

AN ASSESSMENT OF CORE COMPETENCIES TO GAIN SUSTAINABLE  
COMPETITIVE ADVANTAGE: A CASE OF KRONES LIFE CYCLE SERVICE  
CENTRE EAST AFRICA LIMITED

by

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## DECLARATION

AN ASSESSMENT OF CORE COMPETENCIES TO GAIN SUSTAINABLE  
COMPETITIVE ADVANTAGE: A CASE OF KRONES LIFE CYCLE SERVICE  
CENTRE EAST AFRICA LIMITED

I declare that this thesis is my original work and has not been submitted to any other college or university for academic credit.

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## LIST OF ABBREVIATIONS/ACRONYMS

AG:	Aktiengesellschaft – a German Corporation
EA:	East Africa
KBV:	Knowledge Based View
LCS:	Life Cycle Service
RBV:	Resource Based View
SPSS:	Statistical Package for Social Science

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## ABSTRACT

Competencies enable employees to achieve results thereby creating value that can be used by an organization to gain competitive advantage. The purpose of this study was to conduct an assessment of core competencies as a strategy in gaining sustainable competitive advantage: a case of Krones Life Cycle Service Centre East Africa Limited. The study adopted descriptive survey design to achieve an in depth study and description of the core competencies in use, together with the unique resources and capabilities. The population comprised of all 88 employees of Krones Life Cycle Service Centre East Africa Limited at the time of the study. Data was collected using questionnaires and presented in the form of tables and charts. The study concludes that: a particular competitive advantage over rivals in one aspect of competition may help the firm better serve the customer in that particular aspect. The study recommends that; companies should strive to have an edge over its rivals in securing customers as well as defending themselves against competitive forces so as to attain the competitive advantage; companies should work towards possessing a sustainable competitive advantage through embracing value-creating processes and positions that cannot be duplicated or imitated by other firms that lead to the production of the normal rents; since core competencies may not be easily replicated by competitors, they are better suited in building sustainable competitive advantage in organizations; and that to succeed in building a sustainable competitive advantage, a firm must try to provide what buyers will, perceive as superior value.

## DEDICATION

I wish to dedicate this proposal to my family who gave me the moral support and limitless encouragement through the entire thesis writing course.

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## CHAPTER ONE

### INTRODUCTION AND BACKGROUND OF THE STUDY

#### Introduction

Businesses are operating in a highly dynamic environment following increased globalization, internationalization and advancements in information technology. This has made the operational environment very competitive which requires organizations to rethink their strategies if they are to remain competitive and outperform their competitors. This new environment requires that organizations do things differently if they wish to remain competitive otherwise they will face extinction. Agha and Alrubaiee (2012) argue that in a highly competitiveness market, core competence has emerged as a central concept for competitive strategy. They define core competence as the knowledge set that distinguishes a firm and provides a competitive advantage over others (Agha, Alrubaiee & Jamhour, 2012).

This study was set to evaluate the core competencies adopted by Krones Life Cycle Service Centre East Africa Limited and how they have affected the competitiveness of the organization. This helps the organization strengthen its core competencies as it tries to minimize the effects of deficiencies for optimal organizational performance.

#### Background of the Study

Competitive advantage is an organization's ability to perform in one or more ways that competitors will not and cannot match (Kotler, 2000). According to Thompson and Strickland (2002) a company has competitive advantage whenever it has an edge over its rivals in securing customers and defending against competitive forces. Sustainable

competitive advantage is born out of core competencies that yield long term benefit to the company (Thompson & Strickland, 2002). A firm possesses a sustainable competitive advantage when it has value-creating processes and positions that cannot be duplicated or imitated by other firms that lead to the production of the normal rents. Sustainable competitive advantage is different from a competitive advantage in that it provides a long-term advantage that is not easily replicated.

Prahalad and Hamel (1990) define a core competence as an area of specialized expertise that is the result of harmonizing complex streams of technology and work activity (Prahalad & Hamel, 1990). Since core competencies may not be easily replicated by competitors, they are better suited in building sustainable competitive advantage in organizations. According to Johnson and Scholes (2001), core competences are more robust and difficult to imitate because they relate to the management of linkages within the organizations value chain and to linkages into the supply and distribution chains. Firms respond to competition in different ways. Some may opt to product improvement, divestiture, and diversification, entry into new markets or even merging or buying out competitors. Johnson and Scholes (2001) postulate that the essence of strategy formulation is coping with competition.

To succeed in building a sustainable competitive advantage, a firm must try to provide what buyers will, perceive as superior value. This entails either a good quality product at a low price, or a better quality product that is worth paying more for. Rao (2005) argue that competitive advantage enjoyed by a firm has a three stage life cycle consisting of: build up period where strategic moves are successful in producing competitive advantage; benefit period where fruits of competitive advantage are enjoyed. A long benefit period gives the firm sufficient time to earn above average profits and recoup on

investments made to create the advantages and erosion period where the competitive advantage held by the firm is eroded due to imitation, duplication, new technology and attacks by rivals (Rao, 2005).

A particular competitive advantage over rivals in one aspect of competition may help the firm better serve the customer in that particular aspect. To achieve superior performance, especially persistent superior performance, a firm often needs multiple competitive advantages. Beating rivals on multiple strategically important vectors is essential for a winning firm (Ma, 2007). This explains why superior firms are often excellent in multiple aspects. Banking solely on any individual advantages, even highly sustainable ones, may carry the firm through temporarily. Creating a constellation of multiple evolving competitive advantages and renewing such a constellation in a timely fashion, however, will likely make persistent superior performance more readily attainable (Ma, 2007).

The Krones Group, headquartered in Neutraubling, Germany, plans, develops and manufactures machines and complete lines for the fields of process, filling and packaging technology. The company's product portfolio is rounded off by corporate capabilities in intralogistics, information technology, factory planning, and in-house valve manufacture. Every day, millions of bottles, cans, and special-shaped containers are handled on lines from Krones, particularly in breweries, the soft-drinks sector and at producers of still or sparkling wines and spirits, but also in the food and luxury-goods industries, plus the chemical, cosmetics and pharmaceutical industries. Since being founded in 1951, Krones has become far more than a traditional-style machinery and line manufacturer: it has evolved into an all-round vendor for its clients. Mechanical engineering, line expertise, process engineering, microbiology and information technology have here been

harmoniously integrated for optimum synergies. Nowadays, Krones is synonymous with holistic “systems engineering” (Krones, 2014).

Krones’ success is based on some few but crucial strategies: specialised knowledge of mechanical engineering and the customer sectors involved, a technical lead over its competitors driven by continually high expenditure on research and development, production facilities featuring state-of-the-art equipment operating to the most stringent of quality standards, backed up by worldwide 24/7 service support, and most especially by the skills of its highly motivated staff. More than 3,150 full and utility patents bear witness to the company’s innovative potential. Worldwide, the group employs 12,285 employees. About 90 per cent of the machines produced are sold abroad. Consolidated sales in 2013 totalled 2.816 billion euros. The group includes not only Krones AG but also the subsidiary Kosme (machines for the low output range) and approximately 80 sales and service support companies (Krones, 2014).

Krones’ product portfolio covers the following fields: Stretch blow-moulding technology; Filling and closing technology; Aseptic filling; Labelling and dressing technology; Inspection and monitoring technology; Cleaning technology, rinsers and pasteurisers; Packing and palletising technology; Conveyor technology; Systems engineering; Process technology; Intralogistics; Brewing technology; Information technology; Intralogistics; PET recycling lines; Factory planning; and Valve technology (Krones, 2014).

The beverage industry is a fast-moving business. Krones realizes the significance of staying head of its competitors by making sure that it is comprehensively and topically informed. Krones is represented at all important national and international trade fairs, but

also invites its customers to its facilities in Germany and all around the globe for exclusive customer conferences, expert dialogues and in-house seminars (Krones, 2014).

### Statement of the Problem

Firms operate in a dynamic business environment. A number of forces in the environment affect businesses in various ways and influence their competitiveness (Bateman & Scott, 2004). These forces bring about uncertainty for organizations in their quest for success and survival. In order to build and sustain competitiveness in a given market, it is important that firms establish their core competencies. Competencies enable employees to achieve results thereby creating value that can be used by an organization to gain competitive advantage. In order to realize the benefits of competencies, an organization should strive to align these core competencies with business objectives. Core competency needs in an organization may include: the skills, knowledge, behaviors, and abilities that are necessary for people in key roles to deliver business results.

Several researches that have been conducted on competitive strategies adopted by organizations' in Kenya show that firms adopt different and unique strategies. (Omondi, 2006) carried out a study on competitive strategies adopted by airlines in Kenya and found that airlines sought to add value to their products through differentiated customer service. Murage (2001) analyzed the competitive strategies in the petroleum industry and found that service stations use differentiation as a method of obtaining competitive advantage over other service stations. None of the various studies in Kenya have explicitly addressed the adoption of core competencies to gain sustainable competitive advantage especially in Krones LCS Centre EA Limited (Murage, 2001).



This study therefore sought to address the extent to which core competencies has enhanced sustainable competitive advantage by Krones LCS Centre EA Limited. Companies that deal with petroleum products establish branded service stations and are only supplied by the firm's tankers. This leads to one research question which is to what extent do core competencies help and organization to gain sustainable competitive advantage. This will help the researcher to fill the knowledge gap.

#### Purpose of the Study

The purpose of this study was to conduct an assessment of core competencies to gain sustainable competitive advantage: A case of Krones Life Cycle Service Centre East Africa Limited.

#### Objectives of the Study

1. To determine the core competencies adopted by Krones Life Cycle Service Centre East Africa Limited.
2. To establish the extent core competence application in gaining sustainable competitive advantage at Krones Life Cycle Service Centre East Africa Limited.
3. To determine the effect of core competencies on sustainable competitive advantage at Krones East Africa Limited.

#### Research Questions

The study aimed to answer the following questions:

1. What core competencies have been adopted by Krones Life Cycle Service Centre East Africa Limited?

2. To what extent were the core competencies applied in gaining sustainable competitive advantage at Krones Life Cycle Service Centre East Africa Limited?
3. What were the effects of core competencies on sustainable competitive advantage at Krones East Africa Limited?

### Justification of the Study

The prevailing highly competitive business environment that characterizes the manufacturing of bottling and brewery machinery globally communicates a compelling need for manufacturers to formulate and implement strategies that would keep them ahead of the rest. Despite the fact that Krones EA Limited is the world market leader in beverage filling and packaging technology a number of competitors have infiltrated the market. These competitors include, KHS (Salzgitter group), Sidel (Tetra Laval Group), Entec and CET to name a few.

Krones as an organization has felt the need to create a sustainable competitive advantage over these competitors if it has to remain profitable. This research therefore sought to understand the core competencies that Krones EA limited has employed and its impact on sustainable competitive advantage.

### Significance of the Study

Information and conclusions drawn from this study are expected to be given consideration. The study was projected to benefit first; the shareholders, the executives and top management of Krones Life Cycle Service Centre East Africa Limited to understand how the organization can use its core competencies to gain competitive advantage over its competitors. The information obtained from the study would also contribute to the scholarly word by contributing to the existing literature on core competencies and

sustainable competitive advantage. The information gathered would be made available all stakeholders, recommendations and conclusions are expected to guide into the adoption of the study for proper implementation.

#### Assumptions of the Study

- i. Krones LCS Centre EA limited had adopted competency strategies.
- ii. The respondents would provide reliable responses and be cooperative in all ways and that staff.
- iii. Management were aware of the strategies that adopted in Krones LCS Centre EA Limited.
- iv. The sample taken was a true representation of all Krones Staff.

#### Scope of the Study

The study was carried out at Krones East Africa Limited, Eastern Africa regional office located in Nairobi. The researcher focused mainly on the employees of the organization and top management.

#### Limitations and Delimitations of the Study

Limitations are influences that the researcher cannot control and have an effect on the research outcome. They are the shortcomings, conditions or influences that cannot be controlled by the researcher that place restrictions on the methodology and conclusions. Delimitations are unforeseen factors that may influence a researcher's outcome. The limitations and delimitations of the study were:

- i. The organization kept its processes and procedures with a lot of secrecy and thus getting such information could prove difficult.

- ii. Only limited information would be available. To mitigate this limitation, the researcher assured the management that the information gathered would be for academic purposes only.
- iii. Respondents would be reluctant to participate in the study as they could find it time consuming or fear that their identities would be exposed if they involved themselves in the study. The researcher overcame this by ensuring the respondents remained anonymous and information given would be strictly for the purposes of the study.

#### Definition of Key Terms

*Competitive advantage:* A competitive advantage exists when the firm is able to deliver the same benefits as competitors but at a lower cost (cost advantage), or deliver benefits that exceed those of competing products (differentiation advantage). Thus, a competitive advantage enables the firm to create superior value for its customers and superior profits for itself.” (Armstrong, 2003).

*Core competency:* Core competency refers to an area of specialized expertise that is the result of harmonizing complex streams of technology and work activity (Prahalad & Hamel, 1990).

*Sustainable competitive advantage:* A sustainable competitive advantage occurs when an organization acquires or develops an attribute or combination of attributes that allows it to outperform its competitors. These attributes can include access to natural resources or access to highly trained and skilled personnel human resources (Armstrong, 2003).

*VRIO framework (Value, Rarity, Imitability, and Organization):* The tool used to analyze firm's internal resources and capabilities to find out if they can be a source of sustained competitive advantage (Barney, 2001).

### Summary

Chapter one gives the introduction and background into the researcher's topic. It explains the problem statement and how the study will help solve the problem of dwindling sales experienced by the organization under study. It draws out the research objectives and the research questions that will be used to solve the problem at hand. Moreover, the purpose and significance of the study have been laid out to iterate the benefits of the study to the organization. The justification and the significance of the study have been discussed in this chapter as well.

## CHAPTER TWO

### LITERATURE REVIEW

#### Introduction

Chapter two entails both the theoretical and the conceptual framework of the study. Theoretical literature review has discussed literature review in the following major sub topics, general literature review and empirical literature review.

#### Theoretical Framework

A theoretical framework consists of concepts, their definitions and reference to relevant scholarly literature, existing theory that is used for a particular study. The theoretical framework must demonstrate an understanding of theories and concepts that are relevant to the topic of study and that relate to the broader areas of knowledge being considered.

#### Competitiveness Theory

Competitive advantage is obtained when an organization develops or acquires a set of attributes (or executes actions) that allow it to outperform its competitors (Porter M. E., *The Competitive Advantage: Creating and Sustaining Superior Performance*, 2008). The development of theories that help explain competitive advantage has occupied the attention of the management community for the better part of half a century. Early literature on the theories of trade between nations provided the basis for competitiveness theory. It alluded to the development of sustainable competitive advantage well before its time. Competitiveness theory evolved from the traditional trade theories, fundamentally

'The effect of the Wealth of Nations' Adam Smith in 1776 (later translated in 1937), which was revolutionary. In his book Adam Smith disputed the then existing philosophy Mercantilism view on trade which suggested that trade was a zero sum game in which a trade surplus of one country is offset by a trade deficit in another country. Smith in his argument viewed trade as a positive sum game in which all trading partners can benefit if countries specialized in the production of goods and services in which they had absolute advantage. This came to be known as the theory of absolute advantage. (Higgins, Izushi, & Thompson, 2013).

Marrewijk (2007) points out that the theory of absolute advantage was extended to comparative advantage where he stated that even if a country does not have an absolute advantage in any good this country and other countries will still benefit from international trade. However, Ricardo did not satisfactorily explain why comparative advantage differed across countries. To provide an explanation, in 1919 Swedish economist Eli Hecksher developed the factor proportions (endowment) theory which was later expanded by his former student, Bertil Ohlin in 1933 and later came to be known as H-O Theory. The two proposed that comparative advantage arises from differences in factor endowments, a theory which was virtually self-evident (Marrewijk, 2007).

Competitiveness theories proposed some kind of advantage as enabling a country gain more out of international trade. The same is true for the firm. If sustainable superior performance (which equals sustainable competitive advantage) is to be achieved a firm must differentiate itself. Marrewijk (2007) hinted at a basic tenet of sustainable competitive advantage, that a fundamental aspect of competitive advantage is the specialization of suppliers to meet the variations in buyer demand. Later Barney (1991) recognized that firms should strive for unique characteristics in order to distinguish themselves from

competitors in the eyes of the consumer. He stated that differential advantage might be achieved through lowering prices, selective advertising appeals and/or product improvement and innovations (Barney, Firm Resources and Sustained Competitive Advantage, 1991).

While these concepts lay the core foundation for firms in moving toward sustainable competitive advantage, the intense nature of competition today requires that firms be more innovative and entrepreneurial in their strategy planning than just lowering prices or improving existing products. The most important question then would be how then can companies build sustainable competitive advantage?

#### Porter's Theory of Competitive Advantage

The term “sustainable competitive advantage” emerged when Porter (2008) discusses the basic types of competitive strategies that a firm can possess (low cost or differentiation) in order to achieve a long run sustainable competitive advantage. In his book *Competitive Advantage: Creating and sustaining superior performance*, Porter explains the requisite approach to business success. Sustainable competitive advantage means sustainable superior performance (Porter, 2008).

Porter (2008) further states that structural conditions of an industry as proposed in his 5 Forces model determine average industry performance. Relatively strong competitive position and performance of a particular firm in an industry derives from two types of competitive advantage i.e. low costs and differentiation (Porter, 2008). The two approaches are not however alternatives because even when competition is based on differentiation, costs still do matter.



Porter's approach suggests that differentiation and cost leadership seek competitive advantage in a broad range of market or industry. By contrast differentiation focus and cost focus strategies are adopted in a narrow market industry. (Porter & Kramer, 2006) Differentiation involves selecting one or more criteria used by buyers in a market and then positioning the business uniquely to meet those criteria. The strategy involves charging a premium for the product often to reflect higher production cost and extra value added features provided for the consumer.

For cost leadership strategy, the objective of the firm is to become the lowest cost producer in the industry. If achieved the selling price can at least equal (or nearly) the average for the market then the lowest cost producer will enjoy the best profits. A strategy usually associated with large scale business offering standard products. Cost focus strategy is for businesses that seeks a lower cost advantage in just one or a smaller number of market segments. The product will be basic-perhaps a similar product to the high priced and featured market leader – but acceptable to sufficient customers (Porter & Kramer, 2006).

Porter's approach however raises fundamental questions; why does the successful firm not buy the unsuccessful firm and teach it how to minimize costs? Why does the successful firm not sell its expertise in cost reducing to less successful firms? Why does the successful firm not cut its prices and drive its competitors out of business? Why does the unsuccessful firm not hire the executive in charge of cost drivers from the successful firm? (Porter & Kramer, 2006).

A business aiming to differentiate within just one or small number of target markets segments is viewed as applying the differentiation focus strategy. The special customer needs means that there are opportunities to provide products that are clearly

different from competitors who may be targeting a broader group of customers.(Porter & Kramer, 2006). Important issue being that the business ensures that customers really do have different needs and wants i.e. there is a valid basis for differentiation and that existing competitors are not meeting those needs and wants. This strategy is common amongst niche retailers.

In the following decade authors focused on capabilities approach to firm performance. Porter and Kramer (2006) discussed need for firms to be willing to learn how to create new advantages that will keep them steps ahead of competition. They argued that collective learning of the core competences would help the firm stay ahead of the game. Management's ability to consolidate technology and production skills into competencies help the business adapt quickly to changing opportunities. Identification, nurturing and full exploitation of these core competencies would offer competitive advantage. Furthermore they are difficult to imitate precisely because they have to be built over a long period.

#### Resource Based Theory

The resource-based view (RBV) is a way of viewing the firm and in turn of approaching strategy. Fundamentally, this theory formulates the firm to be a bundle of resources. It posits that the possession of strategic resources can provide an organization with competitive advantage over its rivals. The internal environment of the organization is the starting point of this analysis (Management Study Guide, 2014).

Resources can be considered as inputs that facilitate the organization to perform its activities. These include all assets, capabilities, organizational processes, firm attributes, information and knowledge. Not all resources that an organization possesses may have strategic importance. Only certain resources are capable of being an input to a value

creating strategy which put the organization in a position of competitive advantage. An organization's resource should have four attributes to provide the potential for competitive advantage. These form the VRIN characteristics (Management Study Guide, 2014).

