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Competitive Strategies and Performance of Selected Non-Governmental Organizations in Nairobi County, Kenya

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Abstract:

This research explored if and how competitive strategies affect NGO performance and the main objective was to assess contribution of generic strategies on NGO performance using Porter's competitive strategies typology. A descriptive research targeting a population of 1, 252 NGOs from which 125 respondents were selected was employed. In each of these organizations, a questionnaire was administered to a department manager using the Internet. The regression analysis revealed positive effects of focus and differentiation strategy on NGO performance while cost leadership had no effect. The study recommends that in order to succeed in cost leadership strategy, NGOs require availability of capital needed to make investments in creation of resources and this can be achieved by innovative means to gain funding. It is also recommended that NGOs should seek to provide services in areas that are less populated and regions that they can provide differentiation or low-cost services for their beneficiaries. NGOs should design services and products to target client base that have a special need that is distinct from other products and services. This investigation focused on NGOs in Nairobi City County; further research is needed to focus on NGOs in other counties. The study found that there were positive effects of focus and differentiation strategy on NGO performance. This means there is need for further research on strategic effects on NGO performance in much more detail.

Keywords: Cost leadership strategy, differentiation strategy, focus strategy, performance

1. Introduction

A background on Non-Governmental Organizations (NGOs) and the need for competitive strategy and research problem is stated in this chapter. The objectives and research questions are stated as well as describing NGOs in Nairobi County. Significance, conceptual framework and overall theory are presented.

1.1. Background of the Study

Globally, organizations are actively seeking to differentiate themselves from competitors within their industry in regard to service quality, innovation, flexibility, as well as fast response (Rainbird, 2004). Rapid and unpredictable change is expected to continue since the environment itself is complex and ever-changing. The turbulence within the environment leads to major escalation, which is defined by emerging technologies, new client attitudes, new rivals, new dimensions in relation to social controls, and most important of all, the unprecedented inquisitive role of the organization in the society (Ansoff & McDonnell, 2010).

Therefore, organizations must exhibit appropriate competitive behavior in order to survive. This behavior is formulated within a body of knowledge, which is constituted by the game theory which is goal-oriented process of making a decision encompassing more on one player. According to Porter (1998), descriptive or normative perspectives of different people making decisions are one of the solution concepts derived from the game-theory. He further argues that ultimately, the strength of an organization can be grouped into double categories; these are differentiation or cost advantage. Hence, when strong suits are applied to an industry wide and market wide spectrum, three standard approaches are realized.

Competitive strategy is a pattern of choices in an organization that is responsible for determining and revealing its aims, purpose, and objectives by creating major plans and policies for attaining these goals (Andrews, 2003). Firms can override the challenges of competing with their rivals in the market if they adopt and implement appropriate competitive strategies. Through competitive strategies, an organization will advance over its competitors operating around the range

of its market and thereafter enable it to sustain its success in the market. The opportunities available in the market, if not properly exploited by a company, then the company is automatically deemed to fail. In a situation where a firm has a benefit above its competitors in defending and securing in contradiction of competitive powers, it means it has a competitive advantage in the market (Thompson & Strickland, 2007).

Peace and Robinson (2007) point out that sustainable competitive edge is derived from essential capabilities that result into long-term benefits to the organization. In that case, a company should strive to give what customers see as above and beyond value in order to succeed in creating a sustainable competitive advantage that leads to organization performance. Competition always brings a consequential task for firm managers hence it has a positive effect on management efforts. Also, the similarity of benefits and incumbency among the organization and the manager is affected by competition. This is because it may result to profits reduction and then increase the likelihood of poor performance.

To encounter the turbulent environment, NGOs in Kenya have been put into a mind task to come up with conventional business models, and seek new business sources as a competitive strategy. NGOs are known to make systematic changes to their everyday operations. But nowadays, they have been influenced to re-adjust their operations and adopt overreaching strategies to enhance organizational performance. NGOs perspective in terms of the business model effectiveness is a group of skills, resources, and procedures, and their utilization that ensures sustainable competitive advantage is achieved. This means that NGOs are protected from imitation due to their unique set of resources and skills by providing the foundation for collecting massive profits by adopting variation.

A strategy is an output of a plan developed for long-term, broad, objectives, and corporate goals for acting and speculating the future so as to undertake an organization's mission as defined by Baker (2007). Thompson and Strickland (2007) define strategy as a plan of action, which is long-term based, that is entitled to achieve a particular goal, which ensures 'winning' and is the scope and direction of a firm within long term range that it is built by putting together the configuration of resources available in a changing environment (Johnson, Scholes & Wittington, 2008). Practically, it is, therefore, supposed to attain the marketers' needs and reach expectations for stakeholders. Thompson and Strickland (2007) contended that a strategy of an organization represents a managerial plan that ensures that business operations are effectively implemented. Hill and Jones (2007) assert that business level strategy of the organization is achieved by gaining a sustainable competitive advantage.

Strategy and tactics are critical in establishing how a given end is to be attained. The gap between ends and means is, therefore, bridged by both the strategy and the tactics. In course of executing a certain strategy to reach the objectives, allocation of resources is important in deployment and final employment. Organizations should settle on a strategy that will realize a strategic thinking that ensures establishment of the ends is attained. Such goals must be capable to deal with the firm's landscape, ethos, and leadership desires, the markets it deems important, the foundation of its competition with rivals or any other factors, characteristics, or quality of the firm (Freeman, 2010).

1.1.1. Competitive Strategies

Competitive strategy is how companies compete by deliberately choosing a specific business and gain a competitive advantage and provide a special combination of value (Porter, 2004). This competitive advantage is grouped into low cost or differentiation. The position of an organisation in a sector is critical to reach competitive advantage as proposed by the Porters' model of Competitive strategy. As aforementioned, a firm with an advantage above its opponents in defending and securing against rival forces means it has a competitive advantage in the market (Thompson & Strickland, 2002).

Liu (2012) opines that the competitive strategy's goal of a business is generally to realize its position within the industry it operates, so that it can protect itself from competitive forces and is able to adopt these forces to impact them in its favor so as to create a defense position against these forces and reach a greater performance for an organisation. An effective competitive strategy, which is either an offensive or defensive action, should be considered (Lynch, 2015). The strategy implemented requires changing so as to meet this adaptation since rivals are more likely to match the most successful firm in a sector (Liu, 2012).

As briefly aforementioned, three approaches have been outlined by Porter (2004) towards competitive strategies. The first approach is aiming to the first producer of low-cost product and services in the low-cost strategy. The second is to aim to offer different products and services from the rival group known as the differentiation strategy, and thirdly, focusing on a narrow market segment is the focus or niche strategy.

This study will address differentiation, low-cost leadership, and focus strategies (Pearce & Robinson, 2007). Lastly, Janssen and Joha (2006) define shared services as a collection and concentration of activities that operate within a non-core function of an organization, which are controlled single handedly by one constituent part of the organization instead of having that function managed by various sections. According to Hailey (2010), growth in NGOs in developing countries is recorded and evaluated depending on the number, size, reach, scope and focus. As such, there is a greater need for NGOs to apply competitive strategies at country and international levels for survival and growth.

1.1.2. NGOs' Performance

According to Olson and Slater (2015), competitiveness of a firm is a widely researched dependent variable in organizational research. Olson and Slater further argue it remains vague and loosely defined. Although business performance has been conceptualized to include non-financial parameters, majority of attention has remained the financial performance of firms. The non-financial measures as stated in the Balanced Score Card (BSC) include client satisfaction, product innovations, and market share among others.

Lecy, Swedlund, and Scmitz (2012) reported that performance of NGOs and their effectiveness has recently taken on additional urgency. This is because of external pressures that demand for their accountability, transparency and financial responsibility. Nevertheless, what constitutes effectiveness in this kind of organizations lacks a solid agreement on how to define and measure it. There are several models that have been proposed in the literature on measurement of NGOs' performance. Bennett, Bittaye, and Loum (2012) research established that NGO performance standards are outputs, management sources and administration.

Ramadan and Borgonovi (2015) study listed performance measurement indicators in NGOs to consist of financial transparency, financial efficiency of projects, non-financial efficiency of projects, performance outcomes, efficiency in fundraising, and impact performance, partnerships, and quality. Savaş and Karakaş (2018) used firm function and process, project performance and financial sustainability.

