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COMPETITIVE DYNAMICS AND ORGANIZATIONAL PERFORMANCE OF METAL AND ALLIED MANUFACTURING INDUSTRIES IN MOMBASA COUNTY, KENYA

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ABSTRACT

This study investigated the influence of competitive dynamics on organizational performance of metal and allied manufacturing industries in Mombasa County, Kenya. The specific objectives were to examine the influence of product differentiation strategy, cost leadership strategy, focus strategy and strategic outsourcing on organizational performance of metal and allied manufacturing industries in Mombasa County, Kenya. The research was informed by Resource Based View Theory, Porter's Five Forces Theory, Dynamic Capability Theory, and Agency Theory. The study utilized a descriptive research design. A total of 210 respondents were observed. The next step was the use of simple random sampling to choose 138 respondents, or 65.7% of the total population. Semi-structured questionnaires were used to collect data, and a sample of twenty respondents was used for testing. The questionnaires were assessed for construct, content, and criteria validity to determine their validity. The questionnaire's reliability was assessed using Cronbach's alpha coefficient. To find connections between the variables we used inferential statistics like multiple regression analysis and correlation analysis. The research shows that using a differentiation strategy can help companies stand out from competitors by offering special and creative products or services. The study indicated that the adoption of product differentiation strategy, cost leadership strategy, focus strategy, and strategic outsourcing positively impacted the organizational performance of metal and allied manufacturing industries in Mombasa County, Kenya. The study recommends that metal and allied manufacturing industries should focus on creating unique and innovative products so as to stand out in a crowded marketplace and capture the attention of customers. The companies in the metal and allied manufacturing industries can improve their profit margins by focusing on reducing production costs.

Key Words*: Product Differentiation, Cost Leadership , Focus Strategy, Strategic Outsourcing*

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INTRODUCTION

The implementation of an organization's strategies determines its effectiveness because by successfully executing these strategies, firms can evaluate their performance based on market coverage, customer retention, profit maximization, product development, customer loyalty, and employee morale (McGivern & Tvorik, 2020). Almatrooshi, Singh, and Farouk (2021) argue that the alignment approach prioritizes the organization's structure and environment, overlooking strategic positioning. However, the competitive advantage approach concentrates on competitive strategy and does not consider internal organizational characteristics. So in order to do well in a world that is connected and always changing businesses need to be able to quickly and effectively adjust to new circumstances.

Gavrea, Ilies and Stegerean (2019) posit that the dynamic evolution of the business landscape in recent decades can be attributed to various important factors such as globalization, technological advancements, market segmentation, and deregulation. In the view of Ferris, Russ, Albanese and Martocchio (2021), organizations aspiring for longevity must exhibit agility in adapting to heightened competitive pressures, unprecedented in prior eras. Consequently, entities capable of navigating through turbulent business environments are those that strategically embed comprehensive plans for sustained success. These strategic initiatives are designed to confer a competitive edge upon the organization vis-à-vis its rivals, thereby bolstering long-term operational effectiveness and financial viability.

The idea of dynamism has always been an important topic in business writing because the business world is always changing. Yet, the comprehension of how businesses change and grow has been decreasing in the last few years (Lamberg, Tikkanen, Nokelainen & Suur-Inkeroinen, 2019). Banerjee, Farooq, and Upadhyaya (2020) argued that a rise in uncertainty in the global economy since the 1970s led to a surge in innovative market entry. Emerging companies disrupt established firms by introducing fresh ideas into the business landscape. A notable consequence was the replacement of outdated firms by new, innovative ones.

International competitiveness necessitates convenient access to global inputs at prices close to those found worldwide and a domestic market that is influenced by competitive pressures, both among local producers and in competition with imports (Arshad, Azhar & Khawaja, 2018). Shahzad, Xiu, and Shahbaz (2021) highlight that experiences in Pakistan and other regions indicate that heavily protected domestic markets not only diminish the drive to export but also harm the economy by enabling inefficient local producers to gain excessive profits from domestic consumers due to policy regulations. While there is a valid theoretical argument for supporting nascent industries that have significant learning outcomes and positive externalities, past encounters suggest that if such a strategy is adopted, it should be temporary and linked to performance.

In Nigeria, the telecommunications sector has a vital role in the highly competitive economic environment. Consequently, organizational abilities are expected to influence the relationship between competitive factors and the performance of Nigeria's telecommunications sector (Chen & Miller, 2019). Olasehinde (2022), in a study examining the connection between competitive dynamics, organizational competencies, and the performance of telecommunication companies in Nigeria, demonstrates that the association between competitive dynamics and organizational capabilities within the telecommunications sector is minimal and inconsequential. Hence, companies in the telecommunications industry must endeavor to stay relevant by prioritizing competitive elements such as pricing strategies, promotional activities, and product enhancements to enhance their performance.

