STRATEGIC PLANNING PRACTICES BY UNIVERSITIES IN KENYA

By

Signed _____ Date 22/9/2005

/OGARI GEORGE OMAE

This management research project has been submitted for examination with my approval as the University supervisor.

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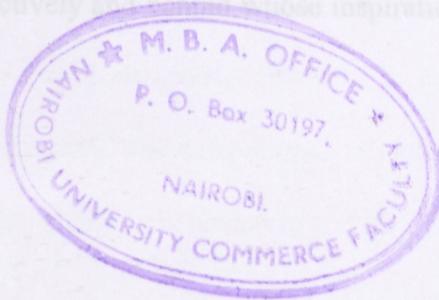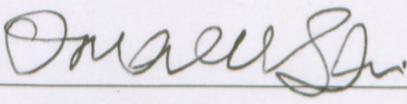
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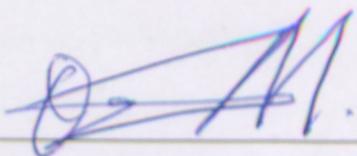
DECLARATION

This management project is my original work and has not been presented for a degree in any other university.

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This management research project has been submitted for examination with my approval as the University supervisor.

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DEDICATION

I dedicate this project to my late father Mr. C.P. Ogari and late wife Agnes N. Omae who passed away in 2002 and 2003, respectively and behind whose inspiration I had enrolled for the MBA course.

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ACKNOWLEDGEMENT

ABBREVIATIONS

U.O.N – University of Nairobi

UNES – University of Nairobi Enterprises and Services Ltd

MoES&T – Ministry of Education, Science and Technology

SP – Strategic Plan

VC – Vice Chancellor

UMB – University Management Board

CEO – Chief Executive Officer

BoD – Board of Directors

KCSE – Kenya Certificate of Secondary Education

USIU – United States International University

GDP – Gross Domestic Product

SWOT – Strengths, Weaknesses, Opportunities and Threats

SMART – Specific, Measurable, Agreed, Realistic Timely

USA – United States of America

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ABSTRACT

The objective of this study was to establish the strategic planning practices of universities in Kenya. To achieve this objective, primary data was collected by use of a questionnaire targeted at the Vice Chancellors or their Deputies with responsibilities for strategic planning. A census study was done. From the population of 23 universities, 14 responded to the questionnaire. The data collected was first checked for consistency, coded and then analysed to arrive at various conclusions.

The study concluded that universities in Kenya use strategic planning to establish and clarify their mission, establish performance objectives, identify areas of future collaboration and appraise university strengths and weaknesses that are relevant to the long-term direction of the university. In addition, they use strategic planning as a management tool for allocating university resources to competing strategic priorities, anticipating and designing appropriate academic programmes that meet public demand. Hence the strategic planning practices of the universities Kenya both public and private are similar to those proposed in strategy management theory and also to those reported in literature from studies conducted in other parts of the world or similar studies done on other industries locally.

From the findings of the study, it is recommended that further research be carried out in the area of strategic planning practices and their impact on performance of the universities. The research could also be extended to cover other players in the higher education industry for instance middle level colleges, some of which have partnered with foreign universities to offer university education in Kenya. Others have been accredited to offer diplomas and certificates by public universities across the country.

CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND

Strategic planning is one of the most respected and valued management tool for turning organizational dreams into reality. It is defined as the process by which organizations determine and establish long-term directions, formulate and implement strategies to accomplish long-term objectives while taking into account relevant internal and external environmental variables (Hax and Majluf, 1991). The result of a coherent strategic planning process is a blue print that defines organizational activities and resource allocation (cash, personnel, facilities, etc) required to accomplish organizational strategic objectives. Many successful private and public sector organizations use the strategic planning process to create and clarify an organization's vision, mission, guide organizational decisions about resource allocation to competing priorities, and strengthen competitive positions.

The overall purpose of strategic planning, according to Armstrong (1982), is to create and maintain organization-environment alignment. Thompson and Strickland (1990) contend that strategic planning derives its value from the energy infused into it by the commitment of managers, and the benefits of strategic planning are realized only when managers give relatively equal attention to each of the components.

The success and, indeed, survival of every organization depends on how well it relates with its challenges and how it positions itself to the external environment. Informed estimates of the impact of these complex and dynamic external environmental considerations, through proper analysis, ensure an organization's success into the future (Pearson and Robinson, 2000; Johnson and Scholes, 2001). An organization that does not take its external environment seriously will eventually perish. Strategic planning is a frequently used method for implementing appropriate institutional responses to changing

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internal and external conditions (Machado et. al., 2004). The degree to which strategic planning is being utilized is important predictor of institutional vitality and prosperity.

The prescriptive literature strongly advocates strategic planning as the key to superior institutional and system performance. This process focuses on strategic and operational goals, objectives and strategies based on organizational policies, programs and actions designed to achieve the institution's aims and desired results.

Strategic planning can help organizations clarify their future direction, develop a coherent basis for the decision-making process, establish priorities, improve organizational performance and overall think strategically (Bryson, 1988; Anoff and McDonell, 1990).Only institutions that correctly implement strategic plans are more likely to be successful.

1.1.1 UNIVERSITY EDUCATION IN KENYA

University education in Kenya has witnessed rapid growth in the last four decades. At independence in the 1960's Kenya had no university and students seeking to pursue degree courses had to enroll at Makerere University College, Uganda. The only institution of higher learning in Kenya throughout the 1960s was the then Royal Technical College, which prepared students for 'A' level courses and for other professional examinations that were not available in secondary schools at the time. It was not until 1970 that the Royal Technical College changed and became Kenya's premier university, the University of Nairobi.

For a whole decade, the University of Nairobi remained the only institution of higher learning in the country until the establishment of the second university, Moi, in 1981 following the recommendations of the Presidential Working Party on the Establishment of a second university (Popularly referred to as the Mackay Report).

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Since then, the system has undergone some commendable expansion, and today there is a total of six (6) Public Universities, and seventeen Private Universities with varying degrees of recognition in the country (See Appendix III). There has also been a corresponding increase in the number of enrolled students from 2,786 in 1970 to 67,556 in 2003, representing an enrolment growth of about 2,200 per cent (See Appendix IV)

Notwithstanding the expansion in the past several years, the capacity of the higher education sector in Kenya is still limited and accommodates only 7.5 per cent of students graduating from secondary schools and two (2) per cent of the expected age cohort (Weidman, 1995). Every year, the combined intake of the six public universities to the government subsidized regular degree programmes is only 10,000 students against 50,000 qualifiers who attain the minimum entry requirements of a C+ in the Kenya Certificate of Secondary Examination (KCSE). To meet this demand, public universities have introduced parallel degree programmes. Similar to the public sector, the capacity of Private higher education institutions is inadequate and they accommodate only 15 percent of the overall enrollment (Weidman, 1995)

Cost sharing in public universities was introduced in 1991 as a response to the ever-declining state Budget, which did not keep pace with high student intake when the first cohort of the 8-4-4 of students entered the University (Sanyal and Martin, 1998). The shortfall in the Public budget for higher education has become an impetus for institutions to look for alternative income generating sources in effect reducing their over dependence on the government budget. To this effect, several strategies for revenue diversification as well as cost containment are being adopted including:

- Mounting privately sponsored Module II programmes
- Outsourcing of non-core activities such as security, transport, cleaning and catering
- De-linking of management of students' accommodation and catering from the academic programmes and outsourcing the management of the same
- De-linking Public universities from the Government so as to facilitate commercialization of non-academic services

- Establishing units for income generation. These include training and consultancy services, University press operations among others
- Establishing enterprise services. Many Universities maintain farms, which carryout dairy farming and cereal seed multiplication to generate revenue. Other sources include mortuary services, diagnostics and X-ray services.

The provision of University education in Kenya continues to be monopolized by the Public universities that have been established by Acts of parliament (some of them with constituent colleges). Universities are autonomous. All administrative functions are independently managed through university councils. Although autonomous, universities receive funding from Ministry of Education, Science and Technology (MoES&T). The 1980s and 90s saw emergence of some private institutions, and by 2000, there were six (6) Chartered Private Universities and five (5) Universities with letters of interim Authority operating in Kenya. Despite these developments, the contribution of these institutions in expanding access to higher education is still minimal. With the exception of some institutions such as the United States International University (U.S.I.U) most private universities in Kenya are religiously controlled. The majority of these institutions are limited in capacity and their curriculum is largely geared towards the arts and commercial courses.

Private Universities in Kenya generate their revenue solely from tuition fees they levy on students. Such heavy dependency on tuition coupled with lack of alternative income sources have made these institutions expensive and thus unaffordable for most Kenyans, in effect limiting their services to children of high socio-economic status (Johnstone, 2003) These institutions are also characterized among other things by heavy reliance on part-time staff as opposed to full-time faculty in providing their services.

The Panorama of university education in Kenya should be considered in terms of a steady growth in education system and diversity of courses, along with enormous needs of a duly qualified teaching staff and this fact should be reflected not only in the preparation of the graduates but also in the organizational and scientific culture of the institutions.

This exemplifies the essence of institutional quality. It can become reality if a strategic plan drives the process, defines the road and sets the course; or it can simply end up in the myth with rhetoric and uncharted meanderings leading nowhere and everywhere (Machado et. al., 2004).

1.1.2 CHALLEGES FACING UNIVERSITIES IN KENYA

University education represents one of the oldest institutions in the world. Throughout history, academic institutions have sought to respond to the demands of endlessly changing and evolving environmental conditions (Machado, et. al., 2004). The global economy of today demands the development of management capabilities, innovation strategies and competitive advantages within the higher education enterprise. Institutions have to be prepared for the challenges of a highly competitive and ever-increasing global market that is in a constant state of flux.

