

POSITIONING STRATEGIES AND ORGANIZATIONAL PERFORMANCE OF PRIVATE SCHOOLS IN GARISSA TOWNSHIP

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Abstract: The general objective of this study was to investigate effect of positioning strategies on the performance of private schools in Garissa Township. The study has four specific research objectives which are: to establish the effect of technological innovation on the performance of private schools in Garissa Township; to determine the effect of brand equity on the performance of private schools in Garissa Township; to examine how strategic alliances affect the performance of private schools in Garissa Township and finally to assess how product reengineering affect the performance of private schools in Garissa Township. The methodology of the paper is a research that is descriptive in nature. This study was descriptive in nature and the researcher will use case study method. Secondary data collected from such a population or census will be more reliable. The target population of this study was the private schools in Garissa Township. This means that the staffs working at will be the target population of the research study. The study used a purposive sampling approach in selecting the study area of study and simple random sampling to select respondents drawn from the private schools in Garissa Township. The researcher will use questionnaires and secondary data as the research instrument to gather the relevant information needed related to the study. The data collected was analyzed was quantitative methods, applying descriptive statistical methods to manipulate it and present the findings in percentages in figures and tables. The findings indicated that the four strategic positioning practices that are product re-engineering, trademark equity, technological change and strategic alliances have a positive and significant effect on the performance of private schools. The investigation recommends private schools to practice more of technological change. This is because an increase in technological change improves performance significantly. Some of the ways of doing that are by the adoption of online services, ICT infrastructure and innovation. The investigation further recommends private schools to improve their trademark equity more. This is because an increase in trademark equity improves performance significantly. Some of the ways of doing that are by improving the corporate image, customer's loyalty and negotiating power of the organization. Another recommendation by the investigation is that private schools need to focus more on strategic alliances. This is because an improvement in strategic alliances leads to a significant improvement in performance. This can be achieved through enhancing partnership, synergy development and outsourcing. To the private schools, the study lastly recommends an improvement in product re-engineering practices. This is because an improvement in product reengineering leads to a significant improvement in the performance of private schools. This can be done by launching new products, improving the existing products and change management leads to a significant improvement in the performance of private schools.

Keywords: technological innovation, brand equity, strategic alliances and product reengineering.

1. INTRODUCTION

In the 21st century business landscape, private schools compete in a complex and challenging context that is being transformed by many factors from globalization, frequent and uncertain changes to the growing use of information technologies (DeNisi, Hitt and Jackson, 2003). Therefore, achieving the desired performance is a major pre-occupation of senior teachers in the competitive and slow growth markets, which characterize many businesses today and the sources of competitive advantage have been a major concern for scholars and practitioners. Most private schools search for the best strategies in order to consolidate their position in the market. Maintenance of competitive position and application of appropriate strategy most frequently ensure private school's survival in the market and good results of its performance (Athiyaman, 2005). As competition intensifies, many private schools continue to seek profitable ways in which to differentiate themselves from public schools.

Statement of the problem

In today's competitive environment, private schools play an essential role in countries' economic growth and development. Therefore, positioning strategies has got a vital importance for such institutions and leads them to better future by adapting to the environment beside the school policies (Kettunen, 2006). For a private school to become competitive it must put in place strategies that position itself in market dominance and improve the firm's overall performance. Positioning strategies has been recognized as a vital tool to confront the competitive pressure in the private school market environment and also as a tool of improving the performance of these schools. Education sector plays a key role in the country's socio economic development. As a matter of fact in Kenya, all other sectors depend on this body and any form of destabilization in the education sector will affect almost all other sectors in the economy.

A study by Mbogo (2003) established that 78% of the private schools experiences hiccups during strategic positioning strategies. According to the Government of Kenya Sessional Paper (2018) on the reforms and performance efficiency of the private schools, it established that low adoption of positioning strategies among private schools in Kenya has led to failure to realize effective performance. Private schools in Kenya has witnessed increased competition in the recent past from public schools and this has forced these schools to go back to the drawing board to seek new ways of expanding their businesses and reach new markets more exhaustively for their services. With the increased level of competition, private schools have had to strategically position and aligning themselves to capture new markets or retain its existing market share. Understanding of an organization strategy based on independent and collaborative resources requires a combination of theories and methodologies and strategic positioning is one of these theories.

