# Intangible Assets for Sustainable Competitive Advantage in Institutes of Higher Learning: A Case of Kenya

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***Abstract***

*Resources and capabilities are the building blocks upon which an organisation can create and execute value-adding strategy so that it earns reasonable returns and achieves strategic competitiveness (Management, 2012). A company's resource strength forms the cornerstones of strategy because they represent the company's best chance for market success (Duncane, Ginter, & Swaye, 1998). This article seeks to find out what kind of resources and capabilities thriving institutes of higher learning in Kenya possess and build to make them stay afloat amidst stiff competition. The ever-changing tastes and customer needs and preferences have significant influence on how businesses shape their strategy to compete with other industry players. The education industry in Kenya has not been spared from this trend. Colleges and universities are facing demanding customers who seek customised education* *services tailored to their own pace, preferred location and time. While some colleges and universities have thrived because they have taken advantage of the opportunities in their environment some have closed doors while others have resorted to unethical ways to attract students. The play-field has been left to those colleges and universities that have reengineered their organisational activities to address the ever-changing needs and preferences of customers in order to have a competitive edge in the industry. This article discusses the value of intangible assets, anchoring its arguments on the resource based view of the firm. We argue that reputation, organisational leadership, and collaboration are vital for institutes of higher learning to thrive. It recommends that institutes of higher learning should concentrate on building resource strengths and capabilities that make them gain and sustain competitive advantage. We propose action research to continuously improve organisational processes. We further propose a conceptual framework that may lead institutions of higher learning to gain and sustain competitive advantage. By focusing on building intangible assets, which are less prone to imitation, this article will address the challenges of competition in the higher education industry.*

### *Introduction*

This paper discusses building resource strengths and capabilities in institutes of higher learning. It reviews theoretical and empirical literature regarding resource strengths and capabilities and relates these to competitive advantage (CA) and sustainable competitive advantage (SCA). It attempts to respond to the question, ”what resources lead institutes of higher learning to gain and sustain competitive advantage and how then should they be built or rather what makes some institutes of higher learning be preferred than others by customers?” The paper begins with a background on Institutes of Higher Learning (IHL) in Kenya and then reviews both theoretical and empirical studies before pointing out research gaps. It concludes with recommendations.

### **Background: Institutes of Higher Learning in Kenya**

Higher education plays a crucial role in a nation. It creates tax revenue, increases savings and investment, and leads to a more entrepreneurial and civic society (Bloom, Hartley,

& Rosovsky, 2006). It is widely regarded as the route to economic prosperity, the key to scientific and technological advancement, the means to combat unemployment, the foundation of social equity, and the spread of political socialisation and cultural vitality (Psacharopoulos, 1985). The higher education industry has witnessed growth in the past decade, leading to intense competition. Cubillo, Sanchez, and Cervino (2006) observe that competition among universities is increasing, with some entering into joint ventures and franchise operations. Competition has also intensified due to the increase in the number of degree choices; prospective students have a wider variety of universities from which to choose. Messah (2011) and Ngure (2012) note that intensity of competition has led some universities to have relatively low student enrolment. As a result of this, the need for universities to build competitive advantage is self evident, resulting in a search for strategies that can make the universities to thrive (Canterbury, 1999; Coates, 1998; Nicholls, Harris, Morgan, Clarke, & Sims, 1995; Taylor & Darling, 1991).

Africa has seen a rapid increase in the number of private universities and private wings (self sponsored students) of public universities

(Sawyerr, 2004). In the 1960s, there were about seven universities on the continent. However, by 2005 there were 85 private and 316 public universities in Africa. Kenya took the lead from 2 private universities in 1980 to 9 by 1990. In the 1990s, Tanzania moved from 1 university in 1990 to 11 by 2000; Uganda from 2 to 10; Congo from 0 to 4 and Senegal from 0 to 3. In the last couple of years, the movers have been Burundi, which went from none in 2000 to 4 by 2002, and Ghana (Sawyerr, 2004). Onsongo (2007) observes that Kenya is the leader in the expansion of private higher education in East Africa with 16 in 2006 compared to three in 1980. In 2009, Kenya had 7 public universities and 23 private universities and several public institutions including polytechnics, which offer industrial and technical training (Government of Kenya, 2005; Ministry of Education, 2009; Nation, 2012). Today some of the polytechnics have been elevated into universities, increasing the number of players in the industry further (Nation, 2012).