During the last two decades, the Kenyan economy performed poorly mainly due to the dismal performance of the main growth sectors of agriculture, tourism and manufacturing (MoES&T, sessional paper No. 1, 2005). The Gross Domestic Product (GDP) growth rate averaged 2% over the period. The diminished performance of the economy hampered the rate of job creation. This resulted in many unemployed graduates (UoN strategic plan 2005-2010). As a consequence, the society now questions the relevance of the education offered at the university. This presents higher education institutions with challenges that require them to focus on their mandates within the economy and the need for greater efficiency and effectiveness in the fulfillment of those mandates

There are strong indications that the Government will no longer be able to fully finance public universities. According to the MoES&T sessional paper No.1 (2005), on policy framework for Education, Training and Research, the Government is finding it particularly expensive to finance university education with its current resources. The universities therefore, are expected to reduce their dependency on the government and

diversify their sources of incomes as well as ensure more efficient and cost effective use of institutional resources.

With the liberalized environment, public universities and their private counterparts, are increasingly facing entrepreneurial challenges from foreign universities operating with local Kenyan colleges (Otieno, 2004). Examples include, the University of Southern Africa, University of London, Technikon of South Africa, the University of Free State, the Australian Studies Institute and a Consortium of British Universities represented by the British Council. Only the Public Universities seem to mount credible responses to this challenge, interestingly by franchising local private tertiary colleges to offer programs on their behalf.

Other major challenges facing the universities today includes increasing demand for university education concurrent with dwindling financial resources from the exchequer, academic programmes whose quality and relevance are being put to question, a management system that has been criticized for being too conservative and non-responsive, a relatively-poor learning facilities and environment, relatively weak structures and systems for the management of student welfare and an image that in recent times has been grossly dented and a limited human resource base for quality academic staff (UoN strategic plan 2005-2010) and a need to compete with the emerging models of higher education while keeping the essence of a traditional comprehensive university. A strategic planning process can help prepare a university to face these emerging challenges. Strategy is a tool for the university to find its competitive advantage and place within the environment.

1.2 STATEMENT OF THE RESEARCH PROBLEM

Today's changes in university education demand innovative approaches and timely action more than ever before. With university education being more of a community and political affair, management decisions are increasingly more complicated and demanding. And, with university education costs rising, technology expanding, and resources more

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limited, there is mounting pressure to optimize the outcome-resource link. To therefore, ensure continued existence, universities have to anticipate change sufficiently in advance, plan timely response, increase speed at which they implement the responses, be flexible and be able to anticipate surprises that could not be anticipated in advance. The chief executives of universities can achieve this by employing management processes that will position the institutions optimally in their competitive environment by maximizing the anticipation of environmental changes and unexpected internal and competitive demands. Strategic planning is the means to achieve this end.

Strategic planning is perceived as a continuous process, an externally responsive approach to an ever-changing environment that requires constant adaptation on the part of the institution (Cope, 1981; Keller, 1983; Peterson, 1995, 1999; Ball, 2001; Austin, 2002). Kaufman (1996) viewed strategic planning as a way of creating the future rather than waiting for the reality of change to overtake the organization. McCune (1986) defined strategic planning as '…a process for organizational renewal and transformation'. Strategic planning focuses on adaptive change or change motivated by the external environment. Such change reflects institutional responses to environmental pressures, both internal and external (Lovinguth, 1996).

The increasing competition and challenges in the universities in Kenya due to globalization , staff development, quality, technological innovations and communication, relevance of programs and the declining financing from the exchequer for the case of Public Universities would be expected to force the universities to resort to strategic planning for their own survival and for prosperity. Universities like other organizations are operating in the changing Kenyan business environment. They have to adapt to these changes to remain competitive and successful. Other organizations have turned to strategic planning in an effort to seek success (Mutonyi, 2003; Bett, 2003; Sharbani, 2001; Mwaura, 2001; Kiliko, 2001; Shumbusho,1983)

Whereas some studies have been carried out on some aspects of university education in Kenya (Abagi, 1999; Abagi, 1996; Gravenir and Mbutia, 2000; Oketch, 2003; Otieno,

2004; Orodho, 1995; Rodrigues and Wandiga, 1997; Monyoncho, 2004), non of them seems to have focused on strategic planning. As the environment becomes turbulent and complex firms and organizations tend to resort to strategic planning as a means of survival. What strategic planning practices have the universities in Kenya resorted to?

1.3 OBJECTIVE OF THE STUDY

The objective of this study is to establish strategic planning practices of universities in Kenya.

1.4 SIGNIFICANCE OF THE STUDY

The study will contribute to the body of knowledge, scholars and researchers on strategic planning will find the study beneficial for further research. The study will also benefit the management and staff of the higher education institutions as it will be a source of information and reference material on strategic planning practices. The study can also be useful to the government on policy formulation for higher education institutions.

CHAPTER TWO
LITERATURE REVIEW

2.1 EVOLUTION OF STRATEGIC PLANNING

The idea of strategic planning has historical roots in the military concept of strategy. According to Webster's *New world Dictionary*, strategy is "the science of planning and directing large-scale military operations of maneuvering forces into the most advantageous position prior to actual engagement with the enemy" (Guralnic, 1986).

Taking its name and roots from the military model, early models of formal strategic planning reflected the hierarchical values and linear systems of traditional organizations. Undertaken by elite planning function at the top of the organization, its structure was highly vertical and time-bound. A certain period would be set a side to analyze the situation and decide on a course of action. This would result in a formal document. Once this was done, the actual work of implementation – which was considered a separate discrete process – could begin (Wall and Wall, 1995).

The literature of formal strategic planning for organizations emerged in the 1960s through writers like Chandler, (1962) and Ansoff, (1965). Other studies conducted in the late 1960s and early 1970s indicated that, corporate planning was practiced in the United States (Rue and Fulmer, 1972; Lorange and Vancil, 1977), and abroad (Denning and Lehr, 1971; Taylor and Irving, 1971; Steiner and Scholhamer, 1975). However, most theory and practice have been focused on the private sector, specifically in business and for the purpose of improving competitive position in the market.

Over the past half century, strategic planning has gone through a period of growth and changes as well. In the 1950s, companies had long range planning, which was extrapolation of historical growth. Companies projected into the future, set goals, budgets, profit targets and action programmes. This was an era when the environmental turbulence was low (David, 1999). The future of the organizations was expected to be reasonably similar to the past due to the stable environment. Managers adapted and

reacted to events as they occurred. Strategies emerged from a consensus of top management opinions.

In the 1960s, companies found that it could be dangerous to plan their future based on extrapolation of past trends. They began to take into account threats and opportunities. Strategic planning up till then was very much cut off from operations. Organizations adapted strategic planning after realization that the environment was not stable any longer.

In the 70s and 80s, there was increasing criticism against over-reliance on analysis at the expense of the learnings from doing. Emphasis turned more to executive leadership. The pendulum of management thinking switched from a rigid predictable future to that the future is unknown or unpredictable. The rest of the 1980s was dictated by strategic intent and core competencies and market-focused organizations.

The 1990s brought the revival of strategic planning as a process with particular benefits in particular context (Mintzberg, 1994). Subsequently, newer models of strategic planning focused on adaptability to change, flexibility and importance of strategic thinking and organizational learning. "Strategic agility" became more important than the strategy itself because the organization's ability to succeed had more to do with its ability to transform itself continuously, than whether it had the right strategy. Being strategically agile enables organizations to transform their strategy depending on the changes in their environment (Gouillart, 1995). As the environment changes rapidly, there is a constant need to review the impact of the environment on the ability of the organization to fulfill its aims and objectives (Strategic intent and strategic directions). Strategic planning gradually evolves to management of critical factors (strategic issues), which affect the organization in fulfilling its mission, covering both its strategic intent and directions.

2.2 VIEWS AND APPROACHES TO STRATEGIC PLANNING

Different approaches to strategy development or strategic planning have been suggested in the literature by various authors and researchers. Johnson and Scholes (2001) have

identified three approaches to strategy development as a deliberate and planned managerial process. These are the planning view, the command view and the logical incremental view. The logical incremental view sees strategy to develop through small stepwise responses to a gradually changing environment. This view is similar to that advanced by Mintzberg and Waters (1985), that strategy is a pattern in a stream of decisions.

Strategic planning could be formal or informal. Formality in strategic planning refers to the degree to which participants, responsibilities, authority and discretion in decision-making are specified (Pearce and Robinson, 2000). Formal analytical processes are characterized by the use of analytical tools and methodologies to help managers reach a better quality of strategic decisions. Greater formality has been positively correlated with corporate success (Hofer and Schendel, 1978). Formal strategic planning usually ends up with a document, the strategic plan. A strategic plan is a comprehensive statement about the organization's mission and future direction, near-term and long-term performance targets and how management intends to produce the desired results to fulfill the mission, given the organization's situation (Thompson and Strickland, 1993)

The informal approaches to strategy are characterized by executive bargaining and negotiation, building of coalitions and the practice of 'muddling through' (Hax and Majluf, 1996). Informal planning is usually intuitive and under the influence of a visionary figure.

In the planning view, strategies are proposed to develop through a rational and formalized sequence of analytical and evaluative procedures.

The command view is where strategy develops through the direction of an individual or group, but not necessarily through formal planning. The strategy could be an outcome of an autocratic leader or dominant leader who becomes personally associated with strategy development of the organization. Such individuals may be the owner or co-founder or a polical appointee of the organization. Usually, such organizations are small enterprises or public sector organizations.

The literature is equally inundated with the apparent advantages of planning. Most notably, is its ability to improve the fit between the organization and its external environment (Godiwalla et. al., 1981). Planning aids in the identification of future marketing threats and opportunities, elicits an objective view of managerial problems, creates a framework for internal communication, promotes forward thinking and encourages a favourable attitude to change (Hausler, 1968; Loasby, 1967; Stern, 1966; Wilson, 1979). Further, there are intrinsic benefits that accrue as a result of the planning process including the positive effects of planning on local employment and the economy (Greenley, 1986).

Langley (1988) also provided support for the benefits of planning, identifying four roles of formal strategic planning. In the public relations role, formal strategic planning is intended to impress or influence outsiders. The information role provides input for management commitment through the involvement of people at all levels of the organization in strategic planning. Finally, the direction and control role is fulfilled when plans serve to guide future decisions and activities towards some consistent ends.

