COMPETITIVE STRATEGIES ADOPTED BY INSTITUTIONS OF HIGHER LEARNING IN RWANDA

BY

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DECLARATION

I, **SHEMA, EMMANUEL** declare that this Project Research is my original work that has never been presented for the award of a degree in any other university.

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DEDICATION

I wish to dedicate this work to my parents who gave me the encouragement of high achievement right from childhood. Dad and Mum, I wish my grand children live to appreciate your contribution to me in life. I also recognize my brothers and sisters, your invaluable and irreplaceable support back home while I was at school drives me to dedicate this work to you. God bless you all.

ABSTRACT

This study was carried out with the objectives of establishing competitive strategies adopted by institutions of higher learning in Rwanda and identifying forces of competition among them. To achieve the objectives of this study, the researcher used a descriptive survey and a census that comprised of all thirty one (31) institutions of higher learning in Rwanda. Primary data was collected using structured and semi-structured questionnaires. Some questionnaires were dropped and picked later where as others were administered by direct interview. Descriptive analysis using percentages, means and standard deviation was used to analyze the data using tables, charts and graphs. The study established that there are many strategies adopted by institutions of higher learning in Rwanda and forces of competition in general, the most employed strategy and force being differentiation and desire for the largest market share respectively. To enhance competitiveness higher institutions of learning in Rwanda use differentiation and low cost strategy by offering a wide range of products and engaging high skilled staff among other strategies. The study recommends that infant institutions of higher learning in Rwanda should benchmark and study from the best performers in the industry in order to remain competitive. The government of Rwanda should also regulate foreign-based institutions entering Rwanda and provide incentives to the local ones in order to protect them.

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LIST OF ABBREVIATIONS

IoHL:	Institutions of Higher learning
IoHLR:	Institutions of higher Learning in Rwanda
INATEK:	Institute d'Agriculture, Technologie et de l'education de Kibungo
KIST:	Kigali Institute of Science and Technology
NHCE:	National High Council of Education
VTC's:	Vocational Training Centers
W.W.W.	World Wide Web

CHAPTER ONE: GENERAL INTRODUCTION

1.1 Background of the study

Competition is at the core success and failure of organizations. Competition determines the appropriateness of an organization's activities that can contribute to its growth and better performance. According to Porter (1998), Competitive strategy aims at establishing a profitable and sustainable position against forces that determine industry competition and thereafter lead to competitive advantage. To ensure survival and success, firms need to develop the capability to manage threats and exploit emerging opportunities promptly. This requires formulation of strategies that constantly match capabilities to environmental requirements. Success therefore calls for pro-active approach to business (Pearce& Robinson, 1997). Besides, competition is a very complex phenomenon that is manifested not only in other industry players, but also in form of customers, suppliers, potential entrants and substitute products. It is therefore necessary for a firm to understand the underlying sources of competitive pressure in its industry in order to formulate appropriate strategies to respond to competitive forces (Porter, 1979). Nowadays of hyper competition and globalization, organizations impart in much efforts to attain competitive advantage and subsequent sustainable competitive advantage in general for them to survive in turbulent environments thus institution of higher learning in Rwanda are not exempted from competition with local, regional and global institutions of higher learning.

1.1.1 The Concept of Strategy

Strategy is an action that a company takes to attain its goals (Hills 2001). According to Johnson and Scholes (2004), Strategy is the process that matches resources and activities of an organization to the environment in which it operates. For them, it is essential to timely develop a strategy while identifying opportunities in the environment and adapting resources and competencies to it (strategic fit) so as to take advantage of such opportunities. Quinn (1999) goes further and defines strategy as the pattern or plan that integrates an organization's major goals, policies and action sequences' into a cohesive whole. A well formulated strategy facilitates organized and clear allocation of organizational resources into unique and viable posture based on its internal competencies and weaknesses, environmental turbulence and contingent moves by cunning opponents.

1.1.2 The Concept of Competitive Strategy

Competitive Strategy is the search for a favorable competitive position in an industry, the fundamental arena in which competition occurs. Competitive strategy aims at establishing a profitable and sustainable position against the forces that determine industry competition (Porter1985). According to Johnson et al (2004) Competitive strategy is concerned with the basis on which business unit might achieve competitive advantage in the market. Porter (1985) pioneered thinking in this field when he proposed that there were three different 'generic' strategies by which an organization could achieve competitive advantage. These are: Overall cost leadership, differentiation and focus. There has been a lot of debate so as to exactly find out what each of these categories meant. According to Pearce and Robinson (2005) Many planning experts believe that the general philosophy of doing business declared by a firm in the mission statement must be translated into a holistic statement of the firm's strategic orientation before it can be further defined in terms of a specific long-term or grand strategy. In other words' a long-term strategy must be based on a core idea about how the firm can best compete in the market place. This is commonly known as 'generic strategy'.

1.1.3 Institutions of Higher Learning in Rwanda

According to the National Council for Higher Education there are twenty nine (29) public and private institutions of higher learning in Rwanda among which seventeen are public and twelve are private. Institutions of higher learning in Rwanda are established by the Law no 20/2005 of the 20/10/2005 governing the organization and functioning of higher institutions of education. Institutions of higher learning are divided into public and private institutions. Public higher learning institutions are established by the state which is responsible for their organization, functioning and management. Public institutions of higher learning are under the supervision of the ministry of education and other competent government organs (Rwanda official gazette, no 5 of March 2006).

Private higher learning institutions are those whose nature, functioning and organization are subject to agreement entered in between their founders and the government but such institutions enjoy management autonomy. The ordinary and first of higher institutions of learning in Rwanda is the National University of Rwanda that was established in 1963 by Father Levesque after Rwanda had attained its independence. It had forty (49) students that enrolled in it by then. In 1997/98 after the horrific genocide, Rwanda had a total of 5,571 students in higher education. Today the number stands at 26,796. Rwanda's' public tertiary institutions enroll over 44,000 students in undergraduate, certificate and diploma programs in full range of academic and professional fields.

Private institutions enroll at least 13,000 students per year and the number is subject to growth due to increasing number of part-time students' www. rwandadevelopmentgateway.org/article.ph/3). Public institutions of higher learning include the National University of Rwanda, Kigali Institute of Technology, School of Finance and Banking, Umutara Polytechnic and Byumba Polytechnic Institute while private institutions include among others Kigali Independent University, Kibungo University of Agriculture, Technology and Education, Butare Protestant Theological College, International College of Accountancy and Management and Kabgayi Catholic University.

1.2 Research problem

Competitive strategy is the search for a favorable competitive position in an industry, the fundamental arena in which competition occurs. Competitive strategy is concerned with the basis on which a business unit might achieve competitive advantage in the market (Johnson et al, 2004). Education institutions face a growing number of complex challenges that threaten their growth and prosperity. Shrinking departmental budgets, institutional demands and intensified competition in the industry tests the integrity and survival of institutions of higher learning or universities, colleges and independent elementary and secondary schools (Servier, 1998). Institutions of higher learning in Rwanda are striving to effectively withstand domestic and foreign competition. However in the bid to withstand competition IoHLR are constrained by meager resources and subsequent institutional demands courtesy of being in the developing country. Engulfed by such challenges therefore unless IoHLR devise competitive strategies they may be outwitted and close doors in the face of global competition in the long-run. This prompts the study of competitive strategies adopted established by institutions of higher learning in Rwanda.

