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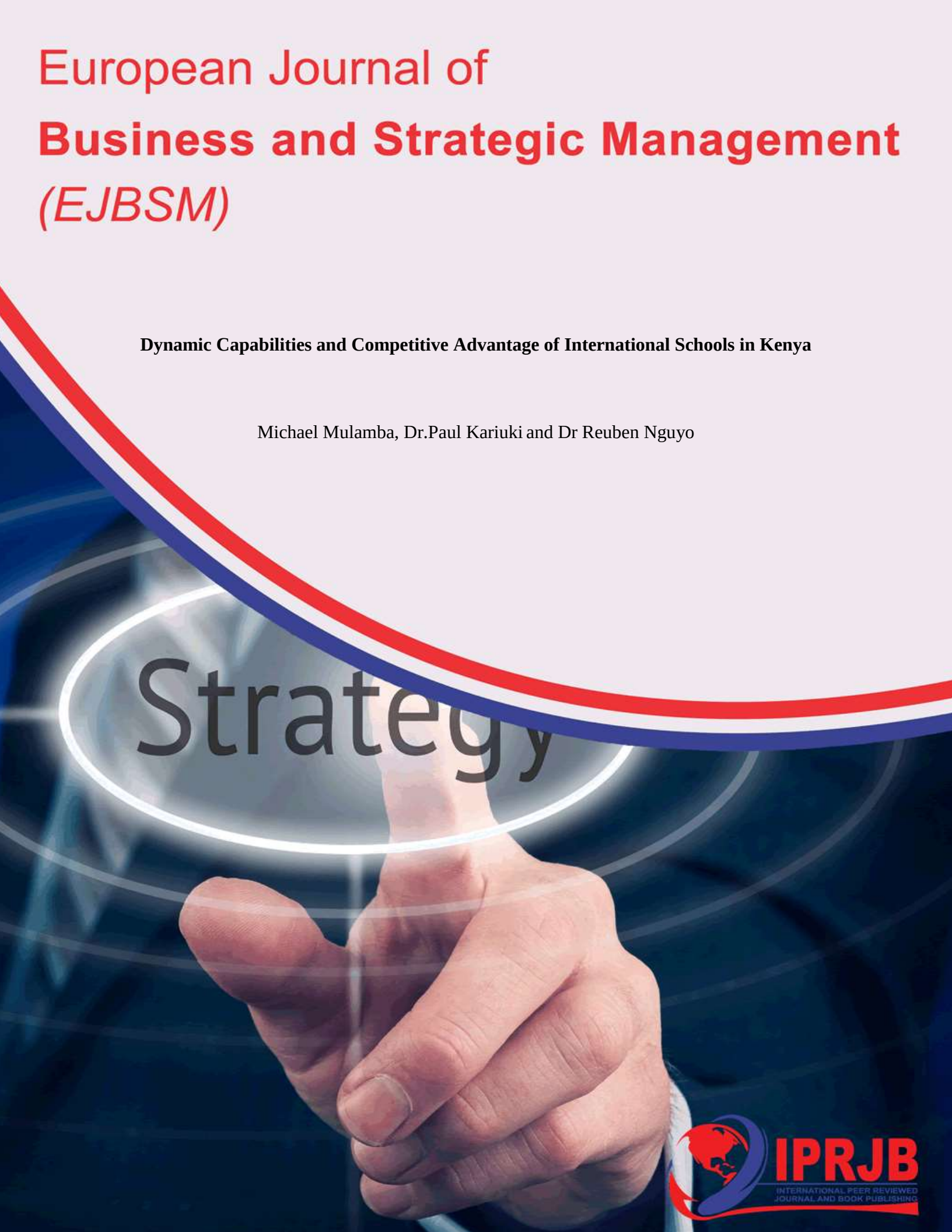

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Dynamic Capabilities and Competitive Advantage of International Schools in Kenya

[1*]Michael Mulamba
Department of Commerce and Economic Studies, Jomo Kenyatta University of Agriculture and Technology

[2]Dr. Paul Kariuki
Department of Commerce and Economic Studies, Jomo Kenyatta University of Agriculture and Technology

[3]Dr. Reuben Nguyo
Senior Lecturer, Taita Taveta University

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Abstract

Purpose: The purpose of this study was to investigate the effect of Dynamic Capabilities on the competitive advantage of international schools in Kenya. Specifically, the study aimed to establish the influence of knowledge management capabilities, information communication technology capabilities, organizational assets and learning capabilities on the competitive advantage of international Schools in Kenya.

Methodology: The research design used was descriptive survey. The target population included the 42 schools offering different international curriculum in Nairobi-County. A sample of 168 respondents was randomly selected for this study, comprising of one school principal, one Head of Section, one head of department and one senior teacher from each of the school. The researcher used questionnaires to collect primary data. Qualitative data was analyzed using descriptive statistics with aid of SPSS Version 24. The findings were presented using tables,bar graphs and pie charts.