Rummler and Brache, (1990) contends that strategic planning process is the product of the best minds inside and outside the organization. The process considers future implications of current decisions, adjusts plans to the emerging business environment, manages the business analytically, and links, directs and controls complex enterprises through a practical working management systems.

Cartwright (1987) suggested that effective planning is not as rational and analytical as it has been portrayed in the literature. He argues for the lost art (rather than science) of planning. He contends that planning is both a generic activity whose success determinants are partially independent of the area in which it is applied and an area where judgement, intuition and creativity are still important. Whereas, Pearce and Robinson (2000) contend that formal strategic planning is a conceptual activity suited solely to

larger firms. Gray (1986) adds that strategic planning is no longer an added managerial duty, but a way of thinking about a business and how to run it.

Wilson, (1998) argues that the greatest benefit of strategic planning is that it encourages, indeed forces managers to take a holistic view of the business and its environment. Managing an organization strategically embraces both thinking and action. It takes action on multiple fronts, moving seamlessly from one strategic issue to another, because it employs a multi-dimensional strategy. Steiner (1979) provided a true conceptualization of strategic planning. He agrees that planning is an attitude and a process concerned with the future consequence of current decisions. Formal strategic planning does not attempt to make future decisions or even forecast future events. It need not replace managerial intuition and judgement with massive detailed sets of plans. He argued on the importance of strategic planning, providing keen insight into overcoming the barriers and biases associated with planning failures.

Denning and Lehr, (1971), argue that the introduction of formal systematic corporate long-range planning is a managerial response to two separate sets of needs of which one is strategic. They report a strong positive relationship between the introduction of Long Range Planning and a high rate of technological change, size of company, capital intensity and complexity. Herold, (1972), observed that planners were better than non-planners at identifying opportunities, setting goals and objectives, and setting proper strategies and effective tactics to achieve them, as evidenced by their higher growth rate and higher operational efficiency ratios. The researcher also points out that planners are more aggressive than non-planners in pursuit of business objectives.

Organizations usually develop various types of plans. Malik and Basu, (1986), identify three kinds of plans, strategic plans, short-range plans and operational plans. This appears to be the practice within most organizations, Kenya being no exception. So then, how is formal strategic planning undertaken? This question is discussed next, under the steps in a strategic planning process below.

2.3 STEPS IN A STRATEGIC PLANNING PROCESS

Whereas every strategic planning process is uniquely designed to fit the specific needs of a particular university, (Morrison et al., (1984) argues that every successful "model" includes the following steps:
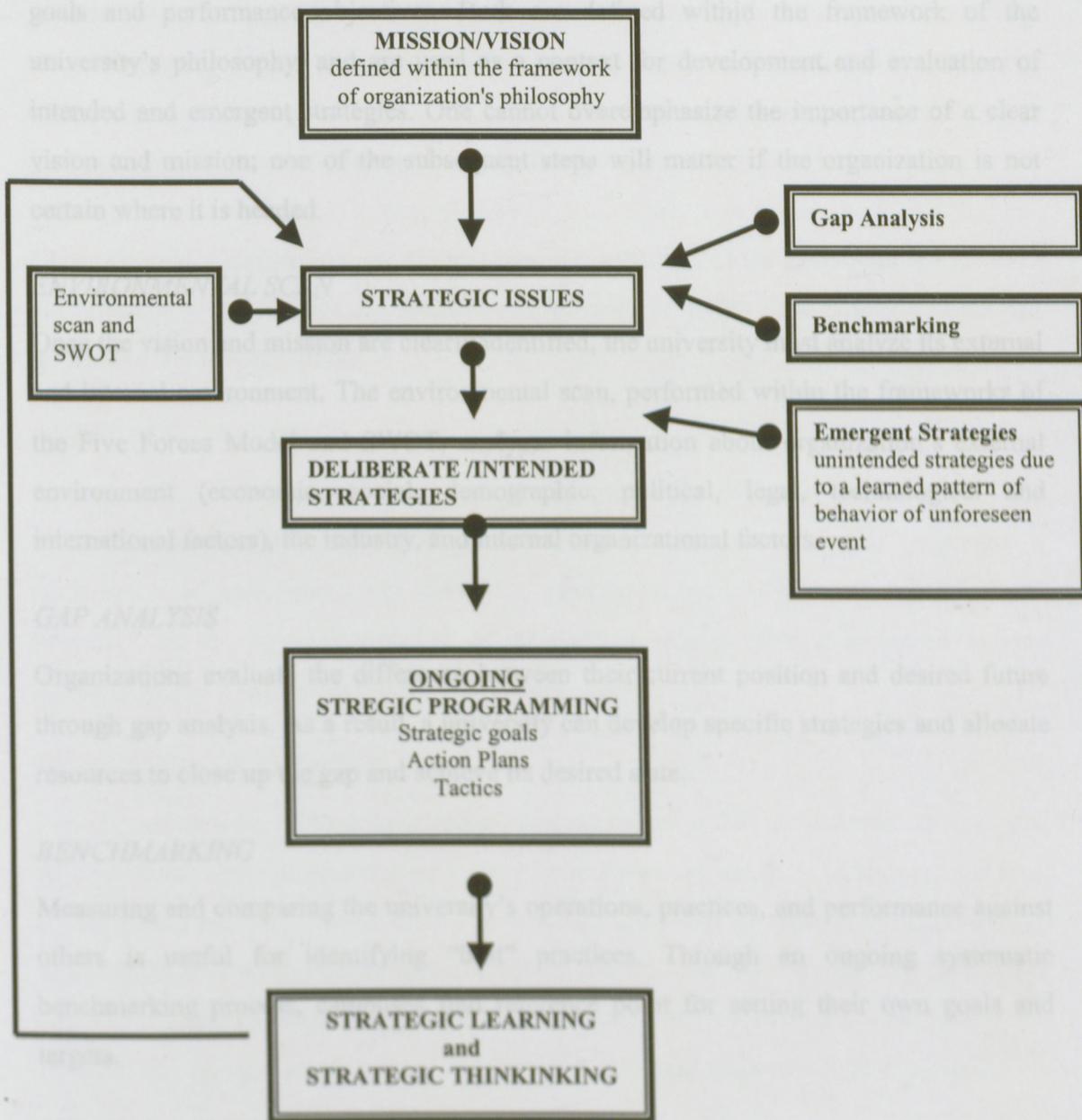
Figure 1: Strategic Planning Process Model

Adapted from Morrison et. al., (1984)

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VISION AND MISSION

Identification of the organization's vision and mission is the first step of any strategic planning process. The universities vision sets out the reasons for organization's existence and the "ideal" state that the organization aims to achieve; the mission identifies major goals and performance objectives. Both are defined within the framework of the university's philosophy, and are used as a context for development and evaluation of intended and emergent strategies. One cannot overemphasize the importance of a clear vision and mission; non of the subsequent steps will matter if the organization is not certain where it is headed.

ENVIRONMENTAL SCAN

Once the vision and mission are clearly identified, the university must analyze its external and internal environment. The environmental scan, performed within the frameworks of the Five Forces Model and SWOT, analyzes information about organization's external environment (economic, social, demographic, political, legal, technological and international factors), the industry, and internal organizational factors.

GAP ANALYSIS

Organizations evaluate the difference between their current position and desired future through gap analysis. As a result, a university can develop specific strategies and allocate resources to close up the gap and achieve its desired state.

BENCHMARKING

Measuring and comparing the university's operations, practices, and performance against others is useful for identifying "best" practices. Through an ongoing systematic benchmarking process, campuses find reference point for setting their own goals and targets.

STRATEGIC ISSUES

University determines its strategic issues based on (and consistent with) its vision and mission, within the framework of environmental and other analyses. Strategic issues are

the fundamental issues the organization has to address to achieve its mission and move towards its desired future.

STRATEGIC PROGRAMMING

To address strategic issues and develop deliberate strategies for achieving their mission, universities set strategic goals, action plans, and tactics during the strategic programming stage. Strategic goals are the milestones that campus aims to achieve that evolve from the strategic issues. The SMART goals model is essential to setting meaningful goals. Smart goals are specific, measurable, agreed upon, realistic, and timely/cost bound.

"Action plans ....define how we get to where we want to go," the steps required to reach our strategic goals. Tactics are specific actions used to achieve the strategic goals and implement the strategic plans.

EMERGENT STRATEGIES

Unpredicted and unintended events frequently occur that differ from the university's intended strategies, and the university must respond. Emergent strategy is " a pattern, a consistency of behaviour over time," "a realized pattern (that) was not expressly intended" in the original planning of strategy. It results from a series of actions converging into a consistent pattern (Mintzberg, 1994).

EVALUATION OF STRATEGY

Periodic evaluations of strategies, tactics, and action programs are essential to assessing success of the strategic planning process. It is important to measure performance at least annually (but preferably more often), to evaluate the effect of specific actions on long-term results and on the organization's vision and mission (Rowley, et. al., 1997). The organization should measure current performance against previously set expectations, and consider any changes or events that may have impacted the desired course of actions.

REVIEW OF THE STRATEGIC PLAN

After assessing the progress of the strategic planning process, the university needs to review the strategic plan, make necessary changes, and adjust its course based on these

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valuations. The revised plan must take into consideration emergent strategies, and changes affecting the organization's intended course.

STRATEGIC THINKING

With time, people in the university routinely make their decisions within the framework of the organization's strategic vision and mission. Strategic planning becomes an organizational norm, deeply embedded within the organization's decision-making process, and participants learn to think strategically as part of their regular daily activities (Lerner, 1999). Strategic thinking involves "arraying options through a process of opening up institutional thinking to a range of alternatives and decisions that identify the best fit between the institution, its resources and the environment" (Rowley,et. al., 1997).