Research on competitive strategies adopted by universities has been carried out but rather in the out of Rwanda context. In Kenya for instance, Kitoto (2005) studied competitive strategies adopted by universities but focused on those in Kenya. Competitive strategies adopted by airlines were also studied but focus made in and particularly Kenya airline (KQ) (Omondi, 2006). The fact that the above researches never went beyond Kenyan boundaries instigated this study which sought to fill that existing gap in this area thus studying competitive strategies adopted by higher institutions of learning in Rwanda. What competitive strategies has IoHLR established? What are the forces of competition among IoHLR?

1.3 Objectives of the study

i. Establishing competitive strategies adopted by institutions of higher learning in Rwanda
ii. Identifying forces of competition among institutions of higher learning in Rwanda

1.4. Value of the study

The findings of the study are useful in that the leadership and management of institutions of higher learning in Rwanda are provided with insights on relevant competitive strategies to adopt.

It also provides information to researchers from various universities in the region and beyond and this could allow comparative analysis on competitive strategies.

The study also contributes to the existing literature in the field of strategic management and finally but not least inspires further research in the field of strategic management and competitive strategies in particular.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter reviews relevant concepts and relevant insights into them made by various researchers based on the following sub thematic concepts: Strategy, Competitive strategy and Competition.

2.1.1 The Concept of Strategy

According to Chandler (1962) Strategy can be defined as the establishment of the long-term goals and objectives of an organization, including the taking of action and allocation of resources for achieving of these goals. Pearce II, Robinson and Amita (2010) contend that by strategy, managers mean their large-scale, future oriented plans for interacting with the competitive environment to achieve company objectives. Thus a strategy is a company's game plan.

Johnson, Scholes and Whittington (2008) defines strategy as the direction and scope of an organization over the long-term, which achieves advantage in a changing environment through its configuration of resources and competences with the aim of fulfilling stakeholder expectations. Hamel and Prahald (1994) argues that the essence of strategy lies in the strategy and the creation of tomorrow's competitive advantage faster than competitors before they mimic the ones you possess today.

Ansoff and McDonald (1990) define strategy as a set of decision making rule for guidance of organization behavior. Such rules are of four distinct types. First, they are yardsticks by which present and future performance of the firm is measured (goals and objectives), then they are rules for developing the firm's relationship with the external environment (business strategy), next are rules for establishing the internal relations and processes within the organization (organization concept) and finally there are rules by which the firm conducts its day today business (operating policies).

Aosa (1990), states that strategy is creating a fit between the external characteristics and the internal conditions of an organization to solve a strategic problem. He explains a strategic problem as a mismatch between internal characteristics of an organization and its external environment. Matching is achieved through development of core competences and organizational strengths that correlate to the external environment well enough to overcome the posed threats and to exploit the available opportunities in the environment.

2.2 The Concept of Competitive Strategy

Competitive Strategy is the search for a favorable competitive position in an industry, the fundamental arena in which competition occurs. Competitive strategy aims at establishing a profitable and sustainable position against the forces that determine industry competition (Porter1985). According to Johnson et al (2004) Competitive strategy is concerned with the basis on which business unit might achieve competitive advantage in the market. Porter (1985) pioneered thinking in this field when he proposed that there were three different 'generic' strategies by which an organization could achieve competitive advantage. These are: Overall cost leadership, differentiation and focus.

There has been a lot of debate so as to exactly find out what each of these categories meant. According to Pearce and Robinson (2005) Many planning experts believe that the general philosophy of doing business declared by a firm in the mission statement must be translated into a holistic statement of the firm's strategic orientation before it can be further defined in terms of a specific long-term or grand strategy. In other words' a long-term strategy must be based on a core idea about how the firm can best compete in the market place. This is commonly known as 'generic strategy'.

Many planners believe that any long-term strategy should derive from a firm's attempt to seek competitive advantage based on the generic strategies. This is derived from a scheme developed by Michael porter. Striving for overall low-cost leadership in the industry, striving to create and market unique products for varied customer groups through differentiation and striving to have a special appeal to one or more groups of consumer or industrial buyers, focusing on their cost or differentiation concerns is the basic content of 'generic strategies'

Each of the options mentioned above can produce above-average returns for a firm in an industry. This is put forward by advocates of generic strategies. However such options are successful due to different reasons. (Pearce and Robinson, 2005) emphasizes that low-cost leadership depends on some fairly unique capabilities to achieve and sustain their low-cost position; example of such capabilities are: Having secured suppliers of scarce raw-materials, being in a dominant market share position or having a high degree of capitalization.

Low-cost producers usually excel at cost reduction and efficiencies. They maximize economies of scale, implement cost-cutting technologies, stress reductions in overhead and administrative expenses and use volume-sales techniques to propel themselves up the learning curve. Pearce also argues that a low leader is able is able to use its cost advantage to charge low prices or enjoy higher profit margins. Effecting low-cost leadership, allows the firm to effectively defend its price wars, attack competitors on price to gain market share or if already dominant in the industry, simply benefit from exceptional returns (Johnson et al, 2004).

Strategies dependant on differentiation are designed to appeal to customers with a special sensitivity for a particular product attribute. By stressing the attribute above other product qualities, the firm attempts to build customer loyalty. Often such loyalty translates into a firm's ability to charge a premium price for its product. The product attribute also can be attributed to the marketing channel through which it is delivered, its image for excellence, the features it includes and the service net-work that supports it. As a result of the importance of these attributes competitors often face "perceptual" barriers to entry when customers of a successfully differentiated firm fail to see largely identical products as being interchangeable

A focus strategy, whether anchored in a low-cost base or a differentiation base, attempts to attend to the needs of a particular market segment. Likely segments are those that are ignored by marketing appeals to easily accessible markets, to the "typical" customer, or to customers with common applications for the product. A firm pursuing a focus strategy is willing to service isolated geographic areas; to satisfy the needs of customers with special financing, inventory or servicing problems; or to tailor the product to the somewhat unique demands of the small-to medium sized customer.

The focusing firms profit from their willingness to serve otherwise ignored or underappreciated customer segments. While each of the generic strategies enables a firm to a number of competitive risks; For example a low-cost firm fears a new-cost technology that is being developed by a competitor; a differentiating firm fears imitators and a focused firm fears invasion by a firm that largely targets customers.

International Management Consultants Treacy et Wierserman (1993) proposes an alternative approach to generic strategy that they call the value discipline. They believe that strategies must center on delivering superior customer value through one of three value disciplines: operational excellence, customer intimacy or product leadership. Operational excellence refers to providing customers with convenient and reliable products or services at competitive prices. Customer intimacy involves offering tailored products or services to match the demands of identified niches. Product leadership as well as the third discipline involves offering customers leading-edge products and services that make rival's goods obsolete.

Treacy and Wierserman (1993) further argues that companies that specialize in one of these disciplines, while simultaneously meeting industry standards in the other two, gain a sustainable lead in their markets. This lead is derived from the firm's focus on one discipline, aligning all aspects of operations with it. Having decided on the value that must be conveyed to customers, firms understand more clearly what must be done to attain the desired results. They conclude that after transforming their organizations to focus on one discipline, companies can concentrate on smaller adjustments to produce incremental value.