Competition in the higher education industry has resulted to numerous institutions and some business schools to experience declines in enrolment (Smith, Scott, & Lynch, 1995; Tagwireyi, 2013; Taylor & Darline, 1991; Canterbury, 1999; Nicholas, Harris, Morgan, Clarke, & Sims, 1995; Coates, 1998; Ngure, 2012). However, the decline in enrolment is not as a result of decreasing number of students per se but rather because of the variety of degree programs offered by various Institutes of Higher Learning. Sha (2009) observes that the number of students increase year on year and so too are the number of education providers. As a result of this, Ngure (2011) points out that some universities are compelled to devise ways of remaining afloat amidst the cut-throat competition. He notes the following survival strategies regarding competition in the education industry: use of unethical means of survival such as establishing pre-university programs that admit KCSE graduates with a minimum of grade C-minus with shorter duration; charging unbelievably low fees which attract hundreds of students (later they find themselves sharing poor facilities and crowded lecture rooms); shortening semesters to save on costs though students pay for a full semester credits. These strategies undermine the credibility of higher education. How can IHL compete ethically?

**The Role of Resources in Institutes of Higher Learning**

Resources are the bloodline of every institute of higher learning; without them organisations cannot operate. As Thompson, Strickland, and Gamble (2008) put it, a company can achieve considerable competitive vitality, may be even competitive advantage, from a collection of good-to-adequate resource strength that collectively give it competitive power in the marketplace. Building resource strengths and capabilities to achieve advantage over competitors is therefore imperative. But the question is, how do institutes of higher learning build resource strengths? For organisations to build resource strengths and capabilities, they need to first identify resource strengths and competitive capabilities then assess their competencies and capabilities then enhance those that bring sustainable competitiveness.

**Assessing Resource Strengths in Institutes of Higher Learning**

A set of tools can be used to assess the resources of an organisation. Thompson, Strickland, and Gamble (2008) point out the following tools: Strengths, Weaknesses, Opportunities, Threat (SWOT) and Internal Factor Analysis Summary and External Factor Analysis Summary and Value Chain. They add that after listing the strengths, weaknesses, opportunities and threats, the implications are very important in order to help an organisation improve.

*SWOT Analysis:* This is a critical assessment of the internal appraisal of the organisation's strengths and weakness and external appraisal of the opportunities and threats to an institute of higher learning competition within an industry (Kaplan, 2006). SWOT analysis is important because from it an organisation can draw conclusions and translate these conclusions into strategic actions to better align its strategy into resource strengths and market opportunities, to correct key weaknesses and to defend against external threats (Thompson, Strickland, & Gamble, 2008).

*Value Chain:* An organisation's value chain identifies the primary activities that create customer value and the related support activities (Thompson, Strickland, & Gamble, 2008; Porter, 1990;). Value activities are the physically and technologically distinct activities of a firm which represent the building blocks by which value is created for the buyers of a product or service (Kaplan, 2006). The value chain can help institutes of higher learning to assess how resources are utilised and linked to competitive advantage. It does this in three steps, namely identifying the value activities, identifying cost or value drivers and identifying linkages.

Identifying the value activities includes an assignment of costs and added value and identification of the critical activities. These are the various activities that underpin the product and delivery of the organisation's products or services, including the supply and distribution chains. It is important for firms to identify the valued activities that are crucial in terms of its gaining and sustaining competitive advantage.

Identifying the cost or value drivers is actually looking into the factors that sustain the competitive position called the cost drivers or value drivers. For example low cost supply can be necessitated by physical proximity of the suppliers and could disappear with geographical expansion.

Identifying linkages on an organisation's value activities and the linkages between them are the source of competitive advantage. There may be important links between the primary activities. For example, good communication between sales, operations and purchasing can help cut stocks; the purchase of more expensive or more reliable machinery and equipment may lead to cost savings and quality improvement in the manufacturing process.