2.4 STRATEGIC PLANNING IN UNIVERSITIES: A GLOBAL PERSPECTIVE

During the past decade, institutions of higher education had to confront numerous changes in their external and internal environment, and respond to emerging challenges, such as decreasing financial support, rapid technological advances, changing demographics and outdated academic programs. As a result, many universities engaged in strategic planning as means of making beneficial strategic changes and adapting to the rapidly shifting environment (Rowley et. al., 1997).

Much of the literature on strategic planning in higher education is from the USA and Europe. Conway et. al., (1994) conducted an exploratory study to discover the degree to which new universities and higher education colleges in the United Kingdom applied a market orientation to their strategic planning. Larsen and Gornitzka (1995) in a study about the impact of planning at Norwegian universities, found some change particularly with regard to the clarifying of priorities at the departmental level. McNay, (1997) studied strategic planning and management for higher education in central and eastern Europe. He recognized the need for strategic planning within universities and other institutions of higher education in order to be more proactive. Sporn, (1999) analyzed the broader, all-embracing concept of institutional adaptation in both the USA and European universities using case studies. The findings and implications clearly supported the need for institutional planning as a subset of adaptation and change. Mora, (2001), called for

strategic planning within Spanish higher education institutions, whereas, Ball, (2001), presented an inquiry entitled " the history of strategic planning in British universities" and noted that strategic planning helped promote institutional diversity, giving institutions a clearer perspective of their range of development options.

Overall, strategic planning at universities has been only moderately successful, as only few were able to achieve significantly successful results and transformed themselves dramatically. Others have been able to make important changes in parts of their operations. But many institutions have stumbled, dissolved into controversy, or lost their nerve (Rowley et. al., 1997).

2.5 STRATEGIC PLANNING IN HIGHER EDUCATION VERSUS "BUSINESS STRATEGY MODEL"

To ensure success of the strategic planning effort, universities need to adjust the "business strategy model" to higher education. University-based strategic planning differs from the business model in several specific ways. By recognizing these differences and changing the traditional model accordingly, universities can increase understanding of, and participation in the strategy process throughout its constituencies.

TIME FRAME

In the "business world", strategic planning model timeframe is 2 to 3 years; at universities, it usually takes 5 or more years.

CONSENSUS

The business model is generally top down, although it is still necessary to get the support and involvement of people in the company. Because of the importance of shared governance in university management, faculty's involvement is key, and building consensus right from the beginning becomes essential for university – based strategic planning. University faculty can't be "directed" (i.e. command authority) in the same way as employees in a company, because "centralized power" at universities is not very strong.

VALUE SYSTEM

Universities' guiding principle – long-term investment in educating people – is different from business' bottom line approach. Differences in the value system require a different approach to strategic planning at universities.

CUSTOMERS

Universities do not have a clear defined customer; students, employers, and the community may all be considered "customers". As a result, defining goals and measuring effectiveness consistently with the university's mission is problematic.

CONTEXT

Change is especially difficult to accept at the universities, because by nature universities are about preservation.

2.6 STRATEGIC PLANNING PRACTICES AND ORGANIZATIONAL PERFORMANCE

For more than three decades, strategic planning advocates, researchers, and management practitioners have argued for its legitimacy as a tool of effective strategic management. These arguments are based on a presumed positive relationship between strategic planning and organizational performance. Specifically, they link strategic planning with improved financial performance, effective organizational mission definition, competitive advantage, and organization-environment alignment critical to creating and sustaining superior competitive advantage (Ugboro and Obeng, 2005).

Perhaps one of the earliest studies on the relationship between formal strategic planning and organizational financial performance was done by Ansoff et al., (1970). The objective was to determine the impact of strategic planning on successful acquisitions using a sample of manufacturing firms that have acquired other firms. The companies were grouped into planners and non-planners. The performance of each group was evaluated with twenty-one financial measures. The results showed that companies that practiced strategic planning outperformed those that did not.

Wood and Laforge (1979) investigated the relationship between formal planning procedures and financial performance in a sample of large United States banks. Using interviews and questionnaires, they sought to determine if comprehensive planning has any impact on financial performance. This study found that banks that engaged in comprehensive long-range planning significantly outperformed those that do not have formal planning systems. They also outperformed a randomly selected control group.

Burt (1975) examined the relationship between planning and performance in fourteen retail firms in Australia. The study utilized "Quality of Planning" ratings derived from the application of predetermined weights. From this study, it was found that high-quality planning is significantly associated with high levels of performance (as measured by improvement in profits; rates of return on invested capital.

Aram and Cowen (1990) argue that a major objective of strategic planning is to promote strategic and adaptive thinking for the expressed purpose of effective organization-environment alignment. Therefore, strategic-planning performance should be measured by the extent to which it facilitates organization-environment alignment.

2.7 STRATEGIC PLANNING PRACTICES IN KENYA

Several empirical studies have been carried out in Kenya to document corporate planning practices. Aosa (1992) carried out a study on the strategy practices among large manufacturing companies in Kenya and established that foreign companies differed significantly from Kenyan companies. The former were found to be more formal in applying strategic management and this was attributed to the influence of their parent companies, access to managerial resources, formal organizational structures and professional managerial approaches.

A study conducted in 2001 on internet service providers in Kenya, in the rapidly growing information technology industry, found that the service providers practiced some form of strategic management (Mbayah, 2001). They have written mission statements, have set out organizational plans and objectives. They have varying degrees or forms of

competitor analysis, industry analysis and environmental mastering. A few companies followed formal strategic management procedures, which were communicated to their staff in writing while majority of them were not very formal in strategic management practices.

Karemu (1993) looked at strategic management aspects in the large-scale retail sector. She established that supermarkets practice minimal budgetary forms of strategic management. Planning characteristics included reliance on intuition and individual ability to pursue long-term goals, prevalence of budgets and large informal planning activities. She also established both variations and similarities between the companies with respect to their strategy practices. These variations were based on ownership, size and strategic orientation. Companies were dissimilar in these aspects.

Shimba (1993) looked at the Kenyan financial sector and established both variations and similarities between the companies with respect to strategy practices. The variations were based on size, ownership and strategic orientation. Njuguna (1996) looked at strategic management within the oil industry and established that strategic management practices in the Kenyan oil companies were generally in line with strategic management theory, which stated that organizations should develop written mission statements, formal specific corporate objectives and should conduct both internal and external analysis.

Bett (2003) looked at strategic planning by tea manufacturing companies in Kenya. He established that tea manufacturing companies do practice planning. However, he established that, strategic planning was more of a recent occurrence with the senior management taking an active role and that these arose out of the need to align organizational capability and strategies to the rapidly changing environmental conditions to enable the organizations survive and prosper in the future.

Kangoro, (2001) investigated the state of strategy processes and problems in the development of strategy in public sector organizations in Kenya. He found out that most of the organizations engaged in formal planning meetings to add to their informal

planning process. All the organizations considered all the aspects of the environment that is, political and legal developments, general economic trends, competitors, market trends, technological changes, social and cultural changes and the organizational internal resources.

However, most of the public sector organizations indicated that government influence in their strategy processes was negative. This was through appointment of incompetent directors and chief executive officers plus political interference, which resulted in poor strategy development hence poor performance. Bureaucracy and red tape in approval of strategies and plans resulted in delays and poor implementation of strategies. Similar studies on strategic management practices in Kenya (Bukusi, 2003; Mutonyi, 2003; Wahome, 2003; Sharbani, 2001; and Njanja, 2001) indicate that strategic management is practiced in each of the industries studied.

Strategic planning practice then becomes an issue of extent rather than just practice. Studies carried out in measuring the extent of an activity have had varied results in the past. Evidence based findings through these studies have added value to academic knowledge in the different sectors and have enabled a greater understanding of the factors that impact the extent of the practice in different fields. How about strategic planning practices in Kenyan universities?

There are various views of strategy, but for the purpose of this study, this has been limited to rational analytical view of strategy formulation and implementation. The study will cover strategic planning practices by Universities in Kenya. According to the Commission for Higher Education records, (2005), there are six (6) Public Universities and 17 Private Universities operating in Kenya. The study will cover the following aspects: Vision and Mission statements, objectives and their setting, strategic planning, environmental scanning, industry analysis, competitor analysis, internal analysis, the role of the chief executive/ Vice chancellor and the role of the board of directors/ University council.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 RESEARCH DESIGN AND POPULATION

Since the number of universities in Kenya is 23, this study adopted a descriptive census survey. The population of interest in this study consisted of all Public universities in Kenya and Private Universities registered to offer university education in Kenya by the Commission for Higher Education, Kenya. According to the Commission for Higher Education directory (2005), there are six (6) public universities and seventeen private universities.

3.2 DATA COLLECTION

Data collection was carried out through use of a structured questionnaire (see Appendix 1). The questionnaire contained both structured and unstructured questions. Personal interviews with Vice chancellors / Chief executive officers or their deputies and/ or Registrars who hold responsibility for strategic planning in each university were used to collect data. Nachmias and Nachmias (1996) holds that personal interviews results in a higher response rate than the mail questionnaire. Cooper and Emory (1995), also state that the greatest value of personal interviews lies in the depth and detail of information that can be secured. Whereas Parasuraman (1986) is of the view that personal interviews have the potential of yielding the highest quality of data Compared to other modes since supplementary information may be collected in the course of the interview.

3.3 DATA ANALYSIS

Each individual piece of data was checked for consistency with other data obtained from the questionnaire, in order to eliminate misleading data which can arise due to a misinterpretation of the questions in the questionnaire or otherwise. The analysis is both quantitative and qualitative. The statistical package for Social Sciences (SPSS) was used to analyze the data. Descriptive statistics was used to summarize, organize and simplify the findings in a systematic way. The results are here presented in tables and charts in chapter four (4).

DATA ANALYSIS AND FINDINGS

4.1 INTRODUCTION

This chapter constitutes the analysis of data and the presentation of findings of the research study. Of the twenty three universities contacted, all the six (6) public universities and only eight (8) of the private universities participated in this study. The response rate was 60.87%, which was found to be adequate for the purposes of the study.

