factories were able to enhance customer service and seize the opportunity to deliver superior quality products without compromising consumer interest.

The study's goal was to assess how strategic outsourcing affected Mombasa County, Kenya's metal and related manufacturing industries' performance. The study's conclusions showed that these industries' organizational performance was significantly improved by strategic outsourcing. Companies were able to increase their flexibility and agility through strategic outsourcing, which allowed them to overcome obstacles and adjust to changing market conditions. Additionally, strategic outsourcing resulted in cost savings and improvements in service levels. It also allowed firms to leverage the knowledge and skills of their entire supply chain. Moreover, strategic outsourcing gave the companies access to resources and facilities that they would not have otherwise had or could not have afforded.

### **5.3 Conclusion**

The differentiation strategy allows companies to stand out setting themselves apart from their rivals by providing distinctive and groundbreaking products or services. By focusing on creating products that are distinct and superior in terms of quality, design, or functionality, companies can attract a larger customer base and command premium prices. This differentiation can lead to increased market share and higher profit margins,

ultimately contributing to improved financial performance. A differentiation strategy can help companies build strong brand equity and customer loyalty. If customers view a company's products or services as distinctive and of higher quality, they are more likely to develop a strong emotional connection with the brand.

The study concludes that cost leadership strategy enables metal and allied manufacturing industries in acquiring the capability to provide goods at more affordable rates compared to rivals can allure price-conscious consumers and enhance the company's market dominance. Furthermore, lower prices can assist companies in retaining customer commitment and acquiring new clientele, resulting in boosted sales and revenue. Cost leadership help metal and allied manufacturing industries to improve their profitability by reducing costs and increasing margins. By streamlining operations, optimizing supply chains, and securing more favorable agreements with suppliers, companies can lower their production costs and improve their bottom line.

The study concludes that the focus strategy enables companies to direct their resources and efforts towards a particular target market or niche. By narrowing down their focus, companies can obtain a better comprehension of the needs and preferences of their clients in the metal and allied manufacturing sectors. This strategy also helps companies to distinguish themselves from their competitors. By specializing in a particular segment of the metal and allied manufacturing industries, companies can develop unique capabilities and expertise that set them apart from broader competitors.

The study concludes that strategic outsourcing enables the metal and allied manufacturing industries to focus on their core competencies and allocate resources in a more efficient manner, which will ultimately result in enhanced performance and competitiveness. Strategic outsourcing helps companies improve their flexibility and

responsiveness to market changes. By partnering with external suppliers, companies can quickly adapt to fluctuations in demand, scale production up or down as needed, and access new markets more easily. This can help companies stay agile and responsive in a competitive market environment.

#### **5.4 Recommendations**

The metal and allied manufacturing industries should prioritize the development of distinctive and inventive products in an effort to stand out in a crowded market and grab consumers' attention. This approach can result in higher sales, improved profit margins, and enhanced brand loyalty. By offering something unique and valuable to customers, these companies can expand their customer base and increase their market share. Moreover, by consistently delivering exceptional and top-notch products, these companies can establish a solid reputation in the market. This, in turn, can foster customer loyalty and encourage repeat business, as customers tend to choose brands they trust and perceive as superior.

The study recommends that the companies in the metal and allied manufacturing industries can improve their profit margins by focusing on reducing production costs. There are multiple ways to accomplish this objective, including streamlining production processes, securing more favorable agreements with suppliers, and adopting cost-efficient technologies. In order to attract a larger customer base and increase their market share, companies in the metal and allied manufacturing industries should strive to offer products at lower prices compared to their competitors. By doing so, they can establish a robust brand reputation for delivering high-quality goods at affordable rates. Additionally, investing in research and development can enable these companies to innovate and enhance their products while simultaneously reducing costs. This strategy

may lead to the development of new and improved offerings, further strengthening their competitive edge in the market.

The research suggests that businesses improve their focus strategy by investing in employee training and development. The companies can improve overall performance and drive innovation by providing employees possessing the requisite abilities and expertise to new technologies and machinery. The performance of metal and related manufacturing sectors can be improved by investing in advanced technology and automation and companies can enhance their competitiveness in the market and meet the increasing customer demands by incorporating cutting-edge machinery and equipment, thereby boosting efficiency, minimizing production costs, and enhancing product quality.

