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INFLUENCE OF INSTITUTIONAL CHARACTERISTICS ON COMPETITIVENESS OF PRIVATE UNIVERSITIES IN NAIROBI COUNTY, KENYA

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INFLUENCE OF INSTITUTIONAL CHARACTERISTICS ON COMPETITIVENESS OF PRIVATE UNIVERSITIES IN NAIROBI COUNTY, KENYA

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Abstract

Purpose: In the last three decades, the republic of Kenya has witnessed a tremendous increase in the number of chartered universities and a stiff competition for students. The student enrolment base coupled with the emergence of private university education providers turned the university arena in Kenya into a student enrolment market, leading to intense competition between Public and Private Universities. The researcher realizes that, the existing studies relate competitiveness to performance. Thus, the purpose of this study was to assess the influence of institutional characteristics as a planning strategy on competitiveness of private universities in Nairobi County, Kenya. Resource Based Theory, Competitive Advantage Theory and Generic Framework Theory guided this study.

Methodology: The study applied mixed method approach and thus adopted concurrent triangulation design. Target population comprised 66 Registrar Academics, 66 Registrar Admissions and 33 Directors of Marketing all totalling to 165. Using the Central Limit Theorem, 36 Registrars of Academics, 36 Registrars of Admissions and 18 Directors of Marketing were purposively sampled. Questionnaires were used to collect data from Registrar Academic and Admissions whereas interview guide was used to gather data from the Directors of Marketing. Data analysis began by identifying common themes from the respondents' description of their experiences. Qualitative data were analyzed thematically along the objectives and were presented in narrative forms. Quantitative data were analyzed using descriptive statistics and inferential using Chi-Square through Statistical Packages for Social Science and presented using tables.

Findings: The study established that institutional characteristics as a planning strategy influence competitiveness of private universities. These include inclusivity, size and leadership styles which have improved enrollment of students in undergraduate and postgraduate programmes.

Unique Contribution to Theory, Policy and Practice: The study recommends that, in order to enroll more students, universities should have a sizable management which involves all stakeholders.

Keywords: Institutional characteristics, competitiveness of private universities, students' enrolment.



1.0 INTRODUCTION

An organizational structure is a system that defines how certain activities are directed in order to achieve the aims and success of an organization. These activities can include rules, roles, and responsibilities. Holcomb, Holmes and Connelly (2009) as quoted by Michael A et el (2017) posit that the organizational structure also determines how information flows from level to level within the company. For example, in a centralized structure, decisions flow from the top down, while in a decentralized structure, the decisions are made at various different levels. Cognizant of these viewpoints, Tanya B (2014) agree with Holcomb et al (2009) further asserts that organizational structure, stated simply, defines a specific hierarchy within an organization, and businesses of all shapes and sizes use it heavily.

A successful organizational structure defines each employee's job and how it fits within the overall system. University governance and organization, a topic of scholarly interest since the pre-war years of the 1930s, became a major concern in most parts of the world as a planning strategy for boosting their competitiveness. According to Martyn P and Dimitrios (2017)shared the ideas of Pitt (2000), although the dividing line that separates multi-campus institutions from a single-campus institutions with branch campuses is none too clear, the distinction is worth making. Besides, when a university has branches that simply extend the university's activities into other geographic locations and the activities in these locations do not have independent academic personnel or curricular authority, then they are considered as branch campuses and include the institution within the single-institution, single-board category. Ogbonna and Harris (2003) assert that the structure is high combination of the relations between organizational elements forming an existence philosophy of organizational activity. In higher education context, university governance is the way in which universities are operated. Governing structures for higher education are highly differentiated throughout the world, but the different models nonetheless share a common heritage (Barney, 2010).

In a study conducted in the Netherlands, Mahoney (2010) established that, at its highest level, an organizational structure is either centralized or decentralized. Traditionally, organizations have been structured with centralized leadership and a defined chain of command (Mahoney, 2010). The military, for example, is an organization famous for its highly centralized structure, with a long and specific hierarchy of superiors and subordinates. However, there has been a rise in decentralized organizations, as is the case with many technology startups. This allows the companies to remain fast, agile and adaptable, with almost every employee receiving a high level of personal agency (Mahoney, 2010).

In the United States, state institution governing boards often emphasize the concept of citizen governance in recognizing that board members serve a civic role for the institution (Srivastava, Fahey & Christensen, 2001). Management structures themselves have become increasingly complex due to the increasing complexity of intra-organizational, interorganizational and governmental relationships (Srivastava et al, 2001). In a study carried out in Estonia, Stickland (2014) established that whether university education, adult education, technical or vocational education, educational administration presents complex challenges at all levels of private and public education.