Kenya has a long history of producing metal and related products; at the moment, the majority of steel is imported from European countries. The largest investment in steel and iron goods was made in 1902, when the Kenya-Uganda railway was being built (Parrenas, 2012), supporting the economic expansion and the construction sector. The demand for steel products is expected to expand by 2030 as a result in expansion of the building industry and the development of sizable government projects aimed at the middle class. The steel production industry is thriving, as indicated by the increasing supply and demand of its products. This success is critical for ensuring efficient resource utilization within a company. The main objective is to increase shareholder value by producing the highest possible return on capital investments.

There are numerous metal and related manufacturing firms in Mombasa. However, according to KAM journal (2022), Mabati Rolling Mills, Devki Steel Mills, and Perforated steel Mills hold the largest market shares. The Safal Group's major business, Mabati Rolling Mills Limited (MRM), was the organization's first venture, starting in 1962. MRM was the first business in Africa to create covered steel using a unique aluminum-zinc alloy, which is now known as the world's top technique for giving the steel a longer service life. BIEC International has licensed this innovation to the Safal Group.

Statement of the Problem

With increased rivalry from foreign goods and the introduction of new, well-established gamers, transforming legal frameworks and regulation plus supervision rules, mass producing sector intensifying procedures, shifting customer tastes, desires, and technical advances, the Kenyan manufacturing industry has undergone a paradigm shift over the past couple of years. This has had an impact on the performance of the manufacturing industries, and more specifically the metal and allied companies because they are unable to contend. These factors are contributing to the poor performance of Kenyan manufacturing firms, particularly in the metal and related industries (Mwasiaji, 2019). Multiple studies reveals that Kenyan Manufacturing firms are constantly struggling even to meet their operational costs and quality standards in comparison to their peers in the developed economies (Kleibert & Mann, 2020; Andersen et al., 2022). Due to their inability to successfully compete in the commercial environment, small industries are going down, as stated in (Nyariki 2012). According to (KAM) Journal 2022, a lobby for industrialists, Kenya's industrial electricity prices are greater than most of its African rivals, blunting the nation's competitive edge.

Local firms are also burdened by unstable utility grid, which slows down manufacturing and depletes staff morale, resulting in subpar performance. This creates a gap that has to be filled because extra incentives are required in order for the manufacturers to break even. According to the KAM journal (2022), lack of operational money was another reason given for business closure. Additionally, 30% of companies shut down due to rising operating costs, diminishing sales, and business losses. Enterprise shutdown were also caused by the diversion of profits and operating capital from the enterprise to other purposes. The Kenya Manufacturing Association (KAM), whose criticisms have begun to draw attention, is quoted in Kimani (2011) as attributing the departures to a number of causes, including the high cost of manufacturing and the local market being oversaturated with low-priced imports.

Mulande (2019) carried out a study that examined the competitive tactics used by Kenyan coffee roasters and packers. The study found that developing tactics in line with consumer wants is what makes roasted coffee sales successful. Unfortunately, the study's cross-sectional research design made it more difficult to identify the variables' causes. A study conducted in 2020 by Keraro Mokamba Cheluget Kithitu and Mbogo looked at different ways to improve how tea factories are run in Kenya's small tea farming sector. The findings indicated that more people started growing tea on smaller farms which made the competition in the industry stronger. In 2021, Wamalwa studied how sustainable supply chain management can help companies gain an edge in Kenya's tea market. The study found a marginally favorable correlation between competitiveness and strategic product development methods. However, the study was fundamentally qualitative, highly dependent on the unique competencies of the researcher, and subject to the researcher's own prejudices.

Research Objective

The general objective of the study was to ascertain the influence of competitive dynamics on organizational performance of metal and allied industrial enterprises in Mombasa County, Kenya. The study was guided by the following specific objectives;

- To assess the influence of product differentiation strategy on organizational performance of metal and allied industrial enterprises in Mombasa County, Kenya.
- To establish the influence of cost leadership strategy on organizational performance of metal and allied industrial enterprises in Mombasa County, Kenya.
- To ascertain the influence of focus strategy on organizational performance of metal and allied industrial enterprises in Mombasa County, Kenya.
- To ascertain the influence of strategic outsourcing on organizational performance of metal and allied industrial enterprises in Mombasa County, Kenya.

LITERATURE REVIEW

Theoretical Review

Resource Based View Theory

The Resource-Based View (RBV) theory, initially presented by Penrose in 1959, was employed in this investigation. Per this theoretical framework, a firm can achieve and preserve a competitive edge if it has resources that are unique, valued, hard to replicate, and non-substitutable. In an organization, though, not every resource is strategically relevant. When an organization develops and acquires all the resources it needs, whether from within or outside the company, its goal is to make sure it controls and obtains valued resources. The RBV theory predicts and emphasizes the importance of organizational performance and competitive advantage. Kozlenkova, Samaha, and Palmatier (2018) point out that to comprehend the success or failure of leveraging organizational operations, one must adopt an internally focused strategy that emphasizes internal organizational resources over an externally focused approach.