The study recommends that the metal and allied manufacturing companies should outsource certain non-core functions so as to save on expenses related to infrastructure, equipment, labor, and training. Utilize their knowledge to improve the caliber and effectiveness of their production procedures to achieve better overall performance. Increase flexibility and scalability so as to easily adjust their production capacity based on market demand without incurring significant fixed costs. Outsource non-core functions, and concentrate on resources and efforts on their core competencies. Collaborating with external vendors can foster innovation and continuous improvement within the metal and allied manufacturing sectors.

### **5.5 Suggestions for Further Study**

The research proposes exploring additional competitive dynamics within the metal and allied manufacturing sectors in Mombasa County, Kenya. It also recommends conducting a similar study on various manufacturing firms in Mombasa County, Kenya.

## REFERENCES

- Abu-Jarad, I. Y., Yusof, N. A., & Nikbin, D. (2020). A review paper on organizational culture and organizational performance. *International journal of business and social science*, 1(3), 11 – 18
- Abutabenjeh, S., & Jaradat, R. (2018). Clarification of research design, research methods, and research methodology: A guide for public administration researchers and practitioners. *Teaching Public Administration*, 36(3), 237-258
- Almatrooshi, B., Singh, S. K., & Farouk, S. (2021). Determinants of organizational performance: a proposed framework. *International Journal of productivity and performance management*, 65(6), 844-859.
- Amit, R. (2018). Cost leadership strategy and experience curves. *Strategic Management Journal*, 7(3), 281-292.
- Andrews, R., Boyne, G., & Walker, R. M. (2021). The impact of management on administrative and survey measures of organizational performance. *Public Management Review*, 13(2), 227-255.
- Arasa, R., & Gathinji, L. (2020). The relationship between focus strategy and firm performance: A case of mobile telecommunication companies in Kenya. *International Journal of Economics, Commerce and Management*, 2(9), 1-15
- Arshad, A., Azhar, S. M., & Khawaja, K. (2018). Dynamics of HRM practices and organizational performance: Quest for strategic effectiveness in Pakistani organizations. *International Journal of Business and Social Science*, 5(9), 7 – 13
- Atikiya, R., Mukulu, E., Kihoro, J., & Waiganjo, E. (2019). Effect of cost leadership strategy on the performance of manufacturing firms in Kenya. *Strategic Journals*, 2(8), 134-143.
- Banerjee, C. S., Farooq, A., & Upadhyaya, S. (2020). The relationship between dynamic capabilities, competitive advantage & organizational performance. *International Journal of Interdisciplinary Research and Innovations*, 6(3), 603-610.
- Chelanga, K. E., Rono, L., & Boit, R. (2021). Effect of Differentiation and Focus Strategies on the Financial Performance of Small and Medium Enterprises. *Journal of Strategic Management*, 1(1), 29-41
- Chen, M. J., & Miller, D. (2020). Reconceptualizing competitive dynamics: A multidimensional framework. *Strategic management journal*, 36(5), 758-775