2.2.1 Generic Strategies

The aim of a firm should be to develop a distinctive competence that is greater than its competitors. Porter (1998) identifies three generic strategies for achieving the above average performance in an industry and these are cost leadership, differentiation and focus. Each of the strategy is a different approach to creating and sustaining competitive advantage (Lowes et al, 1998). To be an average performer, a firm must generally make a choice amongst them rather than attempting to address all of them at once. According to Hitt and colleagues it was originally determined that firms choose from among four generic business level strategies to establish and exploit a competitive advantage within a particular competitive scope. Cost leadership, differentiation, focused low cost and focus differentiation. A fifth generic business level strategy i.e. the integrated low cost /differentiation strategy has evolved through firm's efforts to find the most effective ways to exploit their competitive advantages. None of the five business-level strategies is inherently or universally superior to the others. The effectiveness of each strategy is contingent on the opportunities and threats in a firm's eternal environment and the possibilities permitted by the firm's unique resources, capabilities and core competencies.

Overall cost leadership; Business following this strategy ensures that their processes make them the lowest cost producer or supplier in the market. Striving to be the industry's overall lowest cost provider is a powerful competitive approach in many markets where buyers are price sensitive. Cost leadership requires aggressive construction of efficient scale facilities, vigorous pursuit of cost reduction from experience, tight cost curve control and cost minimization in various functions (Porter,1980). Thompson and Strickland (1998) contend that in pursuing low-cost leadership, managers must take care to include features and services that buyers consider essential. The value of a cost advantage depends on its sustainability whether rivals find it easy or expensive to imitate the low cost methods will determine the duration of the advantage. The cost leadership strategy benefits the firm in that it is able to withstand intense price competition and buyers may appreciate the offer for low prices. New entrants are also deterred by low cost capabilities and supply price increases are more absorbed.

Differentiation; This is the tendency of a business unit to create differential advantage through features or services that reflects it as unique from others in the market. The essence of differentiation is to be unique in ways that are valuable to customers and that can be sustained (Pearce and Robinson1997) & Peters (1997) asserts that for a company to be successful in the strategy, it has to study buyers needs and behavior carefully to learn what they consider important with value and what they are willing to pay for it. There is almost no limit to a firm's opportunities. It depends on the nature and characteristic of the product. However, it has been claimed that anything can be turned into a value added product or service for a well defined or newly created market.

The merit or uniqueness may be in the form of customer service, design, brand image or technology (Porter, 1980). Differentiation extends beyond the characteristics of the products or service to encompass every possible interaction between the firm and its customers (Grant, 1998). Differentiation insulates against competitive rivalry because of brand loyalty by customers and resulting lower sensitivity to prices. Differentiation leads to higher margins which facilitates in dealing with superior power. Buyer power is also mitigated since the buyers lack comparable alternatives to choose from and thus remain less sensitive to price.

Focus; This is a strategy about differentiation of a particular customer segment or geographical market and coming up with products suitable for that segment. It is built around serving a particular target very well and once the segment is identified, then the firm may pursue either cost or differentiation strategies (Porter, 1980). The largest segment may be defined by the geographical uniqueness, specialized requirements in using the product or by special product attributes that appeal only to segment members. Cost focus is a low competitive strategy that focuses on a particular buyer group or geographical market and attempts to serve only this niche. It seeks a cost advantage in its target segment (Hunger, 1995). Differentiation focus puts more effort on a clear market group, product line segment while seeking differentiation in its target segment. It strives to provide segment members with superb products.

According to Porter (1985), the target market segment must either have buyers with unusual needs or else the production and delivery systems that best serve the market segment. The segment must differ from that of other industry segments. Focusing is attractive where the segment has good growth potential and the focusing firm has the capabilities and resources to serve the targeted niche effectively.

Porter (1980) further asserts that, the profit potential in an industry depends on the collective strength of five competitive forces that determine industry attractiveness. These forces are essential for determining how a firm positions its self in the industry and thus in the end determining whether a firm's profitability is above or below the industry average. Such forces determines the profitability because they influence the prices, costs and required investment of firms in an industry and these are essential elements in getting a return on investment.

A proper analysis of the five forces should lead a firm into determining its competitive advantage. The fundamental basis for the above average performance in the long-run is sustainable competitive advantage. The two basic types of competitive advantage that a firm can possess are low-cost and differentiation. Thompson (1958) contends that business strategies are grounded in sustainable competitive advantage. Investing aggressively therefore in creating sustainable advantage is a company's most dependable contributor to above average profitability.

2.2.2 Grand Strategies

A firm may respond to increased competition by entering new markets with similar products. Those could be markets they are currently serving or new geographical markets. They come with new uses for their current products thus exploit opportunities through some slight modification to suit the needs of the market. Market entry strategies may include acquisition, strategic alliances and joint ventures. Firms may also react to competitive forces by developing new products. This translates into extending their portfolio and spreading the risk on many products. Apparently, diversification is also a grand strategy. It can be related or unrelated diversification respectively. Related diversification may take the form of vertical integration. In the face of increased competition, this has the benefit of cost reduction, defensive market power and offensive market power.

Backward integration takes a firm back closer to suppliers mainly to increase supplier dependability and reliability. Forward integration takes it closer to the customers by putting a given output of the core competence. Under the firm's umbrella, forward integration can mean increasing predictability of demand for a firm's output. Unrelated diversification may involve acquisitions of business not within the current product and market scope. Differentiation is used as a response technique to increased competition by many firms. Sushil (1990) contend that a firm can also resort to creating entry, mobility and substitution barriers to strategic groups. Such barriers discourage potential competitors from entering the market. Substitution barriers can be in form of differentiation that makes it different to imitate the product. This constitutes some of the factors that make cottage firms in developing countries to compete effectively with large firms.

Firms may also respond to competition, especially emanating from international sources by collaborating with other players in the industry. Increased forces towards globalization have pushed more and more firms to seek collaboration with other firms in other countries to enable them compete effectively in those markets among other reasons. Such collaboration takes the form of strategic alliances, mergers and acquisitions, licensing, franchising among others.

Shoeli (1999) argues that in order to fortify a firm's position against predators from abroad, it is important to collaborate. Collaboration also reduces the cost of differentiation and enhances competitive advantage (Morrison &Lee, 1990 in shoeli, 1999). Another way that firms respond to increased competition is through structural and process re-organizations. Such include restructuring/ re-engineering, Total quality management, rightsizing and outsourcing among others.

Firms use the above mentioned resources of firms in order to improve their efficiency of operation and are therefore related in one way or another. These measures have a long-term effect and involve a lot of firm's resources and therefore can be considered as strategic decisions. Market segmentation can be an effective way of responding to competition. Porter (1998) asserts that company's strategies for competing in an industry can differ in a variety of ways. He points out the strategic dimensions which a company may take in a given industry, which are specialization, brand identification, product quality, vertical integration and technological leadership.

2.3 The Concept of Competition

Competition means striving for the same object, position, prize etcetera often in accordance with certain fixed rules (www.yourdictionary.com). Competition happens when individuals or organizations are each vying for a share of limited resources. For instance competition happens when more than a single business organization goes out to sell goods and services to one customer who will only choose one vendor.

Competition is fundamental to the health functioning of any effort especially in a free market economy because it requires successful participants to leave, train, innovate and seek efficiencies and convey those as offerings to their customers. Where competition does not exist, efficiency, innovation and excellence will suffer. By definition, one natural by- product of competition is that one or more parties will lose in a particular transaction or event. The attempt to avoid such a loss motivates competitors to improve and therefore achieve excellence.

Porter (1985) contends that competition is at the core of the success or failure of firms. Competition determines the appropriateness of a firm's activities that can contribute to its performance, such as innovations, a cohesive culture or good implementation. Johnson et al (2004) reiterates that competitive rivals are organizations with similar products and services aimed at the same customer group.