Stickland (2014) further noted that, as universities have become increasingly interdependent with external forces, institutions are accountable to external organizational relationships, such as local and federal governments, equally in managing business and corporate relationships. In Africa, institutional characteristics play a central role in shaping the reputation of an institution and in student enrollment and success. Tinto (2012) observed that understanding the influence of institutional characteristics such as student completion rates help administrators make decisions that enhance student success and enrollment. Increasing the student enrollment rate requires collective efforts. In Nigeria, Akinyele (2011) asserts that the organizational structure and planning strategies adopted by oil and gas marketing companies affect market share positively. Lavie (2006) gave evidence that the level of organizational structure and planning strategies is positively related to company effectiveness. Mansoor (2012) reportedly asserts that performance effect of organizational structure is moderated by changes in the environment and hence, conclude that to attain desired superior performance by an organization adequate attention is required to have an organizational structure that can match the prevailing environment dynamism in place. These structures are characterized with different attributes such as control, communication, organizational knowledge, task, prestige, governance and values.

A study carried out in Uganda by Bitar and Hafsi (2007) established that small institutions in local areas offering a small variety of educational programmes have shown that the local educational institutions have found it difficult to attract young people, who would rather seek out the larger and multi-academic educational environments available in the larger cities and often do not return to their local areas once they have completed their education. Bitar and Hafsi (2007) further notes that, at small institutions with a limited educational field and a small faculty, where individual subjects are typically only covered by a single teacher, it is, furthermore, often difficult to develop versatile academic environments.

In most of the private universities in Kenya, top management embraced total quality management as a planning strategy for quality improvement to achieve competitive advantages (Arasa & Githinji, 2014). Shattock (2003) notes that the organizational structure varies in different higher education institutions depending on an institution's age, size, disciplinary mix, and physical location. As for the private universities' setup in Kenya, it comprises The Chancellor, The Board of Trustees, and The Governing Council with the administration arm starting from the Vice-Chancellor downwards to the departmental level. That is, there is a clear line of authority indicating where subordinates are accountable to their immediate supervisors. Top management's commitment and support to the quality management system leads the institutions to continuously improve and achieve competitiveness in quality (Arasa & Githinji, 2014). However, Arasa and Githinji (2014) as did other empirical researchers have not articulated how management size and a variety of institutional structures interplay to influence the competitiveness of private universities.

Statement of the Problem

Institutional characteristics play a key role in enhancing competitiveness of private universities. When effectively adopted, private universities register many undergraduate and postgraduate students who complete their academic programmes in time. Omboi and Mutali (2014) posit that a continued survival of universities in the competitive higher education



environment is strictly pegged on how well the universities capitalize on marketing focus activities for strategic positioning.

Private universities represented in Nairobi County, the number of students enrolled in universities is still low and some still complain of longer periods to complete their academic programmes. For example, enrolment increased from 82,095 students in 2003 to 443,783 in 2015, an increase of 400 per cent, with private universities accounting for 11.5% (2005-2006) academic year, 17.8% for (2007-2008) academic year, 19.7% (2009-2010) academic year, 27.7% (2011-2012) academic year, 19.8% (2013-2014) academic year and 18.1% (2014-2015) academic year (Republic of Kenya, 2015). Despite these statistics, few studies have interrogated how institutional characteristics of private universities influence the competitiveness of private universities.

2.0 LITERATURE REVIEW

Theoretical Framework

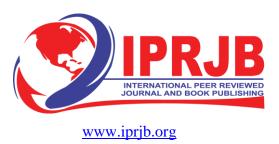
This study was guided by the Michael Porter's generic framework theory that gives techniques for analyzing industries and competitors The Generic Strategies can be used to determine the direction (strategy) of an organisation/institution. Porter's generic strategies describe how a company pursues competitive advantage across its chosen market scope. For example a company may choose to pursue one of two types of competitive advantage, either via lower costs than its competition or by differentiating itself along dimensions valued by customers to command a higher price. He uses, Cost Leadership, Differentiation, Cost Focus and Differentiation Focus strategies that an organisation can choose from. This theory can be used to find the optimum position for private universities within a higher education institution and often a determinant of institution's profitability can be said to be the attractiveness of an institution/industry in which it operates.