- Chen, M.-J. & Miller, D. (2019). Reconceptualizing Competitive Dynamics: A Multidimensional Framework. *Strategic Management Journal*, 36(5), 758-775
- Chepchirchir, A. B., Omillo, F., & Munyua, J. (2018). Effect of Cost Leadership Strategy on Organizational Performance of Logistics Firms at Jomo Kenyatta International Airport, Kenya. *European Journal of Management and Marketing Studies*, 2(1), 123 – 132
- Cooper, D. R. & Schindler, P.S. (2011). *Business Research Methods*, New York: McGraw Hill
- Dulock, H. L. (2019). Research design: Descriptive research. *Journal of Pediatric Oncology Nursing*, 10(4), 154-157
- Ferris, G. R., Russ, G. S., Albanese, R., & Martocchio, J. J. (2021). Personnel/Human Resources Management, Unionization, and Strategy Determinants of Organizational Performance. *Human Resource Planning*, 13(3).
- Gavrea, C., Ilies, L., & Stegorean, R. (2019). Determinants of organizational performance: The case of Romania. *Management & Marketing*, 6(2), 5 – 8
- Githumbi V., & Ragui, M. (2017). Differentiation Strategy and Performance of Large Rice Milling Factories in Kenya. *IOSR Journal of Business and Management (IOSR-JBM)*, 19(11), 9 – 16
- Gorondutse, A. H., & Hilman, H. (2021). Influence of differentiation strategy on performance of hotels: the moderating role of environmental munificence. *Journal of Business and Retail Management Research*, 11(4), 415 – 426
- Hutzschenreuter, T., & Israel, S. (2021). A review of empirical research on dynamic competitive strategy. *International Journal of Management Reviews*, 11(4), 421-461.
- Johnson, J. L., Lee, R. P. W., Saini, A., & Grohmann, B. (2017). Market-focused strategic flexibility: Conceptual advances and an integrative model. *Journal of the Academy of Marketing Science*, 31(1), 74-89.
- Keraro, V., Mokamba, J., Cheluget, J., Kithitu, J., & Mbogo, P. (2020). Strategies for enhancing effective management of tea factories in a liberalized smallholder tea subsector in Kenya. *Prime Journal of Business Administration and Management (BAM)*, 2(11), 736- 745
- Kombo, D. K., & Tromp, D. L. (2006). *Project and thesis writing: An introduction*. Nairobi: Paulines Publications Africa

- Lamberg, J. A., Tikkanen, H., Nokelainen, T., & Suur-Inkeroinen, H. (2019). Competitive dynamics, strategic consistency, and organizational survival. *Strategic Management Journal*, 30(1), 45-60.
- Marangu, N. W. Mwiti, E., & Thoronjo, E. (2017). Analysis of Cost Leadership Strategy Influence on Organizations' Competitiveness of Sugar Firms in Kenya. *European Journal of Business and Management*, 9(28), 38 – 40
- McGivern, M. H., & Tvorik, S. J. (2020). Determinants of organizational performance. *Management decision*, 35(6), 417-435
- Morse, J. M., Barrett, M., Mayan, M., Olson, K., & Spiers, J. (2012). Verification strategies for establishing reliability and validity in qualitative research. *International journal of qualitative methods*, 1(2), 13 – 22
- Mulande, E. M. (2019). *Competitive strategies adopted by coffee roasters and packers in Kenya*. Unpublished MBA project university of Nairobi
- Musau, C. N. (2018). *The Impact of Strategic Outsourcing on Organizational Performance: A Case Study of Bidco Africa Limited* (Doctoral dissertation, Doctoral dissertation, United States International University-Africa)
- Nuru, T. J. (2019). *The influence of differentiation strategy on performance of water bottling companies in Mombasa County, Kenya* (Doctoral dissertation, University Of Nairobi).
- Odunayo, A. (2018). Market Focus Strategy and Organizational Performance of Telecommunication Companies in Port Harcourt. Master's Project, Rivers State University of Science and Technology
- Olasehinde, S. A. (2022). Evaluation of the relationship between competitive dynamics and organizational capabilities on the performance of Telecommunication Firms in Nigeria. *Fuoye Journal of Management, Innovation and Entrepreneurship*, 1(2), 7 – 15
- Petty, M. M., Beadles, N. A., Chapman, D. F., Lowery, C. M., & Connell, D. W. (2019). Relationships between organizational culture and organizational performance. *Psychological Reports*, 76(2), 483-492.
- Ranjit, K. (2015). *Research methodology- A step-by-step guide for beginners (2<sup>nd</sup> ed.)*. Singapore, Pearson Education
- Reinhardt, F. L. (2021). Environmental product differentiation: Implications for corporate strategy. *California management review*, 40(4), 43-73.
- Richard, P. J., Devinney, T. M., Yip, G. S., & Johnson, G. (2019). Measuring organizational performance: Towards methodological best practice. *Journal of management*, 35(3), 718-804.

