Gaining competitive advantage through generic strategies in medical training colleges in Kenya

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ARTICLE INFO

Article history:
Received 15 January 2022
Received in rev. form 12 March 2022
Accepted 19 March 2022

Keywords:
Competitive Advantage, Generic Strategies, dynamic Capabilities, Medical Training College, Performance

JEL Classification:
L21, L22, E32, E37, 035

ABSTRACT

The study sought to explore the impact of generic strategies on competitive advantage in the medical training colleges in Kenya. The research was guided by the Dynamic capabilities theory, Resource-Based View theory and Knowledge-based view theories. The target population was 183 members of staff in the 4 medical training colleges in Nyeri County, Kenya. Data on 42 participants from the population was gathered from the top-level management, middle-level management and low-level management in these colleges using questionnaires. The research adopted a descriptive research design. Quantitative data analysis was conducted by use of descriptive statistics. Additionally, inferential statistical analysis on the observations was carried out. Qualitative data were analyzed by use of content analysis. Tables, bar graphs, and pie charts were employed for data presentation. The analyzed data revealed that cost leadership, differentiation and focus strategies positively contributed to the colleges’ competitive advantage with cost advantage having the greatest effect. The study recommends that colleges and other institutions employ the application of porter’s generic strategies since they have proved to be effective in contributing to competitive advantage.

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Introduction

Running a successful commercial enterprise in today’s world requires a solid strategy or strategies necessitated by the complex nature and dynamism of the ever-changing technology. Porter (1980) identified four generic strategies that a business may implement so as to acquire a sustainable competitive advantage. These strategies comprise of three key categories: differentiation, cost leadership and focus strategy. He further argued that focus strategy is based either on differentiation focus or on cost focus. Porter further opined that a business should concentrate its resources in engaging in one of these strategies rather than trying to implement two or more of these strategies.

Adopting a particular competitive strategy for the organization is vital. This helps the organization to achieve a particular vantage position in the market when compared to its rivals in the face of future uncertainties (Tumbo, 2012). After many years of robust expansion and affluence, many firms end up losing vision of their competitive advantages as they rush for expansion and hunt for divergence. Most organizations today focus has therefore shifted to ensuring that they gain competitive advantage to deal with competition in the market. Mwasi (2014) noted that in the world over, firms faced gradual progress from both local and international competitors who no longer acted in a certain predictable manner that may be countered.

Organizations need to analyze their competitiveness, considering what their competitors too are doing. In business, strategy is assumed to be a combination of decisions and programs made by the firm’s top management that influences its long-term performance. These strategies involve the identification of objectives, scanning the environment, formulating ideal strategies, and having control and evaluation plans for the firm. When well implemented these strategies become the organization’s sources of competitive advantage. What translate to business strategy is the degree to which the business activities are either constricted or extensive and how a business pursues to distinguish its products offerings or services from those of other firms. Kaburu, (2012)
argued that enjoying competitive advantage is the core of an organization’s performance in the modern market environment characterized by competing enterprises.

Competitive advantage is achieved by application of generic strategies and this contributes positively to firm’s performance (Enida, Vasilika, & Amali, 2015). Perpetual competitive advantage is thus an effect of a lasting product differentiation between one business and another in the minds of customers. For that reason, businesses must contemplate exceeding the apt amid the peripheral surroundings and their existing internal characteristics to gain competitive advantages (Cetindamar, 2013). Business performance indicators include financial pointers, increased sales volumes, cash inflows, return on equity return on investments and the business growth trajectory (Islami, Mustafa, & Topuzovska, 2020). To achieve competitive advantage, the organization has to command a percentage market share that is higher than that of its rivals. Customer satisfaction level is exhibited by the rate of the products or services consumption even if they rate value or quality is lower than for other similar firms. While it is expensive to develop satisfied and dependable customers, in the end it proves to be profitable for the firm.

Cost leadership and differentiation strategies are exercised in the broad markets while focus strategy is applied in restricted markets, which has low capacity or means to take part in a national wide marketing work. The choice depends on market segmentation, response function, business competences and strategies used by competitors (Daneshvar & Ramesh, 2010). Among the porter’s generic competitive strategies, cost leadership strategy is deemed to have a significant effect in operations in diverse segments and it’s widely used in most sectors (Hilman & Kaliappan, 2014).

Differentiation as a strategy occurs where a firm provides goods or services with unique features and characteristics as likened to the proffers from competitors. When the firm markets these products or services, they position them in the minds of the customers as unique and hence trade them at superior price and attract more profits (Wheelen & Hunger, 2011). Differentiation strategy enables a firm to be inimitable in ways cherished by expansive array of consumers. Service quality determines the success of an enterprise and customer satisfaction depends on the ability of service provider in meeting the norms and expectations of customers. Service differentiation can be achieved through ease of ordering, ease of delivery, ease of installation, customer training and consultation platforms (Gilaninia, Taleghani & Talemi, 2013). Differentiation strategy via branding may be achieved through organization setting itself apart though unique branding strategy and corporate image that easily identifiable by customers. Many organizations are selling their products successfully because their products have a clear image in the minds of the customers (Zyman, 2007).

Successful differentiation allows firms to command premium prices for their products and enjoy increased unit sales while buyers gain their products loyalty (Aldehayyat & Anchor, 2008). Organizations aspire to have a unique reputation by having unique products, offering exceptional customer services, having wide network coverage, credible, skilled and capable employees who deliver quality services. To maintain such uniqueness, the firm needs to be intellectualized, established and supported through well-trained employees (Rodriguez & Walters, 2017). The firms must therefore invest in developing different skills for their employees through trainings that will enhance their performance and create a positive impact on the organization outcome.