*Benchmarking:* Benchmarking is a potent tool for learning which companies are best at performing particular activities then using their techniques or best practices to improve the cost and effectiveness of a company's own internal activities (Thompson, Strickland, & Gamble, 2008). Benchmarking is a continuous, systematic process for evaluating the products, services, and work processes of organisations that are recognised as representing best practices for the purpose of organisational improvement (Kaplan, 2006).

**Building Resource Strengths and Capabilities of Institutes of Higher Learning**

Hornby, Wehmeier, Mclntosh, Turnbull, and Ashby (2005) define resource as the total means available to a company for increasing production or profit, including plant, labour and raw materials. Barney (1991) states that resources include all assets, capabilities, organisational processes, firm attributes, information, knowledge controlled by a firm that enables  it to conceive of and implement strategies that improve its efficiency and effectiveness. Capability is defined as the firm's ability to undertake a productive activity, which is created through the simultaneous deployment of resources and factors of production (Teece, Pisano, & Shuen, 1997). Capability is the ability to or qualities necessary to do something (Hornby, Wehmeier, Mclntosh, Turnbull, & Ashby, 2005). Capabilities refer to an organisation's skills at integrating its team of resources so that they can be used more efficiently and effectively (Management, 2012).

Building an organisation with the

competencies, capabilities, and resource strengths to execute strategy successfully is very important (Thompson, Strickland, & Gamble, 2008). Every organisation has actual and potential strengths and weaknesses (Mintzberg, Lampel, Quinn, & Ghoshal, 2002). These capabilities serve as the foundations for the direct sources of competitive advantage: cost advantages arising from privileged access to critical assets and proprietary technology; customer captivity via habit formation, high switching costs, and high substitute search costs; economies of scale; and other factors, such as government protection or superior access to information (Greenwald & Kahn, 2005).

The capability of an organisation is its demonstrated and potential ability to accomplish, against the opposition of circumstance or competition, whatever it sets out to do. Building resource strengths and capabilities helps organisations to evaluate resources that can help them gain and sustain competitive advantage. The power of a company constituting a resource for growth and diversification accrue primarily from experience in making and marketing a product line or providing a service. Resource growth is manifested through developing strengths and weaknesses of the individual organisations, the degree to which individual capability is effectively applied to the common task and the quality of coordination of individual and group effort (Mintzberg, Lampel, Quinn, & Ghoshal, 2002).

According to Thompson, Strickland and Gamble (2008), an organisation can build resource strengths in two approaches, namely performing value chain activities more proficiently and secondly performing value chain activities more cheaply as discussed in the following paragraphs.

***Performing value chain activities proficient***

The first of the two approaches begins by management effort to build more organisational expertise in performing certain competitively important value chain activities, deliberately striving to develop competencies and capabilities and adding power to its strategy and competitiveness. This requires that management makes selected competencies and capabilities cornerstones of its strategy and continues to invest resources in building greater and greater proficiency in performing them. Over time, one of the targeted competencies/capabilities may rise to the level of a core competence. Later through organisational learning and investments in gaining still greater proficiency, a core competence could evolve into a distinctive competence, giving the company superiority over rivals in performing an important value chain activity.

### ***Performing value chain activities more cheaply***

The second approach entails determined management efforts to be cost-efficient in performing value chain activities. Such efforts have to be ongoing and persistent, and they have to involve each and every value chain activity. The goal must be continuous cost reduction, not a one-time or on-again/off-again effort. Organizations whose managers are truly committed to low-cost performance of value chain activities and succeed in engaging company personnel do discover innovative ways to drive costs out of the business have a real chance of gaining a durable-cost edge over rivals.