Findings: The study found that knowledge management capabilities significantly influenced the competitiveness of international schools in Kenya ($r=0.877$, $p=0.000$; $\beta1=1.122$, $p=0.000$). Information communication technology capabilities also had a significant positive impact on competitive advantage ($r=0.705$, $p=0.000$; $\beta2=1.060$, $p=0.000$). Organizational assets were positively correlated with competitive advantage ($r=0.705$, $p=0.000$; $\beta3=0.965$, $p=0.000$). Learning capabilities also significantly influenced competitive advantage ($r=0.618$, $p=0.000$; $\beta4=0.877$, $p=0.000$).

Unique Contribution to Theory, Practice and Policy: The study advances dynamic capabilities theory by contextualizing it within international education, informs policy on strategic resource development for global competitiveness, and guides school leaders in enhancing adaptability, innovation, and market positioning to sustain competitive advantage in Kenya's international school sector.

Keywords: *Dynamic Capabilities, Competitive Advantage, Knowledge Management, Information Communication Technology (ICT), Organizational Asset, Learning Capabilities*

JEL Codes: *L20, M10, I21*

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INTRODUCTION

The education sector has undergone notable transformation over the years, with the curriculum becoming an instrument through which schools are evaluated and differentiated. An international curriculum, such as the International Baccalaureate (IB) and Cambridge Assessment International Education, is of particular interest as it promises a comprehensive and globally recognized program (British Council, 2017). In Kenya, this trend has been evidenced by a growing number of schools adopting these international curricula. However, within this context, there is observable disparity in competitive success among Kenyan schools offering these curricula. Prominent institutions like Rusinga, St.Andrew's Turi, Brookhouse, and Braeburn have notably thrived, demonstrating a strong competitive advantage. Conversely, some institutions have struggled to achieve a similar status. This disparity prompts an important question: what differentiates these schools and how does this contribute to their competitive advantage?

The concept of dynamic capabilities provides a potential explanation. Defined as the ability of an organization to integrate, build, and reconfigure internal and external competencies in response to rapidly changing environments, dynamic capabilities are pivotal to ensuring competitiveness (Muneeb, 2025). Applied to the education sector, this could manifest as innovative teaching methods, advanced use of technology, adept managerial leadership, and swift adaptation to changes in educational trends, amongst others. In an era characterized by rapid technological changes and shifting educational trends, the possession of dynamic capabilities is crucial. Schools with dynamic capabilities can foresee and adjust to future trends, create innovative learning environments, and remain competitive. However, how these dynamic capabilities affect the competitive advantage of international schools in Kenya remains a mostly uncharted territory in empirical research.

Given the increasing competition among these schools and the imperative need to continuously improve their educational offerings, understanding the role of dynamic capabilities in fostering competitiveness becomes essential. This research aims to bridge this knowledge gap by investigating the impact of dynamic capabilities on the competitive advantage of these schools. The outcomes of this study will not only contribute to theoretical understanding but can also provide practical insights for school administrators seeking to improve competitiveness.

Statement of the Problem

Dynamic capabilities are expected to enhance the competitive advantage of international schools in Kenya, fostering growth, innovation, and resilience in an increasingly competitive educational landscape. However, this has not been the case. Despite international schools in Kenya operating in a rapidly changing global environment, not all institutions have been able to harness dynamic capabilities to gain a sustainable competitive advantage. According to a report by the Kenya National Bureau of Statistics (KNBS, 2022), approximately 35% of international schools in Kenya experience stagnation or decline in student In contrast, schools such as Rusinga, Brookhouse, and Braeburn have consistently maintained high student enrollment, boasting an average growth rate of 15% annually, alongside strong brand equity, innovative curricula, and superior management practices. These schools have an 85% retention rate, significantly higher than the 60% retention rate in lower-performing international schools. Moreover, 40% of international schools in Kenya

face challenges with curriculum innovation, with these schools reporting a lower adaptation rate to global educational trends compared to top-performing institutions (KNBS, 2022). enrollment rates, with a notable 20% drop over the last five years. Such data raises concerns about whether these struggling schools possess or effectively leverage dynamic capabilities to remain competitive.This disparity in competitive advantage significantly impacts various stakeholders, including students, parents, educators, and investors.

Previous studies have explored various facets of competitive advantage in educational institutions, but significant gaps remain. For instance, Teece (2018) examined dynamic capabilities within organizations and found that they are essential for competitive advantage in rapidly changing environments, but this study did not focus specifically on the education sector or international schools in Kenya. Similarly, Mutuku (2019) analyzed competitive strategies of Kenyan private schools but overlooked the role of dynamic capabilities in shaping these strategies. Lastly, Njenga and Kimani (2020) investigated the influence of organizational resources on the performance of international schools in Nairobi but did not delve into the dynamic capability perspective, leaving a gap in understanding how these capabilities contribute to the schools' competitive positioning. This study aimed to fill these gaps by exploring the influence of dynamic capabilities on the competitive advantage of international schools in Kenya, providing new insights that could enhance their competitiveness.

General Objective

The general objective of the study is to establish the influence of dynamic capabilities on competitive advantage of international schools in Kenya.

Specific Objectives

i. To establish the influence of knowledge management capabilities on the competitiveness of international schools in Kenya.
ii. To assess the influence of information communication technology capabilities on the competitive advantage of international schools in Kenya.
iii. To determine the influence of organizational asset on the competitive advantage of international schools in Kenya.
iv. To evaluate the influence of learning capabilities on the competitive advantage of international schools in Kenya.