Porter 5 Forces Theory

Porter came up with the Theory of Competitive Advantage in 1980, served as the basis for this study. The competing forces method highlights how crucial it is to comprehend how a company relates to its environment in formulating its competitive strategy. The structure of the industry strongly influences the competitive dynamics and the range of strategies that firms can potentially adopt. Five industry-level forces are identified by the competitive forces model: rivalry among industry incumbents, entrance barriers, threat of substitution, buyer and supplier negotiating power, and supplier bargaining power. The intrinsic profit potential of an industry, or a particular area within one, is determined by these forces taken together. This methodology can aid a company in pinpointing a tactical stance inside a sector that enables it to successfully counteract rivalry or perhaps sway it to its advantage (Porter, 1980).

Dynamic Capability Theory

David Teece first introduced the theory in 1980 to elucidate how companies can meet two apparently conflicting imperatives. Shiozawa & Fujimoto (2018) found that the dynamic capability perspective looks at how companies can create and maintain valuable resources that are unique hard to copy and not easily replaced. This perspective also focuses on how companies can adapt and replenish their resources when faced with changing conditions. Dynamic capabilities are about how well a company can adapt improve and change its skills - both inside and outside the company - when things around them are changing fast.

Agency Theory

Agency theory looks at the problem between a principal and an agent when the principal gives a task to the agent. Both sides are seen as rational careful about dangers and focused on their own needs. The theory focuses on two main concerns: the risk-sharing problem and the agency problem, where the agent's objectives may conflict with the principal's, making supervision of the agent's actions challenging and pricey due to differing risk-sharing preferences, resulting in increased agency costs for contract establishment and enforcement.

Empirical Review

Product Differentiation Strategy

In their study, Githumbi and Ragui (2017) examined how the performance of major rice mills in Kenya is influenced by the implementation of a differentiation strategy. Results showed that the performance of big rice milling plants was positively impacted by product, physical, and service differentiation. Physical differentiation did not, however, appear to have a statistically meaningful impact. The study concluded that the success of large rice milling facilities is influenced only by strategies for product and service differentiation. But the study's particular focus was on Kenya's large rice milling factories' performance.

Cost Leadership Strategy

Atikiya Mukulu Kihoro and Waiganjo (2019) conducted a study to look at how the performance of Kenyan manufacturing companies is linked to the way they try to keep costs low. The researchers collected information from 131 businesses in 12 different industries in Nairobi and nearby areas by using a survey and interview questions. The study used a research design that described and explained the information. The results indicated that using a cost leadership strategy greatly affects how well manufacturing companies perform. Nonetheless, the study's primary focus was on Kenyan manufacturing companies' performance between 2014 and 2028.