**Continuous Improvement through Action Research**

Sankaran, Tay and Orr (2009) describe Action Research (AR) as a process of collaborative enquiry carried out by people affected by a problem or concern, often using a cyclical process to increase their understanding of the real problem before moving towards a solution. AR is geared towards improving the practices of organisations and is ideal in investigating and evaluating practitioners work in view of improving them (McNiff & Whitehead, 2006; Slavin, 2006). Since AR seeks to improve the practices of the organisations and leads to organisation learning, it is ideal for building resources and consequently helping organisations to gain, sustain competitive advantage and increase performance

According to Griffin (2013) organisational performance is the extent to which the organisation is able to meet the needs of its stakeholders and its own needs for survival. Tsiotsou and Vlachopoulou (2011) point out service productivity as a measure of performance; Ramayah, Samat, and Lo (2011) mention employee-satisfaction and Zhou, Brown, and Dev (2009) point out service quality and market share as measures of performance. Performance in this article refers to overall growth in student enrollments, favorable financial benefits from student recruitment, excess demand for places of study, and a level of optimism for growth in student enrollment for the future (Mazzarol & Soutar, 1999).

Garvin (1993) points out that in the absence of learning, companies and individuals simply repeat old practices. This means that the ever changing needs and preferences of the customers are not being responded to in a timely manner because the internal organisation does not have the capacity to re-engineer itself in a reflective manner in view of improvement. This means that at some point students are disappointed with the value they get; consequently the image of the institute is ruined.

A study by Mulec and Roth (2005) noted that the use of AR in development of a drug enhanced the performance of a project management team who were involved in that research. A study by Khresheh and Barclay (2007) in hospitals in Jordan, found that using AR at different levels of the system enabled achievement of quality improvement in using Jordanian Consolidated Birth Record. Auer and Follack (2002) contend that AR aligns the practices of the organisation to customer needs. Evidence has shown that AR contributes both the practical concerns of people in an immediate problematic situation and to the goals of social science by joint collaboration of the researcher and the researched factor (Sha, 2009).

Stata (1996) argues that the rate at which individuals and organisations learn may become the only sustainable competitive advantage, especially in knowledge-intensive industries. The AR approach is participative by nature, fostering collaboration between the people who own the problem being addressed (Zuber-Skerritt, 2012). This participative and collaborative process of organisational improvement creates bundles of resources that are rare, hence inimitable. A rare-resource organisation is the one that is complex made of different bundles of "knowledge" (Pearce & Robinson, 2007). Rare also means that a resource is imperfectly inimitable (either through unique historical conditions, causal ambiguity, or social complexity) and without strategically equivalent substitutes (Barney, 1991). Such resource would give organisations a competitive advantage.

## Resource Based View and the VRIO Framework

The Resource-based View (RBV) of the Firm (Barney, 1986, 1991; Penrose, 1959; Wernerfelt, 1984) has earned a reputation as a promising contemporary theory that combines strategic insights on competitive advantage and organisational insights on firm existence. The RBV approach argues that organisations can gain sustainable competitive advantage if they utilise the resources well. The resources that can give institutes of higher learning competitive advantage are those that are inimitable or cannot be copied.

According to Pearce and Robinson (2007), resources are classified into three basic groups, namely tangible, intangible assets and organisational capabilities. Tangible assets are physical and financial means a company uses to provide value to its customers. They are the types of resources found on a firm's balance sheet. They include production facilities, raw materials, financial resources, real estate and computers. Although tangible resources may be essential to a firm's strategy, because of their standard nature, they are only occasionally a source of competitive advantage.

Intangible assets are resources such as brand names, company reputation, organisational morale, technical knowledge, patents and trademarks, and accumulated experience within an organisation. These assets often play important roles in making a firm gain and sustain competitive advantage.

According to Barney (1991), resources fall into three categories: physical capital resources, human capital resources, and organisational capital resources. Physical capital resources consist of such things as the firm's plant and equipment, technology and geographic location. Human capital resources include such things as the experience, judgment, and intelligence of the individual managers and workers in the firm. Organisational capital resources consist of such things as the firm's structure, planning, controlling and coordinating systems, and the informal relations among groups within the firm and between the firm and other firms in its environment (Barney, 1991).

Four empirical indicators of the potential of firm resources to generate sustained competitive advantage are proposed as VRIO: Value, Rareness, Inimitability/substitutability and whether the

Organization takes advantage of the resource. The following paragraphs discuss the elements.