1.1.3. Kenyan NGOs

In the past few decades, rapid growth has been reported in regards to the unswerving development of NGOs in the Kenyan economy. For instance, up stance of over 100% cumulative growth in the number of registered NGOs between 1977 and 1987 was recorded. NGOs Coordination Board is responsible for registering and regulating NGOs in Kenya. Thus, the entire NGOs sector is regulated and controlled by this Board. Specifically, both international and national NGOs that operate in Kenya are registered, facilitated and coordinated by the Board.

According to a report released by the NGO Coordination Board in 2015, there were 9,728 registered NGOs in Kenya and out of this only 7,258 were active. Further, out of the 7,258 registered NGOs, 201 operated within Nairobi County. Overall, 1,800 of these organizations were set up with most of them dealing in education, health and relief services. The NGOs in Kenya, at some point, portray good characteristics. However, other NGOs fail to show the same characteristics as a result of problems they are facing in management or are even closing down. Furthermore, a report by NGOs Coordination board (2015) also indicated that NGOs failed to account for Kshs. 25.7 billion out of Kshs. 140 billion from donors. In 2019, there were a total of 11,262 registered NGOs in Kenya. However, the number of active NGOs is 8,893 (NGO Coordination Board, 2019).

It is a fact that Kenyan NGOs are more vibrant, economically sound, and dynamic in their pursuit of sustainability. Organization growth is usually determined by threats and opportunities. In that case, NGOs have also experienced threats including stiff NGOs competition, political interference, changing donor patterns, and poor performance (Muruga, 2013). Therefore, it is essential for NGOs to formulate suitable approaches in order to overcome these threats and exploit the emerging opportunities, so they can reap potential benefits.

1.1.4. NGOs in Nairobi County

The NGOs operating in Kenya can be grouped into those that national NGOs also referred to as local NGOs and international NGOs as those that were created from outside the nation. Local NGOs operate and were founded in a nation's boundary and most of its staff are local (Nyambura, Rambo, & Nyonje, 2019). Although grouped as local, these NGOs are dependent on aid and grants from the international community. On the other hand, international NGOs are under major NGOs which operate from outside of a nation and whose origin, too, is outside of a nation (Masero, 2016).

Between 1997 and 2005, local NGOs registered in the nation grew by 58% (Nyambura *et al.*, 2019). From 2001, the sector grew at a rate of four hundred organizations each year and by 2009, the NGO coordination board had registered 6,075 NGOs (Nyambura *et al.*, 2019). From 2009 to 2013 the number grew to 1,574 NGOs headquartered in Nairobi County operating in agriculture, economic empowerment, emergency relief, health, social welfare, youth empowerment among others (Masero, 2016). In 2019, 1,252 had implemented projects in Nairobi County, out of those registered in the same year, 15% had projects in Nairobi County and another 98 NGOs registered in the same year operated in Nairobi County while relief, health and education were the most preferred sectors (NGO Coordination Board, 2019).

An NGO Coordination Board in 2015 reported that NGOs failed to account for Kshs. 25.7 billion out of Kshs. 140 billion from donors. The report also showed that many NGOs were dependent funding from donors and this made them vulnerable to external shocks putting their sustainability under threat. The report further indicated that NGOs were performing poorly in their ability to collaborate and network thus performing poorly in raising funds (NGO Coordination Board, 2019).

The report further highlighted that 61% of overall expenditure was used on projects with 25% going to personal emoluments, 4% on running costs, 8% on administration costs, and 2% on purchase of fixed assets (NGO Coordination Board, 2019). These figures show that a lot of the financial resources were being used in projects and not enough was going towards administration costs (NGO Coordination Board, 2019).

The report highlighted that Kenya was a major hub for international NGOs operating in other nations in the region and local NGOs were competing for funding. The NGO Board recommends for local NGOs to implement different funding sources, self-generated income, asset ownership, local support, and investing in financial tools as treasury bills and bonds. Thus, NGOs should adopt competitive strategies so as to enhance their financial sustainability and overall performance (NGO Coordination Board, 2019).

1.2. Problem Statement

There is evidence of academic attention on association between competitive strategies and NGO performance. Some studies (Kharub *et al.* 2019; Acquah & Agyapong, 2015) have found no association between cost leadership competitive strategy and NGO performance while other research (Baraza, 2017; Kago *et al.* 2018; Njuguna & Waitthaka, 2020) have found positive impacts of cost leadership on NGO performance. In terms of focus strategy, studies (Islami *et al.*,

2020; Hossain et al., 2019; Akintokunbo, 2018) have found positive relationship with NGO performance while other evidence (Musyoki, 2016) shows no association among focus strategy and NGO performance. There is evidence (Nandakumar *et al.*, 2011; Nuru, 2015; Gorondutse & Hilman, 2017; Adimo, 2018) of positive effects of differentiation approach on NGO performance while other research (Mwasi, 2016; Purwantia *et al.*, 2020) shows no association between differentiation strategy and NGO performance. However, there is less evidence of studies that have used the generic competitive strategies as determinants of NGO performance and this is a gap this study aimed to fill.

1.3. Study Objectives

1.3.1. Main Objective

This research assessed connection among application of competitive strategies and performance of NGOs in Nairobi County, Kenya.

1.3.2. Specific Objectives

- To examine association among cost leadership strategy and performance of NGOs in Nairobi County
- To assess link among focus strategy and performance of NGOs in Nairobi County
- To analyze connection amongst differentiation strategy and performance of NGOs in Nairobi County

1.4. Research Questions

- Does cost leadership strategy contribute to performance of NGOs in Nairobi County?
- Is there a connection among focus strategy and performance of NGOs in Nairobi County?
- Does differentiation strategy contribute to performance of NGOs in Nairobi County?

1.5. Significance of the Study

1.5.1. Non-Governmental Organizations

It may be important to NGOs in Kenya since it will provide insights in regards to the best competitive strategies that can enhance performance. It creates awareness on the challenges affecting the development of the competitive strategies in the sector. It may be of significant to policy makers in NGOs by providing guidelines on specific strategies that are critical in formulating requirements to be fulfilled before a firm is recommended to implement competitive strategies.

1.5.2. Finance, Human Resources, and Procurement Managers

The study provided guidelines to various department managers: Information Technology (IT), finance, human resources, and procurement managers on how they can implement them in their organization in order to improve efficiency and reduce operating costs aimed at improving their performance.

1.5.3. Academia and Scholars

The study is also of unlimited standing to academic community who may wish to use the study results as a basis of future research thereby adding literature of competitive strategies while acting as reference on the same. This research paper will give them additional information on NGO performance and competitive approaches.

1.6. Scope and Limitation of the Study

Generic competitive strategies were the thrust of this investigation. There are local and international NGOs operating in Kenya, however, the study included both local and international NGOs in Nairobi County that were operative in the 2020/2021 financial year. The study interrogated management level staff from the selected NGOs but did not interview support, administration, and project staff.

The study was conducted from December 2020 to November 2021. In terms of limitations, the study was limited to quantitative methods of data collection and missed out on in-depth qualitative data that can explain more on competitive strategies and performance. Second, the study was limited to online administration of the questionnaire and this reduces the ability of the researcher to motivate respondents to answer the questionnaire in time.

1.7. Theoretical Framework

1.7.1. Porter's Generic Strategies Theory

Porter's competitive Business Strategy Typology was the major theoretical premise of this investigation. According to Porter (2008), supplier's power, buyer's power, fierce rivalry, threat to substitutes and threat to entry are the five forces of competition. In order to develop a strategy, he upholds that one has to understand the forces that shape the competition of a sector.

Performance of an organization can be correlated effectively through generic strategies. This is by use of practices that are strategic. Profits are the rewards of most of companies if the forces are benign according to porter. Moreover, returns on investment for organizations don't come along if the forces are extreme. Every organization needs a different strategy. This is because the five forces composition differs according to industry, for instance the NGOs (Porter, 2008).

