

# Influence of Focus Strategy on Performance of Public Universities in Western Kenya Region

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## ABSTRACT

The purpose of this study was to determine the influence of focus strategy on the performance of Universities in the Western Kenya region. The study was guided by Michael Porter's Generic Strategy Theory. The study deployed descriptive survey research design. The Universities sampled in this study include Public Universities in the Western Kenya region. The target population was 409 administrative staff in-charge of academic programmes within in Universities in the Western Kenya region. From these, a sample size of 120 was obtained. The sample was identified using stratified and simple random sampling techniques. Both primary and secondary data were used. Primary data was collected using a structured questionnaire. The linear regression analysis revealed that Market focus strategy had a statistically significantly contribution in explaining the performance of Public Universities in Western Kenya region. The study concludes that universities can enhance their performance by adopting and strengthening focus strategy alongside other competitive strategies like differentiation strategy and cost leadership strategy. The universities can achieve high standards of services they offer if the cut endeavor to understand well the market base and modify the services offered to suit the market need. The Study recommended that public Universities need to carry out time to time analysis of market needs and craft methodologies of meeting the same so that they can have a monopoly in terms of some of the services offered. Finally, with the help of the resources available, the universities should endeavor corporate social responsibility to strengthen their relationship with the society as they sale their brand

**Key words:** Focus Strategy, University, Market, Performance, higher Education,

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## I. Introduction

### 1.1 Background Information

As the business environment continues to expand and new ideological strategy coming in place especially those powered by technology and innovation, it becomes imperative for organization to check its operational variables (Arasa, 2014). It is in the interest of every organization to gain competitive advantage and improve its niche in the market as compared to the peers in order to control the market and make profit. As a result, every organization has to put in place various strategic plans that out to define its direction within a given period of time depending with the business environment and prevailing factors outside the business world (Akintokunbo, 2018).

One characteristic of business environment today is that a business organization has to clearly understand its target market and design the products or offer their services in a manner that segregates it from the rest. In this setting, focus strategy play an important role as it brings in perspective various market dynamics and how to go about with them for successful market performance (Madsen, 2015). Today many businesses continue rolling its branches, others close down as new others are opened with all the three occurrences pegged on the market dynamics. For instance, the business facing closure may be affected with poor focus strategy, which leads to failure to understand the market and the products and services in need (Weaven et al, 2021).

A company like Apple incorporation has enjoyed sophisticated market given the fact that they have embraced in totality the aspect of focus strategy. In their case, they have focused on product differentiation where they make high end technological devices and sell them to the top cream market that requires unique technological touch. Furthermore, they have established shops that offer services to maintain their products in case they fail. By doing so, they have maintained a market that no other company offering technological services has managed to penetrate (Bramel & Volk).

Stepping into service industry like health and education, the services offered may be almost similar, therefore, creating a focus strategy requires proper research and well-designed implementation style (Faulkner, 2006; Hikmawati & Alamsyah, 2018). True to this fact is that introduction of one services will lead to emulation by the other player in the same industry unlike those who manufacture and retain the rights to the property. For instance, if one university introduced a course, it is very easy for another university to introduce the same cause as it has been experienced over time as academics advance (Callaway, 2012).

Higher education system in Kenya has experienced a shift in recent times as more private institutions of higher learning have been and continue cropping up, hence, prompting public universities to rise to the occasion and defend their place in the market. The change in market dynamics caused by private universities implies that there is a competition threat which requires deployment of competitive strategies by the university management (McCowan, 2018). As a response to the threat, competitive strategies help universities in identifying market needs, branding for uniqueness, creating a different environment from the competitors, hiring professional and competent human resource, capitalization and research on various issues that matter (Njoro, 2017).

Government has been allocating large amounts of money to universities in addition to the money that donors give to the universities just to boost their performance aspect. However, sometimes the value for such money has not been seen as public universities have been deemed to produce to extent half-baked graduates to the market as compared to those from private universities. As a result, money spent in private universities seems to justify its use as compared to that spent in public universities. Despite the fact that this may be the case, most of the students in the society cannot afford money to take them to such prestigious private universities calling for need of public universities (Kiganane et al, 2021).