Local studies done on the effect of positioning strategies on organizational performance include Nyakondo (2010) who researched on the factors influencing banking industry to adopt strategic positioning on mobile banking. He found out that some banks had adopted mobile banking to a moderate extent with emphasis on the implementation of mobile banking as a method of strategic positioning as a source of revenue, image and to increase customer satisfaction. On the other hand, Kasyoka (2011) researched on the use of positioning strategies to achieve sustainable competitive advantage at Safaricom limited and the findings were that cutting edge technology was helping Safaricom limited in achieving a sustainable competitive advantage. The study found that resource based view in Safaricom limited was highly influencing the achievement of a sustainable competitive advantage. The major resources in Safaricom limited include technological resources, human resources, knowledge resources, financial resources and assets. Finally, Muriet (2011) worked on positioning strategies and performance of commercial banks in Kenya and found out that positioning strategies positively and significantly enhances organizational performance through performance measurement. The researcher has not come across studies that have been conducted on the positioning strategies on organizational performance on the performance of private schools in Garissa Township, which is a very important area of study in Kenya. This study therefore seeks to determine the influence of positioning strategies on organizational performance. It will be guided by the following study question: -What is the effect of positioning strategies on organizational performance on the performance of private schools in Garissa Township?

Objectives

- i. To establish the effect of technological innovation on the performance of private schools in Garissa Township
- ii. To determine the effect of brand equity on the performance of private schools in Garissa Township
- iii. To examine how strategic alliances affect the performance of private schools in Garissa Township
- iv. To assess how product reengineering affect the performance of private schools in Garissa Township

THEORETICAL REVIEW

Theory of Strategic Balancing

Strategic balancing is founded on the premise that the strategy of an organization is partly comparable to the strategy of an individual. Certainly, the performance of organizations is affected by the actors' behavior, such as the system of leaders' values (Collins et al., 2009). An organization wavers between many antagonistic poles that signify cooperation and competition. This allows for existence of various configurations of alliances that disappear only if the alliance swings in the direction of a mainstream of poles of confrontation. Strategic balancing is comprised of three models which include: relational, symbiotic and deployment models. Competition attests to be part of the relational model and the model of deployment. It can be liable to undulation between the two aggressive strategies, one being primarily cooperative as

depicted by the relational model and the other being predominantly competing as exemplified by the model of deployment. The organization can then take turns in adopting the two strategies so as to keep their relationship balanced. This argument is very close to that of Belsley et al, (1980).

Mathematical Theory of Games

The mathematical theory of games was invented by Deschamps and Nayak (2008). Game theory is the study of the ways in which strategic interactions among rational players produce outcomes with respect to the preferences (or utilities) of those players, none of which might have been intended by any of them. Game theorists, like economists and philosophers studying rational decision-making, describe these by means of an abstract concept called utility. This refers to the amount of „welfare“ an agent derives from an object or an event. Welfare refers to some normative index of relative well-being, justified by reference to some background framework.