Additionally, Porter (2008) demonstrated that combination strategies, low cost, focus and differentiation constitute generic strategies. In all organizations, they are usually conventional and as the strategic typology. For

methodical dimensions of a competitive pressure in a market, this model is influential. It also assesses how significant and strong a variable is. Analyzing the five forces correctly assists the firm to decide on which generic strategy to use (Kiprotich *et al.*, 2018).

According to Porter (2008), a chosen generic strategy successfully enables the organization to profitably compete in an industry. Through pinpointing the competitive pressures that exist, managers in the NGOs can only then choose and develop the winning strategies. Moreover, in order to achieve the profound know-how of the competitive structure of the whole sector, they can measure the virtual strength of each competitive pressure. Value chain approach by Porter (2008) assists in determining the industry's attractiveness. NGOs can come up with ways of influencing the competitive forces after knowing their intensity and power. They also have to adopt the strategies that the dynamic market presents.

Clegg, Carter, Kornberger, and Schweitzer (2011) opine that a firm's competitor's force impact can be changed if the winning strategy is selected. By selecting the winning strategy, the competitor's force powers are reduced. Organizations get trapped while concurrently pursuing the cost and differentiation strategies. However, patent evidence implies that by pursuing both advantages, some companies have successfully achieved high economic performance (Bresnahan & Reiss, 2010).

1.8. Conceptual Framework

Figure 1 illustrates the outline where each of the variables has their corresponding indicators. The framework assumes that a change in any of the competitive strategies would have an influence on NGO performance and this relationship can be moderated by the industry or sector that the NGO belongs to and also if the NGO is local or international.

1.8.1. Independent Variables

Competitive strategies represent the independent variables and consist of the three generic strategies proposed by Porter (2010). These strategies make up for the explanatory variables. Cost leadership was measured by operating efficiency, control operating /overhead costs, innovation in service offering, and broad range of products/services. Focus strategy, which was measured by unique products and services, known as market segments, tailored products and services, and high prices market. Differentiation strategy was measured by brand identification, advertising and marketing, sales force, and product development.

1.8.2. Dependent Variable

NGO performance, as the response variable, was measured by efficiency in raising funds, financial transparency, and efficiency in financial matters, efficiency in on-financial matters, and outcomes performance.

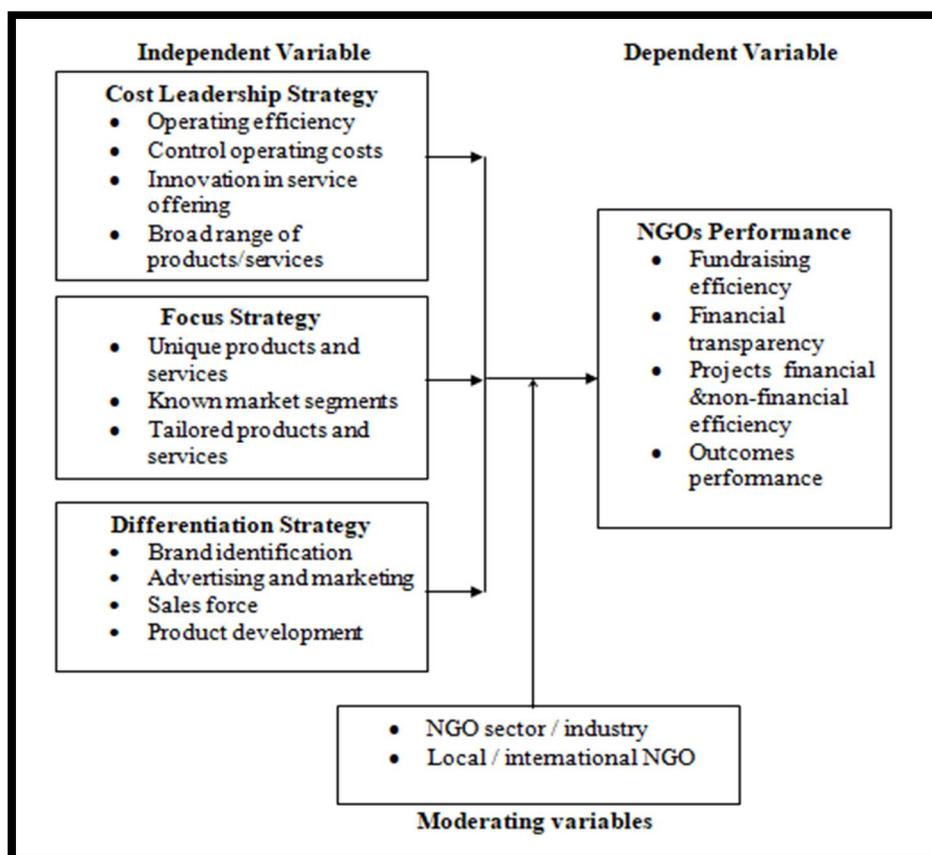


Figure 1: Conceptual Framework
Source: Researcher (2021)

The conceptual framework explains that NGOs that adopt cost leadership in delivering products and services delivered to project beneficiaries will be able to enhance on their fundraising efficiency as they are able to account for the use of financial resources in a manner that enhances accountability which also enhances the financial transparency of the firm. Using cost leadership strategy means that NGOs will also be able to achieve higher performance in their projects as they are more efficient in use of financial resources.

In terms of focus strategy, NGOs that offer unique products and services to intended beneficiaries will be able to achieve non-financial and financial efficiency of projects that they are engaged in. This also means that focusing on known and established markets where NGOs have knowledge of the beneficiaries would result in better outcome performance of their projects. When NGOs tailor products and services, they are able to achieve fundraising efficiency as they can justify the use of funds to their donors and thus are able to achieve more funding.

In reference to differentiation strategy, NGOs that have achieved product development, that is unique for their intended beneficiaries, would be able to achieve more funding from donors as they are able to market and advertise the products to their beneficiaries and this increases their sustainability which contributes to the outcome performance of projects they are engaged in.

In terms of the moderating variables, status of a local or international NGO has an influence on competitive strategies as international NGOs have more access to financial resources and technical expertise which contribute to their performance. In terms of the industry and sector that an NGO belongs to, there are industries that have access to partnerships and stakeholders and are in sectors that are more prominent in terms of funding and support and can thus moderate the relationship between competitive strategies and NGO performance.

1.9. Chapter Summary

A background on NGOs and the need for competitive strategy and research problem is stated in this chapter. The objectives and research questions are stated as well as describing NGOs in Nairobi County. Significance, conceptual framework and total theory are presented.

2. Literature Review

2.1. Introduction

Relevant theories and empirical research on generic competitive strategies and performance of NGOs from which research gaps were identified are presented in this chapter.

2.2. Theoretical Framework

The outline or construct of a research that is conducted while doing a review of literature is a theoretical framework (Khan, 2010). It is the justification for research that assists a reader arrives at logical explanation of relationships among variables related to a problem (Khan, 2010).

2.2.1. Porter's Competitive Business Strategy Typology

Porter's (1980) typology of competitive strategy explains that organizations are limited to selecting one so as to make effective and efficient use of resources. It is an important theory in comprehending the organisation's competitiveness implying that competitive advantage comes from competitive approaches utilized to address weaknesses, threats, opportunities, and strength facing a firm (Lu, Shem & Yam, 2008). Kiprotich, Gachunga and Bonuke (2018) stated that so as to succeed, organizations are required to use the three competitive strategies.

The relative position of an organization in a sector is determined if its profitability is below or above the sector average. The basic foundation of overhead regular profitability is sustainable competitive advantage. Differentiation or low-cost are the main strategies which are mixed with the scope of actions for which an organisation aims to reach them and results in the three strategies for going beyond average industry performance (Porter, 1985).

Porter (1985) extended the cost leadership strategy describing it as a low-cost approach to providing services or products and can be influenced by different factors based on the arrangement of an industry. An economical firm necessity exploits and finds all sources to achieve this price benefit (Porter, 1985). If an organisation can attain and maintain total cost leadership, it will be higher in performance in its market as long as it can have prices near industry average.

The differentiation strategy is adopted when an organization is special in its sector in some parameters that are widely important to buyers. It uses more or one factors that most buyers in a sector see as significant and is a special position to meet those needs (Porter, 1985).