For a resource to be strategically important, the following tenets must be considered: Valuable – Resources are considered valuable when they add or bring value to the organization which implies the value a product or a service has above the baseline, this can be a source of competitive advantage, Rare - Resources have to deliver a unique strategy to provide a competitive advantage to the firm as compared to the competing firms, Inimitable - Resources can be sources of sustained competitive advantage if competing firms cannot obtain them or duplicate them (Management Study Guide, 2014).

Such resources also cannot be sources of competitive advantage, Non-substitutable - Resources should not be able to be replaced by any other strategically equivalent valuable resources. If two resources can be utilized separately to implement the same strategy then they are strategically equivalent. Such resources are substitutable and so are not sources of sustained competitive advantage (Rothaermel, 2012).

### Core Competency

Competence is defined as the organizational learning-based repeatable and non-random capability to sustain the coordinated deployment of resources and assets allowing the firm to reach as well as defend the state of competitiveness and to achieve its goals (Prahalad & Hamel, 1990). The competence view offers new conceptual dimensions which capture more aspects of the dynamic and complex interplay of competences, assets and resources (Sanchez, 2001).

Heterogeneous resources and homogeneous assets are the starting point of the chain. The firm must have the ability to utilize these resources in a market and goal oriented way (Papula & Volna, 2013). For instance, Firm X can only be more successful than Y if X is in a position to exploit the available resources more efficiently or effectively than Y. This is simply possible in the case of available action-related competences. Competences therefore fill the explanatory gap between performance and distinctive resources by considering both asset flows and activities.

### Institutional Facilities

Institutional Facilities (infrastructure) include both physical assets such as highly specialized buildings and equipment, as well as non-physical "systems" such as the body of rules and regulations governing companies such as: the administrative, financial, and human resource systems, by which highly skilled and specialized professionals are employed, trained, disciplined and advance in their careers (Wong & Aspinwall, 2005). Business travel and tourism infrastructure, including both man-made and natural attractions, convention centers, hotels, restaurants and other services that cater mainly to tourists and business travelers, as well as the systems for informing and attracting tourists, travel insurance among others (Bani-Hani & Faleh, 2009).

### Knowledge Management System

Knowledge Management System refers to generally information technology based system for managing knowledge in organizations for supporting creation, capture, storage and dissemination of information (Plessis, 2007). The idea of a KM system is to enable employees to have ready access to the organization's documented base of facts, sources of information, and solutions (Bozbura, 2007). Sharing this information organization wide can

lead to effectiveness and could also lead to ideas for new or improved equipment. It comprises a range of strategies and practices used in an organization to identify, create, represent, distribute, and enable adoption of insights and experiences (Wong & Aspinwall, 2005).

Knowledge management and its role to coordinate capabilities to create a stable competitive advantage” state that role of knowledge management in organization is to create knowledge network to put together knowledge and skill of personnel and capabilities synergy that can provide stability and progress for an organization in competitive environment (Esfahani, Soltani, & Jafarpisheh, 2013).

Knowledge Management System as a source of core competence can be expressed as the capability to absorb new technology and in-house technology development (Akhavan & Jafari, 2006). The capability to absorb new technology can include employee training, forecasting, innovation and technological needs satisfaction. Davenport et al. (1998) And in-house technology development can include development of people abilities, product development, futuristic technological methods, and customer focus satisfaction. In addition to how to integrate the multiple streams of technologies together in the production process (Davenport & Prusak, 1998).

The creation of knowledge is a dynamic and continuous process involving interactions at various organizational levels. Organizations must learn from their environment how to survive and produce competitive condition that shapes the character of success (Chong, 2006). Every organization is a victim of its own success (Akhavan & Jafari, 2006).

The knowledge-based theory proponents argue that because knowledge-based resources are usually difficult to imitate and socially complex, heterogeneous knowledge

bases and capabilities among firms are the major determinants of sustained competitive advantage and superior corporate performance (Barney, 1991). This knowledge is embedded and carried through multiple entities including organizational culture and identity, policies, routines, documents, systems, and employees (Conner, 1991). Originating from the strategic management literature, this perspective builds upon and extends the resource-based view of the firm (RBV) initially promoted by Penrose (1959) and later expanded by others (Wernerfelt, 1984).

### Key Work Processes

Key Work Processes are important in building a sustainable competitive advantage (Holsapple & Joshi, 2000). A process is any operation through which a set of inputs go through one or more steps resulting in a more valuable set of outputs. A process can be viewed as a series of interrelated operations, which add value to its inputs resulting in outputs that are more valuable. (Akhavan & Jafari, 2006). A process comprises of a set of partially ordered steps intended to achieve the desired output. These steps may be called operations (Wong & Aspinwall, 2005). Sometimes these steps are also referred to as processes themselves, and a process is viewed as a set of partially ordered processes. It is important to note that alternative processes can substitute processes. Competitive success depends on transforming a company's key processes into strategic capabilities that consistently provide superior value to the customer. (Wong & Aspinwall, 2005)

### Key Staff Possessing Superior Skills

Key staff possessing superior skills is a prerequisite to building a sustainable competitive advantage. Hamel and Prahalad (1994) define core competence as a bundle of skills and technologies (Prahalad & Hamel, 1994). A skill is defined as the learned capacity

to carry out pre-determined results often with the minimum outlay of time, energy, or both. Skills can often be divided into technical skills, functional skills, self-management skills in addition to important personal attributes (hard-working, trustworthy, results-oriented, and decisive). Employees with good problem solving skills that enables them to identify, remedy and resolve business problems (Wong & Aspinwall, 2005). It would be an added value to the company having employees with entrepreneurship skills such as ability to think critically, analyze situations and be able to identify business opportunity. Competence at the level of people is an underlying characteristic which enables them to deliver superior performance in the given job, role or situation.

Organizations can improve their overall productivity by shifting people from average to superior performance through development and by promoting right people. A company that wants to increase its market share by getting more from its current employees and hiring the best from outside market will gain a great deal of superior performance. The right people are the most important assets and are the source of competitive advantage. The successful organizations of the future will be those, which understand the link between their business results and people (Wong & Aspinwall, 2005).

### Strategic Intent

Strategic Intent is described as a way of creating an obsession with winning at all levels and across all functions of the organization. It is a shared competitive agenda for global leadership. Strategic Intent uses stretch targets to create competitive advantage. A strategic architecture is a framework or map for leveraging corporate resources towards the strategic intent. It draws upon a wide variety of information to present a view of the evolution of an industry.

A strategic architecture identifies the core competencies to build and their constituent technologies. It provides a framework within which innovation can be planned and managed. It is the role of senior management to develop the organization in a way which closes the gap between ambition and ability. Market orientation is an intangible resource which involves a dual focus on both customers and competitors and can contribute to sustainable competitive advantage. The provision of customer value is a source of sustainable competitive advantage; customers desired value changes, firms should monitor these changes via continuous learning about customers (Prahalad & Hamel, 1990).

### Resources and Capabilities

Resources and capabilities are the building blocks upon which an organization create and execute value-adding strategy so that an organization can earn reasonable returns and achieve strategic competitiveness. Resources are inputs to a firm in the production process. These can be human, financial, technological, physical or organizational. The more unique, valuable and firm specialized the resources are, the more possibly the firm will have core competency. Resources should be used to build on the strengths and remove the firm's weaknesses. Capabilities refer to organizational skills at integrating its team of resources so that they can be used more efficiently and effectively (Management Study Guide, 2014).

Organizational capabilities are generally a result of organizational system, processes and control mechanisms. These are intangible in nature. It might be that a firm has unique and valuable resources, but if it lacks the capability to utilize those resources productively and effectively, then the firm cannot create core competency. The organizational strategies may develop new resources and capabilities or it might make



stronger the existing resources and capabilities, hence building the core competencies of the organization (Management Study Guide, 2014). An organization further needs to have dynamic capabilities. Capabilities are the firm's ability to utilize its resources effectively. Dynamic Capabilities enable the firm to quickly respond to change and deploy resources accordingly purposely integrated to achieve a desired end state (Dosi, 2006).

Core competencies help an organization to distinguish its products from its rivals as well as to reduce its costs than its competitors and thereby attain a competitive advantage. It helps in creating customer value. Also, core competencies help in creating and developing new goods and services. Core competencies decide the future of the organization. These decide the features and structure of global competitive organization. Core competencies give way to innovations. Using core competencies, new technologies can be developed. They ensure delivery of quality products and services to the clients (Management Study Guide, 2014).

#### Market Positioning

The market-based view approach to competitive strategy stated by Faulkner (2007) on coping with competition through 'astute market positioning'. (Faulkner & De Rond, 2000). Firms identify the opportunities and threats in their external environment through the use of tools such as the Product Life Cycle, Porter's 5 Forces Model of industry analysis, Strategic groups, Scenario planning and models namely Porter's Generic Strategies, Customer Matrix and Mintzberg's 5P's Model. Upon mapping out the various opportunities and threats from outside and having a good understanding of the behavior and current external situations, the firm then proceeds to make necessary adjustments internally so that it fits to its external environment.

## Government Policy

### Kenya National Industrialization Policy Framework

Although Kenya has a relatively large industrial sector, the country's share of Gross Domestic Product (GDP) has increased very little over the past two decades. The sector, despite its potential, has not been dynamic enough to function as "an engine for growth" for the Kenyan economy as has been the case of newly emerging economies. The sector has been inward-looking with limited technological progress and reflects past import-substitution and export-led policy orientations. (Kenya National Industrialization Framework, 2010).

The manufacturing activities account for the greatest share of industrial production output and form the core of industrial sector. For the last five years the manufacturing sector contributed an average additional Kshs 5 billion to GDP on annual basis. The sector registered a decelerated growth of 2.0 per cent in 2009 against 3.6 per cent in 2008. Direct employment grew by 0.5 per cent to 265.3 thousand persons (Kenya National Industrialization Framework, 2010).

The performance of the manufacturing sector has been affected by low capital injection, use of obsolete technologies and high costs of doing business. The factors that have contributed to the high cost of doing business include; the poor state of physical infrastructure, limited access to finance, limited research and development, poor institutional framework, and inadequate managerial, technical and entrepreneurial skills. The high cost of doing business has also contributed to the limited local and Foreign Direct investment (FDI) in the country and the high outflow of investment to the neighboring countries. (Kenya National Industrialization Framework, 2010).

The national industrialization policy was developed as a framework to synchronize and coordinate the various policies, strategies and activities within Kenya's industrialization process. The policy endeavors to address issues affecting the industrial sector by including broad-based strategies that would provide the sector with meaningful opportunities to realize its full potential. The policy provides a broad framework within which all stakeholders, including the public sector, private sector and civil society and development partners will contribute to industrial development.

The mission of the Kenya National Industrialization policy is to enhance a sustained growth of the industrial sector, by at least 15 per cent per annum by 2017, by creating an enabling environment for a robust, diversified, fair competition field, cost and time conscious, and innovative industrial sector; that offers targeted incentive packages in priority sectors; and desires to have a country wide dispersal of industrial activities leading to regional economic empowerment. (Kenya National Industrialization Framework, 2010)

The policy statements on machine tools and spares include build manufacturing capacity in products and tools design; machining, forging, forming, casting and tool room facilities; establish a machine tool cluster; agglomeration of firms with forward and backward links; upgrade technical and managerial skills to enable precision engineering; promote incentives to investors in machine tool industry such as tax holiday, preferential tariff on imported high precision components and encourage collaboration/manufacturing under license with renowned machine tool manufacture (Kenya National Industrialization Framework, 2010).

According to the policy, the Government's overall responsibility will be to provide an enabling policy environment to facilitate the creation of a competitive industrial base

that will spur industrialization and investment expansion. This will be done through the following policies: establishment of Industrial Development Fund, maintenance of a stable political and economic climate, provision of institutional support in the development of competitive products, provision of administrative and social services, provision and maintenance of basic infrastructure, promotion of local and foreign investments, enhancement of the participation of civil groups and private sector organizations in the decision making process and promotion and support for Research and Development activities.

### Organizational Culture

The concept of culture refers to the values and meanings that influence human behaviour and organizational practices, whereas competence refers to the mobilization/coordination of resources by an organization or a person (Fleury, 2001).

When discussing the relationship between organizational culture and sustained competitive advantage, Barney (1986) mentions that in order for a firm's culture to provide sustained competition advantages, three conditions must be met: the culture must be valuable (it must enable a firm to do things and behave in ways that lead to high sales, low costs, high margins), secondly, it must be rare, and thirdly it must be imperfectly imitable.

Tereza and Fleury (2001) offers an interesting reflection, incorporating the notion of culture with the development of competence by individuals. In order to develop their competence, people need to acknowledge the company's shared values, given that they only make sense within this context. They further adds that values cannot be imposed top-down, but should emerge from the group itself; they may then, at a later stage, become formalized. Although he recognizes that there are significant differences in terms of

perceptions between the different levels of the company, given social discrepancies and different interests, they believe that in a strictly professional environment, culture may be shared, thus establishing a common language about what would be a competent practice in a specific professional scenario.

#### Relationship between Core Competencies and Competitive Advantage

Studies on the core competencies offer a wide array of explanations about the concept of core competencies and their role in enhancing the competitive advantage of the firm (Srivastava, 2005). He further expects that academics, business executives and consultants will be able to further develop normative and theoretical propositions that will enrich the understanding of competence and dynamic competitive advantage. Therefore, competitive advantage and core competency are not necessarily the same, but can be (and should be) closely related because a successful competitive strategy is built on the firm's core competencies and competitive advantages (Srivastava, 2005).

Core competence is the knowledge set that distinguishes a firm and provides a competitive advantage over others (Srivastava, 2005). Core competencies when viewed as unique knowledge for problem definition and problem solving can form the basis of a firm's competitive advantage and can also be leveraged in a wide variety of markets for future products (Srivastava, 2005). Calantone et al. (2002) found that shared vision has a positive effect on an organization's innovativeness, which in turn enhances competitive advantage. (Calantone, Cavusgil, & Zhao, 2002) Bani-Hani & Al-Hawary (2009) indicated that there is a significant positive relationship between core competences and competitive advantage. (Bani-Hani & Faleh, 2009). The study also shows that the core competences had a significant impact on competitive advantage.

Business strategy is all about competitive advantage. In general, strategy is to do with long-term prosperity. It is concerned with long-term asset growth, not short-term profit. Thus businesses need strategy in order to ensure that resources are allocated in the most effective way. This is particularly important when it comes to major resource allocation decisions. Real competitive advantage implies companies are able to satisfy customer needs more effectively than their competitors. It is achieved if and when real value is added for customers. A business must add value if it is to be successful (Papulova & Papulova, 2006).

Companies need to avoid thinking that the present way of doing things is the best way. They cannot be satisfied with the current situation for a long time. Without the determination to try something new, all the knowledge is useless and current knowledge will eventually deteriorate (Fekete, 2011). The focus should be given not only on maintaining or improving the market position of a company, but also on the economic efficiency and on return of investments put into processes of building the competitive advantage. As a sustainable competitive advantage is considered such advantage, which allows long-term (permanent) holding or improving the competitive position in the market. It is not considered automatic long-term advantages over competitors. This is the initial stage, which can be constantly and flexible developed and improved by the organization thanks to its built abilities. This enables the company to keep the “safe distance” ahead of the competition.

According to the resource-based view on the organization, the sustainable competitive advantage is being achieved by continuous development of existing and by creating of new company's resources and capabilities in response to quickly changing

market conditions. The main sources of a company, which have been developed in terms of today's economy, are intangible resources (also referred to as the intellectual capital of the company). During recent years, intellectual capital has been a subject of great interest of many researches in many scientific areas including management.

In managerial literature we can find many references and definitions of intellectual capital. Many are strictly limited to a specific area of organizational activity, do not describe it as a whole, thus for whole organization level of detachment. Intellectual capital, defined as any knowledge convertible into value (Edvinsson, 2001), brings the right schema for presenting qualities and potentials for business partners and other stakeholders.

The concept of intellectual capital provides a comprehensive insight into the different areas that are essential for the organization. It allows organizations to monitor the interactions between different activities and gives impetus to the skilled management of all critical resources of the organization. It shows the system linking to various elements and highlights the importance of a systematic approach to intangible resources. This means that the temporary emphasis on an element and its development can stimulate the development of the whole system. Management of intellectual capital is then focused on a comprehensive assessment of the organization's approach to identify the components of intellectual capital, its rigorous measurement via so called intellectual capital indicators, continuous monitoring of developments and changes of its individual components, benchmarking the key factors affecting the business segment and planning to ensure the necessary resources and their capacity for building sustainable competitive advantage.

### Sustainability of Competitive Advantage

Ehlers and Lazenby (2004) stated that the value of the customer perspective may never be underestimated. Niven (2006) confirmed the customer perspective approaching it in three value indicators: operational excellence, product leadership, and customer intimacy. Plewa et al (2012) pointed out that measures of the internal business performance allow managers to specifically determine how to run the organization. Thus, organizations' must try to identify and measure their core jobs competencies and critical technologies and decide that of those will lead them to excellence in the market (Kaplan & Norton, 2008b).

According to Kaplan and Norton (2008b) competitive business environment needs to continuous learning, so the learning and growth perspective focuses on the intangible aspects of organizational performance. In light of the threats and new opportunities that arise through the changing environment. Hence, organizational innovation integrates the development and application new ideas, products, technology and information systems (Hung, Lien, Wu, & Kuo, 2011). In view of the above differences in the views of the researchers, this is called for the researcher to adopt a more comprehensive measure includes financial metrics and non- financial so chose researcher on a scale of (Kaplan & Norton, 2008b).

A business achieves differentiation by performing its existing value activities or reconfiguring in some unique way. The sustainability of that differentiation depends on the business's continuation of its high perceived value to the buyers and lack of imitation by the competitors (Barney, 2002). Assessment of the sustainability of competitive advantage for an organization is achieved by benchmarking it against key competitors and by considering the effect of any differentiation advantage on the five forces in their business



competitive environment (Pearce & Robinson, 2007). Focusing on operational effectiveness and distinctive strategic positioning (not only doing things differently than competitors but also devising and delivering unique value to the target markets) leads to sustainable competitive advantage.

A sustainable competitive advantage occurs when an organization acquires or develops an attribute or combination of attributes that allows it to outperform its competitors (Barney, Resource-Based Theories of Competitive Advantage: A ten-year retrospective on the resource-based view, 2001). These attributes can include access to natural resources or access to highly trained and skilled personnel human resources. It is an advantage (over the competition), and must have some life; the competition must not be able to do it right away, or it is not sustainable. It is an advantage that is not easily copied and, thus, can be maintained over a long period of time. Competitive advantage is a key determinant of superior performance, and ensures survival and prominent placing in the market. Superior performance is the ultimate, desired goal of a firm; competitive advantage becomes the foundation. It gives firms the ability to stay ahead of present or potential competition and ensure market leadership.

#### General Literature Review

Core competencies are the collective learning of the organization, especially how to co-ordinate the diverse production skill and integrate multiple stream of technologies (Prahalad & Hamel, 1990). Unlike physical assets, which deteriorate over time, competences are enhanced as applied and share across the organization. The competences act as the glue which bind businesses together as well as pave the way for new business development. In other words core competences of a business are also guiding parameters for new markets and diversification.

According to Prahalad and Hamel (1990), core competencies arise from the integration of multiple technologies and the coordination of diverse production skills. Some examples include Philip's expertise in optical media and Sony's ability to miniaturize electronics. There are three tests useful for identifying a core competence. A core competence should provide access to a wide variety of markets, contribute significantly to the end-product benefits and be difficult for competitors to imitate. The academic debate about core competencies is very often accompanied by a more random-guided than systematically nomination of companies that show an exemplarily (and best practice) development of core competencies.

#### Empirical Literature Review

The purpose of the study done by Jerab, Alper and Baslar (2011) was to examine the impact of core competencies on competitive advantages and success in Istanbul tourist companies and how to sustain the success of these companies. An empirical study was conducted and data collected from 150 successful tourist companies in Istanbul using a survey. Statistical tools were used to test the hypothesis such as: descriptive analysis, spearman correlation and multiple regressions.