### **1.2 Problem Statement**

Kamau (2013) posit that public universities desire to have market control and reach as many students as they can accommodate as they balance out the expectations of the students and society at large in matters of performance. Most of the public universities in western Kenya have tried to reach out to people through opening up of branches or satellite centers just to ensure that it helps the students reach them quickly and to save on costs. This is just one of the focus strategies that they are applying to enable them reach a wider market among other focus strategy attempts.

Currently, more satellite campuses are threatened by closure and some courses with few applicants will soon be scrapped. As this continues to happen, new private universities and technical colleges continue to be chartered just to come and find the same operational environment that leads to scrapping off of courses or closing of some other satellite campuses (Kilonzo et al, 2021). As a result, this raises the question; what new thing do they bring to the same market to capture the market and optimize performance? This question is well answered by looking at the influence of focus strategy on performance of public universities, hence the current study.

### **1.3 Purpose of the study**

The purpose of this study was to investigate the influence of focus strategy on performance of public universities in western Kenya.

## **II. Literature Review**

### **2.1 Theoretical underpinnings**

The study was guided by Michael Porter's three Generic Strategy theory with specific focus on focus strategy. The focus strategy concentrates on a narrow segment and within that segment attempts to achieve either a cost advantage or differentiation (Porter 2008). A firm can choose to focus on a select customer group, product range, geographical area, or service line. According to Ghemawat (2010), focus is a generic strategy that emphasizes a particular group, geographical location, a particular age group, income level, profession, or on basis of sex. The premise of this strategy is that the peculiar needs of the select group can be better met by focusing entirely on it. The strategy aims at growing market share through operating in a niche market or in markets either not attractive to or overlooked by larger competitors. A successful focus strategy should however depend on an industry segment large enough to have good growth potential but which is not of key importance to other major competitors. Focus strategies are also most effective when customers have distinct preferences and when the niche has not been pursued by rival firms (Arasa, 2014). A firm using the focus strategy enjoys a high degree of customer loyalty and this estranged loyalty discourages other firms from competing directly (Porter 2008). Because of their narrow market focus, firms pursuing the differentiation focus strategy may be able to pass higher costs on to customers since close substitute products are unavailable. Firms that succeed in the focus strategy are able to tailor a broad range of product development strengths to a relatively narrow market segment that they know very well. In relation to this study, the independent variable (focus strategy) is drawn from Porter's generic strategy theory. The aspect of focus strategy was chosen for the study because it is inherently tied to performance.

### **2.2 Empirical Review**

Adunayo (2018) conducted a study on strategy and organization performance of telecommunication companies in Port Harcourt. The study adopted a cross-sectional research design which involved management staff of 4 telecommunication companies. The study sampled 100 respondents and collected through questionnaires. Results indicate that there was a positive relationship between market focus strategy and

organization performance. However, for realization the strength of market focus strategy, the study recommended that telecommunication firms should channel its concentration on narrow segment of cost effectiveness and product differentiation.

Ochodo et al (2020) conducted a study that aimed at establishing the role of focus strategy on the performance of NHIF accredited hospitals within Kenya. Deploying a mixed research method, which was based on descriptive, causal and non-experimental research designs, sampled 109 hospitals and collected data using semi-structured questionnaires and interviews. Based on the study findings, it was established that focus strategy had a positive significant relationship with performance of hospitals. The study further discusses that hospitals should try and introduce unique services at considerably low cost, be niche specific like going for olds in order to reach a large market and control considerable market share.

Several studies have attempted to establish importance of Porters generic strategies in relation to firm's performance and competitive strategy. For instance, a study by Islami et al (2020) endeavoured linking Porter's generic strategies to firm performance. The study focused mainly on three main generic strategies namely; low cost strategy, differentiation strategy and focus strategy and their linkage of firm performance. The study used questionnaires to collect data from 113 firms in the republic of Cosovo. Results indicate that pursuing differentiation strategy provides a firm with high performance as compared to the other two forms (focus strategy and low-cost strategy) of generic strategies but all the three has a positive significance effect on performance aspect.