LITERATURE REVIEW

Theoretical Review

Resource-Based View Theory

The Resource-Based View (RBV) of the firm is a theoretical framework that focuses on the internal resources of an organization as the primary determinants of competitive advantage and performance. Initially articulated by scholars like Wernerfelt (1984) and Barney (1991), the theory postulates that firms achieve and sustain competitive advantage by deploying valuable, rare, inimitable, and non-substitutable (VRIN) resources. The RBV asserts that firms should focus on

the development of their internal resources, rather than merely responding to external market pressures, as their main strategy for maintaining competitiveness.

Many scholars have built upon Barney's initial framework, aligning RBV with evolving theories of knowledge management. Grant (1996), for instance, argued that the firm is an integrator of specialized knowledge, reinforcing the idea that knowledge capabilities are a vital resource. Teece, Pisano, and Shuen (1997) extended RBV to the concept of dynamic capabilities, where they emphasized that firms must not only possess VRIN resources but also have the capability to reconfigure these resources in response to environmental changes. Dynamic capabilities are especially important in the context of knowledge management, as they allow firms to adapt their knowledge bases and competencies in fast-changing environments.

Resource-Based View is a robust anchor for understanding Knowledge Management Capabilities. The theory's emphasis on developing unique and inimitable resources aligns well with the nature of knowledge, which is often tacit, context-specific, and difficult to replicate. Firms that are able to effectively manage their knowledge assets, ensuring that these capabilities meet the VRIN criteria, are likely to achieve sustained competitive advantage.

Technology Acceptance Model

Davis (1989) initially developed the Technology Acceptance Model (TAM). Davis (1989) proposed that two primary factors determine an individual's intention to use a particular technology: Perceived Usefulness (PU) and Perceived Ease of Use (PEOU). Perceived Usefulness refers to the degree to which a person believes that using a particular system will enhance their job performance, while Perceived Ease of Use refers to the degree to which a person believes that using the system will be free of effort. These two constructs then influence Behavioral Intention (BI), which ultimately leads to the actual usage of the technology.

Davis (1989) argues that Perceived Usefulness has a more significant impact on usage than Perceived Ease of Use. However, both factors are integral to understanding how users engage with new technologies. Over time, TAM has been modified and extended by various researchers, with additional variables being introduced, such as Subjective Norm (Venkatesh & Davis, 2000) and Perceived Enjoyment (Venkatesh, 2000), to offer a more comprehensive explanation of technology acceptance behavior.

In the context of Information Communication Technology (ICT), TAM serves as a theoretical anchor to examine how individuals and organizations adopt new ICT tools and platforms. Variables like ICT literacy and ICT infrastructure can be tied back to TAM's core constructs. For instance, Perceived Ease of Use is often influenced by users' familiarity with existing ICT systems, making ICT literacy an important external factor. Similarly, the availability and quality of ICT infrastructure can affect users' perception of the usefulness of technology in their work environments.

Dynamic Capabilities Theory

Teece, Pisano, and Shuen (1997) were among the first scholars to develop and articulate the concept of dynamic capabilities. They define dynamic capabilities as the organization's ability to "integrate, build, and reconfigure internal and external competencies to address rapidly changing

environments." According to Teece (2007), this theory builds upon the Resource-Based View (RBV) of the firm, which focuses on leveraging internal resources for competitive advantage. However, DCT goes a step further by emphasizing the importance of renewing and reconfiguring these assets in response to market volatility.

Dynamic capabilities are often divided into three main categories: sensing opportunities and threats, seizing opportunities, and transforming or reconfiguring organizational assets (Teece, 2007). For instance, the sensing capability involves recognizing market changes, technological shifts, and customer needs. Seizing capabilities include the ability to capitalize on identified opportunities, while transforming capabilities entail modifying resources and operational models to align with new opportunities or challenges. In this way, dynamic capabilities act as anchors to organizational assets, allowing firms to continually adjust and remain competitive in unpredictable environments.

Dynamic Capabilities Theory is a critical framework for understanding how organizations adapt to changing environments and use their organizational assets strategically. By anchoring the concept of dynamic capabilities to organizational assets, the theory emphasizes that assets alone are insufficient for achieving sustained competitive advantage. Instead, the ability to continuously reconfigure and renew these assets enables firms to thrive in dynamic and unpredictable markets.

Organizational Learning Theory

A significant proponent of Organizational Learning Theory is Senge (1990), who popularized the idea of the "learning organization". Senge's framework posits that organizations must foster a culture where learning is continuous, and knowledge is shared across all levels to build long-term sustainability. Organizational Learning Theory states that organizations must develop mechanisms to acquire, disseminate, and institutionalize knowledge for sustained growth and competitiveness. It is based on the belief that organizational learning occurs through the interaction of individuals, groups, and the wider organization. This dynamic process involves several stages, including knowledge creation, sharing, interpretation, and retention.

The theory also highlights that learning can occur at various levels: individual, group, and organizational. Individual learning contributes to organizational learning, but unless it is shared and embedded into organizational structures and routines, it may not have a lasting impact on the organization's learning capabilities. A central tenet of the theory is the role of feedback loops in facilitating learning. Feedback allows organizations to detect errors, make corrections, and continuously adapt to internal and external changes. The capacity to learn from past experiences, failures, and successes is critical to enhancing an organization's learning capabilities.