Similarly, Porter (1985) asserts that focus strategy is dependent on choosing a small competitive range in a sector where a company chooses a group or part in a sector and matches its approach to serve them to an exclusion of other rivals. Focus strategy can be categorized into cost focus where a cost advantage is sought in its targeted group and differentiation focus (Porter, 1985).

There are criticisms towards these strategies and one is that this topology has been mutually exclusive as scholars (Spanos *et al.*, 2004) assert that the chasing of one of the strategies can result in poor performance. Despite this criticism, NGOs continue to exhibit adoption of the typology of competitive strategies. However, this adoption has been simultaneous and has not been exclusive as recommended by Porter and thus it would be important to see if NGOs are using these strategies exclusively in their strategies and which are most prominent in an effort to recommend NGOs to adopt one of these strategies.

2.3. Empirical Review

In the United States, Kurt and Zehir (2014) examined financial performance from cost leadership of firms using empirical analysis and literature reviews from a sample of 449 managers in reputable organizations. The findings unearthed that financial performance was influenced by cost leadership strategy. Kharub, Mor, and Sharma (2019) conducted investigation into firm performance and cost leadership strategy moderated by Quality Management (QM) where performance was measured by process improvement and product quality management. The study was conducted among A 248 owner-managed employees. From the results, no direct association was found among organisation performance and cost leadership strategy.

Acquaah and Agyapong (2015) looked into how marketing and managerial competencies moderated the organisation performance and competitive strategy from a sample of micro and small businesses (MSBs) in Ghana. Firm performance proxies were sales revenue, growth in productivity, sales growth, net profit, and profit growth. Cost leadership strategy was indicated by service offering or production process innovation, offering wide range of services or products, offering competitive prices for services or products, control of overhead and operating costs. The findings showed that performance was related to differentiation strategy but cost leadership was not.

In an investigation conducted in Kosovo, Islami, Mustafa, and Latkovikj (2020) the focus strategy was measured by specific segment, high pricing, specific products, offering products, and matching client needs while profit growth, market share, quality improvement, income growth, investment returns, and lower costs. The performance of the organization was influenced by focus strategy.

In Bangladesh, Hossain, Kabir, and Mahub (2019) did a research on performance of firms in the food sector and competitive strategies by employing a descriptive research design and targeted 15 firms in the food manufacturing industry. The population was 1,025 respondents in management positions for more than 12 years in the selected firms. Customer loyalty, satisfaction, retention, market share, and profitability were used to measure organization performance. So as to measure focus strategy, the study used competitive pricing, innovations, product differentiation, market segments, and quality of products as indicators revealing that brand performance had positive interaction with focus strategy.

In another study, Akintokunbo (2018) assessed performance of telecoms firms in Port Harcourt, Nigeria based on the market focus strategy using efficiency, market share, and profitability as indicators for performance. A cross-sectional research design selecting a sample of 93 staff who indicated significant increase on performance from market focuses strategy. In Tanzania, Kalangu (2019) investigated if performance in the banking industry was affected by competitive strategies focusing on Community Rural Development Bank (CRDB). Two hundred and five respondents consisting of 200 clients and managers were included in the sample. The focus strategy was measured by three indicators namely: unique products, known segments, and tailored products, while timely service delivery, assurance of services, profitability, liquidity, and market share were employed as indicators for performance of banking services. The findings specified focus strategy has much drive on bank performance.

In an investigation on insurance sector performance based on competitive strategies, Muia (2017) adopted a descriptive research design targeting strategic sections of all insurance firms listed under Association of Kenya Insurers (AKI). A total of 141 respondents consisting of five staff from each organisation were included into the sample using purposive sampling methods. The focus strategy was measured by market focus statements, customer focus statements, and pricing focus statements while sales, profit, sales growth, profitability ratio, and profit growth rate. The findings indicated that insurance performance was influenced by focus strategy.

In a study focusing on telecom firms, Chumba (2019) employed a correlational research design targeting 56 Telkom Kenya staff in marketing, operations, and finance sections using census sampling approach. Focus strategy was measured by customized services, emerging markets for services and products, and specific market segment products. Firm performance was measured by client base, sales volume, client satisfaction, company products use, and profit per client. In the output, firm performance was impacted positively by cost strategy.

In a study conducted in the United Kingdom (UK), Nandakumar, Ghobadian, and O'Regan (2011) examined firm performance and business-level strategy using generic strategies. Chief executive officers (CEOs) from 124 manufacturing organizations in mechanical and electrical engineering were included in the sample. Product development, product innovation, number of new products, advertising and marketing, sales force, and brand identification were used to measure the differentiation strategy construct. The results indicated that firms adopting differentiation strategy performed better.

Gorodontse and Hilman (2017) investigated performance of hotels has a relationship with differentiation strategy moderated by environmental munificence in Malaysia from a sample of 83 managers in Kano State. The differentiation strategy was measured by product development, product innovation, number of new products, advertising and marketing, sales force, and brand identification. Market share, size, profit growth, growth in sales, ROA, investment returns, overall performance, and performance relative to competitors were used as measured performance. The performance of hotels was influenced positively and significantly by differentiation strategy.

Purwantia, Hoang, Nguyenc, Mayliza, and Mokodompite (2020) illustrated the response of financial performance of organizations based on strategic change, business and differentiation strategy adopting a quantitative data collection in a sample of 319 participants. Organizational performance was measured by financial (ROA, ROI, Sales Growth, market share, profitability) and non-financial (repeat sales, ease of repeat clients, client loyalty) measures. The findings revealed that financial performance was not impacted by differentiation strategy.

In Kenya, Baraza (2017) considered how performance of East Africa Breweries Limited (EABL) was as a result of cost leadership strategy employing descriptive research design where top management was the respondents for the study. Personnel performance, resource utilization, cost reduction strategies, production/service improvement, delivery process,

innovation, time management, efficiency was used to measure cost leadership variable. Client satisfaction, market share, and ROA proxied performance and from the analysis it was concluded that organisation performance was positively influenced by cost leadership strategy.

In another investigation into performance in the petroleum industry, Kago, Gichunge, and Baimwera (2018) aimed to gain insight whether performance was as a result of the three generic strategies. Business turnover, volumes of sale, profitability, corporate image, business excellence, and operations management were measures of performance. Employing a descriptive research design and 49 companies the findings from analysis revealed that organizational performance greatly benefited from cost leadership strategy.

In a sample of insurance organizations, Njuguna and Waithaka (2020) examined if their performance was influenced by cost leadership utilizing dynamic capabilities theory. The firm performance parameters were product innovation, market share, and customer outreach. A census was undertaken among 25 insurance firms selected using purposive sampling method from which the result indicated that positive effect on performance by cost leadership approaches.

Adimo (2018) investigated on whether organizational performance was influenced by product differentiation focusing on Sameer Africa Ltd in Nairobi, Kenya. The sample consisted of 134 respondents consisting of 112 senior managers, Head of Departments (HODs), and junior staff and dealers. Product quality and product variety were used to measure product differentiation and firm performance was measured by sales growth and profitability. The output indicated that organizational performance responded positively from product differentiation.

In another study on differentiation strategy, Nuru (2015) conducted a similar study on water bottling firms' performance in Mombasa County. The targeting population was the 34 registered water bottling companies. Service differentiation strategy (service quality, operating hours, after-sales-services) and product differentiation strategy (quality, selection, assortment, position and variety) were used to measure differentiation strategy. The performance of companies was measured by sales, total profit, and quantity of clients served. There was a positive effect of performance by differentiation strategy.

In a sample of Savings and Credit Cooperatives (SACCOs), Maina and Waithaka (2018) examined performance based on differentiation strategy adopting a descriptive survey research design. Eight deposits taking SACCOs registered from were 64 respondents consisting of CEOs, accountants, credit managers, marketing managers and 4 executive board members. SACCO performance was measured by market share, turnover, and sales growth while differentiation strategy was measured by technology leadership, promotion or advertising campaign, offerings based on price, product placement, and products/services. Performance of SACCOs was as a result of differentiation strategy.