- Russell, J. S., Terborg, J. R., & Powers, M. L. (2022). Organizational performance and organizational level training and support. *Personnel psychology*, 38(4), 849-863.
- Sarmah, H. K., & Hazarika, B. B. (2012). Determination of Reliability and Validity measures of a questionnaire. *Indian Journal of Education and information management*, 1(11), 508-517
- Shahzad, F., Xiu, G., & Shahbaz, M. (2021). Organizational culture and innovation performance in Pakistan's software industry. *Technology in society*, 51, 66-73
- Singh, S., Tabassum, N., Darwish, T. K., & Batsakis, G. (2020). Corporate governance and Tobin's Q as a measure of organizational performance. *British journal of management*, 29(1), 171-190.
- Smith, W. R. (2019). Product differentiation and market segmentation as alternative marketing strategies. *Journal of marketing*, 21(1), 3-8
- Valipour, H., Birjandi, H., & Honarbakhsh, S. (2020). The effects of cost leadership strategy and product differentiation strategy on the performance of firms. *Journal of Asian Business Strategy*, 2(1), 14-23.
- Wamalwa, B. P. (2021). Sustainable supply chain management as a strategic tool for competitive advantage in tea industry in Kenya. *Journal Management & Sustainability*, 4, 157 – 169
- Wu, W. F., Porter, J. M., & Brown, L. E. (2021). Effect of attentional focus strategies on peak force and performance in the standing long jump. *The Journal of Strength & Conditioning Research*, 26(5), 1226-1231.

## APPENDICES

### Appendix I: Cover Letter

Dear Sir /Madam

#### **Re: Invitation to Participate in Research Investigation.**

I am currently enrolled as a postgraduate student at Kenyatta University, where I am conducting a research study titled "The Impact of Competitive Dynamics on Organizational Performance in the Metal and Allied Manufacturing Industries in Mombasa County, Kenya." This study is a requirement for my Master's degree in Business Administration, with a specialization in Strategic Management.

I have chosen you as a respondent for this study because I believe you possess the necessary knowledge and experience to provide valuable insights. I kindly request you to evaluate yourself based on the provided questionnaire items. Your participation in completing the questionnaire will significantly aid in making this study successful.

Thank you sincerely for your cooperation.

## Appendix II: Questionnaire

### Section A: Personal Details

Please specify your gender.	Male	Female
Age	>25	25 to 34
	35 to 44	45 and over
Indicate your greatest educational accomplishment.	Diploma	Advanced diploma
	Undergraduate	Master degree
Please specify your professional background.	Below 5 years	5 to 9 years
	10 to 15 years	More than 15 years

The impact of focus, cost leadership, product diversification, and strategic outsourcing on the metal and related manufacturing industry performance in Mombasa County, Kenya, is discussed in the following sections B through F. Using the supplied Likert scale, please select your degree of agreement with each of the following statements: strongly agree (5 points), agree (4 points), Neither Agree nor Disagree (3 points), disagree (2 points), and strongly disagree (1 point).

### Section B: Product Differentiation Strategy

Statement	1	2	3	4	5
The company strives to offer a distinctive product or service to set itself apart from other manufacturing companies.					
The distinctive product characteristics enable customers to identify the company and associate its brand with a higher level of quality compared to other competitors.					
Through product unique proposition it easy for customers to perceive the value of the firms' product					
Differentiation strategy allows multiple products to be offered in the market so long as they are constructed using distinct qualities					

The differentiation strategy capitalizes on the distinct characteristics of a product, thereby impacting customer loyalty.					
--	--	--	--	--	--

Briefly explain other influence of product differentiation strategy on organizational performance of metal and allied manufacturing industries in Mombasa County, Kenya?

**Section C: Cost Leadership Strategy**

Statement	1	2	3	4	5
The company employs competitive pricing for its products to stay ahead in the manufacturing sector.					
Implementing a cost-effective strategy allows the factory to outperform its rivals by cutting down on operational expenses.					
The focus of cost leadership strategy is on establishing cost-efficient operations in the manufacturing sector, resulting in increased profit margins.					
This approach allows the factory to secure a competitive edge in the future by offering a more attractive pricing structure to customers.					
Maintaining low prices discourages competitors from entering the market because it may be difficult for them to match the same price point.					