The principle allocation is efficient allocation of resources. When many suppliers compete for business consumers, prices gravitate towards costs of production and scarce resources are used for those goods and services which there is real demand. Competition thereby produces maximum economic value from given resources and uses minimum resources to supply a given group of consumers (Porter, 1985).There are a number of factors that affect the degree of competitive rivalry in a given sector. These include; the extents to which competitors are in balance, industry growth rates and high fixed costs in an industry, exit barriers and differentiation.

2.3.1 Forces of Competition

Porter (1980) contends that a corporation is most concerned with the intensity of competition within its industry. The level of this intensity is determined by basic competitive forces, which are: threat of new entrants, threat of substitute products or services, rivalry amongst existing firms, bargaining power of buyers and finally the bargaining power of suppliers. New entrants to an industry typically bring to it new capacity, a desire to gain market share and substantial resources. The seriousness of the threat of entry depends on the barriers present and on the reaction from existing competitors that the entry can expect.

Wheel and Hunger (2008) state that an entry barrier is obstruction that makes it difficult for a company to enter an industry. Some of the possible barriers to entry are: Economies of scale, product differentiation, capital requirements, switching costs, access to distribution channels and government policy. A substitute product is a product that appears similar or different but can satisfy the same need as another product. According to Porter (1980), substitutes limit the potential returns of an industry by placing a ceiling on the prices firms in the industry can profitably charge. When switching costs are low, substitutes may have a strong effect on the industry.

A competitive move by one firm can be expected to have a noticeable effect on its competitors and thus may cause retaliation or counter efforts. Intense rivalry is related to the presence of several factors, including number of competitors, rate of industry growth, product or service characteristics, amount of fixed costs, capacity and height of existing barriers and diversity of rivalry.

The bargaining power of buyers affects the industry through their ability to force down prices. Bargaining for higher qualities or more services play competitors against each other. A buyer or group of buyers is powerful if some of the following factors hold true when: a buyer purchases a large proportion of the seller's product or service, a buyer has the potential to integrate backward by producing the product its self, alternative suppliers are plentiful because the product is standard or undifferentiated, there are low changing costs of suppliers, a buyer earns low profits and is thus sensitive to costs and service differences and the purchased product is unimportant to the final quality or price of buyer's products or services and thus can be easily substituted without affecting the final product adversely.

Bargaining power of Suppliers, This can affect an industry through their ability to raise prices or reduce the quality of purchased goods and services. A supplier group is powerful if some of the following factors apply: The supplier industry is dominated by few companies but selling to many, when its products or services are unique or it has built up switching costs, substitutes are not readily available, suppliers are able to integrate forward and compete directly with their present customers and a purchasing industry buys only a small portion of the supplier group's goods and services and is thus important to the supplier.

An industry or sector may be too high to provide for a detailed understanding of competition. The five forces can impact differently on different kinds of players. Many industries contain a range of companies each of which has different capabilities competes on different basis. These competitor differences are captured by the concept of strategic groups. Customers too can differ significantly. Such customer differences can be captured by distinguishing between strategic customers and ultimate customers and between market segments.

Strategic groups are organizations within the industry or sector with similar strategic characteristics following similar strategies or competing on similar basis (Johnson et al, 2008). Market segmentation is thus a great optional strategy in this case. It focuses its attention on differences in customer needs. Market segmentation is hereby understood as a group of customers who have similar needs that are different from customer needs in other parts of the market (Johnson et al, 2008)

The operating environment also called the competitive or market environment comprises factors in the competitive situation that affect a firm's success in acquiring needed resources or in profitably marketing its good and services. Among the most important factors are the firm's competitive positions, the composition of its customers, its reputation among suppliers and creditors and its ability to attract capable employees.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter reviews the methods that were used by the researcher to conduct research based on the following sub thematic areas: Research design, Population of the study, Data collection and Data analysis.

3. 2 Research design

The study employed a descriptive survey of competitive strategies among institutions of higher learning in Rwanda. This design fit the study because of the comparative analysis that was done to achieve the research objectives.

3.3 Population of the study

The study encompassed all institutions of higher learning in Rwanda. According to NHCE, There are thirty one HIoL in Rwanda, twenty nine (29) definitively and two (2) provisionally licensed institutions. The study was therefore a census since it involved all institutions of higher learning in one sector.

3.4 Data collection

Primary and secondary data was collected for the study. Primary data was collected with the aid of a structured questionnaire. It contained both closed ended questions and a few open ended. The questionnaire consisted of three sections. Section one was designed to obtain general information about the respondent and organization profile. Section two consisted of questions about competitive strategies and section three of forces of competition. Respondents were purposively sampled and therefore the Chief Executive Officer of each institution was chosen for response.

3.5 Data Analysis and Presentation

Before analysis, data was checked for completeness and consistency purposes. Simple descriptive statistics such as mean, standard deviation, frequency and percentages were used. Data was summarized afterwards and presented in form of tables and graphs.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

4.1 Introduction

This chapter presents results, analysis and discussion of findings of the study based on its research problem and objectives. Simple descriptive statistics such as mean, standard deviation, frequency and percentages were used. Data was summarized and presented in form of tables, graphs and charts. The response rate was 68 % meaning that out of thirty one (31) questionnaires sent to respective institutions of higher learning in Rwanda only twenty (21) were returned duly filled.

4.2 General Findings

Besides its objectives, the study sought to know the names of respondents, the position they occupied in the management of their institution and name of the institution they worked for. These were considered optional thus left out of detailed discussed findings. Other items covered among the general findings were the length of service of the institution/ organization and the nature of the organizational ownership whose data is presented and discussed below:

Table 4.1 Length of service of institutions of higher learning

Length	Number	Percentage
< 10	42	42%
10-20	8	8%
>20	50	50%
Total	100	100%

Source: Primary data

As indicated in table 4.1 50 % of the institutions of higher learning had been in operation for more than 20 years and 8% between ten and twenty years while 42 % for less than 10 years indicating an increasing percentage of new entrants in the Rwandan higher learning sector.

Table: 4.2 Classification of institutions of higher learning by type of business

Type of Business	Number	Percentage
Public	18	58%
Private	13	42%
Total	31	100%

Respondents were asked to classify institutions of higher learning by type of business. Results are shown in table 4.2. As shown in table 4.2, 58 % of the institutions of higher learning surveyed were classified as public and 42 % as private respectively. The classification was important in terms of the type of competitive strategies adopted by institutions in the higher learning sector.

4.3 Competitive strategies

According to Johnson et al (2004) Competitive strategy is concerned with the basis on which business unit might achieve competitive advantage in the market. Respondents were asked to describe the strength of competition among institutions of higher learning in Rwanda and further disclose if their institutions had a strategic plan and its length service in of operation. Respondents were also requested to indicate brand and institutional attributes they use to attract customers and highlight the competitive strategies that their institutions employ and finally describe the degree to which they employ such strategies.

A likert scale of very strong, strong, relatively strong, weak and very weak respectively was provided as a checklist for the responses. Data was presented in a frequency table and analyzed relative to percentage scores of each variable. The strength of competition was necessary to be known as it would help to justify the rationale of strategy adoption by various institutions.