When an organization creates goods or service offering at lower costs compared to competitors, sells them at similar market price as their competitors or at a reduced price and hence attracts above average profits, this can be said to be cost strategy. Price is determined by internal competences to ensure a profit margin that will maintain more than average returns to the business, and sustain the low costs to the customers so that they buy their product at a reduced price (Gunn & Williams, 2007). Firms with certain attributes and competencies in the management of inputs and in their processes produce more affordable goods that give the organization a competitive edge over its contestants.

Organizations wishing to outdo their competitors by reducing their operational costs may implement this strategy. This can be implemented using technology, pursuing economies of scale or even having preferential access to critical inputs (Lewis & Chambers, 2010). To achieve this strategy, firms acquire proficiency over time, capitalizing in broad production services, using economies of scale, and prudently scrutinizing operational costs through downsizing and total quality management. An economy of scope is a cost reduction strategy where an organization produces variety of goods or services together resulting in the lowering of marginal costs. The goods may be either co-products or complements in production with complementary production processes or share inputs in production (Hartarska, Parmeter, & Nadolnyak, 2011).

Focus strategies are about serving a particular market better than any other firm serves and when a firm gives special attention to a certain niche market and develops its competitive advantage by offering products specially developed for that niche (Kamukama, 2013). Focus strategy is achieved though market segmentation and concentrating to a certain niche market, allocation of resources to a certain focused strategy, alignment of culture with the organization strategy, having a clear organization structure and having sound organizational performance control measures. A firm trailing focus strategy is keen to examine the needs of the customers in secluded geographical areas with special needs, or customers in marginalized areas, by tailoring their products to the unique demands of customers within those isolated areas.

To achieve focus strategy, an organization must deliberately do resource allocation that targets certain business unit or an area in the business that they wish to develop. Ganley (2010), argued that to run an organization well, resources are required and since they are always scarce, they need to be distributed strategically. These resources are technology, human resources and finances resources. To carry out marketing, R&D, product innovation, product distribution or offering customer services all that requires resources.
Organization performance is greatly influenced by the resources allocated for the strategy implementation. When focus strategy is based on pursuing low-cost strategy, the concentration is on a buyers’ segment in the market with less expensive needs in comparison to others in the market. An organizational culture is the structure of assumptions, tenets; standards and viewpoints expressed through representations where the membership of a firm have advanced and implemented through common experience and it assists them to understand the environment around them and how to act in it (Janicijevic, 2011). An organization has to focus on the strategy it has decided to pursue to avoid losing direction. Control and performance measures in an organization need to be put in place so as to determine the success of any strategy. Jones (2013), noted that a good organization structure brings forth norms and rules that contribute to enhanced communications and a common organizational language that brings about excellent team performances. Focused approach centered on cost, seeks to reduce its production costs and to achieve competitive advantage through serving a specific market by offering competitive prices to their target group better than the competitors offer. Conversely, focus stratagem centered on differentiation, targets at acquiring a competitive advantage to the firm by presenting buyers with precise commodities that they perceive fit to their own exceptional tastes and likings (Aldehyatay & Anchor, 2008).

Medical training institutions in Kenya are experiencing stiff competition in their business and this has led to low student admission rates in the recent past. Some medical training colleges have been forced to close down their businesses due to competition forces emanating from many existing and upcoming colleges. This poses a great challenge in the medical colleges in trying to woo the students into their institution to study medical related courses (Ndunge, Oluoch, & Mutua, 2019). The medical training colleges are obliged to create exceptional antiphons and strategies to curb competition to assist them in achieving a significant advantage over rivals (Nyanguthi, 2014). There is great progress achieved in marketing these institutions to counter competition, but much more is required to deal with the growing competitive nature and dynamics in the industry (Jowi, 2010). A business organization that needs to have a competitive edge in the market has to apply Porters generic strategies (Porter, 1980). Generic strategies mainly concentrate on how a firm may establish its competitiveness through differentiation, cost or niche strategies. When a firm decides to use low-cost strategy, its competitiveness arises by offering lower prices in the market. In focus strategy a firm puts its emphasis on a smaller niche market that other firms ignore. While it uses differentiation strategy, an organization offers distinctive products or services that others do not. Studies on the application of generic strategies have been carried out internationally, locally and even for specific companies, and how they affect the firm’s competitiveness. Despite well-established literature on application of generic strategies and their effect on competitive advantage, there is no literature focusing on the effects of generic strategies on the competitive advantage in medical training colleges. The previous studies were based on other fields of study or other organizations but none on the medical training colleges. The previous studies revealed that different generic strategies work differently for each organization.

There is an existing knowledge and empirical gap on this subject and field since the previous researchers have not delved into finding out the effect of generic strategies on competitive advantage of medical training colleges. This research attempted to explore if medical training colleges in Kenya gain competitive advantage through generic strategies. The study narrowed down to medical training colleges in Nyeri County, Kenya. Empirical evidence on influences of generic strategies on competitive advantage of Medical Training Colleges in Nyeri County, Kenya was collected. A population of 183 staff members and a sample of 43 participants from the four medical training colleges from Nyeri County, Kenya were considered. The study sought to establish which of the main generic strategies if any, each of the medical training colleges in Nyeri County, Kenya were employing in trying to combat the competition and whether these strategies are helping them to acquire or achieve a competitive advantage. The study hypothesized that cost leadership strategy had no effect on competitive advantage of Medical Training Colleges in Nyeri County, Kenya. Secondly, we hypothesized that differentiation strategy had no effect on competitive advantage in the Medical Training Colleges in Nyeri County, Kenya. Lastly, we hypothesized that focus strategy had no effect on competitive advantage in the Medical Training Colleges in Nyeri County, Kenya.