The research results indicate that there is a significant relationship between core competencies, competitive advantages and company success. The core competence types with high impact were Strategic Focus and key staff skill, knowledge management systems, company facilities and infrastructure, dynamic capabilities and key work processes and unique resources respectively (Jerab, Alper, & Baslar, 2011).

Conceptual Framework

Independent variables

Dependent variables

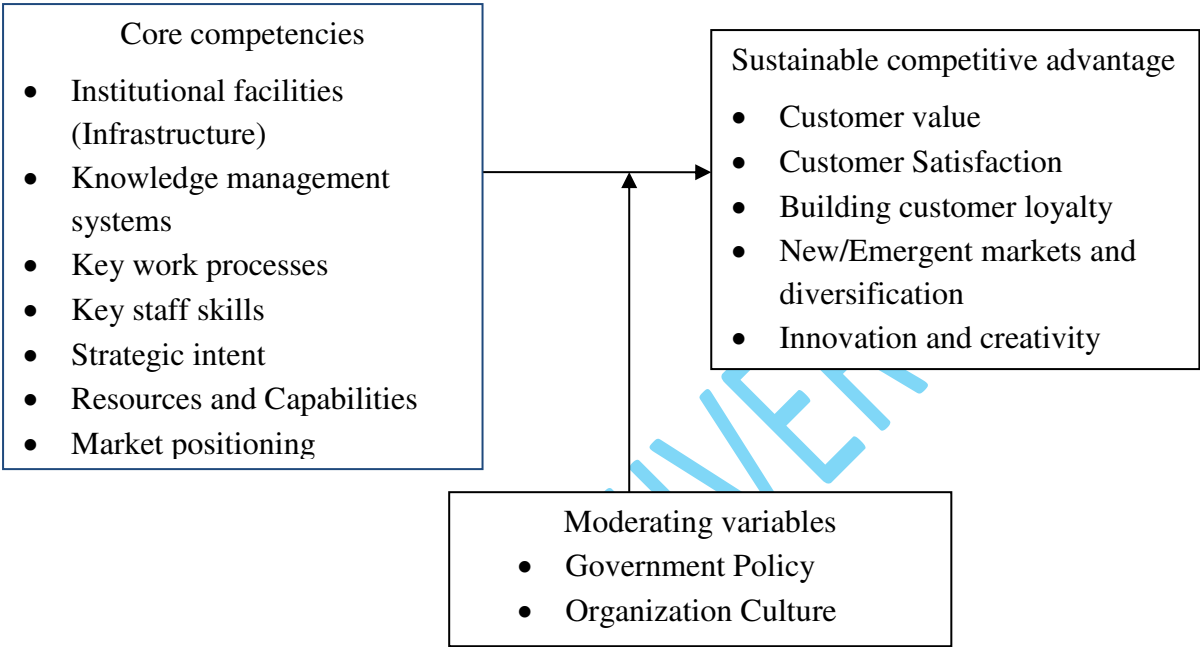


Figure 2.1: Conceptual Framework

Source: Author (2014)

To develop Core Competencies a company must take actions as follows: isolate its key abilities and hone them into organization wide strengths, compare itself with other companies with the same skills to ensure that it is developing unique capabilities, develop an understanding of what capabilities its customers truly value, and invest accordingly to develop and sustain valued strengths, create an organizational road map that sets goals for competence building, pursue alliances, acquisitions and licensing arrangements that will further build the organization’s strengths in core areas, encourage communication and involvement in core capability development across the organization, preserve core

strengths even as management expands and redefines the business, outsource or divest non-core capabilities to free up resources that can be used to deepen core capabilities.

Core competencies are used by companies to design competitive positions and strategies that capitalize on corporate strengths, unify the company across business units and functional units, and improve the transfer of knowledge and skills among them, help employees understand management's priorities, integrate the use of technology in carrying out business processes, decide where to allocate resources, make outsourcing, divestment and partnering decisions, widen the domain in which the company innovates, and spawn new products and services, invent new markets and quickly enter emerging markets, enhance image and build customer loyalty (Alai, Kramer, & Montier, 2006).

#### Summary

Chapter two entails both the theoretical and the conceptual framework of the study. It discussed the various core competency theories as well as the competitive advantage theories. The relationship between these two theories has also been discussed at length. The theoretical literature review has also been discussed under the following sub topics, general literature review and empirical literature review.

## CHAPTER THREE

### RESEARCH METHODOLOGY

#### Introduction

According to Kothari (2004), research methodology is the conceptual structure within which research should be conducted. It provides for the collection of relevant information with minimal expenditure of effort, time and money by considering the objectives of the research study, method of data collection to be adopted, source of information or data design, tool for data collection and data analysis techniques. This chapter presents the research design and methodology that was used to carry out the study, the target population, sampling frame, sampling method, types of data, data collection procedures, instrumentation and data analysis plan that was used to carry out the research and ethical considerations that must be adhered to during data collection were also be described (Kothari, 2004).

#### Research Design

A research design is an operational framework within which the meaning of data is extracted so that it is more clearly understood (Kombo & Tromp, 2006). It helps to conceptualize an operational plan to undertake the various procedures and tasks required to complete the study and ensures that these procedures are adequate to obtain valid, objective and accurate answers to the research questions (Kothari, 2004) research designs provide answers to concerns such as: the techniques to be used for data collections, sampling strategies and tools to be used and dealing with the time and cost constraints (Cooper & Schindler, 2008).

In a case study design, the researcher seeks for an in-depth understanding of a situation or phenomenon. A case study is not restricted to the study of an individual but can be used in research studies involving institutions, programs, communities, political structures and situations (Thomas, Nelson, & Silverman, 2005). The main strength of a case study is that it produces more detailed information about a particular institution or subject which helps the researcher understand a phenomenon or a problem in a better way. This enhances proper analysis and interpretation of data.

A case study also presents a wide variety of different variables, events and responses which may be ignored or deliberately be eliminated (controlled) in an experiment. The main weakness of a case study is that it reports or provides results for a single object, individual, institution or situation. This may lead to difficulties in justifications or generalization of results to other individuals, institutions or situations. The other weakness of a case study is that it may lead to bias in collection and interpretation of results if a researcher collects information in an organization in which he or she works for (Gravetter & Forzano, 2009).

The study adopted descriptive survey design to achieve an in depth study and description of the core competencies in use, together with the unique resources and capabilities. Using questionnaires, data was collected from the employees. The case study design helped to analyze the issues and challenges from the perspective of the employees. The research minimized the limitations of the case study design by ensuring that the questionnaires were well designed and established. The commendable response rate was made possible by the use of research assistants who administered the questionnaires and made subsequent calls and visits to remind the respondents to fill in the questionnaires.

## Population

In research, a population refers to an entire group of individuals, events or objects having common observable characteristics which differentiate it from other populations (Mbabazi, 2008) indication of the area that the researcher is aiming to base the research (Shahalizadeh & Shahalizadeh, 2009). It also identifies the elements under study and gives an indication and proof of the source of information for the research.

Population can be categorized as: heterogeneous or homogenous, target or accessible, definite or indefinite (Mbabazi, 2008). Mugenda (2008, p.282) describes the term population as the “entire group of individuals, objects or things that share common attributes or characteristics and may or may not be found within the same geographical location. For this study, the population comprised of all 88 employees of Krones Life Cycle Service Centre East Africa Limited at the time of the study (Mugenda & Mugenda, 2008).

### Target Population

According to Mugenda and Mugenda (2003) target population is that population in which a researcher wants to generalize the results of a study while Sim and Wright, (2000) define target population as the collection of cases where the researcher is interested and wishes to make generalizations. Further, Wood and Ross-Kerr (2011) add that target population is identical to the total population that the researcher starts with. Consequently, Stevens, Wrenn, Sherwood and Ruddick (2006) give some clues of identifying the target population by saying that this kind of population can be identified from the statement of research purpose.

Gerish and Lacey (2010) define target population as the total population that is focused in the study. This is the population that the quantitative research uses for study results and the research is generalized and applied. Bless, Higson-Smith and Kagee (2007) confirm this by arguing that target population is the particular elements that the study focuses on and the elements to which the findings of the research are generalized. (Bless, Higson-Smith, & Kagee, 2007) However, Hair et al. (2011) add that target population is the complete group of elements that is relevant to the research that is complete and that have the information the researcher is designed to collect. Further, Bless et al (2007) advise that for a target population to be clearly described, the researcher needs to define the properties that he or she intends to analyze using an operational definition.

Grooves et al. (2009, p.69) defines target population as “a group of elements which the researcher wants to make inferences by using a sample statistic.” He further notes that the target population should be finite (countable) and accessible in order for the future researchers to be able to replicate the results of the study. The target population for this study was 88 employees of Krones LCS Centre EA Limited. These consisted of 2% top management, 10% middle level management, 44% technical staff and 32% subordinate staff. This is illustrated in the Table 3.1.

*Table 3.1: Target Population*

Target population	Number of Staff	Percentage
Top level management	2	2%
Middle level management	10	12%
Technical staff	44	50%
Subordinate staff	32	36%
Total	88	100%



## Sampling Design

Connaway and Powell (2010) define a sample as a selection of units from the total population for the purposes of the study. According to Mugenda and Mugenda (2003) the sample should be large enough to represent the salient characteristics of the target population. Sekaran and Bougie (2009 p. 266) define sampling as the “process of selecting a sufficient number of the right elements from the population.” The major steps in sampling are: defining the population, determining the sample design, establishing the appropriate sample size and carrying out the sampling process.

A sample can be chosen randomly or the researcher can select people who are easier to obtain information from (Roger & Victor, 2006). This refers to probability sample or a non-probability sample respectively.

## Sampling Technique

A sampling design is a definitive plan for obtaining a sample from a given population. It refers to the technique or the procedure the researcher would adopt in selecting items for the sample. Sampling is described as the process by which a relatively small number of individual, object or event is selected and analyzed in order to find out something about the entire population from which was selected (Mugenda & Mugenda, 2008).

*Table 3.2: Sample Size*

Population Category	Number of Staff	Sample Size
Top level management	2	2
Middle level management	10	10
Technical staff	44	44
Subordinate staff	32	32
Total	88	88

This study used a census sampling which is a type of purposive sampling technique that involves examining the entire population that have a particular set of characteristics for example specific attributes, traits, experience, knowledge and skills. A census is a study of every unit, everyone or everything, in a population. It is known as a complete enumeration, which means a complete count. Advantages of census sampling include: provides a true measure of the population (no sample error), benchmark data may be obtained for future studies and detailed information about small sub-groups within the population is more likely to be available (Mugenda & Mugenda, 2008).

The disadvantages include: may be difficult to enumerate all units of the population within the available time, higher costs, both in staff and monetary terms, than for a sample, generally takes longer to collect, process, and release data than from a sample (Mugenda & Mugenda, 2008).

#### Data Collection Instruments

Data collection tools are instruments used to collect primary data. Questionnaires have advantages over some other types of surveys in that they are cheap, do not require as much effort from the questioner as verbal or telephone surveys, and often have standardized answers that make it simple to compile data. However, such standardized answers may frustrate users. Questionnaires are also sharply limited by the fact that respondents must be able to read the questions and respond to them. Thus, for some demographic groups conducting a survey by questionnaire may not be concrete.

The choice of the methods to use is influenced by the nature of the problem and by the availability of the time and money (Cooper & Schindler, 2008). The preferred instrument for data collection in the survey was mainly through administering of

standardized questionnaires. According to Robson (2002), with standardized questionnaires, one can be confident that the data represented in the same way by all the respondents. The study used primary methods to collect data. Primary data collection includes raw data that collected from the employees and the employer through questionnaires. According to Mugenda (2008) a questionnaire is a series of questions asked to individuals to obtain statistically useful information about a given topic. Usually a questionnaire consists of a number of questions that the respondent has to answer in a set format. Questionnaires need to be tested before the actual data collection. There are three basic types of questionnaires that can be used in data collection (Roger & Victor, 2006). These include the closed-ended, open-ended and a combination of both. This study used both closed and open-ended questionnaires to collect information from respondents.

#### Data Collection Procedures

Data collection is the process of gathering and measuring information on variables of interest, in an established systematic fashion that enables one to answer stated research questions, test hypotheses, and evaluate outcomes (Mugenda & Mugenda, 2008). Data was collected through self-administered questionnaires which the respondents filled in and return to the researcher. The questionnaire contained both open and closed ended questions. The questionnaires were mainly hand delivered to the respondents while others were mailed to employees in the field.

#### Pretesting

A pre-test is a preliminary test administered to determine a respondent's baseline knowledge or preparedness for a course of study (Mooi & Sarstedt, 2011). The researcher used five questionnaires for pre-testing at Kronos LCS Centre EA Limited. McCormack

and Hill (1997, p.97) describes the purpose of pre-testing a questionnaire and state that pre-testing is done to test “effectiveness of a questionnaire on a limited number of people from the population of interest before the costs of a full scale survey are incurred.” McCormack and Hill (1997) further adds that a survey should not be conducted if the questionnaire is not pre-tested due to some problems that can be identified; instructions that are unclear, length that is excessive, wording of questions that lack clarity, leading questions, continuity that is poor and closed questions that have alternative answers. Mooi and Sarstedt (2011) further argue that pretesting of questionnaires enhances clarity and it ensures the acceptance of the client of the survey and one of the ways to do that is to use 3 to 6 experts to read the survey and make some comments on the same.

#### Data Analysis and Plan

Data analysis is the process of evaluating data using analytical and logical reasoning with the goal of discovering new information, suggesting conclusions and supporting decision making (Mugenda & Mugenda, 2008). The data collected by the researcher was coded and entered into SPSS 22.0 statistical package for analysis and the research findings are presented in form of frequency tables and pie charts as well as narratives. Data collected was analyzed qualitatively by using SPSS version 22.0 as the tool to describe the relationship between the independent and the dependent variables.

#### Ethical Considerations

Ethical considerations are norms and standards of behaviour that guide moral choice about our behaviour and our relationship with others (Cooper & Schindler, 2008). The goal of ethics in research is to ensure no one is harmed or suffers adverse effects from research activities (Cooper & Schindler, 2008). In the process of this study; the researcher

ensured that confidentiality of individuals who choose to remain anonymous is upheld and the findings are used for academic purposes only. In this study, permission was sought from Krones LCS Centre EA Limited and Daystar University to allow the researcher to carry out the research. The participants were informed about the objectives and benefits of the research.

DAYSTAR UNIVERSITY

## CHAPTER FOUR

### DATA PRESENTATION, ANALYSIS AND INTERPRETATION

#### Introduction

This chapter presents data collected from the field, its analysis, and finally the interpretation of the findings. The purpose of this study was to conduct an Assessment of core competencies to gain sustainable competitive advantage: A case of Krones Life Cycle Service Centre East Africa Limited.

#### Response Rate

The study targeted all employees working at Krones LCS Centre EA Limited. In total, there were 88 employees spread in different departments. Out of 88 questionnaires administered, a total of 70 questionnaires were filled. This translates to a response rate of 80% which is within what Mugenda and Mugenda (2003) prescribed as a significant response rate for statistical analysis, which they established at a minimal value of 50%.

*Table 4.1: Response Rate*

	Frequency	Percentage
Response	70	80%
Non response	18	20%
Total	88	100%

## Gender

*Table 4.2: Gender Distribution*

	Frequency	Percentage
Male	37	53%
Female	33	47%
Total	70	100%

The study sought to determine the gender of the respondents. The findings are shown in Table 4.2 above. The respondents that were male were 53% (37) while those that were female were 47% (33). This shows that both male and female employees were involved in the study and that the difference between the number of male and female employees in the organization is minimal.

## Level of Education

*Table 4.3: Level of Education*

	Frequency	Percentage
Secondary level	8	11%
College level	12	17%
University level	23	33%
Post graduate level	27	39%
Total	70	100%

From the responses above, 11% of the respondents had a secondary education certificate as their highest level of education, 17% had attained college education, 33% had university education while 39% had a postgraduate qualification. The findings indicate that the respondents had different levels of education and thus brought different levels of expertise into the company.

Employees with good problem solving skills that enables them to identify, remedy and resolve business problems (Wong & Aspinwall, 2005). It would be an added value to

the company having employees with entrepreneurship skills such as ability to think critically, analyze situations and be able to identify business opportunity. Competence at the level of people is an underlying characteristic which enables them to deliver superior performance in the given job, role or situation.

Organizations can improve their overall productivity by shifting people from average to superior performance through development and by promoting right people. A company that wants to increase its market share by getting more from its current employees and hiring the best from outside market will gain a great deal of superior performance. The right people are the most important assets and are the source of competitive advantage. The successful organizations of the future will be those, which understand the link between their business results and people (Wong & Aspinwall, 2005).

#### Position in the Organization

*Table 4.4: Position in the Organization*

	Frequency	Percentage
Top Level Management	16	23%
Middle Level Management	26	37%
Technical Staff	17	24%
Subordinate Staff	11	16%
Total	70	100%

The respondents were asked to indicate their position in the company. The findings are shown in Table 4.4 above. The respondents that were in top level management were 23%, 37% (26) were in middle level management, 24% (17) were technical staff and 16% (11) were subordinate staff. These findings are an indication that the responses of the study represent the views of the employees in different cadres. They contribute to both key



staffing skills and knowledge management. Knowledge management and its role to coordinate capabilities to create a stable competitive advantage” state that role of knowledge management in organization is to create knowledge network to put together knowledge and skill of personnel and capabilities synergy that can provide stability and progress for an organization in competitive environment (Esfahani, Soltani & Jafarpisheh, 2013).

#### Years Worked at Krones LCS Centre

*Table 4.5: Years Worked at Krones LCS*

	Frequency	Percentage
Less Than 1 Year	8	11%
2 To 5 Years	33	47%
5 To 10 Years	25	36%
Above 10 Years	4	6%
Total	70	100%

The study sought to determine the years worked at Krones LCS Centre. The findings are shown in Table 4.5 above. The respondents that had worked at Krones LCS for less than one years were 11% (8), 47% (33) had worked for 2-5 years, 36% (25) had worked for 5-10 years while 6% had worked over 10 years. This could also reflect stability of workforce in the organization which further contributes to the establishment of key work processes that have been shared through knowledge management systems.

#### Core Competencies

The study sought to determine the core competencies in Krones East Africa Limited. The findings are shown in table 4.6 below.

### Institutional Facilities

With regard to institutional facilities, the following findings were analyzed:

*Table 4.6: Institutional Facilities*

Institutional Facilities	S.D		D		N		A		S.A	
	F	%	F	%	F	%	F	%	F	%
Provision of a highly specialized equipment	6	9	3	4	1	1	46	66	14	20
Financial capability has been used to gain competitiveness	3	4	2	3	8	11	38	54	19	27
Our Company has well experience and skilled employees	2	3	0	0	1	1	29	41	38	54
Employee skills and experience has been used to create competitiveness	8	11	3	4	9	13	46	66	4	6
Our Company has a good reputation	2	3	7	10	7	10	38	54	16	23
Our Company is well known	8	11	5	7	9	13	33	47	15	21

On whether there was provision of highly specialized equipment in the organization, 9% (6) of the respondents strongly disagreed, 4% (3) disagreed, 1% (1) were neutral, 66% (44) agreed while 20% (14) strongly agreed. These findings show that the employees recognize that the organization has a state of the art training centre where both mechanical and electrical engineers are trained on how to work on Krones machines technology. These findings agree with that of Porter and Parker (1993) who asserted that a company must have resources to cater for its operations which include inputs into a firm's production process such as capital equipment.

When asked if financial capability has been used to gain competitiveness 4% (3) of the respondents strongly disagreed, 3% (2) disagreed, 11% (8) were neutral, 54% (38) agreed while 27% (19) strongly agreed. These findings show the employees understanding

on the importance of financial capability of the organization to gain competitive advantage over its rivals. Financial capability is one of the key components of an organization's intangible resources.