4.2 PROFILE OF THE UNIVERSITIES

For the purposes of mapping out a profile of the universities in this study, the respondents were requested to provide information on age, ownership, student population, premises ownership, main focus of the university and number of employees in their universities.

TABLE 1: Age of the University

Duration of Operation	Public universities	Private universities
Less than 4 years	0 (0%)	2 (25%)
4 to 8 years	1(16.67%)	2 (25%)
More than 8 years	5 (83.3%)	4 (50%)
Total	6 (100%)	8 (100%)

Source: Questionnaire

Of the 14 universities that participated in this study, 83.33% public and 50% private have been in existence for over eight (8) years. Only two (2) private universities were commissioned to offer university education in Kenya over the last four (4) years (See Table 1)

Table 2: Ownership of the Universities.

Category	ownership	Frequency	Percent
Private University	Religious organization	4	50.0
	Not for Profit	2	25.0
	Private company	1	12.5
	Individuals	1	12.5
	Total	8	100.0

Source: Questionnaire

Apart from the public universities which are publicly owned, the ownership in private universities is largely controlled by religious organizations (50%) and the remaining 50% spread between; not for profit organizations, private companies and individuals

Table3: Student Population in Universities

Number of Students	Public universities	Private universities
Less than 1,000	0 (0%)	4 (50%)
2001 – 3000	0 (0%)	0 (0%)
3001 – 4000	0 (0%)	2 (25%)
4001 – 5000	0 (0%)	2 (25%)
Above 5000	6 (100%)	0 (0%)
Total	**6**	**8**

Source: Questionnaire

All public universities have over 5000 students enrolled for various degree programmes in their institutions as compared to private universities where 50% of the respondents have less than 1000 students with 25% having between 3001 – 4000 students and another 25% with students between 4001 – 5000 as shown in Table 3 above.

Table 4: University Premises Ownership

Premises ownership	Public universities	Private universities
Owned	6 (66.7%)	7 (77.8%)
Rented	3 (33.3%)	2 (22.2%)
Total	9 (100%)	9 (100%)

Source: Questionnaire

When the researcher sort to establish whether the premises were owned or rented, the respondents indicated that most premises of public and private universities are owned by the university and not rented. This reflects a high capital investment (Table 4).

Table 5: Main Focus of Universities

Main Focus	Public universities	Private universities
Physical Sciences and Technology	4 (33.3%)	1 (10%)
Education	3 (25%)	2 (20%)
Humanities and Social Sciences	3 (25%)	7 (70%)
Health Sciences	2 (16.7%)	0 (0%)
Total responses	12 (100%)	10 (100%)

Source: Questionnaire

Table 5 above indicates that universities differ in focus. Whereas public universities offer courses in various fields, in private universities 70% of the curriculum is largely geared towards humanities and social sciences.

Table 6: Number of Staff in Universities

Staff	Number of Employees	Public universities	Private universities
Academic	Less than 500	2 (33.3%)	8 (100%)
	501 – 1000	3 (50%)	0 (0%)
	1001 – 1500	0 (0%)	0 (0%)
	Above 1500	1 (16.67%)	0 (0%)
Total		**6 (100%)**	**8 (100%)**
Non-academic	Less than 500	0 (0%)	8 (100%)
	501 – 1000	1 (16.67%)	0 (0%)
	1001 – 1500	2 (33.3%)	0 (0%)
	Above 1500	3 (50%)	0 (0%)
Total		**6 (100%)**	**8 (100%)**

Source: Questionnaire

When asked to state their staffing levels, 50% respondents in public universities indicated having academic staff numbering between 501 – 1000, with non – academic 50% being over 1,500 employees. In private universities, all respondents indicated a staff level of less than 500 for both academic and non-academic. This indicates reliance on part-time faculty staff as the literature (Johnstone, 2003) suggested and outsourcing non-core services (See Table 6 above).

4.3 STRATEGIC PLANNING PRACTICES IN UNIVERSITIES

4.3.1 VISION AND MISSION STATEMENTS

When asked whether their universities have a vision and mission statements, all respondents, both in private and public universities admitted having a vision and mission statement, which is a formally written statement, which employees and other stakeholders can identify with as results in Table 7 below indicate.

Table 7: Vision and Mission Statement

Vision/Mission	Public universities	Private universities
Exists	6 (100%)	8 (100%)
Does not Exist	0 (0%)	0 (0%)
Total	**6 (100%)**	**8 (100%)**

Source: Questionnaire

Eighty per cent (80%) of the respondents in public and sixty per cent (60%) in private universities indicate that their mission statements were formulated by university management board, with 20% and 40% being formulated by consultants in public and private universities respectively.

The existence of a vision and mission statement is a good indicator of whether strategic planning exists in the organization. The vision provides an insight as to where the organization would like to be in the future while the mission defines the business of the organization. The statements are usually the starting point in the development of strategic plans.

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Table 8: Implementation of the Mission Statement

Duration of implementation	Public universities	Private universities
Less than 4 years	1 (16.7%)	4 (50%)
4 to 8 years	2 (33.4)	1 (12.5%)
More than 8 years	3 (50%)	3 (37.50)
Total	6 (100%)	8 (100%)

Source: Questionnaire

The results in Table 8 above indicate that 50% of the public universities implemented the mission statement more than eight (8) years ago, whereas, in private universities 50% implemented theirs less than four (4) years ago.

4.3.2 OBJECTIVES AND THEIR SETTING

The results of the study show that all the universities both public and private, which responded to the questionnaire have formally written objectives. Majority of them indicated that the objectives are set by university management board with participation of faculty staff and Deans as indicated in Table 9 below. These results confirm that the setting of objectives is basically a top-management affair within the university but with the consultation of faculty staff members.

Table 9: Objectives

Objectives	Public universities	Private universities
Exists	6 (100%)	8 (100%)
Does not Exist	0 (0%)	0(0%)
Total	6 (100%)	8 (100%)

Source: Questionnaire

33.30%

66.70%

☐ Yes   ■ No
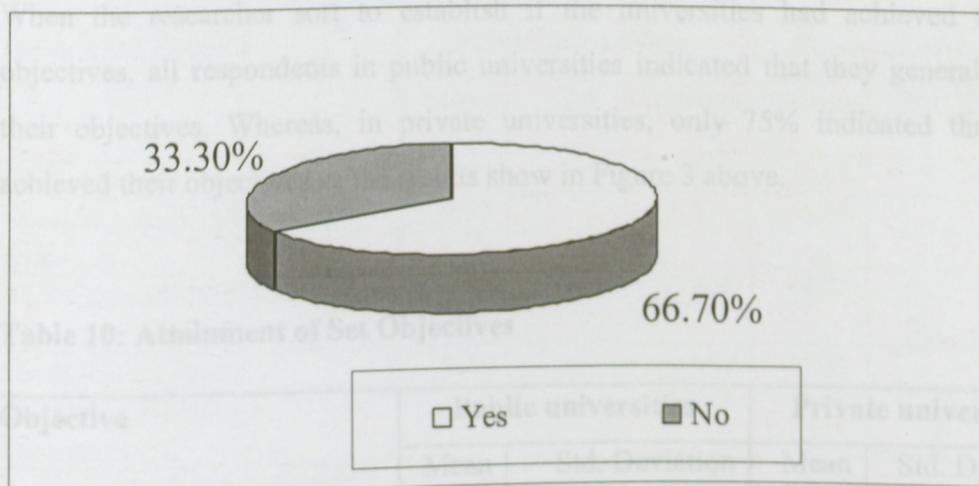
Figure 2: Awareness of Objectives in Public Universities
Source: Questionnaire

On the aspect of awareness of the objectives amongst employees of the universities, all respondents in private universities indicated high awareness, whereas for the public universities, 33.3% indicated that the employees were not aware of the objectives (Figure 2). In communicating the objectives, according to 50% of the respondents in public universities, it is done in meetings, 23.1% indicate that the objectives are communicated by use of internal memos and circulars and 27% through seminars. In private universities 62% indicated that the objectives are communicates through departmental meetings and 38% through e-mails, notice boards, newsletters and student handbooks.

25%

75%

☐ Yes   ■ No
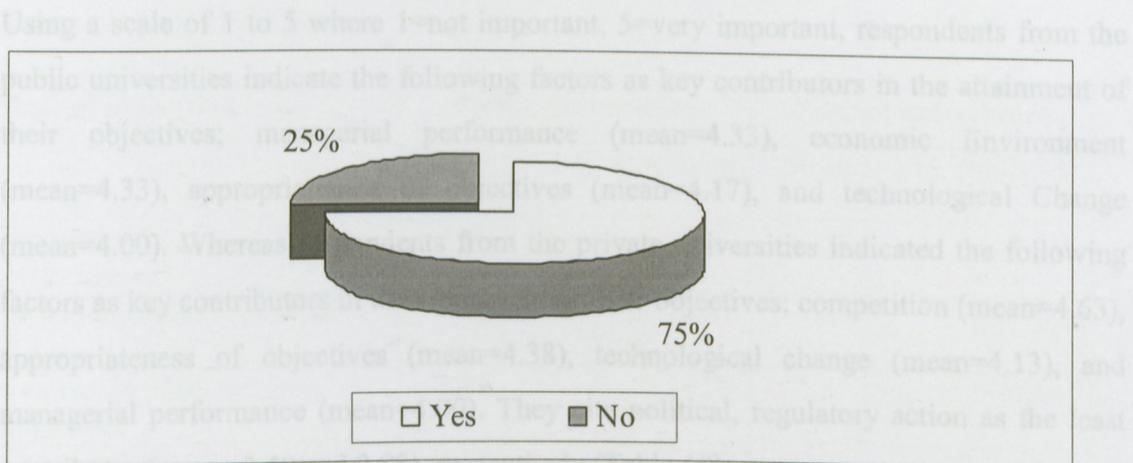
Figure 3: Achievement of Key Objectives in Private Universities
Source: Questionnaire

When the researcher sort to establish if the universities had achieved their set of objectives, all respondents in public universities indicated that they generally achieved their objectives. Whereas, in private universities, only 75% indicated that they had achieved their objectives as the results show in Figure 3 above.