***Valuable:*** Within this context, for a firm resource to have the potential of generating competitive advantage, it must be valuable, in the sense that it exploits opportunities and/or neutralises threats in a firm's environment. Resources are valuable when they enable a firm to formulate and implement strategies that improve its efficiency or effectiveness. People are valuable resources because they possess knowledge and expertise in the organisation that is acquired through a process. Pearce and Robinson (2007) add that it is important to recognise that only resources that contribute to the competitive superiority are valuable.

***Rare:*** When a resource is scarce, it is more valuable. When a firm possesses a resource and few if any others do, and it is central to fulfilling customers' needs, then it can become the basis of a competitive advantage for the firm. If competitors or potential competitor also posses the same valuable resource, it is not a source of competitive advantage because all of these firms have the capability to exploit the resources in the same way.

For it to give sustainable competitive advantage, it should be uncommon, rare, and relative to other competitors. Therefore, such an organization ceases to be having rare resources. A rare-resource organization is the one that is complex made of different bundles of "knowledge" (Pearce & Robinson, 2007). Rare also means that a resource is imperfectly imitable (either through unique historical conditions, causal ambiguity, or social complexity); and without strategically equivalent substitutes (Barney, 1991).

***Costly to imitate or difficult to imitate:*** This is key to value creation because it constrains competition. If the resource can be imperfectly imitable, then any profits generated are more likely to be sustainable (Pearce & Robinson, 2007). Having a resource that competitors can easily copy generates only temporary value. Resources and capabilities must be valuable, rare as well as difficult to imitate or substitute in order for a firm to attain SCA over time. If organisations have diverse workforce, the bundles of their resources become unique. Therefore, for an organisation to attain sustainability in the long run it needs to deploy resources that do not succumb to inimitability, substitutability and mobility, and it is the diversity component which can bring about this SCA. Barney (1991) mentions three reasons to conceal imitation. These are unique historical conditions, causal ambiguity and socially complex. He states that resources are also based on the history of an organisation and the specific place in time that this gives the organisation.

***Organization exploitation of the resource or capability:*** In order to fully realise the potential of the resource or capability, a firm must be organised to exploit its resources and capabilities

**Superior Skills, Superior Resource and Superior Position**

In the works of Mintzberg, Lampel, Quinn, and Ghoshal (2002), competitive advantage can be traced to superior skills, superior resources and superior position. *Superior skills:* Skills involve the adept coordination or collaboration of individual specialists and are built through the interplay of investment, work, and learning. Skills are the dominant distinctive capabilities and competencies of the personnel or of the organisation as a whole. Skills are enhanced by their use.

*Superior resources:* Resources include patents, trademark rights, specialised physical assets and the firm's working relationships with suppliers and distribution channels. In addition, a firm's reputation with employees, suppliers and customers is a resource. Resources that constitute advantages are specialised to the firm, are built up slowly over time through accumulated exercise of superior skills or are obtained through being an insightful first mover or by just plain luck.

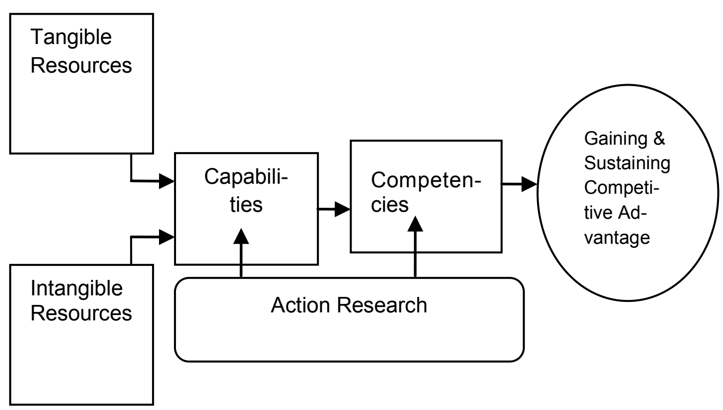
***Superior positioning**:* Positioning consists of the products or services an organisation provides the market segments it sells to, and the degree to which it is isolated from direct competition. Superior position can be facilitated by being the first mover and reinforcers whereby the first player closes off followers and locks in customers.