The remainder of the paper is organized in the following order; first we examine the literature review on the Resource Based View Theory, Dynamic capabilities Theory and the Knowledge Based View Theory. Secondly, we look at the empirical review of generic strategies as well as competitive advantage as we outline the hypothesis of each item. Thirdly we discuss the research methodology and statistical analysis of the findings. Fourthly we present the study findings and the discussion based on the result from the research and the past researches. Finally, we give the conclusion, policy recommendations and study limitations.

**Literature Review**

This chapter scrutinizes literatures correlated to generic strategies and competitive advantage, focusing on medical training colleges in Nyeri County, Kenya. The chapter covers theoretical review and empirical review related to this study. Theoretical review lays emphasis on the theories that explain and understand the phenomena by challenging prevailing knowledge within the confines of the topic at hand. Dynamic Capabilities Theory, Resource Based View Theory (RBV) and Knowledge-based view Theory were considered by the researcher to support the findings.

**Theoretical Review**

**Resource Based View Theory**

Penrose(1959) forwarded the RBV theory and argued that a firm has a pool of possessions that are promptly valuable, scarce, and imperfectly imitable and cannot be substituted. The organizational wealth assists a firm to reap superior benefits and create an edge.
for the business. This theory derives attention from the firm’s interior environ as a recipe for competitive advantage and it pays more emphasis on the inimitable resources possessed by the firm that enable it to compete in the business environment (Armstrong, 2010). This theory implies that firms in the same industry having similar opportunities but limited dissimilarities remain the same only for a time precisely because of the nature of their internal resources at their disposal (Alkhafaji & Nelson, 2003).

The resource-based view (RBV) theory stands out as a tactical means for appreciating firms’ in-terms of their internal capabilities. The combination of these resources in a firm differentiates one organization from the other. This means that the starting point of evaluation of an organization is the in house resource that makes up the internal environment of the organization. RBV considers organizations as heterogeneous by having resources unique to them and by maintaining the status quo for a stretched period and hence capitalizing on these resources to increase their incomes (Alkhafaji & Nelson, 2003). For this status quo to happen and remain so, firms in the environment must not be in a position to grab reserves and aptitudes from one another for these are the sources for a viable edge. Resources should also not be in a position to generate similar advantage to another firm. The RBV theory debates further that a firm’s possessions plus its abilities should be rare, esteemed and hard to be obtained copied or replicated by the rivals. In the event that firms do not conform to these requirements, they risk swiftly losing their comparative advantage in the market to competitors (Brown, 2010). According to RBV theory, organizations that recognize their internal unique capabilities and utilize them as a source of competitive advantage thrive better than others in the same industry. Since each organization has some internal unique qualities, the key is in identifying their uniqueness and using the same to outsmart their rivals as these assets are the bases of competitive advantage for them (Barney, 1991). Fundamental proficiencies are distinct, unique and cherished properties, hardly replicable, swapped or imitated by others. This uniqueness is what essentially leads to competitive advantage. This RBV theory is therefore significant to this survey as it sees resources in an organization as unique features that offer a competitive edge derived within the firm’s internal possessions. Medical training colleges can apply the ideas of this theory to search and recognize their special capabilities; align their means and knowledge with these capabilities to gain an edge in comparison with their competitors. The research will therefore to gauge if the medical training colleges in Nyeri County, Kenya recognizes their uniqueness and how that exclusivity can be aligned with the generic strategies to help the firms achieve a competitive edge.

While the RBV theory is deemed a prominent theory of Management, it is slammed to be practically ambiguous and superfluous with narrow focal point on the means by which the resources essentially influence competitive advantage. It is criticized because the theory does not explain how firms will gain a competitive edge in a dynamic market. (Eisenhardt & Martin, 2014). Resource Based View theory only takes into account the firm’s internal factors and ignores the external aspects like customers and other stakeholders who have a major task towards the organizational success.

Dynamic Capability Theory

David Teece and Gary Pisano originally presented the Dynamic Capabilities theory in 1994. They argued that the groundwork of the RBV theory is incapable of championing sustainable competitive advantage since its basis is on firm-specific resources (Teece & Pisano, 1994). While the RBV acknowledges the processes enabling competitive advantage, it does not endeavor to elaborate how these processes function (Teece, Pisano, & Shuen, 1997). Dynamic Capabilities Theory (DCT) was meant to expound organizational performance in the ever-changing business environments and changes in customers’ demands concentrating on the capabilities that organizations utilize to attain competitive advantage (Beske, Land, & Seuring, 2014).

The DCT sets out to explain how firms are trying to acclimatize to environmental dynamism by using their distinctive in-house properties and capabilities to gain competitive advantage. This theory explains the way these capabilities are established, implemented and safeguarded (Teece, Pisano, & Shuen, 1997). Dynamic capability is the proficiency to attain fresh formulas of competitive advantage by being swiftly adaptive to the ever-changing market environment. Dynamic is the ability to renovate proficiencies to attain congruence with the transformations in the business environs. Capabilities signifies the firm’s capacity to assimilate and reconstitute intramural and extramural resources, organizational human skills and operating competencies to correspond to the conditions of the changing business environment (Teece, Pisano, & Shuen, 1997). There are different approaches of dynamic capabilities that have various effects on the firms’ performance. These approaches include adaptive, innovative and networking capabilities. A firm secures short-term competitive advantage as well as creating basis for lasting competitive advantage by aligning adaptive and dynamic capabilities (Dixon, Meyer, & Day, 2013).