Adopting descriptive research, Namusonge (2013) investigated what competitive strategies NGOs in Nairobi County adopted employing from a sample of 35 respondents from different NGOs to whom questionnaires were administered. The findings showed that the main competitive strategies adopted by the Governance NGOs in Nairobi include quality of services offered, lead time is necessary, costs and flexibility. In another study, Mwasi (2014) examined competitive strategies NGOs adopted in Kitui County adopting a descriptive cross-sectional survey research design targeting 487 NGOs selecting 50. Cost, lead time, quality, and survival in the market were found to be extremely important to the performance of NGOs.

In another investigation, Arasa and Kioko (2014) assessed competitive strategies NGOs utilized to compete for effectiveness and donor funding using a descriptive research design. The output showed that internal development and positioning strategies were more effective to access funds and were more effective when integrated are internal development and position strategy and cooperative strategy.

2.3.1. Cost Leadership Strategy

The cost leadership has been measured using different parameters by different authors. Acquah and Agyapong (2015) measured cost leadership by providing a wide range of services or products, control of overhead and operating costs, offer competitive price for services or products, and attain innovation in service offering or production process. Baraza (2017) considered personnel performance, resource utilization, cost reduction strategies, production/service improvement, delivery process, innovation, time management, efficiency as measures of cost leadership.

Onyango (2017) measured cost leadership by four dimensions: economies of scale, economies of learning, value chain management, and low cost production inputs. Ochodo, Oloko, and Yabs (2020) study used resource utilization, technology solutions, reliability, customer service, factors of production, and procurement to measure the concept of cost leadership. Statement operation cost, input cost, linkages, and cost of service were used to measure cost leadership in Chepchirchir, Omillo, and Munyua (2018) research.

In their research, Kowo, Sabitu, and Adegbite (2018) measured cost leadership by mass distribution, resource utilization, capacity, forming linkages, cost control, supplementary firms, mass production, economies of scale, suppliers, and efficiency. In their research, Wairimu and Kirui (2020) measured cost leadership using five dimensions, these are: production costs, cost strategy, low-cost operations, and working capital. Cost advantages in procurement, economies of scale, operating efficiencies, high prices, and aggressive product pricing statements were used to measure cost leadership in (Hunjra, Faisal, & Gulshion, 2017) research.

2.3.2. Focus Strategy

In their research, Hossain *et al.* (2019) used competitive pricing, innovations, product differentiation, market segments, and quality of products as indicators as dimensions of focus strategy. In Kalangu (2019) study, focus strategy was measured by three indicators namely: unique products, known segments, and tailored products.

Muia (2017) measured focus strategy by market focus statements, customer focus statements, and pricing focus statements. Chumba (2019) adopted customized services, specific market segments, new markets for services and products as parameters to measure focus strategy. Physiological aspects, benefit preferences or sought, and income level were used to measure the focus strategy as measured by Kowo *et al.* (2018). In their study, Chege (2017) focus strategy was measured by low income markets, high income markets, substitute products, and superior customer products. In Abdulhaleem (2011) focus strategy was measured by non-price competitive advantages and provision of high quality products.

2.3.3. Differentiation Strategy

Nandakumar *et al.* (2011) measured the differentiation strategy by product development, product innovation, number of new products, advertising and marketing, sales force, and brand identification were used to measure the differentiation strategy construct. In their study, Gorondutse and Hilman (2017) measured the differentiation strategy by product development, product innovation, number of new products, advertising and marketing, sales force, and brand identification. Adimo (2018) adopted product quality and product variety to measure product differentiation. Nuru (2015) used service differentiation strategy (service quality, operating hours, after-sales-services) and product differentiation strategy (quality, selection, assortment, position and variety) to measure differentiation strategy. Branding, advertising, and features were the dimensions used to measure the differentiation strategy by Chege (2017).

In their study, Kowo *et al.* (2018) measured differentiation strategy using advertising/promotion campaign, technological and personnel leadership, service or product, place, and price. Maina and Waitthaka (2018) measured differentiation strategy by technology leadership, promotion or advertising campaign, offerings based on price, product placement, and products/services. The dimensions of product/service quality and innovation were used to measure differentiation strategy by Onyango (2017). Product assortment, selection, products quality, and positioning represented product differentiation and service variation (after sale service, advertising/promotion, operating hours sales incentive), physical differentiation (parking space, store location, display/layout, store design, and store atmosphere) were used to measure the variable of differentiation in Githumbi (2017).

2.4. Knowledge Gap

The majority of empirical review focuses on for-profit sectors and there is less evidence of research focusing on non-profit industry. However, there are some research (Arasa & Kioko 2014; Mwasi, 2014; Namusonge, 2013) that has been done on NGOs competitive strategies. The evidence has also been mixed on NGO performance and competitive approaches relationship. There is evidence of research on association between competitive strategies and NGO performance. Some studies (Kharub *et al.* 2019; Acquah & Agyapong, 2015) have found no association amongst cost leadership competitive strategy and NGO performance while other research (Baraza, 2017; Kago *et al.* 2018; Njuguna & Waitthaka, 2020) have found positive consequence of cost leadership approach on NGO performance. In terms of focus strategy, studies (Islami *et al.*, 2020; Hossain *et al.*, 2019; Akintokunbo, 2018) have found positive relationship with NGO performance while other evidence (Musyoki, 2016) shows no connection among focus strategy and NGO performance. Evidence (Nandakumar *et al.*, 2011; Nuru, 2015; Gorondutse & Hilman, 2017; Adimo, 2018) shows positive result of differentiation approach on NGO performance while other research (Mwasi, 2016; Purwantia *et al.*, 2020) shows no association between differentiation strategy and NGO performance. This means there is need for research to confirm or contradict past findings. These studies have not used the Porter's generic strategies which are thus used in this study to fill this gap. This is a research gap that the study filled by focusing on the NGO sector. Secondly, the existing studies' dimensions' performance in the for-profit sector is different from those of NGOs. Therefore, this is a research gap that the study aims to fill by selecting indicators that are specific to the NGO sector.

2.5. Chapter Summary

The relevant theory and empirical research on generic competitive strategies and performance of NGOs from which research gaps were identified are presented in this chapter.

3. Research Design and Methodology

The descriptive research design, which is utilized taking a population of NGOs in Nairobi County chose using stratified random sampling, is explained herein. The questionnaire is also described along with means of determining its validity and reliability and analysis using inferential and descriptive tools.

3.1. Research Design

Out of the three research designs, researchers can adopt for their study, descriptive research is selected from explanatory research and exploratory research designs. This design assesses the situation as it at present and involves identifying factors of a specific subject on an observational basis or the examination of association between variables (Williams, 2007). According to Creswell and Miller (2000), this design presents the detailed information of situations, events, or persons designed to present a profile of defined specific features of the subject under study in a person, firm, or industry.

3.2. Target Population

A whole segment of persons, occasions, or things sharing a mutual trait is referred to be a population (Mugenda & Mugenda, 2019). Conversely, a calculated set of objects, cases, or persons, who share common traits that can be seen and

are unique from others. As of 2019, there existed 11,262 registered NGOs with 8,893 being active (NGO Coordination Board, 2019). Table 1 shows NGOs with projects in Nairobi County which consisted of 1,252 NGOs (NGO Coordination Board, 2019) in the education, health, relief and disaster management, HIV/AIDS, and children.

Industry	Population
Education	334
Health	267
Relief and Disaster Management	232
HIV/AIDS	187
Children	232
Total	1,252

Table 1: Target Population Distribution
Source: NGO Coordination Board (2019)

3.3. Sampling Design and Sample Size

A probability sample is where each member has the same opportunity to be chosen in a sample is simple random sampling (Singh & Masuku, 2014). The sampling frame for the study was 1,252 registered NGOs in Nairobi County. Simple random assignment from the list of NGO was randomly created using Microsoft Excel computer package to generate the random selection. Mugenda and Mugenda (2019) recommend a sample of 10% - 30% as adequate for overview of findings to entire population. Following this recommendation, the study adopted 10 % to make a sample size of 125 respondents as illustrated in Table 2. In each of these NGOs, a manager head from any department was asked to respond to the questionnaire. The managers were purposively selected due to their knowledge and experience with strategic decision-making in the organization.