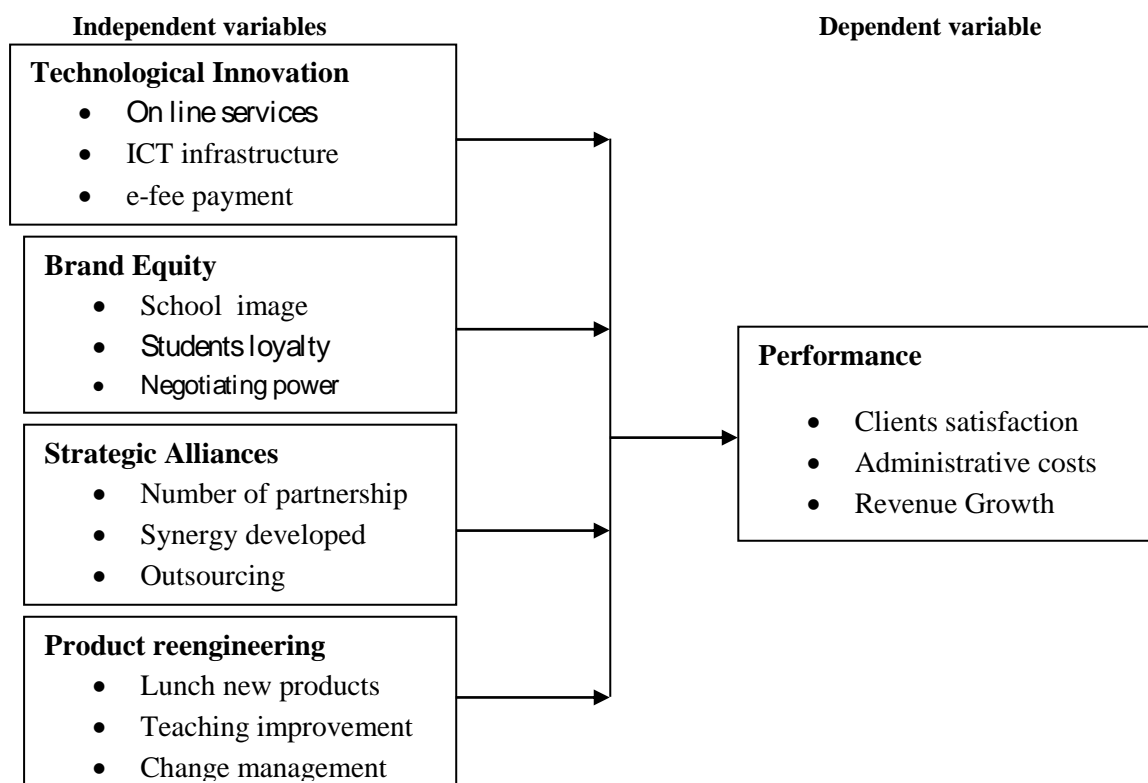
The Competitive Strategy theory

The competitive strategy view, rooted in industrial organization literature, maintains an outside-in perspective where firm performance is determined primarily by environmental factors such as industry structure. Porter (1991) relaxes this condition, allowing firms to choose their strategic position to gain sustainable rents, although individual firms cannot change industry structure. This change in the assumption allows the firm to be the unit of the analysis. Thus, the outside-in perspective represents a view where a firm performance is primarily determined by outside factors such as industry structure and firms can secure positions to exploit that structure Fahy and Hooley (2004).

Kotters Model

Kotter, (2008) developed a model which should be used at the strategic level of an organization to change its vision and subsequently transform the organization. Studies using this model have shown that the change process goes through a set of phases. Each phase lasts a certain amount of time and mistakes at any phase can impact the success of the change. Kotters eight step approach to change management is as follows: (1) People typically prefer the status-quo. Change means uncertainty about what the future looks like. Uncertainty makes people uncomfortable. Furthermore, people tend to mistrust things about which they are uncertain. That is why people avoid change. To encourage people to assist with the change, you must create a sense of urgency (Kotter, 2008).

Conceptual Framework



2.5 Critique of Existing Literature

A number of writers came up with definite spheres towards benchmarking private schools a accomplishment, which includes institution prosperity in the function of appraising functioning. Some utilize aspectual quantification dimension encompassed in private schools market places take, impression towards clients, proceeds as well as universal association accomplishment, (Armstrong, 2008). Modification exist as all-pervading component within private schools existence, two fold towards functioning as well a spremeditated height. Conveniently ought to non existence of reservation pertaining benefits of tactical positioning towards structural because requirements aimed at setting are regularly unpredictable in addition to being responsive also habitually prompted as a result of a few circumstances. Setting originates from each and every form, customs besides magnitudes in addition to impacting private schools across the board emanating from mutually in house as well as peripheral aspects.

According to David (2006), configuration can perhaps stand regarded as signal emanating from high-ranking supervision to the way management hoped the association to function. Configuration from the association ought to portray their partaking. Arrangements categorization can be the magnitude towards association's elasticity. Institutions come about meandering activities towards reshaping the conventional classified configurations fostered in the order of operating narrowing down besides integrated arrangements toward trimmer, compliment as well as additional receptive constitutes toward transformation, Thompson et al. (2008).