The organization’s capability to detect and exploit emergent market opportunities is adaptive capability. The firm learns from the adopted ideas and utilizes this expertise for the benefit of the firm. This may enable the organization to develop new products or improve their services. Gibson & Birkinshaw (2004), supported the idea that this adaptive capability is interrelated to those business processes that expedite strategic flexibility. The firm’ ability to overcome problems by re-aligning the strategic innovations with novel actions’ and progressions is termed as innovative capability. This in turn assists the businesses to gain a sustainable competitive advantage, (Kuratko & Hodgetts, 1998). These innovations may be in products, processes, organization as a whole or in marketing.
Networking capability aims at how the institutions inter-relate with other stakeholders in a synchronized manner with the aim of overcoming the changing market demands. This relationship may be with suppliers, banks and other financial, customers, and insurance companies among others. While firms team up with others, they can use their distinctive resources and competences to develop complementary collaborations that may enable them to achieve competitive advantage (Bustiza, Gomes, Verndrell, & Baines, 2019). Muithya & Mwathe (2020), conducted a study on the impact of dynamic capabilities on performance. They sampled microfinance institutions in Kenya and their findings showed that there is varied correlation both significant and non-significant between dynamic capabilities and performance. Teece, Pisano, and Shuen (1997), opined that what determines dynamic capabilities is the way organizations develop their exclusive competencies to react to variations in the market environment and is eventually linked to the firm’s business processes, market positions and opportunities or paths. These three variables together form the core model of dynamic capabilities.

Dynamic capabilities are divided into three categories; detect and mold prospects and pressures in the market, grab opportunities then reconfigure firm’s assets. This has been the basis of dynamic capabilities’ studies (Torres, Sidorova, & Jones, 2018).

The competitive advantage attained through these capabilities can be accredited to the fact that firm special benefits like the organizational cultural value and its experience is something that cannot be swapped in the market and hence make the firm’s behavior is unique and hard to copy. Competitive advantage through these competencies can only create benefits based on assortment of habits, skills and corresponding positions that are difficult to imitate.

A study on whether dynamic capabilities impact positively on the competitive advantage and environmental dynamism in the firms in China was carried out by (Li & Liu, 2014). The study concluded that dynamic capabilities assist an organization in problem solving. This is by sensing the opportunities and threats in the operating environment. Firms make prompt decisions by timely implementing strategic decisions and changes to enable them to be focused. Eventually this will significantly affect the firms’ competitive advantage. Li and Liu (2014) stressed on the significance of using dynamic capabilities in countering challenges in the external market. Dynamic capabilities can take any formula of the several organizational processes, the processes which are entrenched in the business and eventually describe how the firm exploits its resources to achieve a competitive edge. The application of the dynamic capabilities theory in this study will help to expound the research variables. The medical training colleges operate in a dynamic environment just like any other modern organization and their capability to turn these challenges to their advantages is what will determine their competitive edge. The concept of dynamic capability theory is vital to this research since it explores the different dynamic capability strategies that the medical training colleges in Nyeri County, Kenya, implements to gain competitive advantage. This theory will be used to anchor the dynamic capabilities view, and the medical training colleges’ competitive position.

The covid-19 pandemic is an external force that was unexpected and affected business operations globally including medical training colleges. Organizations globally must realign their strategies with this problem by becoming innovative in their operations for them to survive. There is need for the top management team to have a decision-making process that is strategic and focused, analyze strategic alternatives, choose a preferred strategic option and finally adopt the best option to be competitive. (Muithya & Kilika, 2019). This challenge among others calls for changes in business strategies and hence the application of dynamic capabilities theory to this study was very vital.

The Knowledge-Based View Theory

Knowledge –based view theory of a firm is recent extension of the resource based view theory (Grant, 1996). Knowledge has been said to have exceptional features that make it a significant and treasured resource (Teece et al. 1997). Knowledge is a prime resource of an organization. It’s argued that physical resources of a firm diminish with usage, while knowledge possessions multiply with use (Tiwana, 2003). While technological know-how, market share, investment resources and products can easily be replicated by other organizations, knowledge resources are difficult to duplicate and hence a base for sustainable difference (Wiklund & Shepherd, 2003). Sustainable advantage of the firm may result from an organization having the right kind of knowledge. There are different kinds of know-how that can aid the firm to be competitive. These types may include core knowledge, complementary knowledge and peripheral knowledge. The fundamental information that aids an organization to survive in the market in the short range is the core knowledge. Innovative knowledge allows the firm to be competitive through introducing new ideas or products that the rivals may not have and hence become a market leader (Bhatt, Pankaj, & Rodger, 2014). This theory perfectly fits in this study because medical training colleges operate in this dynamic environment and the competitive nature of business environment calls for organizations to develop knowledge on how to edge their rivals.

Empirical Review and Hypothesis Development

This section reconsidered information and materials from previous studies relating to generic strategies and competitive advantage. Cost leadership strategies, differentiation strategies and focus strategies were all examined in relation to competitive advantage of medical training colleges.