Table 4.3: Respondents' rating of strength in the higher learning sector in Rwanda

Strength of competition	Frequency	Percentage
Very weak	1	4.8%
Weak	2	9.5%
Relatively strong	4	19.0%
Strong	6	28.6%
Very Strong	8	38.1%
Total	21	100%

Source: Primary data

The respondents were asked to rate the strength of competition in the higher learning sector in Rwanda. As shown in table 4.3, 38.1 % of the respondents perceive competition in the higher learning sector in Rwanda as very strong, 28.6 % described it as strong, 19.0 % viewed it as relatively strong and 9.5% described it as weak while 4.8% perceived it as very weak. This perception among the respondents as indicated in table 4.3 makes it imperative for these institutions to adopt strategies that will enable them to remain competitive in their operation.

Table 4.4: Respondents' rating of Brand and Institution attributes that attract customers

	Strongly disagree	Disagree	Undecided	Agree	Strongly Agree	Mean	Standard deviation
The level to which low prices make customers prefer your brand	3	8	5	3	2	3.2	2.1
The level to which strategic location make customers prefer your brand	4	8	0	5	4	6.3	3.37
The level to	0	1	4	4	12	7.4	2.5

which good customer service make customers prefer your brand							
The level to which giving incentives make customers prefer your brand	2	5	2	6	6	4.2	3.7

Source: Primary data

Respondents were given a rating scale of agreement of brand and institution attributes that attract customers ranging from 5=strong disagreement- 1= strong agreement. It emerged that good customer service is the paramount factor that determines customers' preference of a particular institution's services with a mean score of 7.4. Strategic location and giving incentives are also great factors that determine customers' preference of a particular institution's services with mean scores of 6.3, 4.2 respectively.

However, lower prices have got little influence on the customers' preference of institutions. A large number of respondents disclosed that lower prices have got limited influence on the customers' preference of higher institutions as its mean scores, 3.2 lags behind others.

4.3.4 Competitive Strategies Adopted by Institutions of Higher Learning in Rwanda

Competitive Strategy is the search for a favorable competitive position in an industry, the fundamental arena in which competition occurs. It aims at establishing a profitable and sustainable position against the forces that determine industry competition (Porter1985). Respondents were given low cost leadership strategy, differentiation and niche strategy to rank their adoption by their institutions respectively.

Table 4.5: Ranks of Competitive Strategies adopted by Institutions of Higher Learning in Rwanda

Strategies	**Rank**
Differentiation	52%
Focus	23%
Niche	16%
Low cost	9%

Respondents were asked the various competitive strategies adopted by institutions of higher learning in Rwanda. Differentiation emerged as the most competitive strategy adopted by most institutions in Rwanda. As shown in table 4.5 above 9% of the surveyed institutions use low cost strategy 16% indicated that their institutions use niche strategy 23% use focus strategy while the majority 52% uses differentiation.

Table 4.6: Extent of Adoption of Low Cost Leadership Strategy

	Not at all	Very low extent	Lower extent	Great	Very great extent	Mean	Standard deviation
Increased number of competitors	2	5	5	5	4	6.3	2.5
Foreign Competition	3	8	5	3	2	3.2	2.6
Unpredictable government policies	10	7	2	2	0	2.1	2.9
Rapid changes in interest rates	2	2	10	7	0	2.1	2.9
Responding to changes in customer needs	1	2	4	9	5	2.7	2.5
Attracting large number of customers	1	2	5	9	4	4.3	1.8

Source: Primary data

Table 4.6 above shows the mean scores and standard deviation on the adoption of low cost leadership strategy. As indicated, most institutions adopted low cost leadership strategy as a result of increased number of competitors in the market as its mean scores 6.3indicates. Attracting large number of customers and foreign competition are equally important decisions for adoption of low cost leadership strategy with mean scores of 4.3 and 3.2. Responding to changes in customer needs is another strategy employed by IoHLR in the adoption as its mean score 2.7 is slightly high. However, rapid change of interest rates and unpredictable government policies are not regularly considered in adoption of low cost leadership as they scored a mean of 2.1, 2.1 respectively.

Respondents were also asked to indicate the extent of their adoption of the differentiation strategy and the results are shown in table 4.7 below:

Table 4.7: Extent of Adoption to Differentiation Strategy

	Not at all	Very low extent	Lower extent	Great extent	Very great extent	Mean	Standard deviation
Offering wide range of products	1	1	3	5	11	5.9	4.6
Engaging high skilled staff	2	1	2	6	10	5.3	4.0
Combining with competitors	2	10	5	2	1	2.1	4.2
Coming up with new products on market	0	3	3	5	10	4.2	3.7
Striving for leadership in technology	3	1	4	5	8	3.2	2.8

Source: Primary data

As indicated in table 4.7 above, Offering a wide range of services/products and engaging high skilled staff are the most applied in the adoption of differentiation strategy by institutions of higher learning in Rwanda. These had 5.9 and 5.3 mean scores respectively. Other related strategies include, coming up with new products on market and striving for leadership in technology with mean scores of 4.2, 3.2 and 3.2 respectively. Respondents refuted that combining with competitors is employed as it scored less, 3.2 compared to other factors.

4.4. Forces of Competition

Respondents were asked to state the various forces of competition among their institutions. A list of forces of competition in relation to porter's five forces competitive model was provided upon which respondents were requested to answer in relation to their perception. Threat of entry, threat of substitutes, bargaining power of buyers, bargaining power of suppliers and rivalry among firms were the forces of competition provided upon which respondents answered in relation to their perception.

4.4.1 Threat of Entry

Respondents were given a threat of entry- factor-scale of threat of locally up-coming institutions, desire for a large market-share; foreign competition and subsidization of local institutions to identify the factor that largely accelerate competition among institutions of higher learning. This data was presented using mean and standard deviation and analyzed using representative percentages of respondents pro and against each individual factor as shown in table 4.7 below and proceeding descriptions:

Table 4.8: Respondents' Level of Agreement with the threat of Entry- factors that mainly cause Competition among Institutions of Higher Learning in Rwanda

	Strongly disagree	Disagree	Indifferent	Agree	Strongly agree	Mean	Standard deviation
Threat of locally up-coming institutions	6	7	0	5	3	5.0	2.9
Desire for large market share	0	2	1	8	10	6.3	5.4
Foreign competition	0	3	4	5	9	5.9	3.8
Subsidization of local institutions	7	6	1	4	3	3.8	2.4

Source: Primary data

As indicated in table 4.8 above, Desire for a large market share and foreign competition are the most considered factors that largely lead to competition among institutions of higher learning in Rwanda with mean scores of 6.3 and 5.9 respectively. Threat of locally up-coming institutions was yet another factor considered much with a mean score of 5.0. Subsidization of local institutions was not largely perceived as great force of competition as it lags behind with a least mean score of 3.8. Due to the government's advocacy for self-sustenance among institutions, subsidization of local institutions was not considered a big threat as there is reduction in establishment of state-based institutions that would take advantage of government's support.

4.4.2 Threat of Substitutes

Here Respondents were given a rating scale of very large extent, large extent, and medium extent lower extent and not at all to show their level of agreement with the fact that "grooming-up of vocational training centers have been considered as an alternative, thus inspiring competition among IoHL". The data is presented and analyzed using frequency and relative percentages thus the higher the frequency and percentage, the relative level of agreement as shown in table 4.7 below:

Table 4.9 Respondents' Agreement with grooming up of Vocational training centers as an inspiration of competition among institutions of higher learning

Respondents' rating	Frequency	Percentage
Very large extent	5	23.8%
Large extent	6	28.6%
Medium extent	8	38.1%
Lower extent	2	9.5%
Not at all	0	0.0%
Total	21	100%

Source: Primary Data

As shown in table 4.9 above, Majority of the respondents, 38.1% and 28.6% averagely and largely admit that grooming-up of vocational training centers inspire competition among IoHL. Relative minority of the respondents goes extreme with 23.8% admitting very large extent, 9.5% lower extent and finally none, 0% rejects that vocational training centers inspire competition among IoHL. Total rejection that vocational training cannot let IoHL go unchallenged strongly indicates that vocational training centers inspire competition among IoHL.