With regard to the company having well experience and skilled employees, 3% (2) of the respondents strongly disagreed, 1% (1) were neutral, 41% (29) agreed while 54% (38) strongly agreed. These findings concur with those of Wong and Aspinwall (2005) who asserted that one of the greatest assets to a company is the employment of highly skilled and specialized professionals. As part of the employees' appraisals, the organization carries out two reviews in February and September within the year through performance development plans where the management focuses on training needs of the employees. A large percentage of the employees agree that the organization has well experienced and skilled employees as a result of these appraisals. Moreover, engineers are trained in the main plant in Germany which enables them to gain the necessary skills to work on Krones machinery.

The findings on whether employee skills and experience had been used to create competitiveness concur with those of Wong and Aspinwall (2005) who asserted that one of the greatest assets to a company is the employment of highly skilled and specialized professionals. Eight percent (8%, 11) of the respondents strongly disagreed, 4% (3) disagreed, 13% (9) were neutral, 66% (46) agreed while 6% (4) strongly agreed. These findings also mean that the employees recognize that the organization has a competitive advantage over its rivals as a result of the skills they possess.

When asked if the company had a good reputation 3% of the respondents strongly disagreed, 10% disagreed, 10% were neutral, 54% agreed while 23% strongly agreed. The

findings concur with those of Lu and Sohal (1993) who pointed out that the good reputation of an organization is one of the non-physical resources of a company which is one of the key tenets of core competencies.

Twenty one percent (21%) strongly agreed that the company is well known, 47% agreed, 13% were neutral, 7% disagreed while 11% of the respondents strongly disagreed. These findings show that the employees recognize the importance of recognition of the organization by the costumers. These findings also concur with those of Lu and Sohal (1993) who pointed out that the good reputation of an organization results from a company being well known and is key in influencing its competitiveness.

#### Knowledge Management Systems

With regard to knowledge management systems, the following findings were analysed:

*Table 4.7: Knowledge Management Systems*

Knowledge Management Systems	S.D		D		N		A		S.A	
	F	%	F	%	F	%	F	%	F	%
Our Company has better technology used in its business	6	9	9	13	8	11	12	17	35	50
The technology adopted by our firm is superior	7	10	2	3	3	4	28	40	30	43
Our Company has a better after sales service	7	10	7	10	6	9	19	27	31	44
Ability to adapt new and better technology has been used	7	11	6	9	6	9	22	31	29	41
Innovations have enabled competitiveness	8	11	4	6	4	6	24	34	30	43
In-house technology development Limited to competitiveness	8	12	7	10	4	6	19	27	32	46
good information sharing policy	9	12	1	1	5	7	25	36	30	43
Better knowledge management	9	13	2	3	2	3	14	20	43	62
Competitive information sharing	9	13	3	4	4	6	28	40	26	37

On whether the company had better technology used in its business, 9% of the respondents strongly disagreed, 13% disagreed, 11% were neutral, 17% agreed while 50% strongly agreed. These findings agree with those of Prahalad and Hamel (1990) who pointed out that core competence promotes specialized expertise that is the result of harmonizing complex streams of technology in an organization.

When asked if the technology adopted by the firm was superior, 10% of the respondents strongly disagreed, 3% disagreed, 4% were neutral, 40% agreed while 43% strongly agreed. The findings agree with those of Prahalad and Hamel (1990) who pointed out that the area of specialized expertise results from harmonizing complex streams of technology and work activity.

With regard to whether the company had a better after sales service, 10% of the respondents strongly disagreed, 10% disagreed, 9% were neutral, 27% agreed while 44% (31) strongly agreed. These findings are in agreement with those of Porter (1980) who asserted that firms respond to competition in different ways and some may opt to do product improvement or offering after sales service.

On if the ability to adapt new and better technology had been used, 11% of the respondents strongly disagreed, 9% disagreed, 9% were neutral, 31% agreed while 41% strongly agreed. The findings agree with those of Akhavan et al. (2006) who pointed out that Knowledge Management System as a source of core competence can be expressed as the capability to absorb new technology and in-house technology development.

The findings on whether innovations had enabled competitiveness showed that 11% of the respondents strongly disagreed, 6% disagreed, 6% were neutral, 34% agreed while

43% strongly agreed. Agree with those of Lu and Sohal (1993) who pointed out that that an organizations capacity for ideas creation and innovation promotes competitiveness.

On whether the in-house technology development was limited to competitiveness, 12% of the respondents strongly disagreed, 10% disagreed, 6% were neutral, 27% agreed while 46% strongly agreed. The findings agree with those of Akhavan et al. (2006) who pointed out that Knowledge Management System as a source of core competence can be expressed as the capability to absorb new technology and in-house technology development.

When asked if there was good information sharing policy, 12% of the respondents strongly disagreed, 1% disagreed, 7% were neutral, 36% agreed while 43% strongly agreed. These findings agree with those of Bozbura (2007) who pointed out that sharing this information organization wide can lead to effectiveness and could also lead to ideas for new or improved equipment.

With regard to if there was better knowledge management, 13% of the respondents strongly disagreed, 3% disagreed, 3% were neutral, 20% agreed while 62% strongly agreed. The findings agree with those of Sristava (2005) who pointed out that Core competency when viewed as unique knowledge for problem definition and problem solving can form the basis of a firm's competitive advantage and can also be leveraged in a wide variety of markets for future products.

The findings on if there was competitive information sharing agree with those of Rothaermel (2012) who pointed out that Information management is a key resource of the firm and thus organization should develop policies on how to manage them. Thirteen percent (13%) of the respondents strongly disagreed, 4% disagreed, 6% were neutral, 40% agreed while 37% strongly agreed. The organization ensures that knowledge on new

technology is shared among the engineers who are in contact with the customers. Krones has adopted organization learning where training programs are offered on Krones technology throughout the year.

### Key Work Processes

With regard to key work processes, the following findings were analysed:

*Table 4.8: Key Work Processes*

Key work processes	S.D		D		N		A		S.A	
	F	%	F	%	F	%	F	%	F	%
There are quality controls	10	14	3	4	2	3	17	24	38	54
The company ensures quality service delivery	10	15	4	6	5	7	22	31	29	41
There are standardized business operations	11	15	1	1	1	1	35	50	22	32
Krones has smooth working processes	11	16	0	0	6	9	33	47	20	29
Our company has a better service level agreement performance	11	16	4	6	3	4	28	40	24	34
People management policies promote employee performance	12	17	3	4	2	3	33	47	20	29

On whether there were quality controls, 14% (10) of the respondents strongly disagreed, 4% (3) disagreed, 3% (2) were neutral, 24% (17) agreed while 54% (38) strongly agreed. The findings agree with those of the management study guide (2014) that pointed out that core competencies help in the creating and developing goods and services of better quality thus gaining advantage.

When asked if the company ensured quality service delivery, 15% (10) of the respondents strongly disagreed, 6% (4) disagreed, 7% (5) were neutral, 31% (22) agreed while 41% (29) strongly agreed. The findings agree with those of the management study

guide (2014) that pointed out that core competencies help in the creating and developing better goods and services thus gaining advantage.

With regard to whether there were standardized business operations, 15% (11) of the respondents strongly disagreed, 1% (1) disagreed, 1% (1) were neutral, 50% (35) agreed while 32% (22) strongly agreed. The findings agree with those of Akhavan and Jafari (2006) which pointed out that a process can be viewed as a series of interrelated operations, which add value to its inputs resulting in outputs that are more valuable.

The findings on whether Krones had smooth working processes agree with those of Holsapple and Joshi (2000) who pointed out that key work processes are important in building a sustainable competitive advantage. 16% (11) of the respondents strongly disagreed, 9% (6) were neutral, 47% (33) agreed while 29% (20) strongly agreed.

On whether the company had a better service level agreement performance, 16% (11) of the respondents strongly disagreed, 6% (4) disagreed, 4% (3) were neutral, 40% (28) agreed while 34% (24) strongly agreed. The findings agree with those of the management study guide (2014) that pointed out that core competencies help in the creating and developing better goods and services.

When asked whether people management policies promoted employee performance, 17% (12) of the respondents strongly disagreed, 4% (3) disagreed, 3% (2) were neutral, 47% (33) agreed while 29% (20) strongly agreed. The findings are consistent with those of Boulter et al. (1996) who pointed out that organizations can improve their overall productivity by shifting people from average to superior performance through development and by promoting right people through proper people management policies.



### Key Staff Possessing Superior Skills

With regard to key staff possessing superior skills, the following findings were analysed:

*Table 4.9: Key Staff Possessing Superior Skills*

Key Staff Possessing Superior Skills	S.D		D		N		A		S.A	
	F	%	F	%	F	%	F	%	F	%
Employees possess unique skills to serve customers better	7	10	5	7	4	6	33	47	21	30
better employee retention scheme	4	6	2	3	5	7	24	34	35	50
Employees have better problem solving skills	3	4	3	4	2	3	27	39	35	50
Employees at have the ability to think critically and develop better solutions to customer issues	8	11	4	6	3	4	35	50	20	29
better staff training and development policy	1	1	4	6	1	1	33	47	31	44
clear career growth path for all employees	6	9	2	3	2	3	32	46	28	40

On whether employees possessed unique skills to serve customers better, 10% (7) of the respondents strongly disagreed, 7% (5) disagreed, 6% (4) were neutral, 47% (33) agreed while 30% (21) strongly agreed. These findings concur with those of Wong and Aspinwall (2005) who asserted that one of the greatest assets to a company is the employment of highly skilled and specialized professionals.

With regard to whether there was better employee retention scheme 6% (4) of the respondents strongly disagreed, 3% (2) disagreed, 7% (5) were neutral, 34% (24) agreed while 50% (35) strongly agreed. The findings are consistent with those of Boulter et al. (1996) who pointed out that the right people are the most important assets and are the source of competitive advantage and thus should endeavor to retain the staff.

When asked if employees had better problem solving skills, 4% (3) of the respondents strongly disagreed, 4% (3) disagreed, 3% (2) were neutral, 39% (27) agreed

while 50% (35) strongly agreed. The findings agree with those of Sristava (2005) who pointed out that core competency when viewed as unique knowledge for problem definition and problem solving can form the basis of a firm's competitive advantage and can also be leveraged in a wide variety of markets for future products.

The findings on whether employees at Krones had the ability to think critically and develop better solutions to customer issues agree with those of Wong and Aspinwall (2005) who pointed out that employees with good problem solving skills and critical thinking skills that enables them to identify, remedy and resolve business problems are a key asset to any organization. Eleven percent (8) of the respondents strongly disagreed, 6% (4) disagreed, 4% (3) were neutral, 50% (35) agreed while 29% (20) strongly agreed.

With regard to if there was better staff training and development policy, 1% (1) of the respondents strongly disagreed, 6% (4) disagreed, 1% (1) were neutral, 47% (33) agreed while 44% (31) strongly agreed. The findings agree with those of Dosi et al. (2001), who pointed out that organizations need human resource systems that promote the advancement of employee careers.

On if there was a clear career growth path for all employees, 9% (6) of the respondents strongly disagreed, 3% (2) disagreed, 3% (2) were neutral, 46% (32) agreed while 40% (28) strongly agreed. The findings agree with those of Dosi et al. (2001), who pointed out that organizations need human resource systems that promote the advancement of employee careers.

## Strategic Intent

With regard to strategic intent, the following findings were analysed

*Table 4.10: Strategic Intent*

Strategic Intent	S.D		D		N		A		S.A	
	F	%	F	%	F	%	F	%	F	%
Krones has a clear company mission	2	3	1	1	3	4	19	27	45	64
All departments at Krones East Africa Limited have targets	1	1	5	7	1	1	17	24	46	66
The departments are focused on providing value for our customers	6	9	4	6	1	1	28	40	31	44

When asked whether Krones had a clear company mission, 3% (2) of the respondents strongly disagreed, 1% (1) disagreed, 4% (3) were neutral, 27% (19) agreed while 64% (45) strongly agreed. The findings agree with those of Calantone et al. (2002) who found out that shared vision and mission has a positive effect on an organization's innovativeness, which in turn enhances competitive advantage.

On whether all departments at Krones East Africa Limited had targets, 1% (1) of the respondents strongly disagreed, 7% (5) disagreed, 1% (1) were neutral, 24% (17) agreed while 66% (46) strongly agreed. The findings agree with those of Calantone et al. (2002) who found out that shared vision and mission has a positive effect on an organization's. In order to meet the company's mission and vision, the organization must have targets it aims to meet.

With regard to if the departments were focused on providing value for the customers, 9% (6) of the respondents strongly disagreed, 6% (4) disagreed, 1% (1) were neutral, 40% (28) agreed while 44% (31) strongly agreed. The findings agree with those of

Management Study Guide (2014) that concluded that core competencies enable an organization deliver quality products and thus promoting customer value.

### Resources and Capabilities

With regard to resources and capabilities, the following findings were analysed:

*Table 4.11: Resources and Capabilities*

Resources and Capabilities	S.D		D		N		A		S.A	
	F	%	F	%	F	%	F	%	F	%
Krones has better qualified and experienced employees in its market segment	8	11	2	3	2	3	23	33	35	50
Krones has adequate financial resources to build competitiveness in its market segment	1	1	1	1	4	6	33	47	31	44
Krones has appropriate technology to out compete its competitors in the market	1	1	5	7	3	4	14	20	47	67
Krones has a good reputation has been used to build competitiveness	5	7	6	9	1	1	19	27	39	56
A better reporting structure has been used to develop competitiveness	2	3	3	4	2	3	26	37	37	53
Better people management policies have been used to build competitiveness	4	6	3	4	1	1	22	31	40	57
Our managers have exceptional people management skills	1	1	1	1	1	1	17	24	50	71
Our Company has a better way of managing knowledge flow in the organization	3	4	1	1	4	6	15	21	47	67

On whether Krones had better qualified and experienced employees in its market segment, 8% (11) of the respondents strongly disagreed, 3% (2) disagreed, 3% (2) were neutral, 33% (23) agreed while 50% (35) strongly agreed. These findings concur with those of Wong and Aspinwall (2005) who asserted that one of the greatest assets to a company is the employment of highly skilled and specialized professionals.

When asked if Krones had adequate financial resources to build competitiveness in its market segment, 1% (1) of the respondents strongly disagreed, 1% (1) disagreed, 6% (4) were neutral, 47% (33) agreed while 44% (31) strongly agreed. . These findings agree with that of Porter and Parker (1993) who asserted that a company must have adequate financial capacity to cater for its resources which include inputs into a firm's production process such as capital equipment.

With regard to whether Krones had appropriate technology to out compete its competitors in the market, 1% (1) of the respondents strongly disagreed, 7% (5) disagreed, 4% (3) were neutral, 47% (20) agreed while 67% (47) strongly agreed. These findings agree with those of Prahalad and Hamel (1990) who pointed out that core competence promotes specialized expertise that is the result of harmonizing complex streams of technology in an organization.

The findings on whether Krones had a good reputation which has been used to build competitiveness concur with those of Lu and Sohal (1993) who pointed out that the good reputation of an organization is one of the non-physical resources of a company. 7% (5) of the respondents strongly disagreed, 9% (6) disagreed, 1% (1) were neutral, 27% (19) agreed while 56% (39) strongly agreed.

On if a better reporting structure had been used to develop competitiveness, 3% (2) of the respondents strongly disagreed, 4% (3) disagreed, 3% (2) were neutral, 37% (26) agreed while 53% (37) strongly agreed. These findings are consistent with those of Patton (2002) who pointed out that incorrect result from reporting the findings in a way that changes or serves one's interest is found to be unethical.

When asked if better people management policies had been used to build competitiveness, 6% (4) of the respondents strongly disagreed, 4% (3) disagreed, 1% (1)

were neutral, 31% (22) agreed while 57% (40) strongly agreed. The findings are consistent with those of Boulter et al. (1996) who pointed out that organizations can improve their overall productivity by shifting people from average to superior performance through development and by promoting right people through proper people management policies.

With regard to whether the managers had exceptional people management skills, 1% (1) of the respondents strongly disagreed, 1% (1) disagreed, 1% (1) were neutral, 24% (17) agreed while 71% (50) strongly agreed. These findings agree with those of Lu and Sohal (1993) who asserted that talented managers are among the non-physical assets that are of great importance to an organization.

On if the company had a better way of managing knowledge flow in the organization, 4% (3) of the respondents strongly disagreed, 1% (1) disagreed, 6% (4) were neutral, 21% (15) agreed while 67% (47) strongly agreed. The findings agree with those of Sristava (2005) who pointed out that Core competency when viewed as unique knowledge for problem definition and problem solving can form the basis of a firm's competitive advantage and can also be leveraged in a wide variety of markets for future products. The findings agree with those of porter and parker (1980) who pointed out that organizational culture is one of intangible resources within an organization.

*Table 4.12: Organization Capabilities*

	S.D		D		N		A		S.A	
	F	%	F	%	F	%	F	%	F	%
The culture in our organization promotes teamwork	8	11	2	3	1	1	27	39	32	46
Our organization has capacity to absorb new technology in its operations	2	3	0	0	2	3	38	48	38	48

On if the culture in the organization promoted teamwork, 11% (8) of the respondents strongly disagreed, 3% (2) disagreed, 1% (1) were neutral, 39% (27) agreed while 46% (32) strongly agreed. The findings agree with those of Barney (1991) who pointed out that the major determinants of sustained competitive advantage and superior corporate performance are embedded in multiple entities including organizational culture.

On whether the organization had capacity to absorb new technology in its operations, 3% (2) of the respondents strongly disagreed, 3% (2) were neutral, 48% (38) agreed while 48% (38) strongly agreed. The findings agree with those of Akhavan et al. (2006) who pointed out that knowledge management system as a source of core competence can be expressed as the capability to absorb new technology and in-house technology development.

### Market Positioning

With regard to market positioning, the following findings were analysed:

*Table 4.13: Market Positioning*

Market Positioning	SD		D		N		A		SA	
	F	%	F	%	F	%	F	%	F	%
Our company has a good relationship with its suppliers	4	6	4	6	3	4	42	60	17	24
Our company has a good relationship with its customers	7	10	3	4	1	1	17	24	42	60
Our company maintains fair play in the industry	3	4	5	7	1	1	13	19	48	69
Our company is in a good relationship with the provisions of the Government of Kenya	4	6	6	9	5	7	52	74	3	4
The company has able leaders who to manage the operations of the business	2	3	2	3	3	4	14	20	49	70
Collaborations with other service providers have given our company a competitive edge	1	1	1	1	2	3	33	47	33	47

When asked if the company had a good relationship with its suppliers, 6% (4) of the respondents strongly disagreed, 6% (4) disagreed, 4% (3) were neutral, 60% (42) agreed while 24% (17) strongly agreed. These findings are consistent with those of Mascarenhas et al. (1998) who asserted that there is need for organizations to have close relationships with external partners.

With regard to if the company had a good relationship with its customers, 10% (7) of the respondents strongly disagreed, 4% (3) disagreed, 1% (1) were neutral, 24% (17) agreed while 60% (42) strongly agreed. These findings are consistent with those of Mascarenhas et al. (1998) who asserted that there is need for organizations to have close relationships with external partners.

On if the company maintained fair play in the industry, 10% (7) of the respondents strongly disagreed, 4% (3) disagreed, 1% (1) were neutral, 24% (17) agreed while 60% (42) strongly agreed. These findings are consistent with those of Mascarenhas et al. (1998) who asserted that there is need for organizations to have close relationships with external partners.

The company was in a good relationship with the provisions of the Government of Kenya, 6% (4) of the respondents strongly disagreed, 9% (6) disagreed, 7% (5) were neutral, 74% (52) agreed while 4% (3) strongly agreed. These findings are consistent with those of Mascarenhas et al. (1998) who asserted that there is need for organizations to have close relationships with external partners.

When asked whether the company had able leaders who to manage the operations of the business, 3% (2) of the respondents strongly disagreed, 3% (2) disagreed, 4% (3) were neutral, 20% (14) agreed while 70% (49) strongly agreed. These findings agree with



those of Lu and Sohal (1993) who asserted that talented managers are among the non-physical assets that are of great importance to an organization.