Organizational Learning Theory serves as a strong anchor for understanding learning capabilities in organizations. Learning capabilities refer to an organization's ability to continuously acquire, disseminate, and utilize knowledge for strategic advantage. The theory provides a robust framework for analyzing how organizations develop these capabilities through structured processes and feedback loops.

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Conceptual Framework

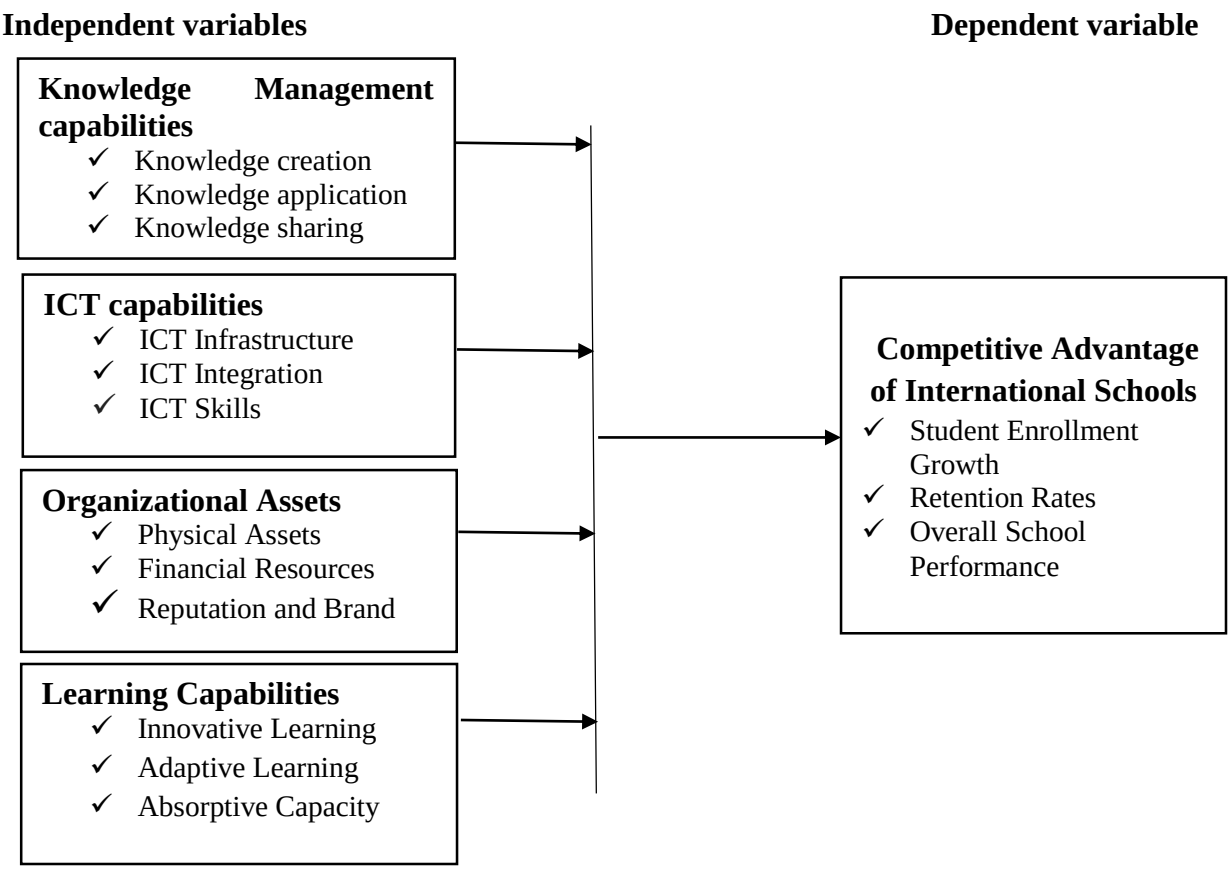

Figure 1: Conceptual Framework

Empirical Review

Akpa et al. (2020) undertook research to determine the impact of knowledge management on the performance of organizations within Nigeria's food and beverage manufacturing sector. Utilizing a survey research design, the study sampled 320 employees from a total of 1587 employees across selected firms. Data were gathered using a validated questionnaire and analyzed with structural equation modeling. The findings indicated that while knowledge creation negatively influenced innovation, knowledge sharing positively affected it. Additionally, knowledge creation was found to positively influence job satisfaction, whereas knowledge sharing had a negligible negative impact on job satisfaction.

Rezaei, Khalilzadeh, and Soleimani (2021) conducted research to identify factors that enhance the empowerment and implementation of knowledge management in organizations, and its effect on organizational performance. Focusing on Kabul Steel Plant, Afghanistan's largest steel plant, they developed their research model from literature and gathered initial data via a 48-question survey among 108 managerial and administrative staff. Using SPSS and SmartPLS for data analysis, their findings indicated positive contributions of organizational structure, culture, leadership, and trust

to knowledge management. The study also highlighted knowledge management's direct and indirect impacts (via human capital) on organizational performance.