Appraisee make a case on recent top executive on their habitually institution of transformations robustly resulting in antagonism from fellow workforces distressing the association. According to Simpkins (2009), transpiring very fast in action, team leader may bring about huge disturbance, subsequent governance abandonment as well as downhearted workforces upsetting depressingly establishment functioning. Additionally, association's guidelines work out as citation opinions in the course of hiring routines enhancements in addition resolutions making exist transpiring around individuals besides facilitating expression in the techniques mechanisms being implemented within the association. Gupta (2008) explained further that in the event emanating from execution of institution's procedures, establishments usually encounters antagonism because of alteration confrontation from conservative workforce opposed to modifications since circumstances will compel them to adjust as well as embracing the newly constituted routines as well as procedures.

According to Johnson and Scholes (2002), inadequacy of capabilities will outcome in execution of tactical setting narrows towards impracticability. It exists universal unanimity in implication of capabilities to be emanating from participants that authorize an organization to exonerate objectives towards delivery of amenities as well as products. Association's capabilities can perhaps be categorized as in house as well as exterior participants.

According to Thompson et al. (2001), highlighting besides marshalling abundant capitals as well as workforces in the wake of strategic positioning implementation. The entire administrators are mandated in approach implementing within their jurisdiction in addition to workforces being accomplices during approach functioning progression. At the beginning of progression towards effecting as well as accomplishing modern strategic positioning, administrators must assess the capabilities desired there after contemplate that if existing finances within administrative constituents stand appropriate.

2.6 Knowledge Gaps

A number of local studies have been done on the positioning strategies but no studies that have focused on the effect of positioning strategies on the performance of private schools in Garissa Township. Nyakondo (2010) researched on the factors influencing banking industry to adopt strategic positioning on mobile banking. On the other hand, Kasyoka (2011) researched on the use of strategic positioning to achieve sustainable competitive advantage at Safaricom limited. Muriet, (2011), worked on positioning strategies and performance of commercial banks in Kenya and found out that positioning strategy positively and significantly enhance organizational performance through performance measurement. Nyakondo (2010) researched on the factors influencing banking industry to adopt positioning strategy on mobile banking while Munene (2013) studied positioning strategy and organizational performance of the top five oil companies in Kenya. Finally, Muriet (2011) worked on positioning strategies and performance of commercial banks in Kenya. From the above studies it's quite evident that there they is no studies that have focused on the effect of effect of positioning strategies on the performance of private schools in Garissa Township. In the absence of local empirical studies, it is often difficult to evaluate the positioning strategies in relation to organization performance in the local perspective. It is this knowledge gap that the researcher will seek to bridge by conducting a study on the effect of effect of positioning strategies on the performance of private schools in Garissa Township.

3. RESEARCH METHODOLOGY

This study adopted a descriptive and exploratory research design. The target population of this study was the private schools in Garissa Township. This means that the staffs working at private schools in Garissa Township was the target population of the research study. The target population therefore comprised of 500 respondents from the private schools in Garissa Township. The study used a purposive sampling approach in selecting the study area of study and simple random sampling to select respondents drawn from the private schools in Garissa Township. The research proposal will therefore use a sample size of 150 respondents drawn from the target population selected to represent 30% as indicated by Mugenda and Mugenda, (2003).

The researcher used questionnaires and secondary data as the research instrument to gather the relevant information needed related to the study. For this research both primary and secondary data collecting methods was used. Primary data was collected through the administration of questionnaires to senior management bank employees. The study carried out a pilot test to test the validity and reliability of the questionnaires in gathering the data required for purposes of the study. The information gathered from the respondents was of a qualitative and quantitative nature. The data was summarized and then analyzed by the use of descriptive statistics comprising of tables, graphs and percentages. The MS Excel, statistical software was used to analyze the collected information. This is because the MS Excel provides simplified analysis that is easy to interpret and present.