Industry	Population	Sample
Education	334	33
Health	267	27
Relief and Disaster Management	232	23
HIV/AIDS	187	18
Children	232	24
Total	1,252	125

Table 2: Sampling Design and Sample Size

3.4. Description of Research Instruments

The questionnaire consisted of five sections: background information on the respondents and the respective organization, cost leadership, differentiation, focus strategies, and NGO performance sections. Likert scales were included as they are widely adopted in previous studies that have measured the components of NGO performance as well as competitive strategies. The 5 point Likert scale was, thus, adopted where respondents showed agreement degree.

3.5. Data Collection Procedures

Approval from the University was sought to gather information; upon acquiring this approval, a copy of the proposal was sent to the National Commission for Science, Technology and Innovation (NACOSTI) to gain permission before gathering data. This documentation then led to the conducting of a pilot study to pretest the instrument to determine its reliability. The pilot was done among 5 members from the sample size. Instrument reliability was measured using internal consistency test for Likert scale items which is calculated using Cronbach Alpha Coefficient. Internal consistency is calculated from association between the various items in a variable. Acceptable levels of Cronbach Alpha should be above the threshold of 0.6 and above (Ursachi, Horodnic & Zait, 2015) and thus the study used this as the cutoff scale of internal consistency. Table 3.3 indicates Cronbach Alpha levels were above threshold of 0.6.

Variable	Cronbach's Alpha	N of Items
Cost Leadership	0.622	8
Focus Strategy	0.692	5
Differentiation Strategy	0.675	6
NGO Performance	0.652	8

Table 3: Reliability Statistics

The questionnaire was administered using methods that reduce the personal and physical interaction between the researcher and interviewees due to the COVID-19 restrictions and guidelines. Thus, the study aimed to consider email administration of the instrument using the Google Doc system and also adopted the drop and picks method where the interviewer may not have access to email contacts of respondents. This method was preferable as this allows the respondent to fill and respond to the instrument in their own time and space thereby increasing the response rate for the study (Steele, Bourke, Luloff & Liao, 2001).

3.6. Data Analysis Procedures

Descriptive statistical methods that were used were standard deviation, means, and frequency distribution. Correlation measured associations among variables which occur together or vary but not by chance. The Pearson's r correlation coefficient was used to measure association (Field, 2017). Statistical software was employed and information tabular presentation along with implications from the researcher. The regression model adopted was:

$$Y = a + bX_1 + cX_2 + dX_3 + \epsilon_j$$

Where:

Y = NGOs' performance

a = constant

b, c, and d, = Coefficients

X₁ = Cost leadership strategy

X₂ = Differentiation strategy

X₃ = Focus strategy

ϵ_j = Error term

4. Data Presentation, Analysis, Discussion and Interpretation of Findings

4.1. Introduction

Herein data is presented, analyzed, discussed, and understood. It is also inclusive of the study's response rate and background information on respondents and NGO sector.

4.2. Response Rate

A response rate of 115 questionnaires was attained that were used in the analysis and represented 92.0 percent which is acceptable in research. In research a response rate of more than 50 percent is deemed acceptable (Mugenda & Mugenda, 2019).

Categories	Frequency	Percent
Questionnaires Administered	125	100.0
Questionnaires Returned	115	92.0
Questionnaires Not Returned	10	8.0

Table 4: Study Response Rate
Source: Research Data (2021)

4.3. Background Information

Background information on participants is presented herein and consisted of their gender, age, education, work experience, and NGO sector they represented.

4.3.1. Gender

The findings show most participants were male and these accounted for 62.6 percent with the remaining 37.4 percent representative of female respondents as shown in Table 5. The findings imply that management staff in NGOs is primarily male than female.

Gender	Frequency	Percent
Male	72	62.6
Female	43	37.4
Total	115	100.0

Table 5: Gender Distribution among Respondents
Source: Research Data (2021)

4.3.2. Age

In terms of their age group distribution, Table 6 shows respondents in the 35-44 years' age group who accounted for 41.7 percent followed by 24.3 percent in the 55 years and above category. 22.6 percent were in the 45-54 years' age group, while 11.3 percent were between the age group of 25-34 years.

Age Groups	Frequency	Percent
25-34 Years	13	11.3
35-44 Years	48	41.7
45-54 Years	26	22.6
55 Years and Above	28	24.3
Total	115	100.0

Table 6: Age Distribution among Respondents
Source: Research Data (2021)

4.3.3. Education

Table 7 shows Diploma holders accounted for 40.9 percent, followed by 40.0 percent who had a Bachelors level of education, 12.2 percent who had a Master's degree, 4.3 percent who had a PhD degree, and 2.6 percent who had a certificate education.

Education Level	Frequency	Percent
Certificate	3	2.6
Diploma	47	40.9
Bachelor's Degree	46	40.0
Master's Degree	14	12.2
Ph.D Degree	5	4.3
Total	115	100.0

Table 7: Education Distribution among Respondents
Source: Research Data (2021)

4.3.4. Work Experience

Table 8 shows the years in work experience of respondents where the findings show that 29.6 percent had more than 10 years' experience, 28.7 percent had 6-9 years' experience, 27.0 percent had 2-5 years' experience and 14.8 percent had less than one-year experience.

Years in Work Experience	Frequency	Percent
Less Than 1 Year	17	14.8
Two to Five Years	31	27
Six to Nine Years	33	28.7
More Than Ten Years	34	29.6
Total	115	100.0

Table 8: Work Experience
Source: Research Data (2021)

4.3.5. Non-Governmental Organization Sectors

The study was able to reach 27.8 percent of NGOs in the health sector, 26.1 percent were in the economic empowerment sector, 18.3 percent were in the environment sector, 15.7 percent were in the relief sector, and 12.2 percent were in the education sector as shown in Table 9.

NGO Sectors	Frequency	Percent
Education	14	12.2
Health	32	27.8
Environment	21	18.3
Relief	18	15.7
Economic Empowerment	30	26.1
Total	115	100.0

Table 9: NGO Sectors
Source: Research Data (2021)

4.4. Descriptive Statistics

This segment focuses on descriptive findings for each of the study variables presented herein in mean and standard deviation.

4.4.1. Performance of Non-Governmental Organizations

Table 10 shows NGO performance total mean score was 3.56 which indicated moderate agreement with the statements among the respondents. This means that respondents do not agree with the statements on how the NGOs were performing in terms of efficiency in raising funds, transparency in financial matters, projects financial and non-financial efficiency and also on the outcomes of funded projects supported by the NGOs. The mean score of 3 means that respondents ranked the performance indicators of NGOs at an average as the lowest score for the Likert scale was one and the highest anticipated score was 5.

Statements	Mean	Std. Dev.
The organization has access to funding	3.57	0.937
The organization is capable of preparing reports and submitting to stakeholders	3.49	1.003
The firm utilizes financial resources or funds to attain planned outputs	3.87	0.894
The firm utilizes non-financial resources or funds to attain planned outputs	3.93	0.413
The organisation has maintained a level of networking with partners, their satisfaction and relevance	3.42	0.898
The organization offers service quality	3.53	0.892
The organization achieves its long-term consequences in its programs including positive or negative effects	3.15	1.028
The organization achieves the outcomes of its programs	3.53	1.165
	3.56	0.904

Table 10: NGO Performance Descriptive Statistics
Source: Research Data (2021)

4.4.2. Cost leadership

The descriptive findings on cost leadership in Table 11 indicate the respondent's moderate agreement as revealed by a mean score of 3.38. There was disagreement that NGOs offer competitive pricing for products/services as its cost leadership strategy as revealed by a mean score of 2.99. This implies disagreement that NGOs were able to have competitive prices. This implies that NGOs do not have any products that they can offer competitive prices.