With regard to whether collaborations with other service providers have given the company a competitive edge, 1% (1) of the respondents strongly disagreed, 1% (1) disagreed, 3% (2) were neutral, 47% (33) agreed while 47% (33) strongly agreed. These findings agree with those of Lu and Sohal (1993) who asserted that talented managers are among the non-physical assets that are of great importance to an organization.

*Table 4.14: Innovativeness*

	SD		D		N		A		SA	
	F	%	F	%	F	%	F	%	F	%
The ability to develop new ways of accomplishing our work has improved our competitiveness	1	1	4	6	1	1	12	17	52	74
Our ability to adapt to different business circumstances has improved	6	9	3	4	1	1	14	20	46	66
Our ability to come up with new ways of doing things has improved the competitiveness of our company	8	11	5	7	0	0	36	51	21	30
The level of customer awareness of our brand has improved	2	3	1	1	3	4	28	40	36	51

The findings on whether the ability to develop new ways of accomplishing work tasks had improved the organization's competitiveness agree with those of Thompson and Strickland (2002) who pointed out that companies should work towards possessing a sustainable competitive advantage through embracing value-creating processes. 1% (1) of the respondents strongly disagreed, 6% (4) disagreed, 1% (1) were neutral, 17% (12) agreed while 74% (52) strongly agreed.

When asked if the company's ability to adapt to different business circumstances had improved, 9% (6) of the respondents strongly disagreed, 4% (3) disagreed, 1% (1) were neutral, 20% (14) agreed while 66% (46) strongly agreed. The findings agree with those of Thompson and Strickland (2002) who pointed out that a company has competitive advantage whenever it has an edge over its rivals and can adapt to different environments.

With regard to the company's ability to come up with new ways of doing things had improved the competitiveness of the company, 11% (8) of the respondents strongly disagreed, 7% (5) disagreed, 51% (36) agreed while 30% (21) strongly agreed. The findings agree with those of Lu and Sohal (1993) who pointed out that that an organizations capacity for ideas creation and innovation promotes competitiveness.

On whether the level of customer awareness of the brand had improved, 3% (2) of the respondents strongly disagreed, 1% (1) disagreed, 4% (4) were neutral, 40% (28) agreed while 51% (36) strongly agreed. The findings are consistent with those of Lu & Sohal (1993) who pointed out that customer base management on the brand image promotes competitiveness.

#### Extent of Use of the Strategies

The study sought to determine the extent to which the following strategies have been applied in building competitiveness at Kronos East Africa Limited. The findings are shown in the table 4.7 below.

*Table 4.15: Extent of Use of Strategies – Institutional Facilities*

Institutional Facilities	S.D		D		N		A		S.A	
	F	%	F	%	F	%	F	%	F	%
Provision of a highly specialized equipment	1	1	3	4	6	8	32	40	38	48
Financial capability has been used to gain competitiveness	3	4	4	6	4	6	19	27	40	57
Our Company has well experience and skilled employees	1	1	4	6	3	4	38	54	24	34
Employee skills and experience has been used to create competitiveness	2	3	2	3	3	4	4	6	59	84
Our Company has a good reputation	1	1	3	4	5	7	16	23	45	64
Our Company is well known	4	6	4	6	6	9	30	43	26	37

On provision of highly specialized equipment, 1% (1) of the respondents said to no extent at all, 4% (3) said to a little extent, 8% (6) said to a moderate extent, 40% (32) said to a great extent while 48% (38) said to a very great extent. These findings agree with that of Porter and Parker (1993) who asserted that a company must have resources to cater for its resources which include inputs into a firm's production process such as capital equipment.

On whether financial capability had been used to gain competitiveness, 4% (3) of the respondents said to no extent at all, 3% (2) said to a little extent, 11% (8) said to a moderate extent, 54% (38) said to a great extent while 27% (19) said to a very great extent. These findings agree with that of Porter and Parker (1993) who asserted that a company must have adequate financial capacity to cater for its resources which include inputs into a firm's production process such as capital equipment.

With regard to if the company had well experience and skilled employees, 3% (2) of the respondents said to no extent at all, 1% (1) said to a moderate extent, 41% (29) said to a great extent while 54% (38) said to a very great extent. These findings concur with

those of Wong and Aspinwall (2005) who asserted that one of the greatest assets to a company is the employment of highly skilled and specialized professionals.

When asked if employee skills and experience had been used to create competitiveness, 8% (11) of the respondents said to no extent at all, 4% (3) said to a little extent, 13% (9) said to a moderate extent, 66% (46) said to a great extent while 6% (4) said to a very great extent. These findings concur with those of Wong and Aspinwall (2005) who asserted that one of the greatest assets to a company is the employment of highly skilled and specialized professionals.

The findings on if the company had a good reputation concur with those of Lu and Sohal (1993) who pointed out that the good reputation of an organization is one of the non-physical resources of a company. 3% (2) of the respondents said to no extent at all, 10% (7) said to a little extent, 10% (7) said to a moderate extent, 54% (38) said to a great extent while 23% (16) said to a very great extent.

On whether the company was well known, 11% (8) of the respondents said to no extent at all, 7% (5) said to a little extent, 13% (9) said to a moderate extent, 47% (33) said to a great extent while 21% (15) said to a very great extent. The findings concur with those of Lu and Sohal (1993) who pointed out that the good reputation of an organization results from a company being well known and is key in influencing its competitiveness.

## Knowledge Management Systems

*Table 4.16: Extent of Use of Strategies – Knowledge Management Systems*

Knowledge Management Systems	SD		D		N		A		SA	
	F	%	F	%	F	%	F	%	F	%
Our company has better technology used in its business	0	0	3	4	7	10	35	50	25	36
The technology adopted by our firm is superior	3	4	1	1	6	9	30	43	30	43
Our company has a better after sales service	1	1	2	3	6	9	31	44	30	43
Ability to adapt new and better technology has been used	2	3	2	3	3	4	29	41	34	49
Innovations enabled competitiveness	3	4	3	4	4	6	30	43	30	43
in-house technology development	4	6	4	6	3	4	32	46	27	39
Limited to competitiveness										
good information sharing policy	5	7	3	4	4	6	30	43	28	40
Better knowledge management	2	3	4	6	5	7	43	61	16	23
Competitive information sharing	4	6	3	4	4	6	26	37	33	47

When asked if the company had better technology used in its business, 9% (6) of the respondents said to no extent at all, 13% (9) said to a little extent, 11% (8) said to a moderate extent, 17% (12) said to a great extent while 50% (35) said to a very great extent. These findings agree with those of Prahalad and Hamel (1990) who pointed out that core competence promotes specialized expertise that is the result of harmonizing complex streams of technology in an organization.

On whether the technology adopted by the firm was superior, 10% (7) of the respondents said to no extent at all, 3% (2) said to a little extent, 4% (3) said to a moderate extent, 40% (28) said to a great extent while 43% (30) said to a very great extent. The findings agree with those of Prahalad and Hamel (1990) who pointed out that the area of specialized expertise results from harmonizing complex streams of technology and work activity.

On if the company had a better after sales service, 10% (7) of the respondents said to no extent at all, 10% (7) said to a little extent, 9% (6) said to a moderate extent, 27% (19) said to a great extent while 44% (31) said to a very great extent. These findings are in agreement with those of Porter (1980) who asserted that firms respond to competition in different ways and some may opt to do product improvement or offering after sales service.

With regard to if the ability to adapt new and better technology had been used, 11% of the respondents said to no extent at all, 9% (6) said to a little extent, 9% (6) said to a moderate extent, 31% (22) said to a great extent while 41% (29) said to a very great extent. The findings agree with those of Akhavan et al. (2006) who pointed out that Knowledge Management System as a source of core competence can be expressed as the capability to absorb new technology and in-house technology development.

On whether innovations had enabled competitiveness, 11% (8) of the respondents said to no extent at all, 6% (4) said to a little extent, 6% (4) said to a moderate extent, 34% (24) said to a great extent while 43% (30) said to a very great extent. The findings agree with those of Lu and Sohal (1993) who pointed out that that an organizations capacity for ideas creation and innovation promotes competitiveness.

On if the in-house technology development was limited to competitiveness, 12% of the respondents said to no extent at all, 10% (7) said to a little extent, 6% (4) said to a moderate extent, 27% (19) said to a great extent while 46% (32) said to a very great extent. The findings agree with those of Akhavan et al. (2006) who pointed out that Knowledge Management System as a source of core competence can be expressed as the capability to absorb new technology and in-house technology development. When asked whether there was good information sharing policy, 12% (9) of the respondents said to no extent at all, 1% (1) said to a little extent, 7% (5) said to a moderate extent, 36% (25) said

to a great extent while 43% (30) said to a very great extent. These findings agree with those of Bozbura (2007) who pointed out that sharing this information organization wide can lead to effectiveness and could also lead to ideas for new or improved equipment.

With regard to if there was better knowledge management, 13% (9) of the respondents said to no extent at all, 3% (2) said to a little extent, 3% (2) said to a moderate extent, 20% (14) said to a great extent while 62% (43) said to a very great extent. The findings agree with those of Sristava (2005) who pointed out that Core competency when viewed as unique knowledge for problem definition and problem solving can form the basis of a firm's competitive advantage and can also be leveraged in a wide variety of markets for future products. The findings on whether there was competitive information sharing agree with those of Rothaermel (2012) who pointed out that information management is a key resource of the firm and thus organization should develop policies on how to manage them. 13% (9) of the respondents said to no extent at all, 4% (3) said to a little extent, 6% (4) said to a moderate extent, 40% (28) said to a great extent while 37% (26) said to a very great extent.

#### Key Work Processes

*Table 4.17: Extent of Use of Strategies – Key Work Processes*

Key Work Processes	SD		D		N		A		SA	
	F	%	F	%	F	%	F	%	F	%
There are quality controls	4	6	1	1	7	10	38	54	20	29
The Company ensures quality service delivery	3	4	2	3	3	4	29	41	33	47
There are standardized business operations	4	6	1	1	3	4	22	31	40	57
Krones has smooth working processes	1	1	3	4	4	6	20	29	42	60
Our Company has a better service level agreement performance	2	3	4	6	5	7	24	34	35	50

People management policies promote employee performance	2	3	2	3	2	3	20	29	44	63
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With regard to whether there were quality controls, 14% (10) of the respondents said to no extent at all, 4% (3) said to a little extent, 3% (2) said to a moderate extent, 24% (17) said to a great extent while 54% (38) said to a very great extent. The findings agree with those of the management study guide (2014) that pointed out that core competencies help in the creating and developing goods and services of better quality thus gaining advantage.

When asked of the company ensured quality service delivery, 15% of the respondents said to no extent at all, 6% said to a little extent, 7% said to a moderate extent, 31% said to a great extent while 41% said to a very great extent. The findings agree with those of the management study guide (2014) that pointed out that core competencies help in the creating and developing better goods and services thus gaining advantage.

On if there were standardized business operations, 15% of the respondents said to no extent at all, 1% said to a little extent, 1% said to a moderate extent, 50% said to a great extent while 32% said to a very great extent. The findings agree with those of Akhavan and Jafari (2006) which pointed out that a process can be viewed as a series of interrelated operations, which add value to its inputs resulting in outputs that are more valuable.

On whether Krones had smooth working processes, 16% of the respondents said to no extent at all, 9% said to a moderate extent, 47% said to a great extent while 29% (20) said to a very great extent. The findings agree with those of Holsapple and Joshi (2000) who pointed out that key work processes are important in building a sustainable competitive advantage.



The findings on whether the company had a better service level agreement performance agree with those of the management study guide (2014) that pointed out that core competencies help in the creating and developing better goods and services. 16% of the respondents said to no extent at all, 6% said to a little extent, 4% said to a moderate extent, 40% said to a great extent while 34% said to a very great extent.

On whether people management policies promoted employee performance, 17% of the respondents said to no extent at all, 4% said to a little extent, 3% said to a moderate extent, 47% said to a great extent while 29% said to a very great extent. The findings are consistent with those of Boulter et al (1996) who pointed out that organizations can improve their overall productivity by shifting people from average to superior performance through development and by promoting right people through proper people management policies.

#### Key Staff Possessing Superior Skills

*Table 4.18: Extent of Use of Strategies – Key Staff Possessing Superior Skills*

Key Staff Possessing Superior Skills	SD		D		N		A		SA	
	F	%	F	%	F	%	F	%	F	%
Employees possess unique skills to serve customers better	4	6	1	1	3	4	21	30	41	59
better employee retention scheme	4	6	3	4	6	9	35	50	22	31
Employees have better problem solving skills	3	4	4	6	4	6	35	50	24	34

With regard to whether employees possessed unique skills to serve customers better, 10% of the respondents said to no extent at all, 7% said to a little extent, 6% said to a moderate extent, 47% said to a great extent while 30% said to a very great extent. These findings concur with those of Wong and Aspinwall (2005) who asserted that one of

the greatest assets to a company is the employment of highly skilled and specialized professionals.

When asked if there was better employee retention scheme, 6% of the respondents said to no extent at all, 3% said to a little extent, 7% said to a moderate extent, 34% said to a great extent while 50% said to a very great extent. The findings are consistent with those of Boulter et al. (1996) who pointed out that the right people are the most important assets and are the source of competitive advantage and thus should endeavor to retain the staff.

*Table 4.19: Employee Competencies*

	SD		D		N		A		SA	
	F	%	F	%	F	%	F	%	F	%
Employees at have the ability to think critically and develop better solutions to customer issues	1	1	2	3	2	3	20	29	45	64
better staff training and development policy	2	3	6	9	4	6	31	44	27	39
clear career growth path for all employees	3	4	3	4	1	1	28	40	35	50

On if employees had better problem solving skills, 4% of the respondents said to no extent at all, 4% said to a little extent, 3% said to a moderate extent, 39% said to a great extent while 50% said to a very great extent. The findings agree with those of Sristava (2005) who pointed out that core competency when viewed as unique knowledge for problem definition and problem solving can form the basis of a firm's competitive advantage and can also be leveraged in a wide variety of markets for future products.

On whether employees at Krones had the ability to think critically and develop better solutions to customer issues, 11% of the respondents said to no extent at all, 6% said to a little extent, 4% said to a moderate extent, 50% said to a great extent while 29% said to a very great extent. The findings agree with those of Wong and Aspinwall (2005) who

pointed out that employees with good problem solving skills and critical thinking skills that enables them to identify, remedy and resolve business problems are a key asset to any organization.

The findings on whether there was better staff training and development policy agree with those of Dosi et al. (2001), who pointed out that organizations need human resource systems that promote the advancement of employee careers. 1% of the respondents said to no extent at all, 6% said to a little extent, 1% said to a moderate extent, 47% said to a great extent while 44% said to a very great extent.

On if there was a clear career growth path for all employees, 9% of the respondents said to no extent at all, 3% said to a little extent, 3% said to a moderate extent, 46% said to a great extent while 40% said to a very great extent. The findings agree with those of Dosi et al. (2001) who pointed out that organizations need human resource systems that promote the advancement of employee careers.

#### Strategic Intent

*Table 4.20: Extent of Use of Strategies – Strategic Intent*

Strategic Intent	SD		D		N		A		SA	
	F	%	F	%	F	%	F	%	F	%
Krones has a clear company mission	4	6	1	1	6	9	45	64	14	20
All departments at Krones East Africa Limited have targets	3	3	2	2	5	6	46	51	34	38
The departments are focused on providing value for our customers	1	1	4	6	3	4	31	44	31	44

With regard to whether Krones had a clear company mission, 3% of the respondents said to no extent at all, 1% said to a little extent, 4% said to a moderate extent, 27% said to a great extent while 64% said to a very great extent. The findings agree with

those of Calantone et al. (2002) who found out that shared vision and mission has a positive effect on an organization's innovativeness, which in turn enhances competitive advantage.

On if all departments at Krones East Africa Limited had targets, 1% of the respondents said to no extent at all, 7% said to a little extent, 1% said to a moderate extent, 24% said to a great extent while 66% said to a very great extent. The findings agree with those of Calantone et al. (2002) who found out that shared vision and mission has a positive effect on an organization's. In order to meet the company's mission and vision, the organization must have targets it aims to meet.

On whether the departments were focused on providing value for the customers, 9% of the respondents said to no extent at all, 6% said to a little extent, 1% said to a moderate extent, 40% said to a great extent while 44% said to a very great extent. The findings agree with those of Management Study Guide (2014) that concluded that Core competencies enable an organization deliver quality products and thus promoting customer value.

*Table 4.21: Extent of Use of Strategies – Resources and Capabilities*

Resources and Capabilities	SD		D		N		A		SA	
	F	%	F	%	F	%	F	%	F	%
Krones has better qualified and experienced employees in its market segment	1	1	1	1	1	1	35	50	32	46
Krones has adequate financial resources to build competitiveness in its market segment	4	6	3	4	2	3	31	44	30	43
Krones has appropriate technology to out compete its competitors in the market	1	1	1	1	2	3	47	67	19	27
Krones has a good reputation has been used to build competitiveness	2	3	4	6	3	4	39	56	22	31
A better reporting structure has been used to develop competitiveness	3	4	1	1	1	1	37	53	28	40
Better people management policies have been used to build competitiveness	4	6	1	1	3	4	40	57	22	31
Our managers have exceptional people management skills	1	1	2	3	3	4	50	71	14	20
Our Company has a better way of managing knowledge flow in the organization	1	1	2	3	1	1	47	67	19	27
The culture in our organization promotes teamwork	1	1	3	4	2	3	32	46	32	46
Our organization has capacity to absorb new technology in its operations	3	4	1	1	3	4	38	54	25	36

When asked whether Krones had better qualified and experienced employees in its market segment, 8% of the respondents said to no extent at all, 3% said to a little extent, 3% said to a moderate extent, 33% said to a great extent while 50% said to a very great extent. These findings concur with those of Wong and Aspinwall (2005) who asserted that one of the greatest assets to a company is the employment of highly skilled and specialized professionals.

On if Krones had adequate financial resources to build competitiveness in its market segment, 1% of the respondents said to no extent at all, 1% said to a little extent,

6% said to a moderate extent, 47% said to a great extent while 44% said to a very great extent. These findings agree with that of Porter and Parker (1993) who asserted that a company must have adequate financial capacity to cater for its resources which include inputs into a firm's production process such as capital equipment

With regard to whether Krones had appropriate technology to out compete its competitors in the market, 1% of the respondents said to no extent at all, 7% said to a little extent, 4% said to a moderate extent, 47% said to a great extent while 67% said to a very great extent. These findings agree with those of Prahalad and Hamel (1990) who pointed out that core competence promotes specialized expertise that is the result of harmonizing complex streams of technology in an organization.

The findings on whether Krones had a good reputation had been used to build competitiveness concur with those of Lu and Sohal (1993) who pointed out that the good reputation of an organization is one of the non-physical resources of a company. Seven percent, (7%) of the respondents said to no extent at all, 9% said to a little extent, 1% said to a moderate extent, 27% said to a great extent while 56% said to a very great extent.

On whether a better reporting structure had been used to develop competitiveness, 3% of the respondents said to no extent at all, 4% said to a little extent, 3% said to a moderate extent, 37% said to a great extent while 53% said to a very great extent. These findings are consistent with those of Patton (2002) who pointed out that incorrect result from reporting the findings in a way that changes or serves one's interest is found to be unethical.

On if better people management policies had been used to build competitiveness, 6% of the respondents said to no extent at all, 4% said to a little extent, 1% said to a

moderate extent, 31% said to a great extent while 57% said to a very great extent. The findings are consistent with those of Boulter et al. (1996) who pointed out that organizations can improve their overall productivity by shifting people from average to superior performance through development and by promoting right people through proper people management policies.

When asked if the managers had exceptional people management skills, 1% of the respondents said to no extent at all, 1% said to a little extent, 1% said to a moderate extent, 24% said to a great extent while 71% said to a very great extent. These findings agree with those of Lu and Sohal (1993) who asserted that talented managers are among the non-physical assets that are of great importance to an organization.