Model

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where,

Y= Performance of private schools in Garissa County

X₁: Technological innovation

X₂: Brand equity

X₃: Strategic alliances

X₄: Product re-engineering

β_0 coexist as a steady or interrupt

β_1 , β_2 , β_3 , as well as β_4 , coexist as conforming figures for the respective variables which are autonomous.

4. RESULTS

Table-: 4.1 Model Coefficients

| | Unstandardized Coefficients | | Standardized Coefficients | | |
|-----------------------|-----------------------------|------------|---------------------------|-------|-------|
| | B | Std. Error | Beta | T | Sig. |
| (Constant) | 1.477 | 0.359 | | 4.118 | 0.000 |
| Technological Change | 0.407 | 0.047 | 0.465 | 8.624 | 0.000 |
| Trademark Equity | 0.169 | 0.024 | 0.374 | 7.150 | 0.000 |
| Strategic Alliance | 0.169 | 0.029 | 0.323 | 5.759 | 0.000 |
| Product Reengineering | 0.655 | 0.098 | 0.392 | 6.651 | 0.000 |

The findings indicated that technological change holds an encouraging along with extensive effect towards functioning of private schools in Garissa Township. (Beta = 0.407, Sig = 0.000). The findings implied that an element escalation in technological change proceeds towards 0.407 constituent intensification in performance of private schools in Garissa Township. The findings are consistent with Hofer and Schendel (2008) who argued that adoption of new technology enables organizations to minimize their operational costs, offer effective and highly efficient, tailor-made services thus improving the overall organizational performance.

The findings similarly revealed the trademark equity having an optimistic besides meaningful effect towards functioning of private schools in Garissa Township. (Beta = 0.169, Sig = 0.000). The findings imply that a unit increase in trademark equity fronts toward 0.169 component escalation in performance in lieu of private schools in Garissa Township. The findings are consistent with David (2010) who linked trademark equity to changing market share and enhanced profit margins.

It was also established that strategic alliances gain an enthusiastic besides eloquent effect on the performance of private schools in Garissa Township (Beta = 0.169, Sig = 0.000). The findings imply that a unit increase in strategic alliances precedes towards 0.169 entity rise in performance of private schools in Garissa Township. The findings are consistent with the argument by Burnes (2014) that strategic alliances allow the parties to control own fundamental proficiencies through supplementing one another within various customs thus improving their performance.

Lastly, it was established that product re-engineering partakes an optimistic along with expressive effect on the performance of private schools in Garissa Township. (Beta = 0.655, Sig = 0.000). The findings implied that a constituent growth in product reengineering herald towards 0.655 element growth in performance of private schools in Garissa Township. The findings are consistent with the argument by Walter (2010) who argued that product re-engineering is important to any organization since it reduces discrepancy along with depletion of progressions in a bid to attain the expected upshots through improved exploitation of means.

Conclusively, findings led to the following optimal regression model:

Performance of Professional bodies = 1.477 + 0.407 (Technological Change) + 0.169 (trademark Equity) + 0.655 (Product Reengineering) + 0.169 (Strategic Alliance)

The most significant factor affecting the performance of private schools in Garissa Township is a technological alliance, followed by trademark equity then product re-engineering and lastly strategic alliance.

5. CONCLUSION

The findings indicated that the four strategic positioning practices that are product re-engineering, trademark equity, technological change and strategic alliances have a positive and significant effect on the performance of private schools. The investigation recommends private schools to practice more of technological change. This is because an increase in technological change improves performance significantly. Some of the ways of doing that are by the adoption of online services, ICT infrastructure and innovation. The investigation further recommends private schools to improve their trademark equity more. This is because an increase in trademark equity improves performance significantly. Some of the ways of doing that are by improving the corporate image, customer's loyalty and negotiating power of the organization. Another recommendation by the investigation is that private schools need to focus more on strategic alliances. This is because an improvement in strategic alliances leads to a significant improvement in performance. This can be achieved through enhancing partnership, synergy development and outsourcing. To the private schools, the study lastly recommends an improvement in product re-engineering practices. This is because an improvement in product reengineering leads to a significant improvement in the performance of private schools. This can be done by launching new products, improving the existing products and change management leads to a significant improvement in the performance of private schools.

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