4.4.3 Bargaining Power of Buyers

A rating scale of very large extent, large extent, and medium extent lower extent and not at all was given to respondents to show their level of consideration of their clients' response towards their charges before establishing prices of their services. Presentation and analysis of data was carried out using frequency and relative percentages of rating-scales thus the higher the frequency and percentage, the higher the agreement level amongst respondents as shown in table 4.8 below:

Table 4.10 Respondents' consideration of their Clients' Response towards their Charges before Establishing Prices of their Services

Respondents' rating	Frequency	Percentage
Very large extent	3	14.3%
Large extent	9	42.9%
Medium extent	7	33.3%
Lower extent	2	9.5%
Not at all	0	0.0%
Total	21	100%

Source: Primary Data

As indicated in table 4.10 above, Majority of the respondents, 42.9% and 33.3% largely and averagely admit that they consider their Clients' response towards their charges before establishing prices of their services respectively as shown in Table 10 above. A relative minority of the respondents goes extreme with 14.3% admitting very large extent, 9.5% lower extent and finally none, 0% rejects that they consider their Clients' response towards their charges before establishing prices of their services. Total rejection of respondents that prices of their services cannot go unconsidered greatly underscores the importance and impact of prices of their services towards the attraction, maintenance and retention of clients in individual institutions.

4.4.4 Bargaining Power of Suppliers

The researcher provided the respondents a rating scale of Strongly agree , Agree , Disagree , Undecided and Not at all respectively to indicate their level of agreement with government's involvement in allocation of students to particular institutions as a cause of competition among institutions of higher learning.

In presentation and analysis of data, the researcher used frequency and relative percentages thus the higher the frequency and percentage, the higher the agreement level amongst respondents as shown in table 4.11 below:

Table 4.11 Respondents' Agreement with Government's Involvement in Allocation of Students to particular Institutions as a Cause of Competition among Institutions of Higher Learning

Respondents' rating	Frequency	Percentage
Not at all	2	9.5%
undecided	3	14.3%
disagree	5	23.8%
agree	7	33.3%
strongly agree	4	19.0%
Total	21	100%

Source: Primary Data

As indicated in table 4.11, majority of the respondents 33.3% and 19% (=52%) agrees and strongly agree that government's involvement in allocation of students to particular institutions is a cause of competition among institutions of higher learning .Other respondents, 23.8%, 14.3% and 9.5% disagreed, remained undecided and do not perceive government's involvement in allocation of students to particular institutions as a cause of competition among institutions of higher learning in Rwanda respectively.

4.4.5 Rivalry among Firms

In this study respondents were given a rivalry among firms' factors-scale of lower charges charged by some institutions in relation to others, reduced entry points by some institution in relation to others, competitive intelligence carried out by some institutions and high incentives provided to scholars & working staff to identify the factor that greatly accelerate competition among institutions of higher learning. This data was presented using mean and standard deviation as shown in table 4.12 below and analyzed using representative percentages of respondents pro and against each individual factor as argued in the proceeding discussions.

Table 4.12 Respondents' Perception of Rivalry-Factors that greatly lead to competition among Institutions of Higher Learning in Rwanda

	Strongly disagree	Disagree	Indifferent	Agree	Strongly agree	Mean	Standard deviation
Reduced entry points by some institutions	0	0	3	6	12	4.4	5.0
Lower charges by some institutions in relation to others	4	6	4	2	5	6.4	2.7
Competitive intelligence carried out by some institutions	4	7	2	3	5	4.8	2.2
High incentives provided to scholars and working staff	0	5	3	5	8	5.4	3.2

Source: Primary data

The respondents were asked their perceptional levels of rivalry factors that greatly lead to competition among IoHLR and the results are indicated in table 4.12 above. Lower charges by some institutions in relation to others and High incentives provided to scholars and working staff are the most considered factors that largely lead to competition among institutions of higher learning as shown in table 4.10 above. These had mean scores of 6.4 and 5.4 respectively.

Competitive intelligence carried out by some institutions is also considered a great factor with mean scores of 4.8. Reduced entry points by some institution in relation to others were not largely perceived as great forces of competition as it scored less of 4.4. However, reduced entry points would have been appreciated by many respondents but the

National High Council of Education regulates by standard the minimum entry points that eligible students to HLI's must have scored.

4.5 Discussion of Findings

The study's findings were centered on the objectives of the study which were to establish competitive strategies adopted by institutions of higher learning in Rwanda and identifying forces of competition among them.

4.5.1 Competitive strategies

According to Johnson et al (2004) Competitive strategy is concerned with the basis on which business unit might achieve competitive advantage in the market. Respondents were asked to describe the strength of competition among institutions of higher learning in Rwanda and further disclose if their institutions had a strategic plan and its length service in of operation. Respondents were also requested to indicate brand and institutional attributes they use to attract customers and highlight the competitive strategies that their institutions employ and finally describe the degree to which they employ such strategies.

The strength of competition was necessary to be known as it would help to justify the rationale of strategy adoption by various institutions. 4.3, 38.1 % of the respondents respectively perceive competition in the higher learning sector in Rwanda as very strong, 28.6 % described it as strong, 19.0 % viewed it as relatively strong and 9.5% described it as weak while 4.8% perceived it as very weak.

This perception among the respondents as indicated in table 4.3 makes it imperative for these institutions to adopt strategies that will enable them to remain competitive in their operation. All the respondents agreed that their institutions had a strategic plan. This plan had been in operation for over five (5) years in most institutions 56% while 32 % of the respondents stated that this plan had been in operation for four (4) years. Only a small percentage 12 % indicated that the plan had been in operation for less than one year.

(4) years. Only a small percentage 12 % indicated that the plan had been in operation for less than one year.

It emerged that good customer service is the paramount factor that determines customers' preference of a particular institution's services with a mean score of 7.4. Strategic location and giving incentives are also great factors that determine customers' preference of a particular institution's services with mean scores of 6.3, 4.2 respectively. However, lower prices have got little influence on the customers' preference of institutions. A large number of respondents disclosed that lower prices have got limited influence on the customers' preference of higher institutions as its mean scores, 3.2 lags behind others.

4.5.2 Competitive Strategies Adopted by Institutions of Higher Learning in Rwanda

Competitive Strategy is the search for a favorable competitive position in an industry, the fundamental arena in which competition occurs. It aims at establishing a profitable and sustainable position against the forces that determine industry competition (Porter1985). Differentiation emerged as the most competitive strategy adopted by most institutions in Rwanda. As shown in table 4.5, 9% of the surveyed institutions use low cost strategy 16% indicated that their institutions use niche strategy 23% use focus strategy while the majority 52% uses differentiation.

As shown in table 4.4, most institutions adopted low cost leadership strategy as a result of increased number of competitors in the market as its mean scores 6.3 indicates. Attracting large number of customers and foreign competition are equally important decisions for adoption of low cost leadership strategy with mean scores of 4.3 and 3.2 respectively. Responding to changes in customer needs is another strategy employed by IoHLR in the adoption of low cost strategy as its mean score 2.7 is slightly high. However, rapid change of interest rates and unpredictable government policies are not regularly considered in adoption of low cost leadership as they scored a mean of 2.1, 2.1 respectively.