The study was also guided by the Competitive Advantage Theory, which was also postulated by Porter (1980). According to Porter (1980) Industries, just like in Higher Education Institution and the individual private universities within the universities are constantly involved in a dynamic interplay in an attempt to build a successful; competitive edge over another. The theories relevant to this study are; the generic framework theory and the competitive advantage theory. The choice of the two theories in this study is motivated by the fact that strategic success of any university largely depends on its institutional characteristics.

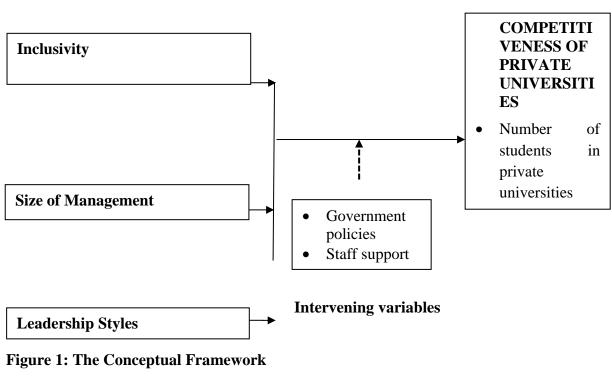
The Conceptual Framework

The conceptual framework was based on institutional characteristics reflected through inclusivity, size of management and leadership styles which constituted independent variables, whereas competitiveness of private universities whose indicators included; number of students in private universities and those who graduate constituted the dependent variable. The intervening variable included; government policies and staff support as shown in Figure 1;

Independent variables



Dependent variable



Source: Researcher (2020)

3.0 RESEARCH METHODOLOGY

This section explains the design, population sample, sampling techniques, research instruments, type of data used, data collection procedure, analysis and presentation. The study applied mixed methods approach, that is, quantitative and qualitative methods. The study applied concurrent triangulation research design since this is a single-phase design in which the researcher applied quantitative and qualitative methods at the same time and with equal weight. Target population for this study was 165 respondents. This consisted of 66 Registrar Academics, 66 Registrar Admissions and 33 Directors of Marketing. The sample for the study was eighteen universities, that is, 54.5% of the 33 that was slightly but within the threshold. The choice of eighteen universities was motivated by the fact that they are firmly established in Nairobi County. Using the Central Limit Theorem, all the Registrars in charge of Administration and Registrars in charge of Academic Affairs, their Assistants and Director, marketing in all Private Universities were selected purposefully. Purposive sampling was used to select 18 private universities in the Nairobi County to act as research sites due to their establishment in terms of the period of operation and their magnitude in terms of courses offered. Eighteen Directors of Marketing, 36 Registrar Academics and 36 Registrar Admissions were selected using purposive sampling. This procedure enabled the researcher to realize a sample of 18 Directors of Marketing, 36 Registrar Academics 36 Registrar Admissions. Qualitative data were analyzed thematically along the objectives and presented in narrative forms, whereas the quantitative data was analyzed using descriptively



and inferentially using Chi-Square Test Analysis with the help of SPSS Version 23 and presented using tables.

4.0 FINDINGS AND DISCUSSIONS

In this section, the data analysis, presentation and interpretation are reported. The following main question guided the study: To what extent do institutional characteristics influence competitiveness in private universities in Nairobi County, Kenya?

4.1 Response Rates

In this study, 36 questionnaires for Registrar Academics and 36 questionnaires for Registrar Admissions were administered. In return, 32-Registrar Academics' and 32-Registrar Admissions' questionnaires were filled and returned. The researcher also conducted interviews amongst 16 Director of Marketing. This yielded response rates shown in Table 1;

Table 1: Response Rates

Sampled	Those Who	Achieved Return	
Respondents	Participated	Rate (%)	
18	16	88.9	
36	32	88.9	
36	32	88.9	
90	80	88.9	
	Respondents 18 36 36 36	Respondents Participated 18 16 36 32 36 32	

Source: Field Data (2020)

From Table 1, Director of Marketing, Registrar Academics and Registrar Admissions registered a response rate of 88.9%. This confirmed the findings of Creswell (2009) that a response rate above 75.0% is adequate and of suitable levels to allow for generalization of the outcomes for the target population.