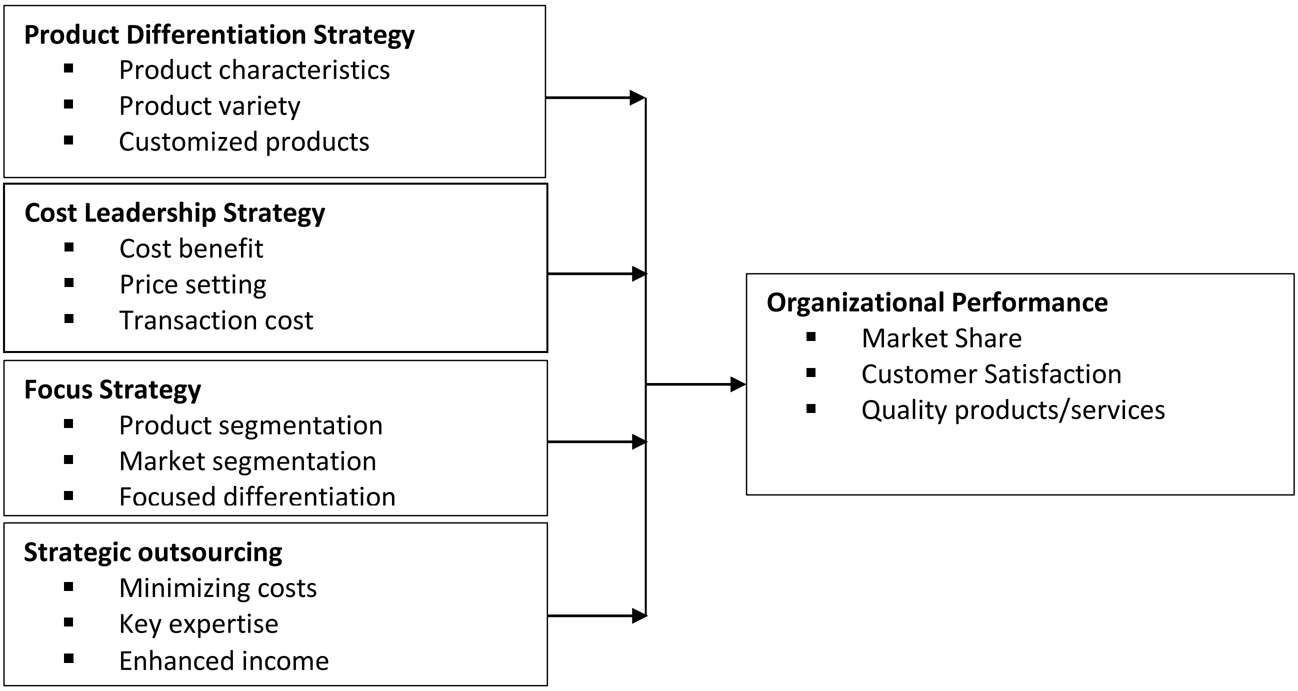
Focus Strategy

Focus strategy and firm performance were examined by Arasa and Gathinji (2020) in the context of Kenyan mobile telecommunications companies. This research was conducted using a descriptive methodology. Participants' completion of structured questionnaires constituted the main technique of data collection. The study found that the total performance of the companies providing mobile services was significantly improved by the combined application of focus strategies. Still, the main emphasis of the research was placed on mobile telecommunications firms in Kenya.

Strategic Outsourcing

Musanu (2018) carried out research on how strategic outsourcing impacts organizational performance. Using a detailed design, the research analyzed the information using regression analysis, correlation analysis, and descriptive statistics before displaying the findings in table format. The results indicated that outsourcing approaches centered on cost, innovation, or focused strategies greatly influenced the organization's performance. However, the primary emphasis of the study was on the case study of Bidco Africa Limited.

Conceptual Framework



Independent variables **Dependent variable**

Figure 1: Conceptual Framework

Source: Researcher (2023)

METHODOLOGY

The study's research design used was descriptive. The focus was on significant multinational corporations with significant market shares in this industry. There were at least 30 registered metal and associated industrial companies in Mombasa, according to KAM (2022). 138 respondents in all, or 65.7% of the total population, were included in the sample. Questionnaires were utilized for collecting data which was required in order to carry out the study.

The current study employed content validity, which evaluates the adequacy of items in representing the content intended to be measured by the test. The Cronbach's alpha reliability coefficient was used to assess the survey's reliability.

The qualitative information underwent thorough analysis and was presented in a narrative format through the application of a content analysis methodology. Descriptive measures, including the average and variability, were computed to summarize the numerical data. The results were shown in tables and figures when needed. Researchers used multiple regression analysis to examine how the dependent variable is connected to different independent variables. We used correlation analysis to figure out how strong and in what direction two variables are connected. The study was done using SPSS version 20. Data from the Statistical Package for Social Sciences. The results of the analysis were shown in tables and figures as necessary.

The regression equation was created in this way:

$$y = \beta 0 \ \beta 1X1 + \beta 2X2 + \beta 4X4 + \varepsilon$$

Y representing the ‘organizational performance’

X_1 representing ‘product differentiation strategy’

X_2 representing the ‘cost leadership strategy’

X_3 representing the ‘focus strategy’

X_4 representing the ‘strategic outsourcing’

β_1, to β_4 are coefficients

ε is the error term

FINDINGS AND DISCUSSIONS

Response Rate

The engagement and participation of the individuals were evaluated in order to determine the response rate from the target population based on sample size of 138 respondents drawn from Mabati rolling mills, Standard rolling mills and Devki steels mills.

Table 1: Response Rate

Category	Frequency	Percentage
Non response	23	16.7
Response	115	83.3
Total	**138**	**100**

Source: Survey Data (2024)

The analysis results presented in Table 1 demonstrate an 83.3% response rate and a 16.7% non-response rate. Baruch and Holtom (2014) suggest that a response rate of 80% or more is suitable for analyzing data. Consequently, the decision was made that the study's response rate of 83.3% was suitable for analyzing the data. The elevated rate of response in the study improved the credibility and trustworthiness of the research results.

Results of Descriptive Statistics

The analysis of quantitative data involved the utilization of Mean (M) and Standard Deviation (SD) in order to determine the level of agreement among respondents regarding the statements describing each variable. The findings are presented in the following manner;

Product Differentiation Strategy

Table 2: Product Differentiation Strategy

Statements	M	SD
The company strives to offer a distinctive product or service to set itself apart from other manufacturing companies.	3.84	1.159
The distinctive product characteristics enable customers to identify the company and associate its brand with a higher level of quality compared to other competitors.	4.56	0.439
Through product unique proposition it easy for customers to perceive the value of the firms' product	3.99	1.010
Differentiation strategy allows multiple products to be offered in the market as long as they are built on different attributes	3.67	1.329
The differentiation strategy capitalizes on the distinct characteristics of a product, thereby impacting customer loyalty.	4.62	0.379
Aggregate mean and standard deviation score	**4.12**	**0.875**

Source: Survey Data (2024)

The participants strongly concurred with the assertions that a Differentiation strategy capitalizes on the distinct characteristics of a product, thereby impacting customer loyalty (M=4.62, SD=0.379) and that unique product attributes enable customers to identify the company and associate its brand with meeting higher standards compared to other companies (M=4.56, SD=0.439). These findings align with the findings of a previous study Githumbi and Ragui (2017) that looked at the relationship between large rice milling factories in Kenya's operational success and differentiation strategy. The results showed that the performance of big rice milling plants was positively impacted by product, physical, and service differentiation.