Differentiation is the tendency of a business unit to create differential advantage through features or services that reflects it as unique from others in the market. The essence of differentiation is to be unique in ways that are valuable to customers and that can be sustained (Pearce & Robinson, 1997). Offering a wide range of services/products and engaging high skilled staff are the most applied in the adoption of differentiation strategy by institutions of higher learning in Rwanda. These had 5.9 and 5.3 mean scores respectively. Other related strategies include, coming up with new products on market and striving for leadership in technology with mean scores of 4.2, 3.2 and 3.2 respectively.

Respondents refuted that combining with competitors is employed as it scored less, 3.2 compared to other factors. Majority of the respondents, 92% stated that differentiation focus strategy was applied in adoption of focus strategy in institutions of higher learning in Rwanda while only a small percentage of 13% agreed on the use of low cost strategy among institutions of higher learning in Rwanda as indicated in table 4.5.

4.5.3 Forces of Competition

Porter (1980) contends that a corporation is most concerned with the intensity of competition within its industry. The level of this intensity is determined by basic competitive forces, which are: threat of new entrants, threat of substitute products or services, rivalry amongst existing firms, bargaining power of buyers and finally the bargaining power of suppliers.

New entrants to an industry typically bring to it new capacity, a desire to gain market share and substantial resources (Porter, 1980). Desire for a large market share and foreign competition are the most considered factors that largely lead to competition among institutions of higher learning with mean scores of 6.3 and 5.9 respectively.

Threat of locally up-coming institutions was yet another factor considered much with a mean score of 5.0. Subsidization of local institutions was not largely perceived as great force of competition as it lags behind with a least mean score of 3.8. Due to the government's advocacy for self-sustenance among institutions, subsidization of local institutions was not considered a big threat as there is reduction in establishment of state-based institutions that would take advantage of government's support.

According to Porter (1980), substitutes limit the potential returns of an industry by placing a ceiling on the prices firms in the industry can profitably charge and when switching costs are low, substitutes may have a strong effect on the industry.

Majority of the respondents, 38.1% and 28.6% averagely and largely admit that grooming-up of vocational training centers inspire competition among IoHL. Relative minority of the respondents goes extreme with 23.8% admitting very large extent, 9.5% lower extent and finally none, 0% rejects that vocational training centers inspire competition among IoHL. Total rejection that vocational training cannot let IoHL go unchallenged strongly indicates that vocational training centers inspire competition among IoHL.

The bargaining power of buyers affects the industry through their ability to force down prices and bargaining for higher qualities or more services play competitors against each other (Porter, 1980). Majority of the respondents, 42.9% and 33.3% largely and averagely admit that they consider their clients' response towards their charges before establishing prices of their services respectively. A relative minority of the respondents goes extreme with 14.3% admitting very large extent, 9.5% lower extent and finally none, 0% rejects that they consider their clients' response towards their charges before establishing prices of their services. Total rejection of respondents that prices of their services cannot go unconsidered greatly underscores the importance and impact of prices of their services towards the attraction, maintenance and retention of clients in individual institutions.

According to Porter (1980) suppliers can affect an industry through their ability to raise prices or reduce the quality of purchased goods and services. Majority of the respondents 33.3% and 19% respectively agrees and strongly agree that government's involvement in allocation of students to particular institutions is a cause of competition among institutions of higher learning .Other respondents, 23.8%, 14.3% and 9.5% disagreed, remained undecided and do not perceive government's involvement in allocation of students to particular institutions as a cause of competition among institutions of higher learning in Rwanda.

Johnson et al (2008) contends that rivals or Strategic groups are organizations within the industry or sector with similar strategic characteristics following similar strategies or competing on similar basis. These affects the growth and performance of firms based on different competitive grounds like financial capital, qualified and experienced human resources among others. Lower charges by some institutions in relation to others and High incentives provided to scholars and working staff are the most considered factors that largely lead to competition among institutions of higher learning in Rwanda a. These had mean scores of 6.4 and 5.4 respectively.

Competitive intelligence carried out by some institutions is also considered a great factor with mean scores of 4.8. Reduced entry points by some institution in relation to others were not largely perceived as great forces of competition as it scored less of 4.4. However, reduced entry points would have been appreciated by many respondents but the National High Council of Education regulates by standard the minimum entry points that eligible students to HLI's must have scored.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter discusses the summary of findings, conclusion and recommendations drawn from the findings of the study in relation to its objectives. The objectives of the study were to establish competitive strategies adopted by institutions of higher learning in Rwanda and identifying forces of competition among them. This chapter further highlights the limitations encountered during the study, presents recommendations for policy and practice and finally recommends for further research.

5.2 Summary of Findings

Besides its objectives, the study sought to know the names of respondents, the position they occupied in the management of their institution and name of the institution they worked for. These were considered optional thus left out of discussed findings. The study's main findings were centered on the objectives of the study which were to establish competitive strategies adopted by institutions of higher learning in Rwanda and identifying forces of competition among them.

Differentiation emerged as the most competitive strategy adopted by most institutions in Rwanda. As shown in table 4.5, 9% of the surveyed institutions use low cost strategy 16% indicated that their institutions use niche strategy 23% use focus strategy while the majority 52% uses differentiation.

As indicated in table 4.8, Desire for a large market share and foreign competition are the most considered forces that largely lead to competition among institutions of higher learning in Rwanda with mean scores of 6.3 and 5.9 respectively. Threat of locally up-coming institutions was yet another factor considered much with a mean score of 5.0. Subsidization of local institutions was not largely perceived as great force of competition as it lags behind with a least mean score of 3.8.

Due to the government's advocacy for self-sustenance among institutions, subsidization of local institutions was not considered a big threat as there is reduction in establishment of state-based institutions that would take advantage of government's support.

5.3 Conclusion

The objectives of the study were to establish competitive strategies adopted by institutions of higher learning and identifying forces of competition among institutions of higher learning in Rwanda. The study concludes that there are forces of competition among institutions of higher learning in Rwanda. These make it necessary for the institutions to strategize accordingly.

Without differentiation and focus strategies therefore, such forces like the encroachment of vocational training centers on the market, government's allocation of scholars mainly to public institutions, desire for a large market share by each institution, foreign competition among others, some institutions may collapse in the long-run.

However, as there are many strategies adopted by institutions of higher learning in Rwanda and forces of competition in general, the most employed strategy and force is differentiation and desire for the largest market share respectively.

5.4 Limitations of the Study

The study encountered some limitations. First and foremost was the inadequacy of all questionnaires to be filled. This increased the chances of error in conclusion thus limiting the generalization of the conclusion of the study.

Limited time was yet another challenge of the study as it was difficult for some CEO's and their deputies to fill questionnaires due to other commitments thus assigning them to other people like the directors of planning and this limited the real insights and perceptions collected from desired respondents.

5.5 Recommendations of the Study

Based on the findings, the study came up with both policy and research recommendations:

5.5.1 Policy Recommendations

Infant institutions of higher learning in Rwanda should benchmark and study from the best performers in the industry in order to remain competitive.

The government of Rwanda should regulate foreign-based higher institutions of learning entering Rwanda for business and provide incentives to the local ones in order to protect the national based institutions from foreign competition and subsequent loss of national market share.