Table 10: Attainment of Set Objectives

Objective	Public universities		Private universities	
	Mean	Std. Deviation	Mean	Std. Deviation
Appropriateness of objectives	4.17	1.329	4.38	0.744
Managerial performance	4.33	1.211	4.00	0.756
Political, regulatory action	3.40	1.140	2.88	1.642
Competition	3.83	1.329	4.63	0.518
Organizational structure	3.83	1.472	3.88	0.641
Economic environment	4.33	0.816	3.75	1.035
Technological change	4.00	1.265	4.13	0.835

Source: Questionnaire

Using a scale of 1 to 5 where 1=not important, 5=very important, respondents from the public universities indicate the following factors as key contributors in the attainment of their objectives; managerial performance (mean=4.33), economic Environment (mean=4.33), appropriateness of objectives (mean=4.17), and technological Change (mean=4.00). Whereas respondents from the private universities indicated the following factors as key contributors in the attainment of their objectives; competition (mean=4.63), appropriateness of objectives (mean=4.38), technological change (mean=4.13), and managerial performance (mean=4.00). They cite political, regulatory action as the least contributor (mean=3.40 and 2.88), respectively (Table 10).

Table 11: Factors Influential in Setting Present Objectives

Influential Factors	Public universities		Private universities	
	Mean	Std. Deviation	Mean	Std. Deviation
Government	3.33	1.633	2.63	1.302
Council members/Board of Directors	4.33	1.211	4.00	1.414
Vice Chancellor/Chief Executive Officer	4.83	0.408	4.75	0.463
Management Board	3.50	1.643	4.38	0.744
Corporate Planning Department	2.50	1.761	3.50	1.195
Academic members of Staff	3.50	0.548	4.00	0.756
Non-academic members of staff	1.83	0.983	3.25	0.707
Students	3.00	1.095	3.87	0.835

Source: Questionnaire

Table 11 above shows the level of influence in objective setting. The chief executive officer/ Vice chancellor (with mean=4.8 in public and mean=4.75 in private universities) is the most influential in objective setting. The corporate planning department and non-academic members of staff (with mean≤3.5) for the case of public universities and government (with mean=2.63) for the case of private universities exert the least influence.

Table 12: Role of Objectives

Role of objectives	Public universities		Private universities	
	Mean	Std. Deviation	Mean	Std. Deviation
Evaluation of past performance	4.00	1.265	4.38	0.518
Communication to external publics	3.40	1.517	3.63	0.916
Evaluation of second level objectives	3.83	1.329	3.87	0.641
Monitor current performance	4.00	1.549	4.00	0.926
Used to activate contingencies	2.80	1.095	3.50	0.926
Provide challenge and motivation	3.17	1.722	4.13	0.835

Source: Questionnaire

The results in Table 12 above show that respondents from public universities viewed their objectives as serving an important role in evaluation of past performance (mean=4.00), monitoring current performance (mean=4.00) and evaluation of second level objectives (mean=3.83). While respondents of private universities consider their objectives as being important in evaluation of past performance (mean=4.38), providing challenge and motivation (mean=4.13), monitoring current performance (mean=4.00) and evaluation of second level objectives (mean=3.87).

Table 13: Corporate Reputation

Corporate reputation	Public universities		Private universities	
	Mean	Std. Deviation	Mean	Std. Deviation
As viewed by clients	3.83	0.753	4.38	0.518
As viewed by general public	3.67	0.816	4.13	0.641

Source: Questionnaire

When asked to indicate whether their corporate reputation had changed favourably, private universities respondents indicated that their corporate reputation had changed favourably whereas those of public universities averagely agreed as indicated in Table 13 above.

4.3.3 OPERATIONAL PLANS

When asked whether their universities had operational plans, all the respondents in private universities indicated that they had operational plans compared to 66.7% in public universities as shown in Figure 4 below.
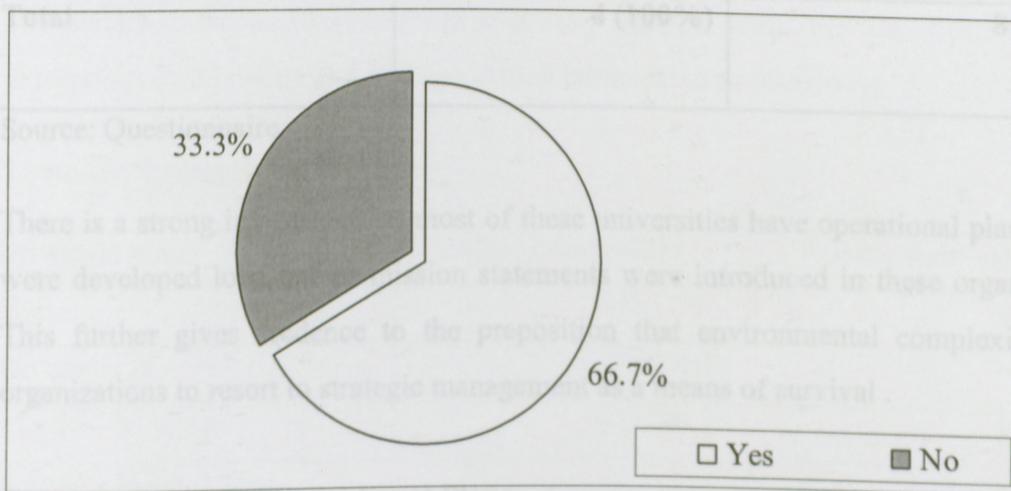
Figure 4: Public Universities: Operational Plans
Source: Questionnaire

The results in Table 14 below indicate that 50% of respondents in public universities had their operational plans developed over eight (8) years ago as compared to 12.5% in private universities, while 75% of the respondents in private universities had their plans developed under four (4) years ago.

Table 14: Development of Operational Plans

Development of plans	Public universities	Private universities
Less than 4 years	2 (50%)	6 (75%)
4 to 8 years	0 (0%)	1 (12.50%)
More than 8 years	2 (50%)	1 (12.50%)
Total	**4 (100%)**	**8 (100%)**

Source: Questionnaire

There is a strong indication that most of these universities have operational plans, which were developed long before mission statements were introduced in these organizations. This further gives credence to the preposition that environmental complexity forces organizations to resort to strategic management as a means of survival .

Table 15: Review of Operational Plans

Review of plans	Public universities	Private universities
Every month	0 (0%)	2 (25%)
Every quarter	1 (25%)	1 (12.50%)
Half yearly	0 (0%)	2 (25%)
Yearly	3 (75%)	3 (37.5%)
Total	4 (100%)	8 (100%)

Source: Questionnaire

The results in Table 15 above indicate that these operational plans are generally reviewed on a yearly basis (75% public universities and 37.5% private universities). It is probable that these operational plans are mainly budgets, which these organizations have relied on

for forecasting or extrapolation to predict the future.

The key participants in the development of the operational plans were indicated by all respondents as being persons in senior management level and university management board. The planning process is characterized by a mixture of both formal and informal planning methods with the corporate planning departments playing no significant role in the process.

4.3.4 STRATEGIC PLANS

The results in Table 16 below indicates that strategic plans are developed in all the universities (both public and private), which participated in this study.

Table 16: Strategic Plans

Strategic plans	Public universities	Private universities
Exists	6 (100%)	8 (100%)
Do not exist	0(0%)	0 (0%)
Total	6 (100%)	8 (100%)

Source: Questionnaire

Table 17: Main Participants in Strategic Planning Process

Main Participants	Public universities	Private universities
The management board	5 (31.30%)	6 (23.10%)
The planning department	3 (18.80%)	2 (7.70%)
Academic members of staff	3 (18.80%)	3 (11.50%)
The council/Board of Directors	2 (12.50%)	6 (23.10%)
Other staff	2 (12.50%)	5 (19.20%)
Students	1 (6.30%)	4 (15.40%)
Total responses	16 (100%)	26 (100%)

Source: Questionnaire

Table 17 above indicates that 31.3% of the respondents in public universities shows that strategic plans were mainly developed by the university management board, with 18.8% indicating the involvement of the academic members of staff and the corporate planning department. There is minimal participation of students (6.3%) and other staff (12.5%). In private universities 23.1% of the respondents the main participants involved in the strategic planning (SP) process were; the council/Board of Directors and the management board. Only 7.7% of the respondents indicated involvement of the planning department

This is expected because the university management board constitutes the strategic apex of the university, hence are responsible for the strategic steering of the university. Further more, this findings reveal that the university management boards and council are actively involved in strategy formulation, especially in private universities.

Table 18: Role of the Council/Board in Strategic Planning

Role of Council	Public universities	Private universities
Approving the SP	5 (50%)	7 (41.20%)
Providing the vision and mission	4 (40%)	6 (35.30%)
Drawing the entire SP	0 (0%)	3 (17.60%)
Hiring the consultants	1 (10%)	1(5.90%)
Total responses	10 (100%)	17 (100%)

Source: Questionnaire

When asked to indicate the role played by the council in strategic planning process, 50% of the respondents in public universities indicated that its role in strategic planning process was limited to approving the strategic plans, while 10% indicated their involvement in hiring of consultants. 41.2% of the respondents in the private universities indicated that the university council is involved in approving the strategic plans, while 5.9% indicated their involvement in hiring of the consultants as shown in Table 18 above.

Table 19: Role Played by Vice Chancellor/CEO

Role of VC/CEO	Public universities		Private universities	
	Mean	Std. Deviation	Mean	Std. Deviation
Development of corporate objectives	4.33	0.816	4.25	0.886
Development of alternative corporate strategies	4.00	1.265	4.71	0.488
The evaluation and approval of corporate plan	4.33	0.816	4.75	0.463
Having planning accepted as philosophy in the university	3.67	1.506	4.88	0.354

Source: Questionnaire

Using a scale of 1 to 5 where 1=not involved at all, 5=very involved to describe the involvement of the vice chancellor personally in the strategic planning process, respondents in public universities registered a mean score of four (4) and above in: development of corporate objectives (4.33), the evaluation and approval of corporate plan (4.33) and development of alternative corporate strategies (4.00). In private universities, the respondents indicated that the vice chancellor was personally involved in: development of alternative corporate strategies (4.71), the evaluation and approval of corporate plan (4.75) and having planning accepted as philosophy in the university (4.88) as shown in Table 19 above.