There was agreement of statements that; through product unique proposition it easy for customers to perceive the value of the firms' product (M=3.99, SD=0.439), the company aims to differentiate itself from other manufacturing enterprises by providing a unique product or service (M=3.84, SD=1.159) and Differentiation strategy allows multiple products to be offered in the market as long as they are built on different attributes (M=3.67, SD=1.329). The result aligns with the research conducted by Nuru (2019) that examined the effect that differentiation approach has on Mombasa County, Kenya, water bottling firms' performance. The study's findings show a favorable correlation between differentiation strategy and firm performance.

Cost Leadership Strategy

Table 3: Cost Leadership Strategy

Statements	M	SD
The company employs competitive pricing for its products to stay ahead in the manufacturing sector.	3.85	1.146
Implementing a cost-effective strategy allows the factory to outperform its rivals by cutting down on operational expenses.	4.11	0.889
The focus of cost leadership strategy is on establishing cost-efficient operations in the manufacturing sector, resulting in increased profit margins.	4.56	0.439
This approach allows the factory to secure a competitive edge in the future by offering a more attractive pricing structure to customers.	4.51	0.490
By keeping prices low, you can prevent new competitors from entering the market because it will be difficult for them to match your prices.	4.66	0.339
Aggregate mean and standard deviation score	**4.34**	**0.661**

Source: Survey Data (2024)

The respondents highly agreed with the notion that keeping prices low can prevent competitors from entering the market by making it difficult for them to provide similar prices (Mean=4.66, Standard Deviation=0.339). Furthermore, the focus of a cost leadership strategy is on establishing cost-effective operations in the manufacturing sector, resulting in increased profit margins (Mean=4.56, Standard Deviation=0.439). Furthermore, by providing a superior pricing structure to its clients, implementing a cost leadership strategy can help a company achieve a competitive edge in the market (Mean=4.51, Standard Deviation=0.490). These results match the research of Amit (2018) who found that cost leadership strategies focus on a company's ability to provide products or services at a lower price than other companies. The main aim of a low-cost leadership strategy is to do better than competitors in terms of cost. This way the savings can be given to customers and the business can grab a big share of the market.

The participants reached an agreement on the statements indicating that the manufacturer can gain a competitive edge by keeping its operating costs less than those of its competitors by putting into practice a lower cost strategy (M=4.11, SD=0.899). In order to be competitive in the manufacturing sector, the corporation also uses low costs for its products (M=3.85, SD=1.146). These findings align with research conducted by Valipour, Birjandi, and Honarbakhsh (2020), which found that when a company adopts a low-cost strategy and attains a bigger profit margin than when it sells its products at the market rate, it can gain a competitive advantage. A common goal of businesses using low-cost solutions is to provide products that appeal to the typical consumer in a large target area.

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Focus Strategy

Table 4: Focus Strategy

Statements	M	SD
Focus strategy is instrumental in fostering robust connections in individual target markets.	4.09	0.909
Implementing product segmentation enhances the pricing framework of the business.	3.97	1.029
Market segmentation empowers factory to pinpoint prospective customers with precision.	4.23	0.940
By adopting a focus strategy, the factory can seize the chance to deliver superior quality without the fear of diminishing consumer appeal.	4.55	0.449
Focus strategy helps the factory to improve customer service	4.60	0.400
Aggregate mean and standard deviation score	**4.29**	**0.745**

Source: Survey Data (2024)

The participants were in strong consensus regarding the following statements: Firstly, the implementation of a focus strategy contributes significantly to enhancing customer service at the factory (M=4.60, SD=0.400). Secondly, a focus strategy allows the factory to enhance the quality of its products without compromising consumer interest (M=4.09, SD=0.909). These outcomes concur with the conclusions of Johnson, Lee, Saini, and Grohmann (2017), who observed that focus strategies are instrumental in helping companies target specific market niches. Companies can establish a focus by either adopting a cost-based approach to serve a certain market niche or group, or by the application of a differentiation-based focus.