Cost Leadership Strategy and Competitive Advantage

Cost leadership strategy is realized when an organization creates and supplies quality products in the market at relatively lower costs than what competitors are capable of producing and supplying to the market (Porter, 2008).
A study on the relationship between cost leadership strategies and manufacturing firms’ performance in Kenya showed that these strategies include economies of scope, economies of scale, operations management. The results uncovered that these cost leadership strategies positively affected the performance of the manufacturing firms. The main aim of cost leadership is to generate goods and services by coordinating all possible resources about the existing system of production. The study used survey questionnaire and interview to collect data and explanatory research design that uses small sample sizes and therefore these findings may not be generalized to a large population. Continuous engagement and application of research and development is also a cost leadership strategy. Firms that discreetly apply one or more of these cost strategies stand a chance to perform better than the competitors do. (Atikiya, Mukulu, Kihoro, & Waiganjo, 2015).

Economies of scope combine production activities but not quantities. A study on intra-industry and diversification and firm performance in the United States of America revealed that economies of scale enable organizations to efficiently combine related skills and take advantage of the available resources to attain operations synergy and redistribution of resources (Zahavi & Lavie, 2013). A study in banking sector indicates that most banks focus on cost leadership strategy and they possessed various strengths that enabled them to compete constructively against rival banks (Kungu, Desta, & Ngui, 2014). The study however was in the banking sector while this one pursued to explore among others how cost leadership strategies affect competitive advantage in the medical training colleges in Nyeri County.

A research survey on the airline industry in Kenya concluded that generic strategies contributed substantially to the success of the airlines in Kenya and recommended that other researchers may explore the influence of generic strategies on competitive advantage in other sectors (Omwoyo, 2016). This research was meant to ascertain the effect of generic strategies on competitive advantage of medical training colleges in Nyeri County, Kenya. Hartarska, Parmeter and Nadolnyak (2011) carried out a study on the concept of economies of scale in rural micro-finance institutions. The study was of the argument that it’s more cost efficient for these institutions to expand by scope. They collected data from 882 firms in 93 countries in micro finance information exchange market data. Their findings revealed that on average economies of scope had positive results because of fixed costs.

Kimiti, Muathe, & Murigi (2020), explored the impact of cost leadership strategy on the performance of milk processing businesses in Kenya and included competitive advantage as a substantial variable. The research sampled 29 milk-processing organizations registered in Kenya by the Kenya dairy board and they concluded that cost leadership strategy had an irrefutable as well as substantial influence on these organizational performances. Kimiti et. al., (2020) explored the effect of cost leadership strategies on performance of milk enterprises in Kenya. They ascertained those economies of scope, economies of scale and operational efficiency influenced performance in the milk processing enterprises. They also confirmed that milk processors improved their performance through cutting down costs, up scaling their operations, spreading out into similar businesses as well as operational efficiencies. Their study however, only considered the milk processing firms, and not medical training colleges in Nyeri County. The study recommended that other generic strategies apart from cost leadership strategy should be considered to ascertain their effect on business performance.

These previous studies considered other firms and organizations rather than medical training colleges and hence research therefore tried to bridge the methodological, contextual and theoretical gaps that have been left out. The first hypothesis was created on the basis of the research gaps noted above and was deduced as shown below.

H0a : Cost Leadership Strategy has no significant effect on competitive advantage of Medical Training colleges in Nyeri County, Kenya.

**Differentiation Strategy and Competitive Advantage**

An organization implements differentiation strategy in situations where it has products with distinctive attributes that set it apart from the competitors. Differentiation strategies are varied and these may be achieved by product, service, channel, relationship, reputation and image differentiation. The differentiation strategy allows organizations to charge premium prices on their products or services.

A study by Chege, Kimutai, & Yusuf (2018), explored the impact of differentiation strategy on organizational performance of betting companies in Kenya. They concluded that differentiation strategy had a positive effect on the business performance of the betting firms. The study also ascertained that changes themselves in a business, are not differentiation but the managers need to make sure that differentiation implications are communicated to the clients to improve their perception. Their study used a survey research design while this research employed a descriptive research design.

Further study that focused on differentiation and whether it contributes to gaining competitive advantage in the organizations in the wood industry established that through differentiation, organizations created unique products, which appealed to the consumers (Eawag, Gustafsson, & Witwell, 2011). This therefore makes differentiation an important factor to consider by the organizations in the wood industry, due to its contribution in gaining competitive advantage.

Anyim (2012) carried out a study to establish how private health providers in Nairobi use service differentiations as a spectacle and to what degree this strategy has helped them to realize competitive advantage. The study findings revealed that differentiation strategy employed by private hospitals in Nairobi helps to gain competitive advantages leading to higher customer loyalty and thus helping the institutions to rise above their competitors. The study did not reveal how competitiveness can be sustained though differentiation.
or any other strategy. The study focused on the private hospitals in Nairobi and this study focused on the medical training colleges in Nyeri, county.

A study on examining the interceding influence of competitive advantage on the correlation amongst corporate strategies and performance of manufacturing firms in Nairobi City County, Kenya was carried out. The study revealed that key determinants to competitive advantage in those firms were value chain integration, market leadership and innovation (Wanjiru, Muathe, & Kuinyua-Njungu, 2019). Their study used semi-structured questionnaires for data collection. Their findings indicated that competitive advantage has an intermediating impact on the association between corporate strategies and business performance.