Maina and Kising'u (2017) sought to determine the effects of competitive strategies on organizational performance at Scania East Africa Limited which is in the motor industry, specifically retail and distribution of the heavy commercial vehicles. The study was anchored on competitive advantage theory, resource based view theory and stakeholder theory. The study adopted quantitative research design. The study reveals that competitive strategies namely; differentiation strategy, focus strategy and pricing strategy and innovation strategy to a great extent explain the statistically significant variance on the aspect of organization performance. The study recommended that for effectiveness of competitive strategy, organizations should try and carry out a through market research understand market dynamism for them to decide on the approach to use when choosing the right strategy.

In another study that sought to establish the influence of competitive strategies on the organization performance, focusing on Sugar companies in Kenya, Munyasia (2012) discusses three competitive strategies namely; cost leadership strategy, differentiation strategy and focus strategy. The study bases on Porters generic strategies to bring in focus the theoretical underpinning and descriptive survey research design. The study established the three strategies are linked with optimized organization performance and proper implementation of one puts the organization in good shape to endeavour another in order to strike a market balance. The study established that among the three strategies, focus strategy was applied least which led to disoriented market control. The study therefore recommended that sugar companies should try and look deeper in reorganizing themselves around focus strategy to gain competitive advantage.

Masale (2018) investigated the effect of competitive strategies on the organizational performance of Bridge International Academies in Nairobi. The study focused on three strategies namely; focus strategy, differentiation strategy and cost leadership strategy. The study adopted descriptive research design and sampled 111 managers and teachers who participated in the study by filling semi-structured questionnaires. The study established focus strategy had a positive but negligible effect on the aspect of organization performance. However, the study established that the said organizations deployed aggressive marketing, specialization and quality to outshine the competitors. Finally, the study established that focus strategy helped Bridge International Academies in Nairobi to reach low income segment.

### **III. Research Methods**

#### **3.1 Research Design**

This research study adopted a descriptive survey research design. Quantitative approach was used to quantify the hypothesized relationship between the dependent variable (performance), and the independent variable (cost leadership strategy).

#### **3.2 Study population and Sample Size**

For the purpose of investigating cost leadership strategy and its influence on performance of Public Universities in Western Kenya region, the target population for this study was 409 administrative staff in charge of academics in the nine (9) Public Universities in the Western Kenya region. The sample for this study was drawn from nine Public Universities in Western Kenya region. Stratified sampling method was adopted to ensure that each cadre of administrative staff in charge of academics within the Universities was proportionally represented.

## ***Influence of Focus Strategy on Performance of Public Universities In Western Kenya Region***

Stratified sampling was used because of its reduced sampling error, basing on the fact that the subjects in a stratum of the population shares at least one common characteristic (Stroud, 2010). Simple systematic random sampling was used to select respondents from the strata. This study involved three strata; the C.O.Ds' stratum, the deans' stratum, and the registrars' stratum. According to Mugenda and Mugenda,(1999) a sample of 10% and over of the population is appropriate. At least 30% of the total population is representative (Borg and Gall, 2003). Thus, 30% of the accessible population is enough for the sample size. In this study the sample size was 120 as shown in table 1 below

**Table 1: Sampling Frame**

University	Registrars	Deans	COD s	Population	%	Sample Size
University of Eldoret	3	9	34	46	30	14
Moi University	3	15	78	96	30	26
MasindeMuliro University	3	10	32	45	30	14
Maseno University	3	14	53	70	30	20
JaramogiOgingaOdinga University of Science and Technology	3	10	20	33	30	10
Kisii University	3	8	34	45	30	13
University of Kabianga	3	7	18	28	30	8
Kibabii University	2	5	16	23	30	7
Rongo University	2	7	15	24	30	8
<b>Total</b>	<b>25</b>	<b>87</b>	<b>300</b>	<b>410</b>	<b>30</b>	<b>120</b>

**Source:** *Human Resource Departments (2019).*

### **3.3 Instruments of Data Collection**

The present study involved the use of questionnaires. Secondary data was obtained from available research results on the relationship between cost leadership strategy and firm performance. Institutional data bases and websites of the Universities were also used.