There was agreement on the following statements; Market segmentation enables the factory to identify its future customers with specificity (M=4.23, SD=0.940), the focus strategy contributes to establishing robust connections within specific target markets (M=4.09, SD=0.909), while product segmentation enhances the pricing framework of the business (M=3.97, SD=1.029). This observation aligns with the study conducted by Wu, Porter, and Brown (2021), suggesting that companies implementing focus strategies can sustain high profitability by catering to a narrow market niche, even in challenging industry conditions.

Strategic Outsourcing

Table 5: Strategic Outsourcing

Statements	M	SD
Businesses can better focus on their core competencies through strategic outsourcing, freeing up employees to focus on their main responsibilities and long-term plans.	3.66	1.338
Businesses can increase operational efficiency through strategic outsourcing, which produces more productive and efficient services that are frequently of higher quality.	4.49	0.507
Cost savings from outsourcing help businesses raise money to spend in other aspects of their operations.	4.33	0.665
Strategic outsourcing gives businesses access to resources and facilities that they wouldn't otherwise have or couldn't afford	4.53	0.467
Through strategic outsourcing, firms can leverage knowledge and skills across their entire supply chain	4.55	0.448
Effective outsourcing reduces costs and improves service quality while helping businesses become more adaptable and flexible in reaction to barriers and shifting market conditions.	4.57	0.428
Aggregate mean and standard deviation score	**4.36**	**0.642**

Source: Survey Data (2024)

The participants expressed a high level of agreement regarding the benefits of strategic outsourcing for businesses. They strongly believe that strategic outsourcing enhances flexibility and agility, enabling firms to effectively respond to market changes and obstacles, while also leading to cost savings and improvements in service levels (M=4.57, SD=0.428). Furthermore, they acknowledge that strategic outsourcing allows firms to tap into a wider pool of knowledge and expertise throughout their entire supply chain (M=4.55, SD=0.448). Lastly, they understand that companies can acquire resources and capabilities that would otherwise be unattainable or prohibitively expensive through strategic outsourcing (M=4.53, SD=0.467). The finding agrees with Nyameboame and Haddud (2017) research which observe that strategic outsourcing can greatly influence how effective an organization is since it involves contracting out certain tasks by outsourcing specific tasks to experts from outside companies organizations can concentrate on their main strengths and long-term objectives..

The participants concurred with the statements that strategic outsourcing allows companies to enhance their operational efficiency, leading to a more productive and efficient service, often of superior quality (Mean=4.49, Standard Deviation=0.507). Outsourcing helps companies save money allowing them to invest in different parts of their business. The standard deviation is 0. Sure I can help with that. Just provide me with the content you'd like me to paraphrase in a simpler way. Furthermore by strategically outsourcing work companies can focus on what they do best giving their employees more time to work on important tasks and future goals (Mean=3.66, Standard Deviation=1.338). The results are consistent with study by Charles and Ochieng (2023), which found that smart outsourcing can assist businesses in cutting expenses and increase flexibility by shifting certain operational responsibilities to external vendors.

Performance

Table 6: Performance

Statements	M	SD
The company has expanded its market presence.	3.01	1.890
The company has made enhancements on product and services to its customers	2.85	2.149
The factory has been able to offer services and products that satisfy their customers	3.21	1.788

Source: Survey Data (2024)

The findings displayed in Table 6 demonstrate that the participants expressed a neutral stance regarding the statements; The factory has been able to offer services and products that satisfy their customers (M=3.21, SD=1.788), the firm has widened its market share (M=3.01, SD=1.890) and the firm has improved product and services to its customers (M=2.85, SD=2.149). The finding contract with the finding of Andrews, Boyne and Walker (2021) study findings that the success of a company relies heavily on its capacity to efficiently and efficiently address both threats and opportunities, while being fully aware of its strengths and weaknesses.

Summary of Descriptive Statistics Results

Table 7: Summary of Descriptive Statistics Results

Variable	Aggregate mean score	Aggregate standard deviation
Product differentiation strategy	4.12	0.875
Cost leadership strategy	4.34	0.661
Focus strategy	4.29	0.745
Strategic outsourcing	4.36	0.642

Source: Survey Data (2024)

The information presented in Table 7 shows that the average values of the variables fell within the range of 4.12 to 4.36. These results indicate that the participants agreed with how the independent variables were described in relation to the dependent variable. Furthermore, responses exhibited minimal variation, as evidenced by the aggregate standard deviation ranging from 0.642 to 0.875.

Results of Multiple Regression Analysis

Table 8: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.911	.829	.805	.514

Source: Survey Data (2024)

According to Table 8, the results show that the independent factors had an impact on the organizational performance of the metal and related manufacturing businesses in Mombasa County, Kenya. The corrected R square value was.805 in this case. It is significant to remember that the remaining 0.195 comes from the unstudied competitive dynamics.

Table 9: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	210.035	4	52.509	65.883	.002
	Residual	90.105	113	0.797		
	Total	300.140	114			

Source: Survey Data (2024)

According to the information in Table 9, the statistical F value exceeded the statistical mean value, with a value of 72.844 compared to 52.509. Furthermore, the significance value was calculated at 0.002, falling below the significance level of 0.05. Hence, it is clear that the model was important.