With regard to whether the company has a better way of managing knowledge flow in the organization, 4% of the respondents said to no extent at all, 1% said to a little extent, 6% said to a moderate extent, 21% said to a great extent while 67% said to a very great extent. The findings agree with those of Sristava (2005) who pointed out that Core competency when viewed as unique knowledge for problem definition and problem solving can form the basis of a firm's competitive advantage and can also be leveraged in a wide variety of markets for future products. The findings agree with those of porter and parker (1980) who pointed out that organizational culture is one of intangible resources within an organization. On the culture in the organization promoted teamwork, 11% of the respondents said to no extent at all, 3% said to a little extent, 1% said to a moderate extent, 39% said to a great extent while 46% said to a very great extent. The findings agree with those of Barney (1991) who pointed out that the major determinants of sustained competitive advantage and superior corporate performance are embedded in multiple entities including organizational culture.

On whether the organization had capacity to absorb new technology in its operations, 3% of the respondents said to no extent at all, 10% said to a little extent 3% said to a moderate extent, 48% said to a great extent while 48% said to a very great extent. The findings agree with those of Akhavan et al. (2006) who pointed out that knowledge management system as a source of core competence can be expressed as the capability to absorb new technology and in-house technology development.

#### Market Positioning

*Table 4.22: Extent of Use of Strategies – Market Positioning*

Market Positioning	SD		D		A		N		SA	
	F	%	F	%	F	%	F	%	F	%
Our Company has a good relationship with its suppliers	1	1	4	6	3	4	17	24	45	64
Our Company has a good relationship with its customers	2	3	1	1	3	4	42	60	22	31
Our Company maintains fair play in the industry	1	1	3	4	2	3	48	69	16	23
Our Company is in a good relationship with the provisions of the Government of Kenya	4	6	2	3	4	6	3	4	57	81
The Company has able leaders who to manage the operations of the business	3	4	4	6	5	7	49	70	9	13
Collaborations with other service providers have given our company a competitive edge	4	6	1	1	7	10	33	47	25	36
The ability to develop new ways of accomplishing our work has improved our competitiveness	1	1	3	4	6	9	52	74	8	11
Our ability to adapt to different business circumstances has improved	2	3	1	1	4	6	46	66	17	24
Our ability to come up with new ways of doing things has improved the competitiveness of our company	1	1	1	1	5	7	21	30	42	60
The level of customer awareness of our brand has improved	5	7	4	6	3	4	36	51	22	31



When asked if the company had a good relationship with its suppliers, 6% of the respondents said to no extent at all, 6% said to a little extent, 4% said to a moderate extent, 60% said to a great extent while 24% said to a very great extent. These findings are consistent with those of Mascarenhas et al. (1998) who asserted that there is need for organizations to have close relationships with external partners.

On whether the company has a good relationship with its customers, 10% of the respondents said to no extent at all, 4% said to a little extent, 1% said to a moderate extent, 24% said to a great extent while 60% said to a very great extent. These findings are consistent with those of Mascarenhas et al. (1998) who asserted that there is need for organizations to have close relationships with external partners.

On if the company maintained fair play in the industry, 10% of the respondents said to no extent at all, 4% said to a little extent, 1% said to a moderate extent, 24% said to a great extent while 60% said to a very great extent. These findings are consistent with those of Mascarenhas et al. (1998) who asserted that there is need for organizations to have close relationships with external partners.

The company was in a good relationship with the provisions of the Government of Kenya, 6% of the respondents said to no extent at all, 9% said to a little extent, 7% said to a moderate extent, 74% said to a great extent while 4% said to a very great extent. These findings are consistent with those of Mascarenhas et al. (1998) who asserted that there is need for organizations to have close relationships with external partners.

With regard to whether the company had able leaders who to manage the operations of the business, 3% of the respondents said to no extent at all, 3% said to a little extent, 4% said to a moderate extent, 20% said to a great extent while 70% said to a very great

extent. These findings agree with those of Lu and Sohal (1993) who asserted that talented managers are among the non-physical assets that are of great importance to an organization.

When asked if collaborations with other service providers had given the company a competitive edge, 1% of the respondents agreed to no extent at all, 1% said to a little extent, 3% said to a moderate extent, 47% said to a great extent while 47% said to a very great extent. These findings agree with those of Lu and Sohal (1993) who asserted that talented managers are among the non-physical assets that are of great importance to an organization.

On whether the ability to develop new ways of accomplishing the work tasks had improved the organization's competitiveness, 1% of the respondents said to no extent at all, 6% said to a little extent, 1% said to a moderate extent, 17% said to a great extent while 74% said to a very great extent. These findings agree with those of Thompson and Strickland (2002) who pointed out that companies should work towards possessing a sustainable competitive advantage through embracing value-creating processes

On if the company's ability to adapt to different business circumstances had improved, 9% of the respondents said to no extent at all, 4% said to a little extent, 1% said to a moderate extent, 20% said to a great extent while 66% said to a very great extent. The findings agree with those of Thompson and Strickland (2002) who pointed out that a company has competitive advantage whenever it has an edge over its rivals and can adapt to different environments.

The findings on whether the ability to come up with new ways of doing things had improved the competitiveness of the company agree with those of Lu and Sohal (1993) who pointed out that that an organizations capacity for ideas creation and innovation promotes competitiveness. 11% of the respondents said to no extent at all, 7% said to a little extent, 51% said to a great extent while 30% said to a very great extent.

With regard to the level of customer awareness of the brand had improved, 3% of the respondents said to no extent at all, 1% said to a little extent, 4% said to a moderate extent, 40% said to a great extent while 51% said to a very great extent. The findings are consistent with those of Lu & Sohal (1993) who pointed out that customer base management on the brand image promotes competitiveness.

#### Summary of Key Findings

The study made the following key findings:

1. The company had better technology used in its business, 17% agreed while 50% strongly agreed. The technology adopted by the firm was superior as was supported by 40% (28) who agreed while 43% (30) strongly agreed. The Company has a better after sales service as supported 27% (19) of the respondents who agreed and 44% (31) who strongly agreed.
2. Innovations had enabled competitiveness as was supported by 34% who agreed while 43% strongly agreed. There was good information sharing policy as was supported by 36% who agreed while 43% strongly agreed. There is competitive information sharing as was supported by 40% who agreed while 37% strongly agreed. Krones has smooth working processes as was supported by 47% who agreed while 29% strongly agreed.

3. The people management policies promoted employee performance, as was supported by 47% who agreed while 29% strongly agreed. There is better employee retention scheme as was supported by 34% agreed while 50% strongly agreed. Employee skills and experience has been used to create competitiveness to a great extent as was supported by 6% who said to a great extent while 84% said to a very great extent. Managers have exceptional people management skills, as was supported by 24% (17) who agreed while 71% (50) strongly agreed. The employees have better problem solving skills as was supported by 39% (27) who agreed while 50% (35) strongly agreed.
4. Financial capability had been used to gain competitiveness to a great extent as was supported by 27% (19) said to a great extent while 57% (40) said to a very great extent.
5. The company met the needs of customers' expectations as was supported by 26% (18) who agreed while 54% (38) strongly agreed. The customers are satisfied with the services delivered by our company, as was supported by 54% (38) who agreed while 19% (13) strongly agreed. Customers are ready and willing to continue transacting business with our company as was supported by 54% (38) agreed while 26% (18) strongly agreed.
6. The company had potential to keep operating costs low, as was supported by 21% (15) who agreed while 61% (43) strongly agreed. The company has potential to sustain high financial performance, as was supported by (26) who agreed while 40% (28) strongly agreed. The company has potential to continue creating new market for its goods and as was supported by 26% (18) who agreed while 53% (37) strongly agreed.

## Summary

Chapter four entails data presentation analysis and interpretation. The introduction includes the response rate and the demographic information. The data is then presented, analysed and interpreted objective by objective. A summary of the key findings concludes this chapter.

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## CHAPTER FIVE

### DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

#### Introduction

This study sought to assess the core competencies to gain sustainable competitive advantage: A case of Krones Life Cycle Service Centre East Africa Limited. The research objectives were to determine the core competencies adopted by Krones Life Cycle Service Centre East Africa Limited, to establish the extent core competence application in gaining sustainable competitive advantage at Krones Life Cycle Service Centre East Africa Limited and to determine the effect of core competencies on sustainable competitive advantage at Krones East Africa Limited. This chapter gives the discussion of findings, conclusions and recommendations.

#### Discussions

This section presents a summary of findings on the demographic characteristics of the respondents and the discussion on the findings based on the research objectives.

#### Application of Core Competencies to Gain Competitive Advanatge

On the core competencies adopted the study shows that Krones East Africa Limited has adopted different core competence strategies. These include institutional facilities, knowledge management systems, key work processes, key staff possessing superior skills, strategic intent, resources and capability and market positioning were used to gain competitive advantage. Below were the key findings relating to this objective:

### Institutional Facilities

On whether there was provision of highly specialized equipment in the organization, 9% of the respondents strongly disagreed, 4% disagreed, 1% were neutral, 66% agreed while 20% strongly agreed. These findings show that majority the employees recognized that the organization had a state of the art training centre where both mechanical and electrical engineers were trained to use machines. These findings agree with that of Porter and Parker (1993) who asserted that a company must have resources to cater for its operations which include inputs into a firm's production process such as capital equipment.

When asked if financial capability had been used to gain competitiveness, 4% of the respondents strongly disagreed, 3% disagreed, 11% were neutral, 54% agreed while 27% strongly agreed. These findings show that employees understood the importance of financial capability of the organization to gain competitive advantage over its rivals. Financial capability was one of the key components of an organization's intangible resources.

With regard to the company having well experience and skilled employees, 3% of the respondents strongly disagreed, 1% were neutral, 41% agreed while 54% strongly agreed. These findings concur with those of Wong and Aspinwall (2005) who asserted that one of the greatest assets to a company is the employment of highly skilled and specialized professionals. As part of the employees' appraisals, the organization carries out two reviews in February and September within the year through performance development plans where the management focuses on training needs of the employees. A large percentage of the employees agree that the organization has well experienced and skilled

employees as a result of these appraisals. Moreover, engineers are trained in the main plant in Germany which enables them to gain the necessary skills to work on Krones machinery.

The findings on whether employee skills and experience had been used to create competitiveness concur with those of Wong and Aspinwall (2005) who asserted that one of the greatest assets to a company is the employment of highly skilled and specialized professionals. 8% of the respondents strongly disagreed, 4% disagreed, 13% were neutral, 66% agreed while 6% strongly agreed. These findings also mean that the employees recognize that the organization has a competitive advantage over its rivals as a result of the skills they possess.

When asked if the company had a good reputation, 3% of the respondents strongly disagreed, 10% disagreed, 10% were neutral, 54% agreed while 23% strongly agreed. The findings concur with those of Lu and Sohal (1993) who pointed out that the good reputation of an organization is one of the non-physical resources of a company which is one of the key tenets of core competencies.

Further, the results showed that 21% of the respondents strongly agreed that the company was well known, 47% agreed, 13% were neutral, 7% disagreed while 11% of the respondents strongly disagreed. These findings show that the employees recognized the importance of recognition of the organization by the costumers. These findings also concur with those of Lu and Sohal (1993) who pointed out that the good reputation of an organization resulted from a company being well known and is key in influencing its competitiveness.



### Knowledge Management Systems

On whether the company had better technology used in its business, 9% (6) of the respondents strongly disagreed, 13% (9) disagreed, 11% (8) were neutral, 17% agreed while 50% strongly agreed. These findings agree with those of Prahalad and Hamel (1990) who pointed out that core competence promotes specialized expertise that is the result of harmonizing complex streams of technology in an organization.

When asked if the technology adopted by the firm was superior, 10% of the respondents strongly disagreed, 3% disagreed, 4% were neutral, 40% agreed while 43% strongly agreed. The findings agree with those of Prahalad and Hamel (1990) who pointed out that the area of specialized expertise results from harmonizing complex streams of technology and work activity.

With regard to whether the company had a better after sales service, 10% of the respondents strongly disagreed, 10% disagreed, 9% were neutral, 27% agreed while 44% strongly agreed. These findings are in agreement with those of Porter (1980) who asserted that firms respond to competition in different ways and some may opt to do product improvement or offering after sales service.

On if the ability to adapt new and better technology had been used, 11% (7) of the respondents strongly disagreed, 9% (6) disagreed, 9% (6) were neutral, 31% (22) agreed while 41% (29) strongly agreed. The findings agree with those of Akhavan et al. (2006) who pointed out that knowledge management system as a source of core competence can be expressed as the capability to absorb new technology and in-house technology development.

The findings on whether innovations had enabled competitiveness agree with those of Lu and Sohal (1993) who pointed out that that an organizations capacity for ideas creation and innovation promotes competitiveness. Eleven percent, 11% (8) of the respondents strongly disagreed, 6% (4) disagreed, 6% (4) were neutral, 34% (24) agreed while 43% (30) strongly agreed.

On whether the in-house technology development was limited to competitiveness, 12% (8) of the respondents strongly disagreed, 10% (7) disagreed, 6% (4) were neutral, 27% (19) agreed while 46% (32) strongly agreed. The findings agree with those of Akhavan et al. (2006) who pointed out that Knowledge Management System as a source of core competence can be expressed as the capability to absorb new technology and in-house technology development.

When asked if there was good information sharing policy, 12% (9) of the respondents strongly disagreed, 1% (1) disagreed, 7% (5) were neutral, 36% (25) agreed while 43% (30) strongly agreed. These findings agree with those of Bozbura (2007) who pointed out that sharing this information organization wide can lead to effectiveness and could also lead to ideas for new or improved equipment.

With regard to if there was better knowledge management, 13% (9) of the respondents strongly disagreed, 3% (2) disagreed, 3% (2) were neutral, 20% (14) agreed while 62% (43) strongly agreed. The findings agree with those of Sristava (2005) who pointed out that core competency when viewed as unique knowledge for problem definition and problem solving can form the basis of a firm's competitive advantage and can also be leveraged in a wide variety of markets for future products.

The findings on if there was competitive information sharing agree with those of Rothaermel (2012) who pointed out that information management is a key resource of the firm and thus organization should develop policies on how to manage them. Thirteen (13%, 9) of the respondents strongly disagreed, 4% (3) disagreed, 6% (4) were neutral, 40% (28) agreed while 37% (26) strongly agreed. The organization ensures that knowledge on new technology is shared among the engineers who are in contact with the customers. Krones has adopted organization learning where training programs are offered on Krones technology throughout the year.

#### Key Work Processes

On whether there were quality controls, 14% (10) of the respondents strongly disagreed, 4% (3) disagreed, 3% (2) were neutral, 24% (17) agreed while 54% (38) strongly agreed. The findings agree with those of the management study guide (2014) that pointed out that core competencies help in the creating and developing goods and services of better quality thus gaining advantage.

When asked if the company ensures quality service delivery, 15% (10) of the respondents strongly disagreed, 6% (4) disagreed, 7% (5) were neutral, 31% (22) agreed while 41% (29) strongly agreed. The findings agree with those of the management study guide (2014) that pointed out that core competencies help in the creating and developing better goods and services thus gaining advantage.

With regard to whether there were standardized business operations, 15% (11) of the respondents strongly disagreed, 1% (1) disagreed, 1% (1) were neutral, 50% (35) agreed while 32% (22) strongly agreed. The findings agree with those of Akhavan and

Jafari (2006) which pointed out that a process can be viewed as a series of interrelated operations, which add value to its inputs resulting in outputs that are more valuable.

The findings on whether Krones had smooth working processes agree with those of Holsapple and Joshi (2000) who pointed out that key work processes are important in building a sustainable competitive advantage. 16% (11) of the respondents strongly disagreed, 9% (6) were neutral, 47% (33) agreed while 29% (20) strongly agreed.

On whether the company had a better service level agreement performance, 16% (11) of the respondents strongly disagreed, 6% (4) disagreed, 4% (3) were neutral, 40% (28) agreed while 34% (24) strongly agreed. The findings agree with those of the management study guide (2014) that pointed out that core competencies help in the creating and developing better goods and services.

When asked whether people management policies promoted employee performance, 17% (12) of the respondents strongly disagreed, 4% (3) disagreed, 3% (2) were neutral, 47% (33) agreed while 29% (20) strongly agreed. The findings are consistent with those of Boulter et al. (1996) who pointed out that organizations can improve their overall productivity by shifting people from average to superior performance through development and by promoting right people through proper people management policies.

#### Staff Possessing Superior Skills

On whether employees possessed unique skills to serve customers better, 10% (7) of the respondents strongly disagreed, 7% (5) disagreed, 6% (4) were neutral, 47% (33) agreed while 30% (21) strongly agreed. These findings concur with those of Wong and

Aspinwall (2005) who asserted that one of the greatest assets to a company is the employment of highly skilled and specialized professionals.

With regard to whether there was better employee retention scheme, 6% (4) of the respondents strongly disagreed, 3% (2) disagreed, 7% (5) were neutral, 34% (24) agreed while 50% (35) strongly agreed. The findings are consistent with those of Boulter et al. (1996) who pointed out that the right people are the most important assets and are the source of competitive advantage and thus should endeavor to retain the staff.

When asked if employees had better problem solving skills, 4% (3) of the respondents strongly disagreed, 4% (3) disagreed, 3% (2) were neutral, 39% (27) agreed while 50% (35) strongly agreed. The findings agree with those of Sristava (2005) who pointed out that core competency when viewed as unique knowledge for problem definition and problem solving can form the basis of a firm's competitive advantage and can also be leveraged in a wide variety of markets for future products.

The findings on whether employees at Krones had the ability to think critically and develop better solutions to customer issues agree with those of Wong and Aspinwall (2005) who pointed out that employees with good problem solving skills and critical thinking skills that enables them to identify, remedy and resolve business problems are a key asset to any organization. Eleven (11%, 8) of the respondents strongly disagreed, 6% (4) disagreed, 4% (3) were neutral, 50% (35) agreed while 29% (20) strongly agreed.

With regard to if there was better staff training and development policy, 1% (1) of the respondents strongly disagreed, 6% (4) disagreed, 1% (1) were neutral, 47% (33) agreed while 44% (31) strongly agreed. The findings agree with those of Dosi et al. (2001),

who pointed out that organizations need human resource systems that promote the advancement of employee careers.

On if there was a clear career growth path for all employees, 9% (6) of the respondents strongly disagreed, 3% (2) disagreed, 3% (2) were neutral, 46% (32) agreed while 40% (28) strongly agreed. The findings agree with those of Dosi et al. (2001), who pointed out that organizations need human resource systems that promote the advancement of employee careers.

#### Strategic Intent

When asked whether Krones had a clear company mission, 3% (2) of the respondents strongly disagreed, 1% (1) disagreed, 4% (3) were neutral, 27% (19) agreed while 64% (45) strongly agreed. The findings agree with those of Calantone et al. (2002) who found out that shared vision and mission has a positive effect on an organization's innovativeness, which in turn enhances competitive advantage.

On whether all departments at Krones East Africa Limited had targets, 1% (1) of the respondents strongly disagreed, 7% (5) disagreed, 1% (1) were neutral, 24% (17) agreed while 66% (46) strongly agreed. The findings agree with those of Calantone et al. (2002) who found out that shared vision and mission has a positive effect on an organization's. In order to meet the company's mission and vision, the organization must have targets it aims to meet.

With regard to if the departments were focused on providing value for the customers, 9% (6) of the respondents strongly disagreed, 6% (4) disagreed, 1% (1) were neutral, 40% (28) agreed while 44% (31) strongly agreed. The findings agree with those of

Management Study Guide (2014) that concluded that Core competencies enable an organization deliver quality products and thus promoting customer value.

### Resources and Capabilities

On whether Krones had better qualified and experienced employees in its market segment, 8% (11) of the respondents strongly disagreed, 3% (2) disagreed, 3% (2) were neutral, 33% (23) agreed while 50% (35) strongly agreed. These findings concur with those of Wong and Aspinwall (2005) who asserted that one of the greatest assets to a company is the employment of highly skilled and specialized professionals.

When asked if Krones had adequate financial resources to build competitiveness in its market segment, 1% (1) of the respondents strongly disagreed, 1% (1) disagreed, 6% (4) were neutral, 47% (33) agreed while 44% (31) strongly agreed. . These findings agree with that of Porter and Parker (1993) who asserted that a company must have adequate financial capacity to cater for its resources which include inputs into a firm's production process such as capital equipment.