Kamau, Eng, and Nzioki (2019) aimed to determine the impact of Information Technology Capability on the competitive advantage within Kenya's banking sector. This investigation was grounded in the McKinsey 7S Framework Model and the Dynamic Capability Theory. They adopted a positivist research philosophy and employed a descriptive survey design to study 39 operational commercial banks in Kenya. Primary data was collected and analyzed using the ordinary least squares regression model. The results demonstrated that strategic capabilities, specifically information technology capability, positively and significantly enhance the competitive advantage of commercial banks in Kenya.

Porter and Heppelmann (2017) explored the implications of information, communication and technology innovation for competitive advantage and industry structure. They focused on the emergence of smart, connected products, which were products that had physical components, smart components, and connectivity components. They argued that smart, connected products created new opportunities and challenges for firms in terms of value creation, value capture, and value chain configuration. They proposed a framework for analyzing the impact of smart, connected products on competitive advantage and industry structure. They identified four stages of evolution of smart, connected products: monitoring, control, optimization, and autonomy. They also identified three types of competitive advantage that could be derived from smart, connected products: product differentiation, operational effectiveness, and ecosystem leadership. They concluded that smart, connected products were transforming the nature of competition and industry boundaries. They recommended that firms should rethink their strategies and capabilities to leverage the potential of smart, connected products.

Vanpoucke, Vereecke, and Wetzels (2018) conducted an empirical literature review with the aim of exploring how supplier Physical Infrastructural Capabilities can foster sustainable competitive advantages for manufacturing firms operating in complex and dynamic supply environments. The study collected data from 175 manufacturing plants in 21 countries through surveys of senior managers responsible for supply chain management or operations. Structural equation modeling was employed to test hypotheses and assess the interplay among sub-capabilities. The key findings revealed that supplier Physical Infrastructural Capabilities positively impacted process flexibility and cost efficiency, suggesting that firms can simultaneously achieve flexibility and efficiency by developing these capabilities. Market and technological dynamics enhanced this positive effect, emphasizing the importance of these capabilities in turbulent environments. However, supply base complexity weakened this effect, indicating the challenges of implementation in diverse supplier networks.

Muhura (2019) pursued the goal of identifying organizational capabilities as a key source of competitive advantage for Airtel Kenya. To meet the study's objectives, a case study research design was utilized. An interview guide facilitated the collection of data on the strategic capabilities that enabled the organization to secure a competitive edge. The information gathered through the interview guide underwent qualitative analysis through content analysis. The findings revealed that Airtel Kenya's competitive edge was derived from its strategic capabilities, including

human resources, physical infrastructure, distribution networks, a strong brand, technology, market research, innovation, and the development and nurturing of talent.

Jared, Oloko, and Orwa (2017) identified a correlation between dynamic learning capabilities and the competitive edge of TVET Institutions in the western Kenya region. They utilized a descriptive survey method and targeted principals and department heads of state-owned TVET institutions in this region, conducting a complete census of these officials. Data collection involved structured questionnaires for primary data and reviewing institutional documents, Ministry of Education records, and relevant scholarly journals for secondary data. This data was then processed using both descriptive and inferential statistics, specifically employing Regression Analysis to assess the connections among the hypothesized variables. Their findings indicated a significant positive link between dynamic learning capabilities and the competitive advantage of these institutions.

Research Gaps

Despite the substantial contributions from previous studies on knowledge management, information technology capability, organizational capabilities, and dynamic learning capabilities in driving competitive advantage, several gaps remain that warrant further research. First, most existing studies (e.g., Akpa et al., 2020; Rezaei, Khalilzadeh, & Soleimani, 2021) have predominantly focused on the manufacturing and banking sectors, with limited attention to the education sector, particularly international schools. Second, while dynamic capabilities have been explored in corporate contexts (e.g., Kamau, Eng, & Nzioki, 2019; Vanpoucke, Vereecke, & Wetzels, 2018), their application in non-profit-driven environments like international education remains under-examined. Third, most empirical investigations have centered on operational or technological capabilities, overlooking the interplay between strategic leadership, market adaptability, and innovation in sustaining competitive advantage, especially within dynamic educational environments. Additionally, geographical bias toward Nigeria, Kenya's corporate sectors, and Afghanistan indicates a lack of region-specific, sector-specific studies in Kenya's private international schools. Finally, much of the literature (e.g., Porter & Heppelmann, 2017) has been conceptual rather than empirical in educational settings, highlighting the need for more context-specific quantitative and mixed-methods studies. Future research could therefore focus on unpacking how dynamic capabilities drive sustainable competitive advantages among international schools in Kenya, incorporating emerging factors like digital transformation, cross-cultural agility, and global accreditation standards.