Table 10: Coefficients

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	.523	.234		2.235	.002
	Product differentiation strategy	.812	.305	.0025	2.662	.000
	Cost leadership strategy	.791	.228	.0415	3.469	.001
	Focus strategy	.708	.304	.5214	2.329	.001
	Strategic outsourcing	.752	.262	.4462	2.870	.002

Source: Survey Data (2024)

The findings presented in Table 10 demonstrate that, when the independent variables are maintained constant, the dependent variable is expected to be 0.523. These results suggest that enhancing the product differentiation strategy, focusing on cost leadership, and implementing strategic outsourcing would significantly improve the overall performance of the metal and allied manufacturing sectors in Mombasa County, Kenya, with corresponding increases of 0.812, 0.791, 0.708, and 0.752, respectively. The following is the expression for the final regression equation;

Organizational performance = 0.523 + 0.812(product differentiation strategy) + 0.791(cost leadership strategy) + 0.708(focus strategy) + 0.752(strategic outsourcing)

Research findings revealed that the adoption of a product differentiation strategy had a beneficial effect on the overall success of metal and allied manufacturing sectors in Mombasa County, Kenya. This inference was made considering the beta value and the significance level obtained (β=0.0025, p=0.000). These findings align with a previous study conducted by Githumbi and Ragui (2017), which examined the relationship between Kenya's large rice milling factories' performance and their differentiation approach. Their study's findings showed that improving the effectiveness of these sizable rice milling facilities required distinct product, physical, and service offerings.

The research confirmed that the implementation of a cost leadership strategy positively impacted the organizational performance of metal and allied manufacturing industries in Mombasa County, Kenya. This was determined based on the beta value and the level of significance value obtained (β=0.0415, p=0.001). This study backs up the findings of a research done by Atikiya Mukulu Kihoro and Waiganjo in 2019 about how well Kenyan manufacturing companies do when they focus on keeping costs low. The study found that when manufacturing companies use a cost leadership strategy, it has a big impact on how well they perform.

The study concluded that the implementation of the focus strategy had a positive impact on the performance of metal and allied manufacturing sectors within Mombasa County, Kenya. This assertion was substantiated by the beta value and the significance level obtained (β=0.5214, p=0.001). These results are in concordance with prior research by Odunayo (2018), which investigated the connection between organizational performance and market focus strategy in Port Harcourt-based telecommunications companies. The empirical findings from both researches support the notion that organizational performance in Port Harcourt's telecommunications enterprises and market focus strategy have a substantial and favorable link.

The research indicated that strategic outsourcing had a notable positive impact on the operational effectiveness of metal and related manufacturing sectors in Mombasa County, Kenya (β=0.4462, p=0.002). This result is consistent with Musau's (2018) study's conclusions showed that cost-driven, innovation-driven, and focus-driven outsourcing greatly aided in raising organizational performance.

Results of Qualitative Data Analysis

The respondents were questioned about other ways that their approach of product differentiation affected the success of Mombasa County, Kenya's metal and related industrial businesses. The answers are listed in the following order;

'Product differentiation strategy drives innovation and technological advancements in the metal and allied manufacturing industries. These firms create unique products by investing invest in research and development, leading to the discovery of new manufacturing techniques and materials thereby improving the overall efficiency and quality of their products, making them more competitive in the market. Product differentiation strategy enhances Musa's customer loyalty and brand recognition which leads to a loyal customer base and positive word-of-mouth marketing, which can further boost the performance of these industries.'

The participants were asked to clarify any other ways that Mombasa County, Kenya's metal and related manufacturing industries are affected by the cost leadership plan. The following are the responses that were given;

'The cost leadership strategy enables companies to achieve economies of scale through producing goods in large quantities which makes these companies to reduce their per-unit production costs. This allows them to lower their prices while still maintaining a reasonable profit margin. In the metal and allied manufacturing industries, where raw material costs can be significant, achieving economies of scale is crucial for maintaining competitiveness. The cost leadership strategy requires these companies to make significant investments in technology and infrastructure. Therefore, companies need to carefully assess the potential return on investment and consider the long-term benefits of implementing a cost leadership strategy.'