(Mwenemeru, 2018), studied the influence of generic strategies on competitiveness of private hospital establishments, in Nairobi County, Kenya. These previous studies considered other firms and organizations rather than medical training colleges and hence research therefore tried to bridge the methodological, contextual and theoretical gaps that have been left out. The second hypothesis was created on the basis of the research gaps noted above and was deduced as shown below.

H02: Differentiation Strategy has no significant effect on competitive advantage of Medical Training colleges in Nyeri County, Kenya.

Focus Strategy and Competitive Advantage

When an organization chooses to pursue focus strategy, it gives attention to a narrower niche market as it pursues the cost advantage strategy, a differentiation strategy or just focusing on something different from the competitors. Several studies have been carried out to ascertain the association between focus strategy and competitive advantage.

In Kenya a study on Bata Shoe Company concluded that focus strategy adopted by the company contributed positively to the success of the company. The company segmented it enabling them to understand their customers well through conducting research and development activities. This has enabled the firm to respond to their customers’ needs and offer superior products to high end customers in the market such as diplomats and tourists (Ishmaeli, 2019). A research on micro and small enterprises in Nairobi city county revealed that innovation and focus strategy greatly contributed to them having competitive advantage since they focused on the needs of the customers in the slum areas (Njoroge & Nkirina, 2018).

Where there are buyer segments that demand unique products and attributes, differentiation focus strategy works very well. Such emphasis aspires at growing the organizations market share through focusing its operations in a niche market that seems less attractive or overlooked by other larger players due to its uniqueness (Ngumo, 2012). The study was based on the British American insurance company Kenya limited and data was collected through interviewing managers while this study used questionnaires to collect primary data from the participants.

A probe on competitive advantages of insurance firms in Ghana revealed that there was an increase in the level of competitiveness by the organization that embraced focus strategy in their activities. Further the study showed that these organizations rephrased their strategies to increase their relevance and competitiveness in the environment (Olwande, 2012). The research study emphasized the competitive advantages of insurance companies in Ghana and not medical training colleges in Nyeri county Kenya. This study therefore, ascertained the effect that generic strategies have on competitive advantage of medical training colleges in Nyeri County, Kenya.

Nyaguthii (2014) in research to ascertain the impact of competitive strategies implemented by the Kenya Trade Network Agency (KTNA) on competition. The study established that those organizations that focused on particular markets and product innovations performed better as compared to other competitors within the market and industry. The study findings gave a recommendation of changing management style but they did not state how they can be applied. The study however concentrated on the organizations in KTNA and not medical training colleges. This study aimed to establish the impacts that focus strategy have on competitive advantage of the medical training colleges in Nyeri County.

This literature does not give much on how medical training colleges gain competitive advantage through generic strategies and hence this paper aims to add to the existing knowledge on the subject. The third hypothesis was created on the basis of the research gaps noted above and was deduced as shown below.

H03: Focus Strategy has no significant effect on competitive advantage of Medical Training colleges in Nyeri County, Kenya.

Research Methodology

The method employed in this study was descriptive research design. The descriptive design is the best for this research since it weighs various factors, allowing the researcher to describe the variables and conditions. The descriptive research design gives the researcher adequate precautions to minimize biasness and maximizes data reliability (Muathe, 2010). The population in this study comprised of all the 183 staff members in the four medical training colleges in Nyeri County Kenya. Mugenda and Mugenda (2003), argue that a population is an all-inclusive collection of substances, characters, circumstances or relevant things in a given research with similar discernable characteristics. Cooper and Schindler (2014), in describing a population argued that it is the total collection of
components, from which one can make some inferences. Population is therefore, an assortment of all the important elements in a study and the subset of the population can be referred as the sample.

Stratified random sampling design was adopted to get the required sample. Since the population of interest can be stratified into different strata, then to get the sample, stratified random sampling design will be used. Stratified random sampling technique reduces the probabilities of preference, enabling items from all levels to have a comparable chance of being picked (Kumar, 2012).

Kothari (2009), suggested that strata can be purposively formed based on the researcher’s personal judgment. Because of the cost considerations, personal judgment and the time required to collect the data, the researcher considered a sample size of 42 participants from the population size of 183. This sample included the college principals, deputy principals, the administrative officers, finance officers, human resource officers, and school deans of students and heads of academic departments. Those sampled were deemed to have the relevant information required to show if generic strategies affect competitive advantage of the medical training colleges in Nyeri County, Kenya.

The data collection instrument used was a questionnaire. Questionnaire is an appropriate data collection instrument since it is easier to administer and to collect data from the respondents. A questionnaire contains typed questions that are supposed to be filled by the respondents (Kothari, 2009). Qualitative and quantitative data was collected from the respondents using semi structured questionnaires. The questionnaires were dropped and then picked at the respondents’ places of work. The researcher preferred this instrument since they are economical to administer and easy to analyze the data therein. Quantitative data was analyzed using the statistical methods like descriptive statics and inferential statistics. Descriptive statistics summarizes data using mean, mode and standard deviation and inferential statistics that gives general conclusions from the observed data. Data presentation was done through bar graphs and pie charts. Data was interpreted to see if it is in harmony with the theories and to answer the research questions.

There were three independent variables in this study and therefore it was appropriate to use multiple regression analysis to quantify the influence of several simultaneous impacts on a single dependent variable. Cooper and Schindler (2014), suggested that multiple regressions establish whether several independent variables can collectively calculate a certain dependent variable. Therefore, to obtain an equation that clearly expresses the criterion variable in relation to the predictor variables; a number of linear regressions were applied. Crowther and Lancaster (2012), assert that multiple regressions are used in circumstances where there are several independent variables.