METHODOLOGY

The descriptive research design was used for this study. The target population included the 42 schools offering different international curriculum in Nairobi-County. Since the population was small and manageable census survey was used. All the 42 schools were included in the sample. To conduct this study, a stratified sample technique was used to divide the population into subsets (or "strata") consisting of members of managerial team for the respective schools. This study used four strata, one consisting of 1 school principal and another 1 Head of Section per school. Another consisted of 1 head of department and 1 senior teacher per school. Simple random sampling was used to select members of the managerial team for the respective schools. Therefore, a sample of

168 respondents was used in this study. The study utilized primary data collected through quantitative methods. A questionnaire served as the major source of information for this investigation. A pilot study was conducted on 16 respondents in international schools outside Nairobi County. This study used descriptive and inferential statistics. The descriptive statistics included frequencies, means and standard deviations to provide a clear summary of the data. Specifically, frequencies summarized and described the background information of respondents, providing insights into the characteristics of the sample. Means and standard deviations were used to describe the central tendencies and variability in study variables. The inferential statistics included correlation and regression analysis to examine relationships and test hypotheses. Correlation analysis was used to determine the strength and direction of the relationship between dynamic capabilities and competitive advantage. Regression analysis was applied to assess the extent to which dynamic capabilities predict competitive advantage outcomes.

FINDINGS

Response Rate

A total of 168 questionnaires were administered, out of which 140 were properly filled and returned, resulting in a high response rate of 83%, as illustrated in Table 1.

Table 1: Response Rate

Response	Frequency	Percent
Returned	140	83%
Unreturned	28	17%
Total	**168**	**100%**

Descriptive Statistics

Knowledge Management Capabilities

The respondents were asked to respond to statements on knowledge management capabilities. The responses were rated on a five-point Likert scale and the results presented in the Table 2. On average, the responses yielded a mean score of 3.91 and a standard deviation of 0.966, suggesting a generally positive perception of knowledge management's role in enhancing school competitiveness. The standard deviation values indicate a moderate level of agreement among respondents, with low variation in opinions.

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Table 2: Knowledge Management Capabilities

Knowledge Management Capabilities Statements	SD	D	N	A	SA	Mean	Std. Dev
Our school encourages and facilitates the sharing of knowledge and collaboration among staff, students, and stakeholders, enhancing our competitive advantage.	5.7%	0.0%	22.9%	41.4%	30.0%	3.90	1.020
Knowledge management practices in our school spur innovation by enabling the development of new teaching methodologies, curricula, and services.	5.7%	0.0%	23.6%	23.6%	47.1%	4.06	1.107
Our decision-making processes are significantly enhanced by knowledge management, leading to more strategic and informed choices.	0.0%	5.7%	42.1%	29.3%	22.9%	3.69	0.889
There is a strong culture of continuous learning and improvement at our school, facilitated by knowledge management that drives our competitive advantage.	0.7%	0.0%	35.0%	34.3%	30.0%	3.93	0.845
Effective knowledge retention practices are in place to ensure that critical educational and operational knowledge remains within the school.	1.4%	5.7%	22.9%	35.0%	35.0%	3.96	0.970
Average						**3.91**	**0.966**

Key: SD - *Strongly Disagree* ***D*** - *Disagree* ***N*** – *Neutral* ***A*** - *Agree* ***SA*** - *Strongly Agree*

Information Communication Technology Capabilities

The respondents were asked to respond to statements on information communication technology capabilities. The responses were rated on a five-point Likert scale and the results presented in the Table 3. Overall, the average mean score across all statements was 3.95, suggesting a generally positive outlook on ICT capabilities within international schools. The standard deviation of 0.951 reflects low variability in responses.

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Table 3: Information Communication Technology Capabilities

Information Communication Technology Capabilities Statements	SD	D	N	A	SA	Mean	Std. Dev
Our school effectively integrates Information Communication technology into the teaching and learning process.	1.4%	5.0%	16.4%	30.0%	47.1%	4.16	0.972
The use of Information Communication technology tools and platforms has enhanced the quality of education we provide	1.4%	11.4%	33.6%	23.6%	30.0%	3.69	1.065
Students' digital literacy skills have improved due to our school's Information Communication technology initiatives	1.4%	5.0%	22.9%	45.7%	25.0%	3.88	0.893
Parents and students appreciate the Information Communication technology resources and support available at our school	1.4%	0.0%	27.1%	25.0%	46.4%	4.15	0.921
We believe that our school's Information Communication technology adoption positively impacts our competitive advantage in delivering international curricula.	1.4%	0.0%	40.0%	28.6%	30.0%	3.86	0.902
Average						**3.95**	**0.951**

Key: SD - *Strongly Disagree* ***D*** **-** *Disagree* ***N*** *– Neutral* ***A*** **-** *Agree* ***SA*** **-** *Strongly Agree*

Organizational Asset

The respondents were asked to respond to statements on organizational asset. The responses were rated on a five-point Likert scale and the results presented in the Table 4. On average, organizational assets were rated 3.89 on a scale of 5, demonstrating a generally positive perception of their role in enhancing the competitive advantage of international schools. The standard deviations across all statements remained below 1.1, implying a moderate level of agreement among respondents.