The respondents were asked to explain other ways in which focus strategy influence the performance of metal and allied manufacturing industries in Mombasa County, Kenya. The responses are given as follows;

'A focus strategy enhances the quality of products and services in the metal and allied manufacturing industries by concentrating on a specific market segment whereby these companies invest in research and development to continuously improve their offerings. This result in the development of innovative products or the implementation of advanced manufacturing techniques, which set them apart from competitors and attract customers who value high-quality products. A focus strategy contributes to the overall economic development of Mombasa County, Kenya because specializing in metal and allied manufacturing industries, companies create employment opportunities and contribute to the local economy. This leads to increased income levels, improved living standards, and the development of a skilled workforce'

The respondents were asked to explain other ways in which strategic outsourcing strategy influence the performance of metal and allied manufacturing industries in Mombasa County, Kenya. The responses are given as follows;

'Strategic outsourcing help metal and allied manufacturing industries in Mombasa County to reduce costs and improve their bottom line through leveraging the economies of scale and expertise of external vendors whereby these industries are able to achieve cost savings in areas such as labor, materials, and overhead expenses. This cost efficiency ultimately led to higher profitability and competitiveness in the market'

CONCLUSIONS AND RECOMMENDATIONS

The differentiation strategy allows companies to stand out setting themselves apart from their rivals by providing distinctive and groundbreaking products or services. By focusing on creating products that are distinct and superior in terms of quality, design, or functionality, companies can attract a larger customer base and command premium prices. This differentiation can lead to increased market share and higher profit margins, ultimately contributing to improved financial performance. A differentiation strategy can help companies build strong brand equity and customer loyalty. If customers view a company's products or services as distinctive and of higher quality, they are more likely to develop a strong emotional connection with the brand.

The study concludes that cost leadership strategy enables metal and allied manufacturing industries in acquiring the capability to provide goods at more affordable rates compared to rivals can allure price-conscious consumers and enhance the company's market dominance. Furthermore, lower prices can assist companies in retaining customer commitment and acquiring new clientele, resulting in boosted sales and revenue. Cost leadership help metal and allied manufacturing industries to improve their profitability by reducing costs and increasing margins. By streamlining operations, optimizing supply chains, and securing more favorable agreements with suppliers, companies can lower their production costs and improve their bottom line.

The study concludes that the focus strategy enables companies to direct their resources and efforts towards a particular target market or niche. By narrowing down their focus, companies can obtain a better comprehension of the needs and preferences of their clients in the metal and allied manufacturing sectors. This strategy also helps companies to distinguish themselves from their competitors. By specializing in a particular segment of the metal and allied manufacturing industries, companies can develop unique capabilities and expertise that set them apart from broader competitors.

The study concludes that strategic outsourcing enables the metal and allied manufacturing industries to focus on their core competencies and allocate resources in a more efficient manner, which will ultimately result in enhanced performance and competitiveness. Strategic outsourcing helps companies improve their flexibility and responsiveness to market changes. By partnering with external suppliers, companies can quickly adapt to fluctuations in demand, scale production up or down as needed, and access new markets more easily. This can help companies stay agile and responsive in a competitive market environment.

The metal and allied manufacturing industries should prioritize the development of distinctive and inventive products in an effort to stand out in a crowded market and grab consumers' attention. This approach can result in higher sales, improved profit margins, and enhanced brand loyalty. By offering something unique and valuable to customers, these companies can expand their customer base and increase their market share. Moreover, by consistently delivering exceptional and top-notch products, these companies can establish a solid reputation in the market. This, in turn, can foster customer loyalty and encourage repeat business, as customers tend to choose brands they trust and perceive as superior.

The study recommends that the companies in the metal and allied manufacturing industries can improve their profit margins by focusing on reducing production costs. There are multiple ways to accomplish this objective, including streamlining production processes, securing more favorable agreements with suppliers, and adopting cost-efficient technologies. In order to attract a larger customer base and increase their market share, companies in the metal and allied manufacturing industries should strive to offer products at lower prices compared to their competitors. By doing so, they can establish a robust brand reputation for delivering high-quality goods at affordable rates. Additionally, investing in research and development can enable these companies to innovate and enhance their products while simultaneously reducing costs. This strategy may lead to the development of new and improved offerings, further strengthening their competitive edge in the market.

The research suggests that businesses improve their focus strategy by investing in employee training and development. The companies can improve overall performance and drive innovation by providing employees possessing the requisite abilities and expertise to new technologies and machinery. The performance of metal and related manufacturing sectors can be improved by investing in advanced technology and automation and companies can enhance their competitiveness in the market and meet the increasing customer demands by incorporating cutting-edge machinery and equipment, thereby boosting efficiency, minimizing production costs, and enhancing product quality.

The study recommends that the metal and allied manufacturing companies should outsource certain non-core functions so as to save on expenses related to infrastructure, equipment, labor, and training. Utilize their knowledge to improve the caliber and effectiveness of their production procedures to achieve better overall performance. Increase flexibility and scalability so as to easily adjust their production capacity based on market demand without incurring significant fixed costs. Outsource non-core functions, and concentrate on resources and efforts on their core competencies. Collaborating with external vendors can foster innovation and continuous improvement within the metal and allied manufacturing sectors.

Suggestions for Further Study

The research proposes exploring additional competitive dynamics within the metal and allied manufacturing sectors in Mombasa County, Kenya. It also recommends conducting a similar study on various manufacturing firms in Mombasa County, Kenya.

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