Due to the fact that there were three independent variables, then the multiple regression models took an equation like this;

\[ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon \]

where:

\[ Y = \text{dependent variable, Competitive Advantage} \]
\[ \beta_0 = \text{Constant} \]
\[ X_1 = \text{Cost Leadership Strategy} \]
\[ X_2 = \text{Differentiation Strategy} \]
\[ X_3 = \text{Focus Strategy} \]
\[ \epsilon = \text{Error Term} \]
\[ \beta_1, \ldots, \beta_3 = \text{Regression coefficients to be estimated} \]

Findings and Discussion

This chapter represents results of the analyzed data as well as the interpretations and discussions of the effects of generic strategies and competitive advantage of medical training colleges in Nyeri County Kenya. This section covers the regression results from the data analysis by assessing the three hypotheses. The three hypotheses which comprises of differentiation, cost leadership and focus strategies were regressed on the competitive advantage of medical training colleges giving a direct link as shown below.

Regression Analysis

In this section data is represented using regression model analysis table, ANOVA analysis table and Regression model coefficients table as shown by the tables below.

**Table 1: Regression Model Analysis**

| Regression Statistics | Value |
|-----------------------|-------|
| Multiple R            | 0.861436 |
| R Square              | 0.730636 |
| Adjusted R Square     | 0.733927 |
| Standard Error        | 2.275023 |
| Observations          | 38    |

**Source**: Survey data (2021)
From the analysis, the R square results or coefficient of Determination is 0.7306. This denotes that 73.06% of the variation in competitive advantage of medical training colleges in Nyeri County is justified by changeability of the cost leadership strategy, differentiation strategy and focus strategy. As shown in the model, other factors not outlined herein caused a variability of 26.94% in competitive advantage. This helps in concluding that at least the independent variables were useful in predicting the competitive advantage of the colleges.

Table 2 shows statistical yield after performing the F test.

Table 2: ANOVA

| Source: Survey data (2021) |
|---------------------------|

| ANOVA | df | SS | MS | F | Significance F |
|-------|----|----|----|---|----------------|
| Regression | 3 | 8.305681 | 2.76856 | 0.303012 | 0.024826 |
| Residual | 34 | 55.27327 | 1.625684 | 1.559260 | 0.280698 |
| Total | 37 | 63.57895 | | | |

The analysis of variance (ANOVA) results give proof to validate the fact that the regression line slope was not zero where the level of significance is at 5%. The results show that P value in this analysis is 0.0248 being less than 0.05 significance level.

Table 3: Regression coefficient

| Source: Survey data (2021) |
|---------------------------|

| Coefficients | Standard Error | t Stat | P-value | significance |
|--------------|---------------|--------|---------|--------------|
| Intercept    | 3.325009      | 1.1977 | 1.106295 | 0.046365     | significant |
| Cost Leadership | 1.559260     | 0.238658 | 0.234336 | 0.031129    | significant |
| Differentiation strategy | 0.468611 | 0.280698 | 1.669445 | 0.014213 | significant |
| Focus Strategy | 0.879570 | 0.199788 | 0.44025 | 0.016542 | significant |

The output from the regression analysis shows that all the independent variables regression coefficients are statistically significant different from zero (0) and the fact that their p-values are of less than 0.05. The regression model for the competitive strategy of the colleges was therefore developed as follows; Competitive Advantage= 3.325 + 1.559(Cost leadership strategy) + 0.468(Differentiation strategy) +0.879(Focus Strategy).

Cost leadership coefficient is 1.56 and p-value of .0311 which is lower than 0.05 reflecting a significant positive effect. The findings are compatible with past study by Atikiya et al. (2015) which uncovered that the cost leadership strategies positively affected the performance of the manufacturing firms. The also argued that the main aim of cost leadership is to generate goods and services by coordinating all possible resources about the existing system of production and continuous engagement and application of research and development. The findings are also in congruence with findings of a study on intra-industry and diversification and firm performance in the United States of America. Their study also revealed that economies of scale enable organizations to efficiently combine related skills and take advantage of the available resources to attain operations synergy and redistribution of resources (Zahavi & Lavie, 2013).

The findings are also in agreement with a study by Kimiti, Muathe and Murigi (2020), which explored the impact of cost leadership strategy on the performance of milk processing businesses in Kenya and included competitive advantage as a substantial variable. The research sampled 29 milk-processing organizations registered in Kenya by the Kenya dairy board and they concluded that cost leadership strategy had an irrefutable as well as substantial influence on these organizational performances.

Differentiation strategy has a coefficient of 0.468 and p-value of 0.0142 which is lower than 0.05 reflecting a significant positive effect. The findings are in consistent with past studies by Chege, Kimutai and Yusuf (2018). They explored the impact of differentiation strategy on organizational performance of betting companies in Kenya. Their research concluded that differentiation strategy had a positive effect on the business performance of the betting firms. The study also ascertained that changes themselves in a business, are not differentiation but the managers need to make sure that differentiation implications are communicated to the clients to improve their perception.