Table 20: Review of Progress against Plan

Review of progress	Public universities	Private universities
Monthly	1 (16.70%)	1 (12.50%)
Quarterly	2 (33.30%)	1 (12.50%)
Half yearly	1 (16.70%)	2 (25%)
Annually	2 (33.30)	4 (50%)
Total	6 (100%)	8 (100%)

Source: Questionnaire

The result in Table 20 above reveals that public universities review their progress against strategic plans quarterly and annually according to 33.3% of the respondents. Whereas, in private universities, 50% of the respondents indicated that it is done annually with managers being held responsible for variances between planned and actual performance. Regular review of strategic plans ensures that they are still relevant to the circumstances of an organization. It also ensures a better strategic control of plans.

Figure 5: Variances between Plan and Actual Performance
Source: Questionnaire

All the respondents in the private universities admitted that managers were held responsible for variances between plan and actual performance while the respondents from the public universities were split as shown in Figure 5 above.

4.3.5 ENVIRONMENTAL SCANNING
All respondents in private universities indicated that they gathered information on the external environment as compared to 50% of the respondents in the public universities. 46.2% of the respondents considered the economic environment as the key external factor, 30.1% considered political while 28.4% considered social environment. (Figure 6).

50%   50%

☐ Yes   ■ No

Figure 6: Environmental Scanning
Source: Questionnaire

When asked who are involved in environmental scanning, 37.5% in public universities indicated the Deans of faculty, with 12.5% indicating use of consultants. In private universities, 33.3% indicated the university management board with 6.7% indicating the involvement of the CEOs/VCs.

Table 21: Participants in Environmental Scanning

Participants	Public universities	Private universities
UMB	2 (25%)	6 (40%)
Deans of Faculty	3 (37.50%)	3 (20%)
Departmental heads/HODs	1 (12.5%)	2 (13.30%)
CEO/VCs	0 (0%)	1 (6.70%)
Planning department	1 (12.5%)	1 (6.70%)
Corporate affairs office	0 (0%)	1 (6.70%)
Marketing departments	0 (0%)	1 (6.70%)
Consultants	1 (12.5%)	0 (0%)
Total responses	**8 (100%)**	**15 (100%)**

Source: Questionnaire

4.3.6 COMPETITOR ANALYSIS

All respondents described the level of competition to be high, stiff or moderate. Table 22 shows that 40% of the respondents in public universities view the competition as high and moderate, while 42.9% of the respondents in private universities considered it moderate.

Table 22: Level of Competition

Level of competition	Public universities	Private universities
High	2 (40%)	2 (28.60%)
Moderate	2 (40%)	3 (42.90%)
Stiff	1 (20%)	2 (28.60%
Total responses	**5 (100%)**	**7 (100%)**

Source: Questionnaire

The results of Figure 7 below reveal that 67.7% of the respondents gathered information about their competitors in both public and private universities. The information commonly collected was on courses offered, fees charged, quality of staff, facilities available, entry grades, changes made in curriculum. The information is gathered through students, informal communications and visits, annual conferences, published reports and direct contacts.
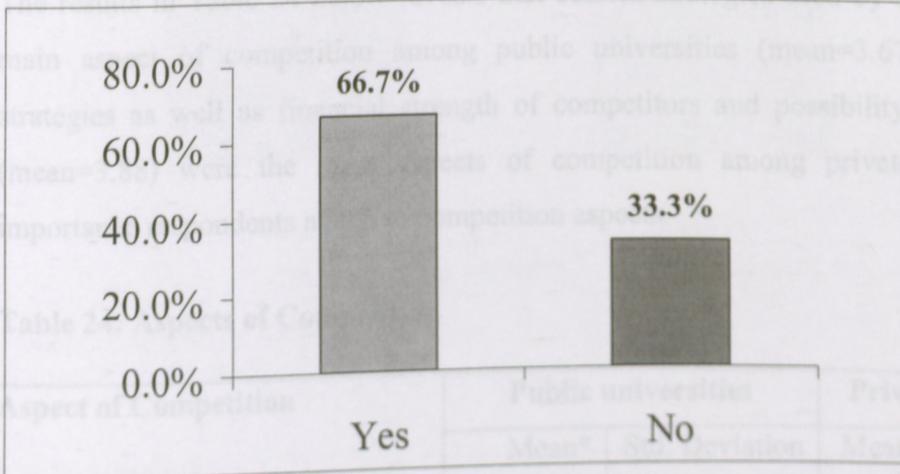
Figure 7: Gathering of Information about Competitors
Source: Questionnaire

In a scale of 1 to 5 where 1=not strong at all, 5=extremely, public universities stated their major forces of competition as; rivalry among competitors (mean=3.33), government action (mean=3.0). Private universities identified forces of competition as; bargaining power of customers (mean=3.63), barriers to entry (mean=3.5), availability of substitutes (mean=3.14), government action (mean=3.0) and rivalry among competitors (mean=3.0) as indicated in Table 23 below.

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Table 23: Forces of Competition in the Industry

Forces of competition	Public universities		Private universities	
	Mean	Std. Deviation	Mean	Std. Deviation
Barriers to entry	2.50	1.378	3.50	1.414
Rivalry among competitors	3.33	1.633	3.00	1.309
Bargaining power of customers	2.80	1.789	3.63	1.188
Bargaining power of suppliers	2.33	1.211	2.88	1.246
Availability of substitutes	2.00	1.549	3.14	1.215
Government action	3.00	1.095	3.00	1.309

Source: Questionnaire

The results in Table 24 below reveals that current strategies used by competitors is the main aspect of competition among public universities (mean=3.67), while current strategies as well as financial strength of competitors and possibility of new entrants (mean=3.88) were the main aspects of competition among private univesities the importance respondents attach to competition aspects.

Table 24: Aspects of Competition

Aspect of Competition	Public universities		Private universities	
	Mean*	Std. Deviation	Mean*	Std. Deviation
The number of your competitors	2.83	1.472	3.50	1.195
Possible new entrants	2.17	1.602	3.88	1.356
Financial strength of competitors	3.50	1.975	3.88	1.356
Current strategies used by competitors	3.67	1.211	3.88	1.246
Marketing practices	3.40	1.673	3.63	1.188
Physical and human resources of competitors	3.33	1.862	3.63	1.188
Goals of competitors	3.00	1.897	3.63	1.061

* The mean is a weighted average of the responses from a five-point Likert scale.

Source: Questionnaire

4.3.7 INDUSTRY ANALYSIS

When the respondents were asked to describe the overall industry attractiveness, most respondents from the public universities (66.7%) said it is highly attractive while only 33.3% said it is moderately attractive.

As for the private universities, majority (75%) said it is moderately attractive while only 25% said it is highly attractive (Figure 8)
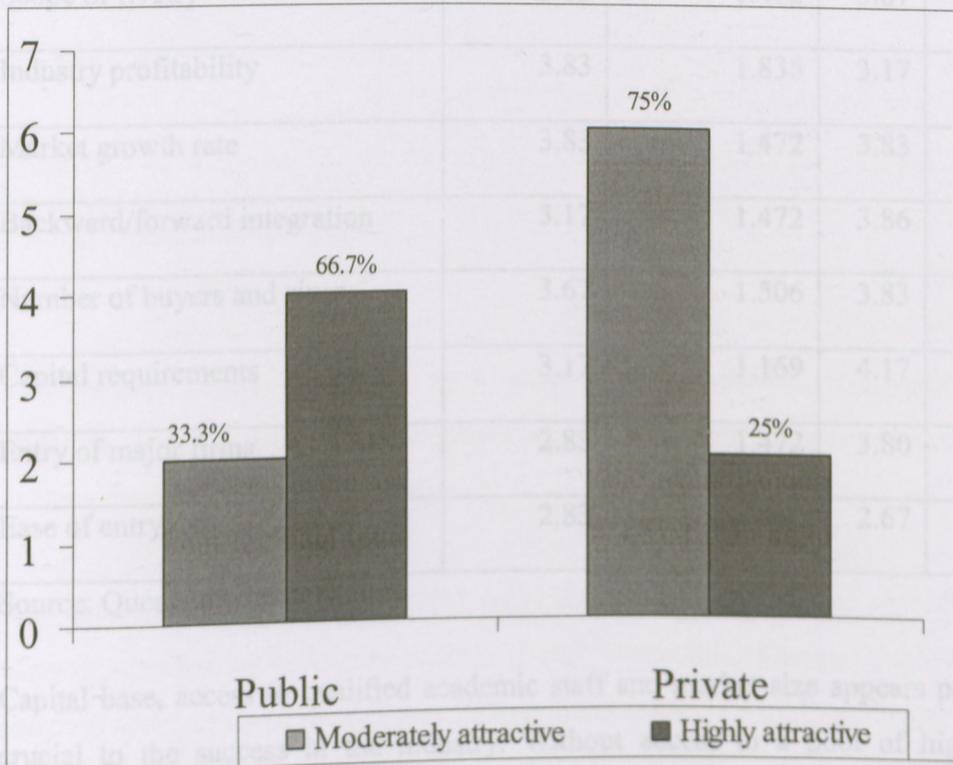
Figure 8: Industry Attractiveness
Source: Questionnaire

Using a scale of 1 to 5 where 1=not important, 5=very important, public universities stated the following as the key important factors in the industry; market size (mean=4.17), industry profitability (mean=3.83), market growth rate (mean=3.83), number of buyers and sizes (mean=3.67). Private universities stated the following as the key important factors in the industry; market size (mean=4.14), capital requirements (mean=4.17), entry of major firms (mean=3.80), backward/forward integration (mean=3.86), market growth rate (mean=3.83), number of buyers and sizes (mean=3.83), scope of rivalry (mean=3.67) as shown in Table 25 below.