With regard to whether Krones had appropriate technology to out compete its competitors in the market, 1% (1) of the respondents strongly disagreed, 7% (5) disagreed, 4% (3) were neutral, 47% (20) agreed while 67% (47) strongly agreed. These findings agree with those of Prahalad and Hamel (1990) who pointed out that core competence promotes specialized expertise that is the result of harmonizing complex streams of technology in an organization.

The findings on whether Krones had a good reputation which has been used to build competitiveness concur with those of Lu and Sohal (1993) who pointed out that the

good reputation of an organization is one of the non-physical resources of a company. 7% (5) of the respondents strongly disagreed, 9% (6) disagreed, 1% (1) were neutral, 27% (19) agreed while 56% (39) strongly agreed.

On if a better reporting structure had been used to develop competitiveness, 3% (2) of the respondents strongly disagreed, 4% (3) disagreed, 3% (2) were neutral, 37% (26) agreed while 53% (37) strongly agreed. These findings are consistent with those of Patton (2002) who pointed out that incorrect result from reporting the findings in a way that changes or serves one's interest is found to be unethical.

When asked if better people management policies had been used to build competitiveness, 6% (4) of the respondents strongly disagreed, 4% (3) disagreed, 1% (1) were neutral, 31% (22) agreed while 57% (40) strongly agreed. The findings are consistent with those of Boulter et al. (1996) who pointed out that organizations can improve their overall productivity by shifting people from average to superior performance through development and by promoting right people through proper people management policies.

With regard to whether our managers had exceptional people management skills, 1% (1) of the respondents strongly disagreed, 1% (1) disagreed, 1% (1) were neutral, 24% (17) agreed while 71% (50) strongly agreed. These findings agree with those of Lu and Sohal (1993) who asserted that talented managers are among the non-physical assets that are of great importance to an organization.

On if the company had a better way of managing knowledge flow in the organization, 4% (3) of the respondents strongly disagreed, 1% (1) disagreed, 6% (4) were neutral, 21% (15) agreed while 67% (47) strongly agreed. The findings agree with those of



Sristava (2005) who pointed out that Core competency when viewed as unique knowledge for problem definition and problem solving can form the basis of a firm's competitive advantage and can also be leveraged in a wide variety of markets for future products. The findings agree with those of porter and parker (1980) who pointed out that organizational culture is one of intangible resources within an organization.

On if the culture in the organization promoted teamwork, 11% (8) of the respondents strongly disagreed, 3% (2) disagreed, 1% (1) were neutral, 39% (27) agreed while 46% (32) strongly agreed. The findings agree with those of Barney (1991) who pointed out that the major determinants of sustained competitive advantage and superior corporate performance are embedded in multiple entities including organizational culture.

On whether the organization had capacity to absorb new technology in its operations, 3% (2) of the respondents strongly disagreed, 3% (2) were neutral, 48% (38) agreed while 48% (38) strongly agreed. The findings agree with those of Akhavan et al. (2006) who pointed out that knowledge management system as a source of core competence can be expressed as the capability to absorb new technology and in-house technology development.

### Market Positioning

When asked if the company had a good relationship with its suppliers, 6% (4) of the respondents strongly disagreed, 6% (4) disagreed, 4% (3) were neutral, 60% (42) agreed while 24% (17) strongly agreed. These findings are consistent with those of Mascarenhas

et al. (1998) who asserted that there is need for organizations to have close relationships with external partners.

With regard to if the company had a good relationship with its customers, 10% (7) of the respondents strongly disagreed, 4% (3) disagreed, 1% (1) were neutral, 24% (17) agreed while 60% (42) strongly agreed. These findings are consistent with those of Mascarenhas et al. (1998) who asserted that there is need for organizations to have close relationships with external partners.

On if the company maintained fair play in the industry, 10% (7) of the respondents strongly disagreed, 4% (3) disagreed, 1% (1) were neutral, 24% (17) agreed while 60% (42) strongly agreed. These findings are consistent with those of Mascarenhas et al. (1998) who asserted that there is need for organizations to have close relationships with external partners.

The company was in a good relationship with the provisions of the Government of Kenya, 6% (4) of the respondents strongly disagreed, 9% (6) disagreed, 7% (5) were neutral, 74% (52) agreed while 4% (3) strongly agreed. These findings are consistent with those of Mascarenhas et al. (1998) who asserted that there is need for organizations to have close relationships with external partners.

When asked whether the company had able leaders who to manage the operations of the business, 3% (2) of the respondents strongly disagreed, 3% (2) disagreed, 4% (3) were neutral, 20% (14) agreed while 70% (49) strongly agreed. These findings agree with those of Lu and Sohal (1993) who asserted that talented managers are among the non-physical assets that are of great importance to an organization.

With regard to whether collaborations with other service providers had given the company a competitive edge, 1% (1) of the respondents strongly disagreed, 1% (1) disagreed, 3% (2) were neutral, 47% (33) agreed while 47% (33) strongly agreed. These findings agree with those of Lu and Sohal (1993) who asserted that talented managers are among the non-physical assets that are of great importance to an organization.

These findings indicated that the core competencies dimensions are important in determining an organizations competitive advantage. This is in line with Srivastava 2005 who posited that core competence is the knowledge set that distinguishes a firm and provides a competitive advantage over others. They can be viewed as unique knowledge for problem definition and problem solving can form the basis of a firm's competitive advantage and can also be leveraged in a wide variety of markets for future products (Srivastava, 2005).

On the core competencies adopted the study concludes that Kronos East Africa Limited has adopted different core competence strategies. The study concludes that different strategies in the institutional Facilities, Knowledge Management Systems, Key Work Processes, Key Staff Possessing Superior Skills, Strategic Intent, Resources and Capability and Market Positioning are used to gain competitive advantage.

The study recommends that another study be carried out among organizations to investigate the relationship between organizational core competencies and the way firms are organized to achieve competitive advantage.

Extent of core competencies application on sustainable competitive advantage

The study also sort to find out the extent to which core competencies application was used to gain sustainable competitive advantage. Institutional Facilities, Knowledge Management Systems, Key Work Processes, Key Staff Possessing Superior Skills, Strategic Intent, Resources and Capability and Market Positioning are used to gain competitive advantage to a very great extent at Krones East Africa Limited. Below are the key findings relating to this objective:

The study sought to determine the extent to which the following strategies have been applied in building competitiveness at Krones East Africa Limited.

#### Institutional Facilities

On provision of highly specialized equipment, 1% (1) of the respondents said to no extent at all, 4% (3) said to a little extent, 8% (6) said to a moderate extent, 40% (32) said to a great extent while 48% (38) said to a very great extent. These findings agree with that of Porter and Parker (1993) who asserted that a company must have resources to cater for its resources which include inputs into a firm's production process such as capital equipment.

On whether financial capability had been used to gain competitiveness, 4% (3) of the respondents said to no extent at all, 3% (2) said to a little extent, 11% (8) said to a moderate extent, 54% (38) said to a great extent while 27% (19) said to a very great extent. These findings agree with that of Porter and Parker (1993) who asserted that a company must have adequate financial capacity to cater for its resources which include inputs into a firm's production process such as capital equipment.

With regard to the company had well experience and skilled employees, 3% (2) of the respondents said to no extent at all, 1% (1) said to a moderate extent, 41% (29) said to a great extent while 54% (38) said to a very great extent. These findings concur with those of Wong and Aspinwall (2005) who asserted that one of the greatest assets to a company is the employment of highly skilled and specialized professionals

When asked if employee skills and experience had been used to create competitiveness, 8% (11) of the respondents said to no extent at all, 4% (3) said to a little extent, 13% (9) said to a moderate extent, 66% (46) said to a great extent while 6% (4) said to a very great extent. These findings concur with those of Wong and Aspinwall (2005) who asserted that one of the greatest assets to a company is the employment of highly skilled and specialized professionals.

The findings on if the company had a good reputation concur with those of Lu and Sohal (1993) who pointed out that the good reputation of an organization is one of the non-physical resources of a company. 3% (2) of the respondents said to no extent at all, 10% (7) said to a little extent, 10% (7) said to a moderate extent, 54% (38) said to a great extent while 23% (16) said to a very great extent.

On whether the company is well known, 11% (8) of the respondents said to no extent at all, 7% (5) said to a little extent, 13% (9) said to a moderate extent, 47% (33) said to a great extent while 21% (15) said to a very great extent. The findings concur with those of Lu and Sohal (1993) who pointed out that the good reputation of an organization results from a company being well known and is key in influencing its competitiveness.

### Knowledge Management Systems

When asked if the company had better technology used in its business, 9% (6) of the respondents said to no extent at all, 13% (9) said to a little extent, 11% (8) said to a moderate extent, 17% (12) said to a great extent while 50% (35) said to a very great extent. These findings agree with those of Prahalad and Hamel (1990) who pointed out that core competence promotes specialized expertise that is the result of harmonizing complex streams of technology in an organization.

On whether the technology adopted by the firm was superior, 10% (7) of the respondents said to no extent at all, 3% (2) said to a little extent, 4% (3) said to a moderate extent, 40% (28) said to a great extent while 43% (30) said to a very great extent. The findings agree with those of Prahalad and Hamel (1990) who pointed out that the area of specialized expertise results from harmonizing complex streams of technology and work activity.

On if the company had a better after sales service, 10% (7) of the respondents said to no extent at all, 10% (7) said to a little extent, 9% (6) said to a moderate extent, 27% (19) said to a great extent while 44% (31) said to a very great extent. These findings are in agreement with those of Porter (1980) who asserted that firms respond to competition in different ways and some may opt to do product improvement or offering after sales service.

With regard to if the ability to adapt new and better technology has been used, 11% (7) of the respondents said to no extent at all, 9% (6) said to a little extent, 9% (6) said to a moderate extent, 31% (22) said to a great extent while 41% (29) said to a very great extent. The findings agree with those of Akhavan et al. (2006) who pointed out that

Knowledge Management System as a source of core competence can be expressed as the capability to absorb new technology and in-house technology development.

On whether innovations had enabled competitiveness, 11% (8) of the respondents said to no extent at all, 6% (4) said to a little extent, 6% (4) said to a moderate extent, 34% (24) said to a great extent while 43% (30) said to a very great extent. The findings agree with those of Lu and Sohal (1993) who pointed out that that an organizations capacity for ideas creation and innovation promotes competitiveness.

On if the in-house technology development limited to competitiveness, 12% (8) of the respondents said to no extent at all, 10% (7) said to a little extent, 6% (4) said to a moderate extent, 27% (19) said to a great extent while 46% (32) said to a very great extent. The findings agree with those of Akhavan et al. (2006) who pointed out that Knowledge Management System as a source of core competence can be expressed as the capability to absorb new technology and in-house technology development.

When asked whether there was good information sharing policy, 12% (9) of the respondents said to no extent at all, 1% (1) said to a little extent, 7% (5) said to a moderate extent, 36% (25) said to a great extent while 43% (30) said to a very great extent. These findings agree with those of Bozbura (2007) who pointed out that sharing this information organization wide can lead to effectiveness and could also lead to ideas for new or improved equipment.

With regard to if there was better knowledge management, 13% (9) of the respondents said to no extent at all, 3% (2) said to a little extent, 3% (2) said to a moderate extent, 20% (14) said to a great extent while 62% (43) said to a very great extent. The

findings agree with those of Sristava (2005) who pointed out that Core competency when viewed as unique knowledge for problem definition and problem solving can form the basis of a firm's competitive advantage and can also be leveraged in a wide variety of markets for future products.

The findings on whether there was competitive information sharing agree with those of Rothaermel (2012) who pointed out that information management is a key resource of the firm and thus organization should develop policies on how to manage them. 13% (9) of the respondents said to no extent at all, 4% (3) said to a little extent, 6% (4) said to a moderate extent, 40% (28) said to a great extent while 37% (26) said to a very great extent.

#### Key Work Processes

With regard to whether there were quality controls, 14% (10) of the respondents said to no extent at all, 4% (3) said to a little extent, 3% (2) said to a moderate extent, 24% (17) said to a great extent while 54% (38) said to a very great extent. The findings agree with those of the management study guide (2014) that pointed out that core competencies help in the creating and developing goods and services of better quality thus gaining advantage.

When asked of the company ensured quality service delivery, 15% (10) of the respondents said to no extent at all, 6% (4) said to a little extent, 7% (5) said to a moderate extent, 31% (22) said to a great extent while 41% (29) said to a very great extent. The findings agree with those of the management study guide (2014) that pointed out that core competencies help in the creating and developing better goods and services thus gaining advantage.



On if there were standardized business operations, 15% (11) of the respondents said to no extent at all, 1% (1) said to a little extent, 1% (1) said to a moderate extent, 50% (35) said to a great extent while 32% (22) said to a very great extent. The findings agree with those of Akhavan and Jafari (2006) which pointed out that a process can be viewed as a series of interrelated operations, which add value to its inputs resulting in outputs that are more valuable.

On whether Krones had smooth working processes, 16% (11) of the respondents said to no extent at all, 9% (6) said to a moderate extent, 47% (33) said to a great extent while 29% (20) said to a very great extent. The findings agree with those of Holsapple and Joshi (2000) who pointed out that key work processes are important in building a sustainable competitive advantage.

The findings on whether the company had a better service level agreement performance agree with those of the management study guide (2014) that pointed out that core competencies help in the creating and developing better goods and services. Sixteen (16%, 11) of the respondents said to no extent at all, 6% (4) said to a little extent, 4% (3) said to a moderate extent, 40% (28) said to a great extent while 34% (24) said to a very great extent.

On whether people management policies promoted employee performance, 17% (12) of the respondents said to no extent at all, 4% (3) said to a little extent, 3% (2) said to a moderate extent, 47% (33) said to a great extent while 29% (20) said to a very great extent. The findings are consistent with those of Boulter et al. (1996) who pointed out that organizations can improve their overall productivity by shifting people from average to

superior performance through development and by promoting right people through proper people management policies.

### Key Staff Possessing Superior Skills

With regard to whether employees possessed unique skills to serve customers better, 10% (7) of the respondents said to no extent at all, 7% (5) said to a little extent, 6% (4) said to a moderate extent, 47% (33) said to a great extent while 30% (21) said to a very great extent. These findings concur with those of Wong and Aspinwall (2005) who asserted that one of the greatest assets to a company is the employment of highly skilled and specialized professionals.

When asked if there was better employee retention scheme, 6% (4) of the respondents said to no extent at all, 3% (2) said to a little extent, 7% (5) said to a moderate extent, 34% (24) said to a great extent while 50% (35) said to a very great extent. The findings are consistent with those of Boulter et al. (1996) who pointed out that the right people are the most important assets and are the source of competitive advantage and thus should endeavor to retain the staff.

On if employees had better problem solving skills, 4% (3) of the respondents said to no extent at all, 4% (3) said to a little extent, 3% (2) said to a moderate extent, 39% (27) said to a great extent while 50% (35) said to a very great extent. The findings agree with those of Sristava (2005) who pointed out that core competency when viewed as unique knowledge for problem definition and problem solving can form the basis of a firm's competitive advantage and can also be leveraged in a wide variety of markets for future products.

On whether employees at had the ability to think critically and develop better solutions to customer issues, 11% (8) of the respondents said to no extent at all, 6% (4) said to a little extent, 4% (3) said to a moderate extent, 50% (35) said to a great extent while 29% (20) said to a very great extent. The findings agree with those of Wong and Aspinwall (2005) who pointed out that Employees with good problem solving skills and critical thinking skills that enables them to identify, remedy and resolve business problems are a key asset to any organization.

The findings on whether there was better staff training and development policy agree with those of Dosi et al. (2001), who pointed out that organizations need human resource systems that promote the advancement of employee careers. 1% (1) of the respondents said to no extent at all, 6% (4) said to a little extent, 1% (1) said to a moderate extent, 47% (33) said to a great extent while 44% (31) said to a very great extent.

On if there was a clear career growth path for all employees, 9% (6) of the respondents said to no extent at all, 3% (2) said to a little extent, 3% (2) said to a moderate extent, 46% (32) said to a great extent while 40% (28) said to a very great extent. The findings agree with those of Dosi et al. (2001), who pointed out that organizations need human resource systems that promote the advancement of employee careers.

#### Strategic Intent

With regard to whether Krones had a clear company mission, 3% (2) of the respondents said to no extent at all, 1% (1) said to a little extent, 4% (3) said to a moderate extent, 27% (19) said to a great extent while 64% (45) said to a very great extent. The findings agree with those of Calantone et al. (2002) who found out that shared vision and

mission has a positive effect on an organization's innovativeness, which in turn enhances competitive advantage.

On if all departments at Krones East Africa Limited had targets, 1% (1) of the respondents said to no extent at all, 7% (5) said to a little extent, 1% (1) said to a moderate extent, 24% (17) said to a great extent while 66% (46) said to a very great extent. The findings agree with those of Calantone et al. (2002) who found out that shared vision and mission has a positive effect on an organization's. In order to meet the company's mission and vision, the organization must have targets it aims to meet.

On whether the departments were focused on providing value for our customers, 9% (6) of the respondents said to no extent at all, 6% (4) said to a little extent, 1% (1) said to a moderate extent, 40% (28) said to a great extent while 44% (31) said to a very great extent. The findings agree with those of Management Study Guide (2014) that concluded that Core competencies enable an organization deliver quality products and thus promoting customer value.

#### Resources and Capabilities

When asked whether Krones had better qualified and experienced employees in its market segment, 8% (11) of the respondents said to no extent at all, 3% (2) said to a little extent, 3% (2) said to a moderate extent, 33% (23) said to a great extent while 50% (35) said to a very great extent. These findings concur with those of Wong and Aspinwall (2005) who asserted that one of the greatest assets to a company is the employment of highly skilled and specialized professionals.

On if Krones had adequate financial resources to build competitiveness in its market segment, 1% (1) of the respondents said to no extent at all, 1% (1) said to a little

extent, 6% (4) said to a moderate extent, 47% (33) said to a great extent while 44% (31) said to a very great extent. These findings agree with that of Porter and Parker (1993) who asserted that a company must have adequate financial capacity to cater for its resources which include inputs into a firm's production process such as capital equipment.

With regard to whether Krones had appropriate technology to out compete its competitors in the market, 1% (1) of the respondents said to no extent at all, 7% (5) said to a little extent, 4% (3) said to a moderate extent, 47% (20) said to a great extent while 67% (47) said to a very great extent. These findings agree with those of Prahalad and Hamel (1990) who pointed out that core competence promotes specialized expertise that is the result of harmonizing complex streams of technology in an organization.

The findings on whether Krones had a good reputation has been used to build competitiveness concur with those of Lu and Sohal (1993) who pointed out that the good reputation of an organization is one of the non-physical resources of a company. Seven (7%, 5) of the respondents said to no extent at all, 9% (6) said to a little extent, 1% (1) said to a moderate extent, 27% (19) said to a great extent while 56% (39) said to a very great extent.

On whether a better reporting structure had been used to develop competitiveness, 3% (2) of the respondents said to no extent at all, 4% (3) said to a little extent, 3% (2) said to a moderate extent, 37% (26) said to a great extent while 53% (37) said to a very great extent. These findings are consistent with those of Patton (2002) who pointed out that incorrect result from reporting the findings in a way that changes or serves one's interest is found to be unethical.

On if better people management policies had been used to build competitiveness, 6% (4) of the respondents said to no extent at all, 4% (3) said to a little extent, 1% (1) said to a moderate extent, 31% (22) said to a great extent while 57% (40) said to a very great extent. The findings are consistent with those of Boulter et al. (1996) who pointed out that organizations can improve their overall productivity by shifting people from average to superior performance through development and by promoting right people through proper people management policies.

When asked if the managers had exceptional people management skills, 1% (1) of the respondents said to no extent at all, 1% (1) said to a little extent, 1% (1) said to a moderate extent, 24% (17) said to a great extent while 71% (50) said to a very great extent. These findings agree with those of Lu and Sohal (1993) who asserted that talented managers are among the non-physical assets that are of great importance to an organization.