Statements	Mean	Std. Deviation
The organization has the ability to achieve operating efficiency as its cost leadership strategy	3.49	0.892
The organisation controls operating and overhead costs as its cost leadership strategy	3.53	1.012
The organization practices innovation in service offering as its cost leadership strategy	3.29	1.090
The organization offers a broad range of products/services as its cost leadership strategy	3.00	0.927
The organization offers competitive pricing for products/services as its cost leadership strategy	2.99	1.055
The organization's personnel performance contributes to its cost leadership strategy	3.30	1.019
The organization's time management contributes to its cost leadership strategy	3.57	0.946
The organizations resource utilization is part of its cost leadership strategy	3.89	0.896
	3.38	0.980

Table 11: Cost Leadership Strategy Descriptive Statistics
Source: Research Data (2021)

4.4.3. Focus Strategy

Table 12 shows that the overall mean score of descriptive findings on the focus strategy statements was 3.40 showing moderate agreement. The respondents also disagreed that NGOs offer products and services The organization offers products and services for consumers who pay higher prices as seen by a mean score of 2.98 implies that NGO were not able to offer products and services for The organization offers products and services for consumers who pay higher prices as they were not operating in the market for a profit and this was manifested in their moderate agreement with these statements.

Statements	Mean	Std. Deviation
The organization offers unique services and products to its stakeholders and clients	3.95	0.416
The firm targets on offering products and services to known market segments	3.41	0.897
The organization offers tailored products and services as part of its focus strategy	3.53	0.892
The organization offers products and services for consumers who pay higher prices	2.98	0.964
The organization offers specific services and products to match specific customers	3.15	1.028
	3.40	0.839

Table 12: Focus Strategy Descriptive Statistics
Source: Research Data (2021)

4.4.4. Differentiation Strategy

In terms of descriptive statistics for differentiation strategy, the total mean score was 3.59 indicating moderate agreement with the statements as Table 13 shows. These findings imply that differentiation strategy was adopted moderately with the statements showed that NGOs' technical leadership, sales force, product development, brand identification, marketing and advertising contributed to their performance.

Statements	Mean	Std. Deviation
The organization has a brand identification in the NGO sector	3.53	1.165
The organization has presence by advertising and marketing in the NGO sector	3.45	1.428
The organization sales force has increased its presence in the NGO sector	3.87	0.894
The organization engages in product development to create a market in the NGO sector	3.62	1.081
The organization's product innovation has enhanced its market share in the NGO sector	3.35	0.983
The organization's technological leadership has increased its market share in the NGO sector	3.70	1.100
	3.59	1.108

Table 13: Differentiation Strategy Descriptive Statistics
Source: Research Data (2021)

4.5. Inferential Statistics

The inferential statistics conducted to determine connection between variables and to assess the direction of effects among the variables.

4.5.1. Correlation Coefficients

Table 14 specifies positive association of cost leadership strategy ($r = 0.368$, $p = 0.000$), focus strategy ($r = 0.405$, $p = 0.000$), and differentiation strategy ($r = 0.611$, $p = 0.000$) with NGO performance. An increase in cost leadership, focus, and differentiation strategies moved uniform with NGO performance implying increase in competitive strategies resulted increase in NGO performance.

	Cost Leadership Strategy	Focus Strategy	Differentiation Strategy
Cost Leadership Strategy	1		
Focus Strategy	0.18	1	
	0.055		
Differentiation Strategy	.578**	.383**	1
	0.000	0.000	
NGO Performance	.368**	.405**	.611**
	0.000	0.000	0.000
	115	115	115

Table 14: Correlations
Source: Research Data (2021)

4.5.2. Regression Results

The multiple linear regressions were conducted and are presented in this sub-section that includes the findings from the ANOVA, model summary, and coefficients. The findings show that the R^2 was 0.409 implying model was responsible for 40.9 percent of change in NGO performance as in Table 15.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.640a	0.409	0.393	0.43933

Table 15: Model Summary
Source: Research Data (2021)

Table 16 displays the model was significant as F statistic ($F = 25.615$) was positive and significant at the 95 percent ($p = 0.000$) confidence level.

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14.832	3	4.944	25.615	.000 ^b
	Residual	21.424	111	0.193		
	Total	36.256	114			

Table 16: ANOVA^a
Source: Research Data (2021)

Table 17 shows that cost leadership had a 0.030 increase on NGO performance but this was insignificant. The focus strategy and differentiation strategy indicate that they had 0.258 and 0.511 increase on NGO performance and significant at 95 percent confidence level.

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.491	0.367		1.338	0.184
Cost Leadership Strategy	0.030	0.081	0.034	0.377	0.707
Focus Strategy	0.258	0.101	0.203	2.561	0.012
Differentiation Strategy	0.511	0.095	0.514	5.395	0.000

Table 17: Coefficients^a
Source: Research Data (2021)

In terms of objective one, the findings did not show any significant effects on firm performance providing support for earlier studies that found similar results. One such study is Kharub *et al.* (2019) who revealed impression of cost leadership competitive strategy on firm's performance and cost leadership had no relationship. In another study conducted by Acquah and Agyapong (2015) findings were similar to this study where cost leadership did not influence performance. However, results go against other studies that found positive and significant effects of performance by cost leadership. These include Baraza's (2017) study that established that cost leadership strategy positively influences performance. Ago *et al.* (2018) found cost leadership strategy positively drove performance. Njuguna and Waitthaka (2020) found cost leadership had a contribution to firm performance level.

In terms of objective two, focus strategy had an increase on NGO performance agreeing with previous studies that found similar results. These included an investigation conducted in Kosovo where Islami *et al.* (2020) asserted that firm performance was affected by focus strategy. In another research, Hossain *et al.* (2019) findings revealed that focus strategy resulted in brand performance increase. Akintokunbo's study (2018) confirmed positive effects of focus strategy on firm performance.

In regard to objective three, the findings revealed positive effects of differentiation strategy on NGO performance. This agrees with Nandakumar *et al.* (2011) that firms adopting differentiation strategy perform better. Gorondutse and Hilmans (2017) established differentiation strategy positively associated with performance. Adimo (2018) firm performance was influenced by product differentiation. These results contradict other earlier studies that found no effect of differentiation strategy on firm performance. These included Purwantia *et al.* (2020) findings that differentiation strategy did not drive financial output of the companies.

5. Summary of Findings, Conclusions and Recommendations

5.1. Introduction

The research outcomes are summarized, deductions made from which endorsements are presented in line with the research objectives, and areas of further study.

5.2. Summary of Findings

This investigation examined NGO performance in view of cost leadership strategy in Nairobi County showing a positive and significant association and but no effect on NGO performance. In the descriptive statistics, the results showed that NGOs did not offer competitive pricing for products/services as its cost leadership strategy.

The study determined relationship among focus strategy and NGOs' performance in Nairobi County revealing a positive association and effect on NGO performance. Moreover, Descriptive statistics showed respondents disagreement that their organization offered products and services for clients that paid higher prices.

The study analyzed the connection amongst NGO performance and differentiation strategy in Nairobi County. A positive effect of focus strategy on NGO performance was found. The descriptive statistics showed evidence that differentiation strategy had the highest mean score indicating that NGOs' performance was more explained by the differentiation strategies adopted.

5.3. Conclusion

The study concludes NGOs' performance was not affected by cost leadership strategy and its utilization was used at moderate extent with NGOs aiming to utilize resources in an efficient manner so as to reduce the costs that they incur in their operations. Second, that focus strategy has affected NGOs' performance where offering prices to those that pay higher was not one of the focus strategies that NGOs used as their focus was to assist the marginalized in society. Third, the differentiation strategy had the highest effects on NGOs' performance with more and more NGOs being engaged in promoting sales of their products and services via several channels.

5.4. Recommendations

First, it is this study's recommendation that NGOs need capital access needed to make important venture in asset creation and this can be achieved by innovative means to gain funding.

Second, the study recommends that NGOs should be ready to enter into marginalized areas utilizing a differentiation or low-cost base.

Third, the study recommends that NGOs should design services and products to request clients with special demands for specific service features.

5.5. Areas of Further Study

This investigation focused on NGOs in Nairobi City County; further research is needed to focus on NGOs in other counties. The study found that there were positive effects of focus and differentiation strategy on NGO performance. This means there is need for further research on strategic effects on NGO performance in much more detail.