5.5.2 Research Recommendations

During the study, the researcher found out that there is a tendency of divergent competitive strategies adopted by private institutions and those adopted by public institutions. Based on the above, the researcher suggests further researchers to carry out an "empirical and comparative investigation of competitive strategies adopted by private and public Institutions of higher Learning in Rwanda".

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APPENDICES

APPENDIX I: QUESTIONNIARE

A Questionnaire for the Study entitled "Competitive Strategies adopted by Institutions of Higher Learning in Rwanda"

This questionnaire attempts to acquire responses about competitive strategies adopted by institutions of higher learning in Rwanda and forces of competition among them respectively.

Part I- Covers the Respondent and Institution's background or General Information:

1. Your Name .... (optional)
2. Your Position..
3. Name of your institution..................................
4. For how long has your organization been in existence in Rwanda? ....
   ....
5. Using the categories below, please indicate the nature of your organization's ownership (please tick one)

   Public ( )   Private ( )

Part II Competitive Strategies

6. How would you describe competition among institutions of higher learning in Rwanda?

Very strong ( )   Strong ( ) relatively strong ( ) Weak ( ) Very weak ( )

7. Does your organization have a strategic plan? Yes ( ) No ( )

8. If yes, for how long has it been in operation?

Less than a year ( ) 2 years ( ) 3 years ( ) 4 years ( ) Over 5 years ( )

9. What is your institution's Vision and Mission statement?

Vision

statement..

....

Mission

statement..

10. In the following questions, indicate your level of agreement with the statement by ticking the appropriate answer using the scales below:

5= strongly agree 4= agree 3=Undecided 2= disagree 1 strongly disagree

Why do you think customers prefer your services?

	1	2	3	4	5
a) Lower prices	( )	( )	( )	( )	( )
b) Strategic location	( )	( )	( )	( )	( )
c) Good customer service	( )	( )	( )	( )	( )
d) Giving incentives	( )	( )	( )	( )	( )

10. Which of the following competitive strategies has your institution adopted in order to compete favorably with other IoHL (Tick appropriately) and where more than one, please rank them accordingly.

		Order of Rank
a) Low cost leadership Strategy	( )	( )
b) Differentiation Strategy	( )	( )
c) Focus Strategy	( )	( )
d) Niche Strategy	( )	( )

11. Low cost leadership strategy: To what extent does your institution employ the following strategies? Please tick the appropriate option using the scale provided against each statement. The following scales are provided.

5. Very great extent 4. Great extent 3. Lower extent 2. Very low extent 1. Not at all

Strategies used	1	2	3	4	5
Attracting large number of customers					
Increased number of competitors					
Foreign competition					
Un predictable government policies					
Relying on constant changes in customer needs					

5 Others (please specify)
....

....

13. Differentiation Strategy: To what extent does your institution adopt the following strategies to remain competitive in the market? Please tick the appropriate option using the scale provided below:

5. Very great extent 4.Great extent 3. Lower extent 2.Very low extent 1. Not at all

Strategy Used					
Offering a wide range of services					
Engaging high skilled staff					
Combining with competitors					
Regular coming up with new services on the market					
Striving for leadership in technology					

5. Others specify ....

14. Focus Strategy: Which strategy does your institution use mainly? Tick appropriately

Low cost ( ) or Differentiation focus ( )

Part III: Forces of Competition

15. In the following questions, indicate your level of agreement with the factor that mainly cause competition among institutions of higher learning in Rwanda? Tick the appropriate answer using the following scales : 5= strongly agree 4= agree 3= indifferent 2= disagree 1= strongly disagree

Threat of new Entrants

	1	2	3	4	5
a) Threat of locally up-coming institutions	( )	( )	( )	( )	( )

b) Desire for large market share ( ) ( ) ( ) ( )( )

c) Foreign competition ( ) ( ) ( ) ( )( )

d) Subsidization of local institutions ( ) ( ) ( ) ( )( )

Threat of Substitutes

16. In your own perspective, to what extent do you agree that the grooming up of vocational training centers inspire competition among institutions of higher learning? Tick appropriately

1. Very large extent ( ) 2. Large extent ( ) 3. Medium extent ( ) 4. Lower extent ( )
5. Not at all ( )

Bargaining power of Buyers

17. To what extent do you consider the response of your clients to your charges before establishing prices of your services?

(1)Very large extent ( ) 2. Large extent ( ) 3. Medium extent ( ) 4. Lower extent ( )

5. Not at all ( )

Bargaining power of Suppliers

18. Do you agree with the statement that "Government's involvement in allocation of students to particular institutions leads to competition among institutions of higher learning for attraction of students?" Tick where appropriate

1= strongly agree 2= agree 3=disagree 4= undecided 5= Not at all

( ) ( ) ( ) ( ) ( )

Rivalry among firms

19 Which of the following factors do you think greatly leads to competition among institutions of higher learning?

i) Lower charges charged by some institutions in relation to others

ii) Reduced entry points by some institution in relation to others

iii) Competitive intelligence carried out by some institutions

iv) High incentives provided to scholars & working staff

Thanks for your cooperation

APPENDIX II: LIST OF HIGHER INSTITUTIONS OF LEARNING IN RWANDA

List of Higher Institutions of Learning accredited in Rwanda as provided by the Higher Education Council- October 2011;

1) Institute d'ensengnment Superior- Northern Province
2) Rwanda Tourism University College- Kicukiro, Kigali City
3) Kigali Institute of Science and Technology- Kigali City
4) Kigali Institute of Education- Gasabo, Kigali City
5) Kigali Health Institute- Kigali City
6) School of Finance and Banking- Kigali City
7) Universite Libre de Kigali- Kigali City
8) Institute de Science, Agriculture et Elevange- Northern Province
9) Institute of Laic Adventist of Kigali- Kigali City
10) Adventist University of Central Africa
11) Institute des Catholics de Kabgayi- Southern Province
12) Institute Polytechnic de Byumba- Northern Province
13) Institute d'Agriculture, Technologie et de L' Education de Kibungo- Eastern Province
14) Tumba College of Technology- Kigali City
15) Umutara Polytechnic- Eastern Province
16) Institute Protestante des Arts et Sciences Sociales- Southern province
17) Institute of Legal Practice and Development- Southern Province
18) Rwamagana School of Nursing and Midwifery- Eastern Province
19) Byumba School of Nursing and Midwifery- Northern Province
20) National University of Rwanda- Southern province
21) Kicukiro College of Technology- Kicukiro, Kigali City
22) Institute Superieur Pedagogique de Gitwe
23) Kigali Institute of Management- Kigali City
24) Kavumu College of Education- Southern province

25) Kabgayi School of Nursing and Midwifery- Southern Province

26) Nyagatare School of Nursing and Midwifery- Eastern Province

27) Kibungo School of Nursing and Midwifery- Eastern Province

28) Rukara College of Education- Eastern Province

29) Universite Catholique du Rwanda

Higher Institutions of learning operating on Provisional License in as provided by the HCE in Rwanda;

- Mount Kenya University
- London School of Business

APPENDIX III: INTRODUCTORY LETTER

Dear Respondent,

I am a graduate student at the University if Nairobi currently undertaking a management research project entitled "Competitive Strategies Adopted by Institutions of Higher Learning in Rwanda". The purpose of this research is purely academic and therefore, i request you to assist me and answer the questionnaire given to you with utmost good faith. I assure you that your views will be kept confidential.

Thanks for your cooperation

SHEMA, Emmanuel

MBA student,

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