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Table 4: Organizational Asset

Organizational Assets Statements	SD	D	N	A	SA	Mean	Std. Dev
Our school's modern and well-equipped facilities significantly contribute to attracting prospective students and parents.	5.7%	0.0%	22.9%	41.4%	30.0%	3.9	1.02
The presence of advanced safety and security systems in our school premises makes our school more appealing compared to others.	6.4%	0.0%	22.1%	35.7%	35.7%	3.94	1.078
Our school's location and ease of accessibility enhance our attractiveness and competitiveness in the international education market.	1.4%	5.7%	40.0%	34.3%	18.6%	3.63	0.9
Investing in sustainable and eco-friendly infrastructure not only reflects our commitment to environmental stewardship but also positively affects our school's reputation and competitive position.	2.1%	0.7%	39.3%	34.3%	23.6%	3.76	0.895
Having state-of-the-art sports and recreational facilities gives our school a competitive edge in promoting holistic student development.	0.7%	5.7%	11.4%	35.0%	47.1%	4.22	0.914
Average						3.89	0.961

Key: SD - *Strongly Disagree* ***D*** **-** *Disagree* ***N*** *– Neutral* ***A*** **-** *Agree* ***SA*** **-** *Strongly Agree*

Learning Capabilities

The respondents were asked to respond to statements on learning capabilities. The responses were rated on a five-point Likert scale and the results presented in the Table 5. On average, across all statements, the mean rating was 3.98, indicating a generally positive perception of learning capabilities as a source of competitive advantage. The standard deviation of 0.973 suggests a moderate level of agreement among respondents.

Table 5: Learning Capabilities

Learning Capabilities Statements	SD	D	N	A	SA	Mean	Std. Dev
Our school's ability to innovate in curriculum design significantly enhances our competitive advantage over other international schools.	1.4%	5.7%	12.1%	46.4%	34.3%	4.06	0.907
The alignment of our curriculum with global educational standards ensures our school's competitive edge in attracting international students.	2.1%	11.4%	22.9%	29.3%	34.3%	3.82	1.095
Our curriculum's flexibility in accommodating individual student needs is a crucial factor in maintaining our competitive position in the international education market.	2.1%	6.4%	27.9%	22.9%	40.7%	3.94	1.068
Our curriculum's emphasis on cultural inclusivity and global awareness uniquely positions us above our competitors in the international school landscape.	1.4%	0.0%	28.6%	34.0%	40.0%	4.07	0.903
Our curriculum effectively prepares students for higher education and future careers, markedly enhancing our school's reputation.	1.4%	0.7%	28.6%	35.0%	34.3%	4.00	0.890
Average						**3.98**	**0.973**

Key: SD - *Strongly Disagree* ***D*** **-** *Disagree* ***N*** *– Neutral* ***A*** **-** *Agree* ***SA*** **-** *Strongly Agree*

Competitive Advantage

The respondents were asked to indicate their opinion on competitiveness of their international school. The responses are shown in Table 6 below. Overall, the average mean score of 3.97 and standard deviation of 1.012 across all factors suggests a generally positive perception of competitive advantage among international schools in Kenya with a moderate variation of responses.

Table 6: Competitive Advantage

Competitive Advantage Statements	SD	D	N	A	SA	Mean	Std. Dev
The international curriculum we offer enhances our school's competitive advantage in attracting diverse student populations.	2.9%	5.7%	20.0%	35.7%	35.7%	3.96	1.024
Our school's ability to adapt and update the international curriculum in response to changing educational trends and global demands is a source of competitive advantage	2.1%	8.6%	19.3%	29.3%	40.7%	3.98	1.069
We effectively leverage technology and innovation to enhance the delivery of our international curriculum, giving us a competitive edge	0.7%	7.9%	8.6%	40.7%	42.1%	4.16	0.931
The professional development opportunities provided to our teaching staff enable them to implement dynamic teaching methods aligned with the international curriculum, contributing to our competitive advantage	0.5%	0.0%	29.3%	36.4%	29.3%	3.85	1.01
Our school's commitment to fostering global citizenship and cultural awareness through the international curriculum enhances our competitive position in the education sector	0.5%	0.0%	30.7%	28.6%	35.7%	3.9	1.055
Average						**3.97**	**1.012**

Key: SD - *Strongly Disagree* ***D*** **-** *Disagree* ***N*** *– Neutral* ***A*** **-** *Agree* ***SA*** **-** *Strongly Agree*

Correlation Analysis

The research study focused on obtaining the correlation between dynamic capabilities and competitive advantage of international schools. Correlation analysis results are presented in Table 7. The findings revealed that Knowledge Management exhibit a strong positive correlation with Competitive Advantage ($r = 0.877$, $p < 0.01$). This suggests that as knowledge management practices improve, there is a significant and strong enhancement in competitive advantage. The positive correlation implies that knowledge management plays a crucial role in driving competitive edge in international schools. ICT (Information and Communication Technology) also shows a strong positive correlation with Competitive Advantage ($r = 0.705$, $p < 0.01$). This indicates that the integration of ICT significantly contributes to improving the competitive position of international schools.

Similarly, Organizational Assets display a strong positive correlation with Competitive Advantage ($r = 0.785$, $p < 0.01$). This finding implies that well-developed organizational assets, such as infrastructure, financial resources, and institutional reputation, are strongly associated with

improved competitiveness in international schools. The correlation is positive, highlighting the importance of resource availability and utilization in fostering a sustainable competitive advantage. Learning Capabilities also have a significant positive relationship with Competitive Advantage ($r = 0.618$, $p < 0.01$). This suggests that the ability of an institution to learn and adapt contributes to competitive advantage. The moderate to strong correlation underscores the role of continuous learning and innovation in sustaining a school's competitive edge.