### **3.4 Data Analysis**

The data collected from the respondents was coded and entered in SPSS version 20 for data analysis. Data was presented in terms percentages, means and standard deviation. Correlation analysis was done to identify the relationship between focus strategy and performance of public Universities.

## **IV. Findings**

### **4.1 Descriptive Statistics for Focus Strategy**

To determine whether focus strategy had an effect on University performance, respondents were required to state their level of agreement with seven statements relating to focus strategy.

<b>Focus Strategy</b>	<b>N</b>	<b>Min</b>	<b>Max</b>	<b>Mean</b>	<b>Std deviation</b>
The university has enough and qualified human resource to serve every student	1	1	5	4.69	0.59
The fees and other charges are pocket friendly to students	1	1	5	4.20	0.97
The university offers diversified courses to help in wading off completion from private university	1	1	5	4.22	0.85

## *Influence of Focus Strategy on Performance of Public Universities In Western Kenya Region*

The university endeavors technology to help in minimizing costs for manual systems for students	1	5	4.52	0.74
The university handles critical issues with speed to help students focus on key issues	1	5	3.74	0.75
We conduct research every year to understand the market terrain	1	5	3.41	0.75
The university has robust marketing strategies to ensure that it spans various geographical areas	1	5	4.69	0.59

**Table 2: Descriptive statistics for Focus Strategy and University Performance**

Table 2 above shows the findings for various focus strategy sub variables and their mean. The research sought to establish whether the university had enough and qualified human resource to serve every student effectively. Results on this sub variable reveal that, the respondents agreed that their university had enough human resource (lecturers, administrators and casual laborers) to serve the students' needs as the mean stood at 4.69. This indicates that the respondents were well aware of the students' needs and the way to attend to them through employing enough human resource.

The second sub variable on focus strategy sought to establish whether the university has a considerable fee plan that is totally resonates with students' affordability. Being one of the most important issue to consider, in focus strategy, the fee charged it was imperative that such aspect would be considered by the university. With a mean of 4.20, it is evident that the universities charged a considerably fee that was pocket friendly to the students' needs.

The study further sought to bring to understanding the aspect courses offered on the basis of diversification to attract almost every students with various qualifications. From the table 2 above, results indicate that a mean of 4.22 was given by the respondents to indicate that their universities offered diversified courses for various students' choices and consideration. Diversification gives students a range of courses to choose from in conversation with their secondary school academic qualifications or the step up course after a diploma, degree or masters.

The study also inquired from the students whether or not the university had prepared well technologically to handle the technology required tasks in response to the delayed services and speed issues caused by manual systems. From the findings a mean of 4.52 was attained indicating that the respondents agreed to the fact that they had technology in place of manual systems where the need called for. In modern days, operations have diversely shifted from the manual systems and the aspect of speed and efficiency has been brought in picture as a result of robust and every growing technology.

Critical issues require to be acted upon promptly, sometimes this is not the cases in some organizations as issues are postponed from time to time slowing down the process of productivity. The study also sought to establish position of the universities on the issue. From the findings, a mean of 3.71 indicates that the most of the respondents rated the statement neutral. This is a likely indication that the issues are not well handled on time. This may be attributed to the fact that some critical issues need procedural handling to get to the core solution.

As the dynamics of the markets keeps shifting, thorough research need to be done to ensure that the institutions are well informed with information about the current trends on the market trends. This was among the issues that the study inquired about where respondents were rate the aspect of yearly research to understand market dynamics. Results on this sub variable indicate that 3.41 mean was attained from the responses indicating that most of the respondents stood at a neutral point. One of the main reasons is the fact that conducting research yearly may prove costly for the universities given that finances are allocated to other critical areas of development and continuity.

Lastly, the study sought to bring to understanding whether the university has robust marketing strategy given that today, the clients depends mostly on the information that reaches the rather than what they go to look for. From the findings, a mean of 4.49 was attained indicated that most of the respondents agreed that the marketing strategies in place were robust to help in marketing the universities to the public.