6. Abbreviations and Acronyms

AKI- Association of Kenya Insurers
 CEOs- Chief Executive Officers
 CRDB- Community Rural Development Bank
 EABL - East Africa Breweries Limited
 IT- Information Technology
 MSBs- Micro and Small Businesses
 NACOSTI- National Commission for Science, Technology and Innovation
 NGOs- Non-Governmental Organizations
 QM - Quality Management
 ROAs- Return on Assets
 SACCOs- Savings and Credit Cooperatives
 SPSSs- Statistical Package for the Social Sciences
 UK- United Kingdom

7. Dedication

I dedicate this project to my dear husband, father, mother and siblings who have been wonderful supporters of my work this far and, to my friends and classmates, who have been encouraging me for months.

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Appendix

Questionnaire for Respondents

My name is Terry Gathingu, a student at the Catholic University of Eastern Africa – Kenya. I am pursuing a Master in Business Administration. In partial fulfillment of this degree, I am undertaking investigation into competitive strategies and performance of selected NGOs in Nairobi County, Kenya. Your organisation has been chosen as one of the NGOs from which data will be collected. Your position in this organisation has been also selected to answer to the attached questionnaire. The instrument will take approximately 25 minutes to complete.

Part One: Demographic Information

1. Gender

Male <input type="checkbox"/>	Female <input type="checkbox"/>
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2. Age group

25-34 years <input type="checkbox"/>	35-44 years <input type="checkbox"/>
45-54 years <input type="checkbox"/>	55 years and above <input type="checkbox"/>
3. Education level

Certificate <input type="checkbox"/>	Diploma <input type="checkbox"/>
Bachelor's degree <input type="checkbox"/>	Master's degree <input type="checkbox"/>
PhD degree <input type="checkbox"/>	
4. Work experience in years

Less than 1 year <input type="checkbox"/>	
Two to five years <input type="checkbox"/>	
Six to nine years <input type="checkbox"/>	
More than ten years <input type="checkbox"/>	
5. NGO sector

Education <input type="checkbox"/>	
Health <input type="checkbox"/>	
Environment <input type="checkbox"/>	
Relief <input type="checkbox"/>	
Children <input type="checkbox"/>	

Part Two: Cost Leadership Strategy

The following statements refer to cost leadership strategies adopted in your NGO and you are asked to kindly indicate to what extent your organisation uses these strategies. Here: 1- To an Extremely Small Extent, 2- To a Small Extent, 3- To a Moderate Extent, 4- To a Large Extent, 5- To a Very Large Extent

Statements		1	2	3	4	5
6	The organization has the ability to achieve operating efficiency as its cost leadership strategy					
7	The organisation controls operating and overhead costs as its cost leadership strategy					
8	The organization practices innovation in service offering as its cost leadership strategy					
9	The organization offers a broad range of products/services as its cost leadership strategy					
10	The organization offers competitive pricing for products/services as its cost leadership strategy					
11	The organization's personnel performance contributes to its cost leadership strategy					
12	The organization's time management contributes to its cost leadership strategy					
13	The organizations resource utilization is part of its cost leadership strategy					

Table 18

Part Three: Focus Strategy

The following statements refer to focus strategies adopted in your NGO and you are asked to kindly indicate to what extent your organisation uses these strategies.

Statements		1	2	3	4	5
14	The organization offers unique products and services to its clients and stakeholders					
15	The organization focuses on offering products and services to known market segments					
16	The organization offers tailored products and services as part of its focus strategy					
17	The organization offers products and services for consumers who pay higher prices					
18	The organization offers specific services and products to match specific customers					

Table 19

Part Four: Differentiation Strategy

The following statements refer to differentiation strategies adopted in your NGO and you are asked to kindly indicate to what extent your organization uses these strategies.

Statements		1	2	3	4	5
19	The organization has a brand identification in the NGO sector					
20	The organization has presence by advertising and marketing in the NGO sector					
21	The organization sales force has increased its presence in the NGO sector					
22	The organization engages in product development to create a market in the NGO sector					
23	The organization's product innovation has enhanced its market share in the NGO sector					
24	The organizations' technological leadership has increased its market share in the NGO sector					

Table 20

Part Five: NGO Performance

The following statements refer to the performance of your NGO and you are asked to kindly indicate to what extent your organisation meets these performance indicators.

Statements		1	2	3	4	5
25	The organization has access to funding					
26	The organization is capable of preparing reports and submitting to stakeholders					
27	The firm utilizes financial resources or funds to attain planned outputs					
28	The firm utilizes non-financial resources or funds to attain planned outputs					
29	The organisation has maintained a level of networking with partners, their satisfaction and relevance					
30	The organization offers service quality					
31	The organization achieves its long-term consequences in its programs including positive or negative effects					
32	The organization achieves the outcomes of its programs					

Table 21

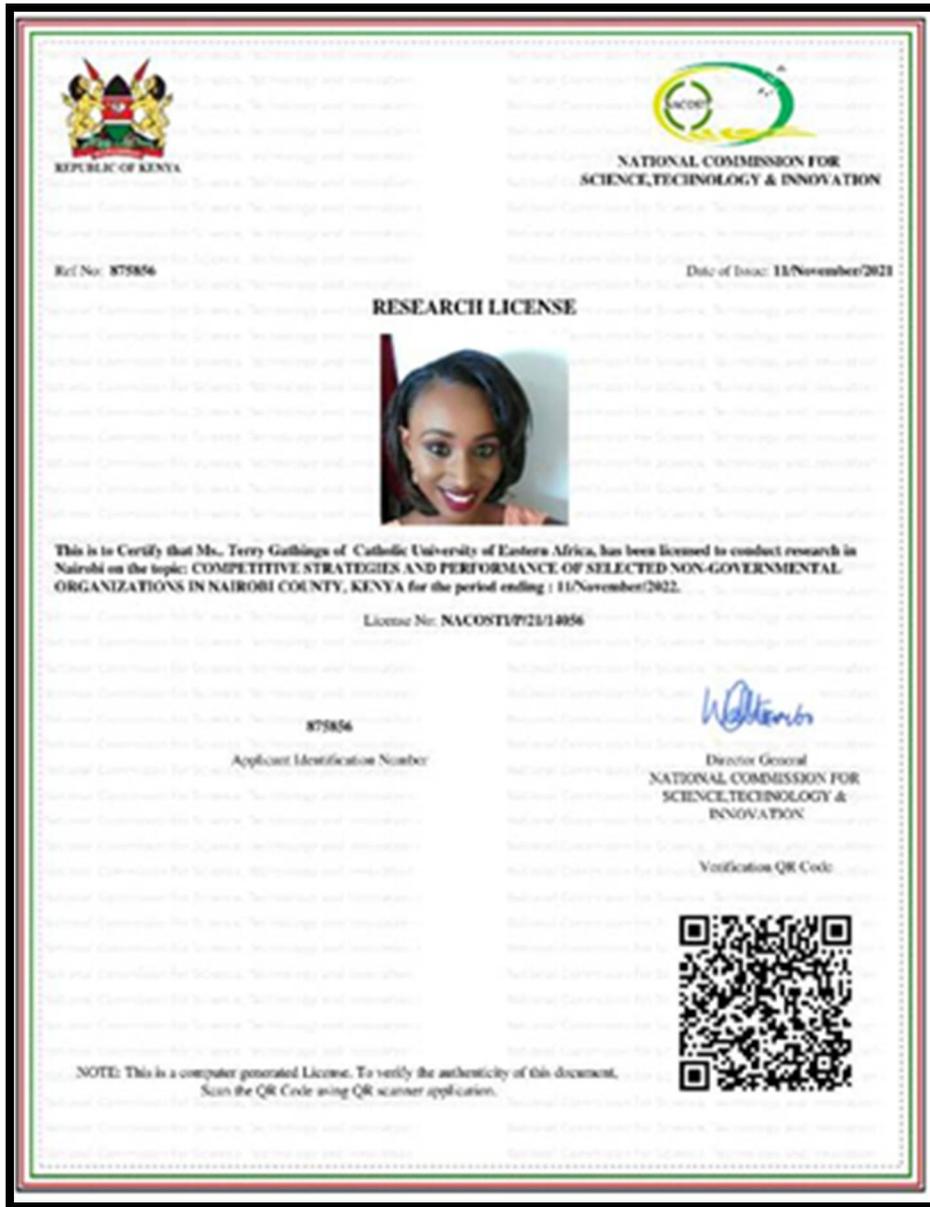


Figure 2: Research Permit