## Critiquing the RBV Model

While the model is very important and very helpful it falls short of measurability of the intangible assets. Hoopes and Madsen (2008) hold that the resource based view does not provide tangible translations for operationalizing the theory; furthermore many researchers consider the

## Conceptual Framework

From the foregoing discussions, we can conclude that resources are very important for organizations; without them institutes of higher learning would be at a standstill. However, from the two models, Resource Based View and McKinsey 7s model, it can be said that particular resources can make organisations gain and sustain competitive advantage. Figure 2, the Conceptual Framework, summarises this concept.




*Source: Author, 2013*

With reference to Figure 2, the combination of intangible and tangible assets leads to capabilities of an organisation. In effect, it is unlikely that we can attribute the success of a firm (and hence SCA) to one specific resource. Consequently, it may be more fruitful to consider combinations of resources. By combining resources firms may be able to add value if they are complementary (Harrison, Hitt, Hoskisson, & Ireland, 1991), related (Dierickx & Cool, 1989) or co-specialized (Lippman & Rumelt, 2003) in nature.

These capabilities can make an organisation to be efficient and effective. Effectiveness is the achievement of organisational goals or the extent to which an organisation realises its goals while efficiency is achieving the ends with the least amount of resources (Daft, 2010). Capabilities can make an organisation gain and sustain competitive advantage through superior skills, resources and position which competitors are not able to achieve.

Action Research contributes to continuous improvement of the practices of the organization. Hence, AR helps build resources in a collaborative way leading to organisation learning.

## Recommendations for Institutes of Higher Learning

### *Intangible assets versus tangible assets*

Many examples demonstrate that intangible assets, not physical assets, are the principal wellsprings of competitive advantage and shareholder wealth. Recently, the greatest consensus was achieved on the integrating classification provided by Fahy and Smithee (1999): tangible assets (having a fixed long run capacity and the properties of ownership, relatively easy to measure and relatively easy to duplicate), intangible assets (intellectual property, having relatively unlimited capacity and being relatively resistant to duplication) and capabilities (invisible assets, encompassing the skills of individuals and groups, organisational routines and interactions, having no clearly defined property rights and being very difficult to duplicate).

A study done by Gagliardi and Levine (2006) found that Dell sustained and leveraged its competitive advantage by patenting not only product, but also its innovative business model. Institutes of higher learning can as well patent their educational models.

### *Building capabilities*

In a comparative study by Chandra (1999) regarding capacity building of Chinese, Indian and some Canadian firms, China placed emphasis on investing on in-company training of its workforce in modern technology and managerial skills to build organisational capabilities. On the average, Chinese textile firms gave 70 hours of training each year to an experienced worker as opposed to 32 hours in Canada and 10 hours in India (Chandra, 1999). This survey also found that about 16 per cent of Indian firms did not provide any training to a new employee as compared to 1.8 per cent in China. The results were that the greater the training hours offered, the more competitive the firm became. Institutes of higher learning should embark on inside trainings as well since majority of lecturers come from a variety of backgrounds and often work part time.

### *Reputation*

In a 2004 study about the importance of a company's logo in relationship to reputation among students from Stevenson University regarding the Haier brand logo, it was found that the logo had a significant importance on the company reputation (Omar, Williams, & Lingelbach, 2009).This means that poor reputation will not attract customers; consequently, it will not lead organisations to gain a competitive advantage. Therefore institutes of higher learning should build reputation to attract and retain customers. A perceived poor logo is a resource disadvantage. Nayyar (1990) concurs with this finding and states that reputation serves as an implicit contract. In an article titled, *'Why Strathmore Always Has Lucky Graduates'*, the author points out that reputation has been created by the market about employability of university students (Standard, 2012). This therefore attracts customers to enroll with the university. Jamah (2012) argues that it is common for institutions of higher learning to promise in their mission statements what they cannot deliver. This is deception of customers; it destroys the reputation of the institutes of higher learning.