With regard to whether the company has a better way of managing knowledge flow in the organization, 4% (3) of the respondents said to no extent at all, 1% (1) said to a little extent, 6% (4) said to a moderate extent, 21% (15) said to a great extent while 67% (47) said to a very great extent. The findings agree with those of Sristava (2005) who pointed out that Core competency when viewed as unique knowledge for problem definition and problem solving can form the basis of a firm's competitive advantage and can also be leveraged in a wide variety of markets for future products. The findings agree with those of porter and parker (1980) who pointed out that organizational culture is one of intangible resources within an organization.

On the culture in the organization promoted teamwork, 11% (8) of the respondents said to no extent at all, 3% (2) said to a little extent, 1% (1) said to a moderate extent, 39% (27) said to a great extent while 46% (32) said to a very great extent. The findings agree with those of Barney (1991) who pointed out that the major determinants of sustained competitive advantage and superior corporate performance are embedded in multiple entities including organizational culture.

On whether the organization had capacity to absorb new technology in its operations, 3% (2) of the respondents said to no extent at all, 10% (1) said to a little extent 3% (2) said to a moderate extent, 48% (38) said to a great extent while 48% (38) said to a very great extent. The findings agree with those of Akhavan et al. (2006) who pointed out that Knowledge Management System as a source of core competence can be expressed as the capability to absorb new technology and in-house technology development.

#### Market Positioning

When asked if the company had a good relationship with its suppliers, 6% (4) of the respondents said to no extent at all, 6% (4) said to a little extent, 4% (3) said to a moderate extent, 60% (42) said to a great extent while 24% (17) said to a very great extent. These findings are consistent with those of Mascarenhas et al. (1998) who asserted that there is need for organizations to have close relationships with external partners.

On whether the company has a good relationship with its customers, 10% (7) of the respondents said to no extent at all, 4% (3) said to a little extent, 1% (1) said to a moderate extent, 24% (17) said to a great extent while 60% (42) said to a very great extent. These

findings are consistent with those of Mascarenhas et al. (1998) who asserted that there is need for organizations to have close relationships with external partners.

On if the company maintained fair play in the industry, 10% (7) of the respondents said to no extent at all, 4% (3) said to a little extent, 1% (1) said to a moderate extent, 24% (17) said to a great extent while 60% (42) said to a very great extent. These findings are consistent with those of Mascarenhas et al. (1998) who asserted that there is need for organizations to have close relationships with external partners.

On whether the company was in a good relationship with the provisions of the Government of Kenya, 6% (4) of the respondents said to no extent at all, 9% (6) said to a little extent, 7% (5) said to a moderate extent, 74% (52) said to a great extent while 4% (3) said to a very great extent. These findings are consistent with those of Mascarenhas et al. (1998) who asserted that there is need for organizations to have close relationships with external partners.

With regard to whether the company had able leaders who to manage the operations of the business, 3% (2) of the respondents said to no extent at all, 3% (2) said to a little extent, 4% (3) said to a moderate extent, 20% (14) said to a great extent while 70% (49) said to a very great extent. These findings agree with those of Lu and Sohal (1993) who asserted that talented managers are among the non-physical assets that are of great importance to an organization.

When asked if collaborations with other service providers had given the company a competitive edge, 1% (1) of the respondents said to no extent at all, 1% (1) said to a little extent, 3% (2) said to a moderate extent, 47% (33) said to a great extent while 47% (33) said to a very great extent. These findings agree with those of Lu and Sohal (1993) who



asserted that talented managers are among the non-physical assets that are of great importance to an organization.

On whether the ability to develop new ways of accomplishing the work tasks had improved our competitiveness, 1% (1) of the respondents said to no extent at all, 6% (4) said to a little extent, 1% (1) said to a moderate extent, 17% (12) said to a great extent while 74% (52) said to a very great extent. These findings agree with those of Thompson and Strickland (2002) who pointed out that companies should work towards possessing a sustainable competitive advantage through embracing value-creating processes

On if the company's ability to adapt to different business circumstances had improved, 9% (6) of the respondents said to no extent at all, 4% (3) said to a little extent, 1% (1) said to a moderate extent, 20% (14) said to a great extent while 66% (46) said to a very great extent. The findings agree with those of Thompson and Strickland (2002) who pointed out that a company has competitive advantage whenever it has an edge over its rivals and can adapt to different environments.

The findings on whether our ability to come up with new ways of doing things had improved the competitiveness of the company agree with those of Lu and Sohal (1993) who pointed out that that an organizations capacity for ideas creation and innovation promotes competitiveness. 11% (8) of the respondents said to no extent at all, 7% (5) said to a little extent, 51% (36) said to a great extent while 30% (21) said to a very great extent.

With regard to the level of customer awareness of the brand has improved, 3% (2) of the respondents said to no extent at all, 1% (1) said to a little extent, 4% (4) said to a moderate extent, 40% (28) said to a great extent while 51% (36) said to a very great

extent. The findings are consistent with those of Lu & Sohal (1993) who pointed out that customer base management on the brand image promotes competitiveness.

The study also recommends that institutional Facilities, Knowledge Management Systems, Key Work Processes, Key Staff Possessing Superior Skills, Strategic Intent, Resources and Capability and Market Positioning strategies be implemented to a very great extent so as to ensure the effectiveness of the advantages of the strategies on the business.

#### Effects of Core Competencies on Sustainable Competitive Advantage

The study also sort to establish the effects of core competencies on sustainable competitive advantage. Institutional Facilities, Knowledge Management Systems, Key Work Processes, Key Staff Possessing Superior Skills, Strategic Intent, Resources and Capability and Market Positioning have positive effects on an organization towards gaining competitive advantage to a very great extent at Krones East Africa Limited. Below are the key findings relating to this objective:

On whether the company met the needs of customers' expectations, majority of the respondents agreed. The findings are consistent with those of the management study guide (2014) that pointed out that core competencies help in creating and developing new goods and services that meet the needs of the customers.

With regard to whether the customers were satisfied with the services delivered by our company, majority of the respondents agreed. The study agree with those of the management study guide (2014) that pointed out that core competencies helps in

distinguish its products and services from its rivals and thus gaining competitive advantage with the customers.

When asked if the customers were ready and willing to continue transacting business with our company, majority of the respondents agreed. The findings agree with those of Management Study Guide (2014) that concluded that core competencies enable an organization deliver quality products and thus promoting customer value.

On whether the company had potential to keep operating costs low, majority of the respondents agreed. These findings agree with those of the Management Study Guide (2014) that found out that core competencies help an organization to reduce its costs.

With regard to if the company had potential to sustain high financial performance, majority of the respondents agreed. The findings agree with those of Wu & Kuo (2011) who asserted that organizations should adopt more comprehensive financial metrics so as to measure financial performance.

When asked if the company had potential to continue creating new market for its goods and services, majority of the respondents agreed. These findings agreed with those of Alderson (1965) who asserted that that greater market might be achieved through product innovation.

On if the company had potential to continue coming up with new ways of serving our clients' needs, majority of the respondents agreed. These findings agree with those of Alderson (1965) who asserted that that differential advantage might be achieved through product innovation.

The study also recommends that the organization understands the needs and expectations of the customers and formulate strategies that will address those needs. This

will ensure the company has competitive advantage which in turn ensures that customers remain satisfied and thus a higher retention rate.

### Conclusion

The results presented in this study have indicated the effects of core competencies in gaining sustainable competitive advantage in Krones Life Cycle Service Centre East Africa Limited, achieved all the research objectives and answered the generated research questions. Moreover, since the respondents were Krones employees with different demographic characteristics and management levels, the results provided are accurate with regard to the organization's competitive advantage and core competencies because they are better informed due to their hands on, day to day running of the organization.

On the core competencies adopted the study concludes that Krones East Africa Limited has adopted different core competence strategies. The study concludes that different strategies in the institutional Facilities, Knowledge Management Systems, Key Work Processes, Key Staff Possessing Superior Skills, Strategic Intent, Resources and Capability and Market Positioning are used to gain competitive advantage.

The study also concludes that institutional Facilities, Knowledge Management Systems, Key Work Processes, Key Staff Possessing Superior Skills, Strategic Intent, Resources and Capability and Market Positioning are used to gain competitive advantage to a very great extent at Krones East Africa Limited.

The study concludes that the strategies adopted have made it possible for the customers to continue transacting business with our company, to promote customer satisfaction through meeting the expectations of the customer, to potentially keep the

operating costs low, to continue coming up with new ways of serving our clients' needs, to continue creating new market for its goods and services and to sustain high financial performance. Consequently, these core competencies have had a positive effect on the organization's competitive advantage.

### Recommendations

From the findings of this study, the following recommendations were made:

1. Organization should adopted core competence strategies such as institutional facilities, knowledge management systems, key work processes, key staff possessing superior skills, strategic intent, resources and capability and market positioning in order to gain to gain competitive advantage over its competitors.
2. Knowledge management systems, key work processes, key staff possessing superior skills, strategic intent, resources and capability and market positioning strategies be implemented to a very great extent so as to ensure the effectiveness of the advantages of the strategies on the business.
3. Organization need to understand the needs and expectations of the customers and formulate strategies that will address those needs. This will ensure the company has competitive advantage which in turn ensures that customers remain satisfied and thus a higher retention rate.

### Recommendations for further Research

This study concentrated on assessment of core competencies to gain sustainable competitive advantage using case of Krones life cycle service Centre East Africa limited.

The focus of the study was one organization- Krones life cycle service Centre East Africa limited. To facilitate the generalization of the findings, this study proposes that future studies be conducted on competitive advantage in other organization and its effects of organizational performance.

The study also recommends that another study be carried out among organizations to investigate the relationship between organizational resources and the way firms are organized to achieve competitive advantage.

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## APPENDICES

## Appendix One: Questionnaire

I am a Master of Business Administration, Strategic Management Option student at Daystar University. I am conducting a study on the Assessment of core competencies to gain sustainable competitive advantage: A case of Krones life cycle service Centre East Africa limited. I have specific questions to ask you related to Assessment of core competencies to gain sustainable competitive advantage. All information shared will be strictly confidential and will be used for academic purposes only. Your participation in the exercise is highly appreciated.

## INSTRUCTIONS

To complete the questionnaire, read and respond to each statement according to the instructions given in each section.

## Section A: General Information

1. Please indicate your gender:

(a) Male ☐ (b) Female ☐

2. Highest level of education

a) Secondary level ☐ b) College level ☐  
c) University level ☐ d) Post graduate level ☐

3. Please indicate your position in the organization management structure:

(a) Top Level Management ☐ (b) Middle Level Management ☐  
(c) Technical Staff ☐ (d) Subordinate Staff ☐

4. How long have you worked at Krones LCS Centre?

(a) Less than 1 year ☐ (b) 2 to 5 years ☐  
(c) 5 to 10 years ☐ (d) above 10 years ☐

## SECTION B: CORE COMPETENCIES

This section aims at investigating the core competencies in Krones East Africa Limited. Please indicate your agreement or otherwise with the following statements using the Likert scale. Use the scale of 1-5 where: 1-Strongly Disagree, 2-Disagree, 3-Neutral, 4-Agree, 5-Strongly Agree.

Institutional Facilities	1	2	3	4	5
1. Provision of a highly specialized equipment to customers					
2. Financial capability of Krones East Africa Limited has been used to gain competitiveness					
3. Our Company has well experience and skilled employees in the beverage bottling industry					
4. Employee skills and experience has been used to create competitiveness at Krones East Africa Limited					
5. Our Company has a good reputation in the beverage bottling industry					
6. Our Company is well known in the beverage bottling industry					
Knowledge Management Systems					
7. Our Company has better technology used in its business than the competitors in the beverage bottling industry					
8. The technology adopted by our firm is superior to that adopted by the competitors					
9. Our Company has a better after sales service record in the industry					
10. Ability to adapt new and better technology has been used to build competitiveness at Krones East Africa Limited					
11. Innovations have enabled Krones East Africa Limited to competitiveness					
12. in-house technology development have enabled Krones East Africa Limited to competitiveness					
13. The organization has a good information sharing policy					
14. Better knowledge management has been used to develop competitiveness at Krones East Africa Limited					
15. Competitive information sharing policy has improved Krones East Africa Limited's competitiveness					
Key Work Processes					
16. There are quality controls at Krones East Africa Limited					
17. The Company ensures quality service delivery to customers					
18. There are standardized business operations at Krones East Africa Limited					
19. Krones East Africa Limited has smooth working processes					

20. Our Company has a better service level agreement performance in the beverage bottling industry					
21. People management policies in our organization promote employee performance					
Key Staff Possessing Superior Skills					
22. Krones East Africa Limited Employees possess unique skills to serve customers better					
23. Our Company has a better employee retention scheme					
24. Employees at Krones East Africa Limited have better problem solving skills					
25. Employees at Krones East Africa Limited have the ability to think critically and develop better solutions to customer issues					
26. The Company has a better staff training and development policy					
27. Our Company has a clear career growth path for all employees					
Strategic Intent					
28. Krones East Africa Limited has a clear company mission					
29. All departments at Krones East Africa Limited have targets					
30. The departments are focused on providing value for our customers					
Resources and Capability					
31. Krones East Africa Limited has better qualified and experienced employees in its market segment					
32. Krones East Africa Limited has adequate financial resources to build competitiveness in its market segment					
33. Krones East Africa Limited has appropriate technology to out compete its competitors in the market					
34. Krones East Africa Limited good reputation has been used to build competitiveness					
35. A better reporting structure has been used to develop competitiveness at Krones East Africa Limited					
36. Better people management policies have been used to build competitiveness at Krones East Africa Limited					
37. Our managers have exceptional people management skills					
38. Our Company has a better way of managing knowledge flow in the organization					
39. The culture in our organization promotes teamwork					
40. Our organization has capacity to absorb new technology in its operations					
Market Positioning					
41. Our Company has a good relationship with its suppliers					

42. Our Company has a good relationship with its customers					
43. Our Company maintains fair play in the industry					
44. Our Company is in a good relationship with the provisions of the Government of Kenya					
45. The Company has able leaders who to manage the operations of the business					
46. Collaborations with other service providers have given our company a competitive edge					
47. The ability to develop new ways of accomplishing our work has improved our competitiveness					
48. Our ability to adapt to different business circumstances has improved the competitiveness of our Company					
49. Our ability to come up with new ways of doing things has improved the competitiveness of our company					
50. The level of customer awareness of our brand has improved our competitiveness in the industry					

51. In your opinion, what other ways has the company been able to develop its superior performance in the beverage bottling industry?

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### SECTION C: EXTENT OF CORE COMPETENCIES APPLICATION

Kindly indicate the extent to which the following strategies have been applied in building competitiveness at Krones East Africa Limited. Use the Scale ranges of 1-5 where 1-no extent at all 2-little extent 3-moderate extent 4-great extent, 5-no extent at all

Institutional Facilities	1	2	3	4	5
1. Provision of a highly specialized equipment to customers					
2. Financial capability of Krones East Africa Limited has been used to gain competitiveness					
3. Employee skills and experience has been used to create competitiveness at Krones East Africa Limited					
Knowledge Management Systems					
4. Ability to adapt new and better technology has been used to build competitiveness at Krones East Africa Limited					
5. Innovations have enabled Krones East Africa Limited to competitiveness					
6. in-house technology development have enabled Krones East Africa Limited to competitiveness					

7. Better knowledge management has been used to develop competitiveness at Krones East Africa Limited					
8. Competitive information sharing policy has improved Krones East Africa Limited's competitiveness					
Key Work Processes					
9. Quality controls at Krones East Africa Limited have enabled it to be more competitive in the market					
10. Quality service delivery has been used to build competitiveness at Krones East Africa Limited					
11. Standardized business operations have enabled Krones East Africa Limited to be more competitive					
12. Smooth working processes have been used to develop competitiveness at Krones East Africa Limited					
Key Staff Possessing Superior Skills					
13. Employees at Krones East Africa Limited possess unique skills to serve customers better					
14. Unique skills of staff at Krones East Africa Limited have given the company a competitive edge in the market					
15. Employees at Krones East Africa Limited have better problem solving skills					
16. Employees at Krones East Africa Limited have the ability to think critically and develop better solutions to customer issues					
17. Staff training and development policy has improved the competitiveness of Krones East Africa Limited					
Strategic Intent					
18. All departments at Krones East Africa Limited have targets to meet					
19. All departments at Krones East Africa Limited work towards achievement of set targets					
20. The departments are focused on providing value for our customers					
21. Clear company mission promotes Krones East Africa Limited competitiveness					
Resources and Capability					
22. Krones East Africa Limited has better qualified and experienced employees in its market segment					
23. Krones East Africa Limited has adequate financial resources to build competitiveness in its market segment					



24. Krones East Africa Limited has appropriate technology to out compete its competitors in the market					
25. Krones East Africa Limited good reputation has been used to build competitiveness					
26. A better reporting structure has been used to develop competitiveness at Krones East Africa Limited					
27. Better people management policies have been used to build competitiveness at Krones East Africa Limited					
Market Positioning					
28. Good relationship with customers has improved the competitiveness of Krones East Africa Limited					
29. Good relationship with Suppliers has improved the competitiveness of Krones East Africa Limited					
30. Collaborations with other service providers has given our company a competitive edge					
31. Ability to come up with new ways of doing things has improved the competitiveness of our company					
32. Ability to adapt to different business circumstances has improved the competitiveness of our Company					

#### SECTION D: EFFECTS OF CORE COMPETENCIES ON SUSTAINABLE COMPETITIVE ADVANTAGE

This section aims at outlining the sustainable competitive advantage in Krones East Africa Limited. Please indicate your agreement or otherwise with the following statements using the Likert scale. Use the scale of 1-5 where: 1-Strongly Disagree, 2-Disagree, 3-Neutral, 4-Agree, 5-Strongly Agree.

Statement	1	2	3	4	5
1. Our company meets the needs of customers' expectations					
2. Our customers are satisfied with the services delivered by our company					
3. Our customers are ready and willing to continue transacting business with our company					
4. Our Company has potential to keep operating costs low					
5. Our company has potential to sustain high financial performance					
6. Our company has potential to continue creating new market					



for its goods and services					
7. Our company has potential to continue coming up with new ways of serving our clients' needs					

...THANK YOU...

#### Appendix Two: Budget Plan

Number	Item	Amount (Kshs.)
1.	Stationery	5,000.00
2.	Binding	500.00
3.	Browsing	4,000.00
4.	Miscellaneous	5,000.00
	<b>TOTAL</b>	<b>14,500.00</b>

#### Appendix Three: Time Plan

Activity	Dates
Proposal Writing and Submission	November 2014
Data collection	December 2014 – February 2015
Data Analysis	March 2015
Report Writing	March 2015
Report Submission	27 <sup>th</sup> March 2015

## Appendix Four: Research Permit

**CONDITIONS**

1. You must report to the County Commissioner and the County Education Officer of the area before embarking on your research. Failure to do that may lead to the cancellation of your permit.
2. Government Officers will not be interviewed without prior appointment.
3. No questionnaire will be used unless it has been approved.
4. Excavation, lifting and collection of biological specimens are subject to further permission from the relevant Government Ministries.
5. You are required to submit at least two(2) hard copies and one(1) soft copy of your final report.
6. The Government of Kenya reserves the right to modify the conditions of this permit including its cancellation without notice.

**REPUBLIC OF KENYA**

**NACOSTI**

**National Commission for Science, Technology and Innovation**

**RESEARCH CLEARANCE PERMIT**

**Serial No. A 4322**

**CONDITIONS: see back page**

**THIS IS TO CERTIFY THAT:**  
**MISS. LILIAN NIMWENGE MACHASIO**  
**of DAYSTAR UNIVERSITY, 0-100**  
**Nairobi, has been permitted to conduct**  
**research in Nairobi County**

**on the topic: AN EVALUATION OF CORE COMPETENCIES TO GAIN SUSTAINABLE COMPETITIVE ADVANTAGE: A CASE OF KRONES LIFE CYCLE SERVICE EAST AFRICA LIMITED**

**for the period ending:**  
**31st August, 2015**

**Applicant's Signature**

**Permit No : NACOSTI/P/15/6150/4970**  
**Date of Issue : 3rd March, 2015**  
**Fee Received : Ksh 1,000**

**Secretary**  
**National Commission for Science, Technology & Innovation**