4.2 Influence of Institutional Characteristics on Competitiveness of Private Universities

The study sought to assess the extent to which institutional characteristics of registered private universities influence their competitiveness. Descriptive data were collected from Registrar Academics and Registrar Admissions and results are shown in Table 2:

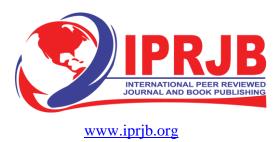


 Table 2: Views of Registrar Academics and Registrar Admissions on the Influence of

 Institutional Characteristics on Competitiveness of Private Universities

Test Items		Ratings				
		SA %	A %	U %	D %	SD %
Private universities which adopt inclusive management structure has witnessed an increased enrollment of students in undergraduate and postgraduate programmes	RAC RAA	78.0 82.2	11.0 9.4	2.5 3.3	5.5 2.4	3.0 2.7
Private universities which adopt transformative leadership styles have enrollment many students and ensure their completion of academic programmes in time	RAC RAA	69.5 70.5	25.5 18.4	1.5 1.9	2.0 4.3	1.5 4.9
Size of management of private universities has attracted many students to such private universities	RAC RAA	74.5 75.2	19.5 13.1	1.5 2.4	3.2 6.1	1.3 3.2

Key: RESP-Respondents; RAC-Registrar Academics; RAA-Registrar Admissions

Table 2 reveals that 25(78.0%RAC) and 26(82.2%RAA) of the Registrar Academics and Registrar Admissions strongly agreed with the view that private universities which adopt an inclusive management structure has witnessed an increased enrollment of students in undergraduate and postgraduate programmes. 4(11.0%) of the Registrar Academics agreed, as did 3(9.4%) of the Registrar Admissions. A paltry 1(2.5%) of the Registrar Academics as well as 1(3.3%) of Registrar Admissions were undecided, 2(5.5%) of Registrar Academics as did 5(2.4%) of the Registrar Admissions disagreed whereas 1(3.0%) of Registrar Academics and 1(2.7%) of the Registrar Admissions strongly disagreed.

These findings lend credence to the assertions of Walter (2011) that an inclusive and decentralized decision-making process by increasing staff participation in the decision making and this increases the efficiency and competitiveness of the University. This implies that private universities which have a management structure which includes all stakeholders from gender, regional and professional backgrounds register and enroll more students and thus register impressive high levels of competitiveness. The study revealed that 22(69.5%RAC) and 23(70.5%RAA) strongly agreed with the view that private universities which adopt transformative leadership styles have enrollment many students and ensure their completion of academic programmes in time. 8(25.5%) of the Registrar Academics as did 6(18.4%) of the Registrar Admissions agreed. 1(1.5%) of Registrar Academics and 1(1.9%) of the Registrar Admissions disagreed whereas 1(1.5%) of the Registrar Admissions as did 2(4.9%) of the Registrar Admissions strongly disagreed. These findings corroborate the assertions of Walter (2011) that university management structure is very important in shaping of the competitiveness of University. This implies that the university management structure



may be centralized (hierarchical) or decentralized (flat), centralized structure restricts decision making process to the top management which in turn affects negatively the performance and competitiveness of the university because of time wasting before a decision is arrived at.

The study also revealed that 24(74.5%RAC) and 24(75.2%RAA) strongly agreed with the view that size of management of private universities has attracted many students to such private universities. 6(19.5%) of the Registrar Academics as did 4(13.1%) of the Registrar Admissions agreed. 1(1.5%) of Registrar Academics and 1(2.4%) of the Registrar Admissions were undecided, 1(3.2%) of Registrar Academics and 2(6.1%) of the Registrar Admissions disagreed whereas 1(1.3%) of the Registrar Academics as did 1(3.2%) of the Registrar Admissions strongly disagreed. These findings thus point to the fact that if the university is bigger in size than its rivals, then the generic planning strategies may have more effect on the competitiveness of the university since the size of its management favors generic planning strategies which leads to being more competitive than its rivals. To ascertain the relationship between institutional characteristics and competitiveness of private universities, data were collected on the number of management staff and the number of students and the results are shown in Table 3:

Table 3: Results of the Number	of Management	Staff and the	e Number of	Students in
Private Universities				

Number of Management Staff	No. of Students in Private Universities				
156	13000				
201	23000				
344	28000				
765	50000				

Source: Field Data (2020)

Table 3 indicates that registered private universities with large size of management have a higher number of students. These findings corroborate the assertions of Pearce and Robinson (2010) that the size of the firm in relation to other firms in the same industry will relatively influence the effect of generic planning strategies on the competitiveness of the firm.