### **4.2 Inferential Statistics**

The model summary brings in perspective the overall significance of regression analysis equation depicted by table 3 below. The information provided by the model concerns the regression line's ability to help in accounting for the total variation in performance of public universities (dependent variable). The table indicates R-square value of 0.765 implying that focus strategy may explain 73.5% of variation in performance of public universities. Furthermore, the table indicate that focus strategy has a positive correlation with performance of public universities in Kenya as  $R = 0.845$ . The value is high indicated a high positive relationship implying that focus strategy has strong significant influence of performance of public universities in western region of Kenya.

**Table 3: Model Summary for Focus Strategy and Performance of Public Universities**

Model	Coefficient
R	0.845 <sup>a</sup>
R Square	0.735
Adjusted R Square	0.713
Std Error of the Estimate	0.2756

- a. Predictors: (Constant), Focus Strategy
- b. Dependent Variable: performance of public universities

**4.3.1 ANOVA for Focus Strategy and Performance of Public Universities**

The table below shows statistical significance of the regression model applied. Since the p value is 0.000 which is less than 0.05, the model can be deemed to be significantly fit in predicting the influence of the independent variable (focus strategy )on independent variable (performance of public universities).

**Table 4: ANOVA for Focus Strategy**

Indicator	Sum of Squares	Df	Mean Square	F	Sig
Regression	10.304	1	10.105	16.036	.000 <sup>b</sup>
Residual	3.024	114	.058		
Total	13.324	115			

- a. Predictors: (Constant), Focus Strategy
- b. Dependent Variable: performance of public universities

The ANOVA results in table 4 above indicate that the overall model was a good fit give that (F-value =16.036 and p-value of .000 which is less than 0.05). The p value of .000 shows that there is a significant relationship focus strategy and performance of public universities. Therefore, the regression model is significant implying that it is applicable in assessing the relationship between the dependent and independent variable.

**4.3.2 Coefficients variation of Focus Strategy and Performance of Public Universities**

The study adopted the model  $Y = \alpha + \beta_1 X_1 + \epsilon$ , where Y=performance of public universities;  $\alpha$ =constant;  $\beta_1$ =Beta Coefficients;  $X_1$ =Focus Strategy and  $\epsilon$ =error term. In table 5 below, the finding of the regression confidants, t-statistics, standard errors of the given estimates and the p value are highlighted.

**Table 5:Coefficients variation of Focus Strategy and Performance of Public Universities**

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std Error	Beta	t	sig.
(Constant)	2.325	1.115		2.751	.000
Performance	0.672	.432	0.420	1.325	.000

- a. Dependent Variable: Performance
- b. Model (Constant): Focus Strategy

From the table above, the coefficients indicate that there is positive and significant relationship between focus independent variable (focus strategy) and dependent variable (performance of public universities since  $\beta = 0.420$ , p-value = 0.000. From the findings, it can therefore be concluded that a unit change in focus strategy increases performance of public universities by 0.420 units hence: Universities Performance = 2.325+0.420 Focus Strategy.

**V. Summary, Conclusion and Recommendation**

The study’s main objective was to establish the influence of focus strategy on performance of public universities in western region of Kenya. To achieve this objective, it was hypothesized that focus strategy has no significant influence on performance of public Universities in the Western Kenya region. As indicated in the in the regression coefficient results, Cost leadership Strategy had a statistically significant contribution in explaining the performance of Public Universities in Western Kenya region,  $\beta= 0. 420$ ,  $p=0.009 < 0.05$ ; thus rejecting the null hypothesis and concluding that focus Strategy has a significant influence in explaining the performance of Public Universities in Western Kenya region.

The study concludes that universities can enhance their performance by adopting and strengthening focus strategy alongside other competitive strategies like differentiation strategy and cost leadership strategy. The universities can achieve high standards of services they offer if the cut endeavor to understand well the market base and modify the services offered to suit the market need.

The Study recommended that public Universities need to carry out time to time analysis of market needs and craft methodologies of meeting the same so that they can have a monopoly in terms of some of the services offered. Finally, with the help of the resources available, the universities should endeavor corporate social responsibility to strengthen their relationship with the society as they sale their brand.

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