Table 7: Correlation Analysis

		Knowledge Management	ICT	Organizational Assets	Learning Capabilities	Competitive Advantage
Knowledge Management	Pearson Correlation	1	.501**	.834**	.417**	.877**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	140	140	140	140	140
ICT	Pearson Correlation	.501**	1	.371**	.753**	.705**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	140	140	140	140	140
Organizational Assets	Pearson Correlation	.834**	.371**	1	.265**	.785**
	Sig. (2-tailed)	.000	.000		0.002	.000
	N	140	140	140	140	140
Learning Capabilities	Pearson Correlation	.417**	.753**	.265**	1	.618**
	Sig. (2-tailed)	.000	.000	0.002		.000
	N	140	140	140	140	140
Competitive Advantage	Pearson Correlation	.877**	.705**	.785**	.618**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	140	140	140	140	140

** Correlation is significant at the 0.01 level (2-tailed).

Regression Analysis

Regression analysis was conducted to explain the relationship between dynamic capabilities (Knowledge Management Capabilities, ICT Capabilities, Organizational Assets and Learning Capabilities) and Competitive Advantage of International Schools.

The model fitness findings were shown in Table 8. Dynamic capabilities were found to be satisfactory in contribution as a factor to competitive advantage. This was supported by coefficient of determination i.e. the R^2 of 0.892. This shows that 89.2% of variation in competitive advantage

is explained by variation in dynamic capabilities. This implies that other factors not studied in this research contribute (10.8%) of the factors of competitive advantage.

Table 8: Overall Model of Fitness

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.945a	0.892	0.889	0.3021

a Predictors: (Constant), Learning Capabilities, Organizational Assets, ICT, Knowledge Management

The ANOVA results were presented in Table 9. The F-Statistic of 279.407 is significantly high, indicating that the overall model is statistically significant. The p-value is less than 0.05, this effectively means that there is a statistically significant difference between the model with the predictors and an intercept-only model.

Table 9: Overall ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	102.019	4	25.505	279.407	.000b
	Residual	12.323	135	0.091		
	Total	**114.342**	**139**			

a Dependent Variable: Competitive Advantage
b Predictors: (Constant), Learning Capabilities, Organizational Assets, ICT, Knowledge Management

The regression of coefficients results presented in Table 10 shows that the dynamic capabilities (knowledge management capabilities, ICT capabilities, Organizational Assets and Learning Capabilities) and the competitive advantage were positively and significantly related ($\beta = 0.595$, $p = 0.000$; $\beta = 0.375$, $p = 0.000$; $\beta = 0.320$, $p = 0.000$; $\beta = 0.238$, $p = 0.000$ respectively).

The overall regression model will be;

Competitive Advantage = -2.056 + 0.595 Knowledge Management + 0.375 ICT Capabilities + 0.320 Organizational Assets + 0.238 Learning Capabilities + ε

Table 10: Coefficients of Regression Summary Results

Model		Unstandardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	t	
1	(Constant)	-2.056	0.194		-10.606	.000
	Knowledge Management	.595	0.071	.465	8.334	.000
	ICT	.375	0.068	.249	5.518	.000
	Organizational Assets	.320	0.064	.261	5.021	.000
	Learning Capabilities	.238	0.062	.167	3.857	.000

a Dependent Variable: Competitive Advantage Mean

CONCLUSION AND RECOMMENDATIONS

Conclusion

The study concluded that knowledge management capabilities play a crucial role in enhancing the competitiveness of international schools in Kenya. By fostering knowledge sharing, innovation, informed decision-making, and a culture of continuous learning, schools can strengthen their strategic positioning. The study also concluded that information communication technology (ICT) capabilities significantly enhance the competitive advantage of international schools. Effective ICT integration in teaching and learning fosters a positive perception among stakeholders, contributing to the overall school environment.

The study concluded that organizational assets significantly influence the competitive advantage of international schools in Kenya. Schools with well-developed infrastructure, modern facilities, and advanced safety systems are more likely to attract students and maintain a strong reputation. The study concluded that learning capabilities significantly contribute to the competitive advantage of international schools in Kenya. Schools that emphasize innovation in curriculum design, alignment with global standards, flexibility, cultural inclusivity, and career preparation tend to strengthen their market position.

Recommendations

Based on the findings of this study, it is recommended that international schools should strengthen their knowledge management capabilities by implementing structured knowledge-sharing systems, investing in staff training, and fostering a culture of continuous learning. This will enable efficient knowledge retention and transfer, ultimately enhancing competitive advantage. Additionally, schools should leverage information communication technology (ICT) capabilities by integrating modern digital tools in administration and learning processes. Investing in advanced ICT infrastructure and training staff on digital literacy will improve efficiency, innovation, and overall institutional competitiveness.

Schools should also invest in physical and intangible assets such as modern facilities, robust financial resources, and strong brand positioning. Strengthening these assets will improve operational efficiency and attract more students, thereby boosting their market competitiveness. Moreover, international schools should prioritize learning capabilities by fostering a dynamic learning environment that encourages innovation and adaptability. This can be achieved through continuous professional development programs, curriculum improvements, and adopting global best practices in education, ensuring sustainable competitive advantage in the sector.

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