Give a brief explanation of the additional impact that cost leadership strategies have on the organizational performance of the Mombasa County, Kenya, metal and related manufacturing industries

**Section D: Focus Strategy**

Statement	1	2	3	4	5
The focus strategy is instrumental in fostering robust connections within individual target markets.					
Implementing product segmentation enhances the pricing framework of the business.					
Market segmentation empowers the factory to pinpoint its prospective customers with precision.					
The (3 factory can seize the chance to deliver superior quality without the fear of diminishing consumer appeal.					
Focus strategy helps the factory to improve customer service					

Give a brief explanation of the additional impact that focus strategies have on the organizational performance of the Mombasa County, Kenya, metal and related manufacturing industries?

### **Section E: Strategic Outsourcing**

<b>Statement</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
By strategically outsourcing, businesses can better concentrate on their core competencies, freeing up employees to focus on their main responsibilities and long-term plans.					
Businesses can increase operational efficiency through strategic outsourcing, which produces more productive and efficient services that are frequently of higher quality.					
Cost savings from outsourcing help businesses raise money to spend in other aspects of their operations.					
Through strategic outsourcing, businesses can acquire resources and facilities that might not otherwise be available or cheap.					
Businesses can use knowledge and capabilities throughout their entire supply chain by utilizing strategic outsourcing.					
In addition to providing cost savings and improved service levels, strategic outsourcing helps businesses become more adaptable and agile so they can respond to changing market conditions and difficulties.					

Give a brief explanation of the additional impact that strategic outsourcing has on the organizational performance of the Mombasa County, Kenya, metal and related manufacturing industries?

### **Section F: Performance**

<b>Statements</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
The share of their market had expanded					
The company has made enhancements on product and services to its customers					
The factory has been able to offer services and products that satisfy their customers					

## Appendix III: Approval of Research Project Proposal



KENYATTA UNIVERSITY  
GRADUATE SCHOOL

E-mail: [dean-graduate@ku.ac.ke](mailto:dean-graduate@ku.ac.ke)

Website: [www.ku.ac.ke](http://www.ku.ac.ke)

P.O. Box 43844, 00100  
NAIROBI, KENYA  
Tel. 810901 Ext. 4150

Internal Memo

FROM: Executive Dean, Graduate School

DATE: 15<sup>th</sup> April, 2024

TO: Ephraim Masanya  
C/o Business Administration Dept.

REF: DSS/MSA/PT/28044/2014

**SUBJECT: APPROVAL OF RESEARCH PROJECT PROPOSAL**

This is to inform you that Graduate School Board at its meeting of 11<sup>th</sup> April, 2024 approved your Research Project Proposal for the M.B.A Degree Entitled, "Competitive Dynamics and Organizational Performance of Metal and Manufacturing Industries in Mombasa County Kenya."

You may now proceed with your Data Collection, Subject to Clearance with Director General, National Commission for Science, Technology and Innovation.

As you embark on your data collection, please note that you will be required to submit to Graduate School completed Supervision Tracking and progress report forms per semester. The Forms are available at the University's Website under Graduate School webpage downloads.

Also, please ensure that you publish article(s) from your project before submitting it to Graduate School for examination as per the Commission for University Education and Kenyatta University guidelines.

Thank you.

**ANNBELL MWANIKI**  
**FOR: EXECUTIVE DEAN, GRADUATE SCHOOL**


c.c. Chairman, Business Administration

Supervisors:

1. Dr. Lawrence Wainaina  
C/o Department of Business Administration  
Kenyatta University

444/2024


**Appendix IV: Research Permit**



**REPUBLIC OF KENYA**

National Commission for Science, Technology and Innovation


**Ref No: 538413**



**NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION**

**Date of Issue: 14/May/2024**

**RESEARCH LICENSE**



**This is to Certify that Mr. Ephraim Mwanja of Kenyatta University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in on the topic: **INDUSTRY DYNAMICS AND PERFORMANCE OF THE METAL AND ALLIED MANUFACTURING INDUSTRY IN MOMBASA COUNTY, KENYA.** for the period ending: **14/May/2025.****


**License No: NACOSTI/14/0519**

**Applied Identification Number**

**Director General**

**NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION**

**Verification QR Code**



**NOTE: This is a computer generated License. To verify the authenticity of this document, Scan the QR Code using QR scanner application.**

**See overleaf for conditions**