4.3 Inferential Findings on the Influence of Institutional Characteristics and Competitiveness of Private Universities

From Table 3, data were further subjected to Chi-Square (χ^2) Test Analysis and results are shown in Table 4:



Table 4: Chi-Square (χ^2) Analysis Showing the Relationship between Size of University
Management and the Number of Students in Private Universities

	Value	df	Monte Carlo Sig. (2- sided)			Monte	Monte Carlo Si sided)		
			Sig.	95% Confidence Interval		Sig. 95% Confidence Interval		dence	
Linear-by- Linear Association	2.881 ^c	1	.041 ^b	.037	.045	.041 ^b	.037	.045	
N of Valid Cases	4								

Source: SPSS Generated (2020)

From the Chi-Square (χ^2) Statistics in Table 4, the processed data, generated a significance level of 0.041^b which shows that the data is ideal for making a conclusion on the population's parameter as the value of significance (p-value of 0.041^b) is less than 5%, that is, p-value= $0.041^b < 0.05$. It also indicates that the results were statistically significant and that there is a significant relationship between the size of university management and the number of students in private universities. These results were consistent with the findings of a study conducted by Walter (2011) which generated a p-value of 0.029 < 0.05. These findings thus affirm the fact that the size of a private university in relation to other universities relatively influences the effect of generic planning strategies on the competitiveness of the firm.

Besides, if the university is bigger in size than its rivals, then the generic planning strategies may have more effect on the competitiveness of the university since the size of its management favors generic planning strategies which leads to being more competitive than its rivals.

4.3.1 Thematic Analysis of Qualitative Findings on the Influence of Institutional Characteristics on Competitiveness of Private Universities

During the interviews, the Director of Marketing also noted that private universities which adopt inclusive management structure has witnessed an increased enrollment of students in undergraduate and postgraduate programmes. Director of Marketing, DM1, noted,

"In my university, there is the inclusion of all stakeholders in the management of the university. We have every gender, community, special interest groups and everybody from all social backgrounds. Through this planning strategy, our university has been able to tap many students from across the country".

Just like in quantitative findings, these views lend credence to the viewpoints held by Walter (2011) that an inclusive and decentralized decision-making process by increasing staff



participation in the decision making and this increases the efficiency and competitiveness of universities. The Directors of Marketing also concurred with the views that private universities which have a management structure which includes all stakeholders from gender, regional and professional backgrounds register and enroll more students and thus register impressive high levels of competitiveness.

On the nature of university leadership, Directors of Marketing also responded in favor of the view that private universities which adopt transformative leadership styles have enrollment many students and ensure their completion of academic programmes in time. Director of Marketing, DM2, reported,

"In our university, everybody is involved in providing ideas on how to increase the number of students in the university. The relations amongst top-level managers, lower-cadre staff and students are cordial and are based on the principle that every opinion counts and is thus, progressive. This has enabled my university to register and enroll more students than our competitors".

These views also corroborate the assertions of Walter (2011) that university management structure is very important in shaping of the competitiveness of University. The interviewees further concurred with the fact that the university management structure may be centralized (hierarchical) or decentralized (flat), centralized structure restricts decision making process to the top management, which in turn affects negatively the performance and competitiveness of the university because of time wasting before a decision is arrived at. Like quantitative findings, these views point to the fact that the size of the firm in relation to other firms in the same industry will relatively influence the effect of generic planning strategies on the competitiveness of the private universities.

5.0 SUMMARY AND CONCLUSIONS OF RESEARCH FINDINGS

Summary

The study established that institutional characteristics influence competitiveness of private universities. These include inclusivity, size and leadership styles. This implies that private universities which adopt inclusive management structure have witnessed an increased enrollment of students in undergraduate and postgraduate programmes. In other words, study findings attest to the fact that private universities which have a management structure which includes all stakeholders from gender, regional and professional backgrounds register and enroll more students and thus register impressive high levels of competitiveness. Leadership styles such as transformative styles adopted by universities are also key in enhancing competitiveness of such universities. Besides, relations amongst university staff should be cordial and are based on the principle that every opinion counts and is thus, progressive.

Conclusions

From the study findings, it is evident that institutional characteristics as a planning strategy influence the competitiveness of private universities. These include inclusivity, size and leadership styles which have improved enrollment of students in undergraduate and



postgraduate programmes. This indicates that private universities with sound policies on inclusion of students and staff from different ethnic and racial diversities, have an effective management and transformative leadership styles have a competitive edge over others and thus attract many students.

Recommendations

Drawing from the study findings, the study recommends that, in order to enroll more students, universities should have a sizable management which involves all stakeholders. The Ministry of Education through the Commission for University Education should formulate policies which ensure that universities offer quality and affordable academic programmes for students from different socio-economic backgrounds in order to admit the 40% of KCSE candidates who miss placement after public and private universities.

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