### *Collaboration*

Studies by Amit and Schoemaker (1993) regarding Caterpillar revealed that numerous components of an organization are relevant to the question of organisation, including its formal reporting structure, explicit management control systems, and compensation policies. The two authors called these components complementary resources and capabilities because they have limited ability to generate competitive advantage in isolation. However, in combination with other resources and capabilities, they can enable a firm to realise its full potential for competitive advantage potential. Caterpillar's sustained competitive advantage in the heavy-construction industry is traced to its being the first supplier of this kind of equipment to Allied Forces in the Second World War. This is because Caterpillar's, management had taken advantage of this opportunity by implementing a global formal reporting structure, global inventory and other control systems, and compensation policies that created incentives for employees to work around the world. In a similar way, Wal-Mart's continuing competitive advantage in the discount retailing industry can be attributed to its early entry into rural markets in the southern United States. Other studies also reveal that it has competitive advantage because of its complementary resource capabilities such as good reporting structures, control systems, and compensation policies (Kearns & Nadler, 1992; Smith & Alexander, 1988).

Finally, studies by MacCormack, Forbath, Brooks and Kalaher (2007) regarding Airbus, Boeing, and TransCo showed that collaboration was superior and led to competitive advantage in building the 787 'Dreamliner' aircraft. Institutes of higher learning should embark on strengthening collaborations at this time when there is so much competition for students.

## Research Gaps

Empirical literature points towards focusing on the intangible assets because of the perception that they are the ones that can lead to sustainable competitive advantage. However, it is important to note that it may be difficult to take notice of the resources and capabilities that generate competitive advantage because of the interaction of the resources and again because they are taken for granted as part of the day-to-day experience of managers in the firm, that these managers are unaware of them.

The Resource Based View relies much on capabilities which are developed and vested in people. People are resources that are 'movable'. Since people are assets that can easily 'walk away' from an organization, there is need to research on motivation of personnel, retention and gaining and sustaining competitive advantage.

There is no empirical study based in Africa regarding the VRIO variables. There is need to conduct empirical studies in Africa on building resources and capabilities in relationship to RBV. We propose a multivariate model of assets (tangible and intangible) and how they influence gaining and sustaining competitive advantage in institutes of higher learning. Such a study will guide institutes on what kind of resources they should build.

There are no standard ways of measuring most of the intangible variables. Hence, they can be termed perishable. For example, reputation is a fragile resource; it takes time to build, cannot be bought, and can be easily damaged. The emphasis placed on careful cultivation of this resource by domestic and global leaders signals that it is important for every stakeholder to be both a promoter and a custodian of the reputation of the organisation that benefits them or employees.

## Conclusion

In order to develop sustainable competitive advantage one needs to know how barriers to imitation can be created. There is need to conceal the resource or its influence on your competitive advantage, for example if the resource is a business process, by making it in-transparent. Therefore, hide the strategic logic. Patents or other legal permits set an industry standard. There is need to combine the resource with brand, reputation, installed base, distribution channels, use historical advantage. The use of economies of scale as first mover is very important to prevent other industry players from penetrating the industry. Using economies of scope and network externalities can help organisations gain and sustain competitive advantage. The use of social complexity, organisation culture, social networks and rare technical know-how can render an organization immune organisation from being imitated.

In addition to the components mentioned above, there is need for a framework based on effective leadership, employees, development of competencies and capabilities. The management of particular institutes of higher learning should assess their resources in order to build resource strengths and capabilities. There is need to put together a strong leadership team. Employees are also crucial in building resource strengths. It is therefore important to recruit, develop and retain employees. Also needed is proper screening, training programs and retention strategies for employees. A commitment to develop core competencies and organisational capabilities is critical.

This paper has discussed the crucial role of resources in institutes of higher learning. The paper has argued that it is imperative to build resource strengths and capabilities in order to gain and sustain competitive advantage. It also pointed out that gaining sustainable competitive advantage means that organisations need to build resources that are Valuable, Rare, Imitable/Non substitutable and that organizations should be able to take advantage of them. Steps should be taken to analyse the resources available to institutes of higher learning and establish their state. Building sustainable advantage is easier said than done; few organisations gain competitive advantage; fewer still succeed in sustaining it. Embracing Action Research is beneficial for it helps organisations to improve in a collaborative manner so that no member of the firm is left behind.

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