Further study that agrees with these findings on differentiation and whether it contributes to gaining competitive advantage in the organizations were carried out in the wood industry. Their study established that through differentiation, organizations created unique products, which appealed to the consumers (Eawag, Gustaffson, & Witwell, 2011). Another similar study to this one was research that examined the interceding influence of competitive advantage on the correlation amongst corporate strategies and performance of manufacturing firms in Nairobi City County, Kenya was carried out. The study revealed that key determinants to competitive advantage in those firms were value chain integration, market leadership and innovation (Wanjiru, Muathe, & Kuinyua-Njugu, 2019).
Further it was revealed that focus strategy had a coefficient of 0.879 and p-value of 0.0165 which is lower than 0.05 reflecting a significant positive effect. These findings correspond to previous results from a study in Kenya on Bata Shoe Company whose analyzed results concluded that focus strategy adopted by the company contributed positively to the success of the company. The company segmented its enabling them to understand their customers well through conducting research and development activities. This has enabled the firm to respond to their customers’ needs and offer superior products to high end customers in the market such as diplomats and tourists (Ishmael, 2019).

Research findings congruence to this one was research done on micro and small enterprises in Nairobi City County. The findings revealed that innovation and focus strategy greatly contributed to them having competitive advantage since they focused on the needs of the customers in the slum areas (Njorge & Nkirina, 2018). Similar to the results from this study were results from a study by Nyaguthii (2014) who carried out research to ascertain the impact of competitive strategies implemented by the Kenya Trade Network Agency (KTNA) on competition. The study established that those organizations that focused on particular markets and product innovations performed better as compared to other competitors within the market and industry.

These study findings agree with the theoretical proposition of dynamic capabilities theory and knowledge based view theory. The theories speculate that organizations that responds to dynamic changes in the environment and utilize the right kind of knowledge available in the market are better positioned in their industry as opposed to those that are static. The fundamental information that aids an organization to survive in the market in the short range is the core knowledge. It’s argued that a firm secures short-term competitive advantage as well as creating basis for lasting competitive advantage by aligning adaptive and dynamic capabilities (Dixon, Meyer, & Day, 2013). Bhatt et al. (2014) argued that innovative knowledge allows the firm to be competitive through introducing new ideas or products that the rivals may not have and hence become a market leader. Resource based view theory is also supported by the result findings in this study since it argues that organizations that utilizes their internal capabilities will outdo those that do not. This theory implies that firms in the same industry having similar opportunities but limited dissimilarities remain the same only for a time precisely because of the nature of their internal resources at their disposal (Alkhafaji & Nelson, 2003).

Conclusion

The study sought to establish the effect of generic strategies on competitive advantage of medical training colleges in Nyeri County, Kenya. To ascertain this, the researcher scrutinized three generic variables which are cost leadership strategies, differentiation strategies and focus strategies. The study statistical analysis revealed that all the three variables had a positive effect on the competitive advantage of medical training colleges in Nyeri County, Kenya.

In conclusion it was disclosed that all the independent variables were useful predictors of competitive advantage in medical training colleges in Nyeri County Kenya. The effect of each of these strategies to gaining competitive advantage were different with cost leadership strategy having the greatest positive effect in determining competitive advantage in medical training colleges.

Even though generic strategies had a positive effect on competitive advantage of medical training colleges in Nyeri County, Kenya, there is still more that these colleges should consider becoming even better service providers. With the influx of technological knowhow and government putting more emphasis on embracing information technology, the colleges should consider the implementation of online programs so that they can further reduce overhead cost. To generate more income the colleges should consider strategies that can help them generate more income apart from income from training only like outsourcing teaching staff instead of having permanent employees. The reason is being that many companies aim to increase their profitability levels and remain competitive in the market. Hence putting in place effective cost leadership strategies will help the medical colleges in Nyeri County Kenya to be competitive.

There is also need for government to be more involved in the learning of these tertiary colleges by pumping more funds. For the government to achieve the vision 2030 goals as far as good health is concerned there is need to exceedingly support these colleges dealing with health-related matters. This is because it is still mirage for some students to complete their courses due to lack of school fees and they end up dropping out of colleges. The Kenyan government has a policy on youth empowerment and since these colleges mostly targets the youth in the society the government should do more to ensure that they are well trained.

Out of the questionnaires given to the participants, some of them were not returned by the respondents. Some participants were hesitant to fill the questionnaires. The researcher had to personally explain the important of the research to their institutions and also arranged to collect the questionnaires at an agreed place and time that was convenient to the respondents. There is need for the government to educate the general public on the importance of researches do that they see the research findings as a source of knowledge for future development.

Though the research provides fascinating findings, the study data was only collected from Nyeri County in Kenya. These result findings even though they give a valuable lesson in this sector they should be generalized to the rest of the county with caution.

Since the study was only carried out in Medical Training Colleges in Nyeri County, further research in other training institutions in other fields should be carried out to assist in the finding’s generalizability.
This study proposes that further research be done to establish the effects of covid-19 pandemic in the application of generic strategies in learning institutions. Further studies can be carried out to establish the challenges of developing and implementing generic strategies in learning institutions.

Acknowledgement

All authors have read and agreed to the published version of the manuscript

Authors Contributions: conceptualization, J. W. and S.M; methodology, J.W. and S.M; validation, J.W. and S.M; formal analysis, J.W. and S.M; investigation J.W. resources, J.W. and S.M; writing –original draft preparation J.W. writing review and editing J.W. and S.M; supervision S.M; project administration S.M

Institutional Review Board Statement: Ethical review and approval were waived for this study, due to that the research does not deal with vulnerable groups or sensitive issues.

Data Availability Statement: The data presented in this study are available on request from the corresponding author. The data are not publicly available due to privacy.

Conflicts of Interest: The authors declare no conflict of interest.

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