Table 25: Key Factors in the Industry

Key factors	Public universities		Private universities	
	Mean	Std. Deviation	Mean	Std. Deviation
Market size	4.17	0.983	4.14	0.690
Scope of rivalry	2.83	1.472	3.67	0.516
Industry profitability	3.83	1.835	3.17	0.753
Market growth rate	3.83	1.472	3.83	0.408
Backward/forward integration	3.17	1.472	3.86	1.464
Number of buyers and sizes	3.67	1.506	3.83	0.983
Capital requirements	3.17	1.169	4.17	0.753
Entry of major firms	2.83	1.472	3.80	0.447
Ease of entry/exit	2.83	1.835	2.67	1.033

Source: Questionnaire

Capital base, access to qualified academic staff and market size appears prominently as crucial to the success in the industry. Without access to a pool of highly qualified academic staff, no institution of higher learning is likely to survive. Other significant factors are availability of te physical resources and linkages with other institutions of higher learning

4.3.8 INTERNAL ANALYSIS

All the respondents indicate that they carry out some form of internal audits (Figure 9). The tools and techniques used in carrying out the audit are assessment by students on lecturer performance, performance appraisal of individual staff and departments, normal system analyses audits by internal and external auditors, quality inspections by government teams like commission for higher education.
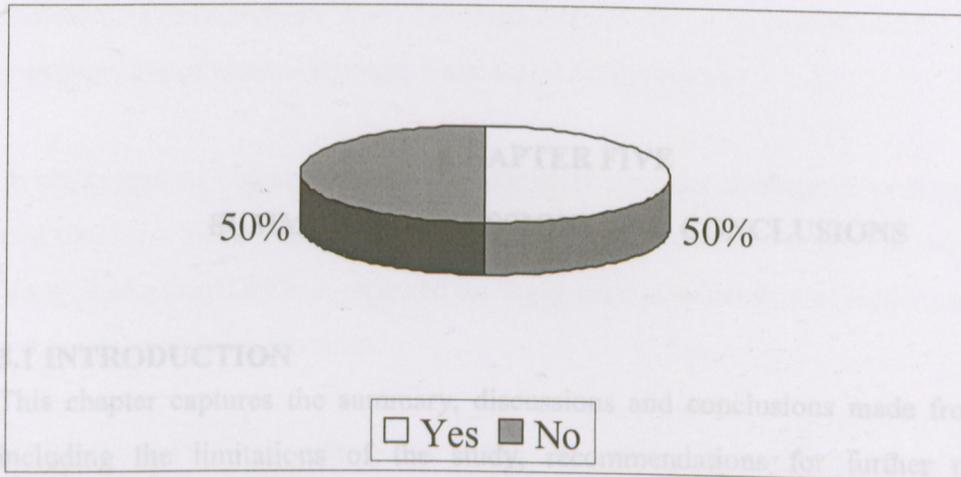
Figure 9: Internal Audits
Source: Questionnaire

The internal forces identified were technology, employees, students, management structures and linkages. Financial resources, students and management were considered as the most important internal forces.

The universities strengths identified included diversity and uniqueness of programmes offered international linkages, quality of staff, influential alumni, quality and relevant research and facilities. Weaknesses include inadequate financial resources, irrelevance of academic programmes, inadequate governance and management structures, and poor pay.

CHAPTER FIVE
SUMMARY, DISCUSSIONS AND CONCLUSIONS

5.1 INTRODUCTION

This chapter captures the summary, discussions and conclusions made from the study including the limitations of the study, recommendations for further research and recommendations for policy and practice in the universities.

5.2 SUMMARY, DISCUSSIONS AND CONCLUSIONS

The research objective of this study was to establish strategic planning practices of universities in Kenya. The critical criteria utilized in this study to ascertain whether a university was engaged in a strategic planning process were based on the literature cited previously. The variables assessed in the survey were vision, mission statements objectives and their setting, strategic planning, environmental scanning, competitor analysis, internal analysis, the role of chief executive and university council in strategic planning process.

The response from a population of 23 universities contacted was 14 representing a response rate of 60.87%. From the data analysis and findings in the preceding chapter, it is evident that universities in Kenya use strategic planning to establish and clarify their mission, establish performance objectives, identify areas of future collaboration and appraise university strengths and weaknesses that are relevant to long-term direction of the university.

All the respondents in both the public and private universities indicated the presence of formally written objectives. Majority of them indicated that the objectives are set by the top management organs with participation of the faculty staff. On the aspects of awareness of the objectives amongst employees, all respondents in private universities

indicated high awareness. The objectives were found to be communicated through staff meetings, use of internal memos, e-mails and notice boards.

In attainment of objectives, public universities consider managerial performance as key contributor, while competition is viewed as a key contributor in private universities. The Vice Chancellors/CEOs are viewed as being very influential in objective setting in both public and private universities.

It was found that both private and public universities have got operational plans which were developed over eight (8) years ago in public universities and were developed less than eight (8) years ago in private universities. These plans are mainly reviewed on an annual basis with the university management boards being the key participants.

Universities gather information on their external environment. The information collected is on their competitors. The information commonly collected was on courses offered, fees charged, quality of staff and changes made in curriculum. The personnel involved in gathering this information are the Vice Chancellors, senior management staff and Deans of faculties. However, some of the universities use consultants in gathering this information. The source of the information is the students, parents, publications and government ministries, informal communications and visits, annual conferences and published reports. Competition in the industry was described as high, stiff and moderate by different respondents in this study.

The university council and the vice chancellor play a great role in the formulation of corporate strategy. The council and the vice chancellor are considered very influential in setting present objectives in both pubic and private universities. The council is involved in approving the strategic plans and providing the vision and mission statements. The Vice Chancellor's role is considered influential in development of alternative corporate strategies and the evaluation and approval of corporate plan in public universities while in private universities it is considered influential in having planning accepted as

philosophy in the university, the evaluation and approval of corporate plan, development of corporate objectives and alternative corporate strategies.

DISCUSSIONS

According to the findings of this study, all universities that participated in this study have a vision and mission statement. The missions are formally written statements that employees and other stakeholders can identify with. Majority of the universities have had their mission statements over the period they have been in existence. The existence of a vision and mission statement is a good indicator of whether strategic planning exists in the university.

The vision provides an insight as to where the university would like to be in the future, while the mission defines the business of the university. Pearce and Robinson, (2000), contends that an organization's mission embodies the business philosophy of the strategic decision makers, implies the image the organization seeks to project, reflects the organization's self-concept, and indicates the organization's principal product or service areas and the primary customer needs the organization will attempt to satisfy. The statements are usually the starting point in the development of strategic plans.

All universities both public and private involved in this study have formally written objectives. In attaining the set of objectives, public universities consider managerial performance a key factor. This factor may be attributed to the fact that public universities until recently were fully exchequer funded and hence prudent management of the voted resources is a key factor. On the other hand, private universities depend full on tuition fees levied on the students and hence their probable ranking of competition as critical factor in the attainment of the set of objectives.

All universities reported the involvement of the Vice Chancellor, the council and the University Management Board in the setting of the objectives. This is expected as the setting of the objectives is basically a top management affair. Both the council and the Vice Chancellor constitute the strategic apex of the firm (Mintzberg, 1994) from where

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strategic objectives are set. However, participation of the faculty staff is also considered critical. This is because in a university set up, it requires support and involvement of the faculty staff. Because of the importance of shared governance in university management, faculty's involvement is key and building consensus right from the beginning becomes essential for university-based strategic planning. University faculty can't be "directed" (i.e. command authority) in the same way as employees in a company because "centralized power" at universities is not very strong.

There is a strong indication that most of the universities involved in this study had operational plans, which were developed long before mission statements were introduced in these organizations. This further gives evidence to the preposition that environmental complexity forces organizations to resort to strategic management as a means of survival. Operational plans are generally reviewed on a yearly basis. It is probable that these operational plans are mainly budgets, which these institutions have relied on for forecasting or extrapolation to predict the future.

Strategic plans are developed in all universities, which participated in this study. The development of strategic plans was indicated as being developed by the management board, with the involvement of the academic members of staff and the planning department. Sporn, (1999) points to planning as an appropriate first step towards institutional change. Among the seven (7) prepositions for a theory of adaptation she suggests that adaptation; is initiated by environmental demands, requires clear institutional mission statements and goals, must be supported by shared governance and must have the commitment of strong leaders.

The role played by council was indicated as that of approving the strategic plans for implementation, provide the vision and mission statement for the university, as well as hiring consultants to prepare strategic plans. This is expected as the Vice Chancellor, management board and council constitutes the strategic apex of the university hence are responsible for the strategic steering of the university. Further more, these findings reveal

that the university management boards and council are actively involved in strategy formulation especially in private universities.

Though the decentralized approach to strategic planning makes it everyone's responsibility for its implementation, effective strategic planning still begins and ends at the top manager of the organization. Active involvement of the top manager or the executive-in-charge is critical to the success and effectiveness of strategic planning and the implementation of the resulting strategic plan. This is so because the top manager, more than any manager in the organization, is in a position to influence the current and future direction of the organization. In the context of strategic planning, the top manager must act as the driving force of the organization, with a capability of creating change, making things happen, and otherwise causing the organization to be better positioned in its environment (Thompson and Strickland, 1984). During the strategy formulation stage, the role of the top manager is to define a clear and inspiring mission for the organization, establish challenging strategic objectives, and guide the formulation of strategies that achieve the strategic objectives.

The results of this study reveal that public universities review their progress against strategic plans quarterly and annually. Perhaps this is a new concept following the implementation of performance contracts for the senior management staff with effect from 1st July 2005. Private universities indicated that it was done annually with managers being held responsible for variance between planed and actual performance. Regular review of strategic plans ensures that they are still relevant to the circumstances of an organization. It also ensures a better strategic control of the plans.

Strategic planning represents a multi-layered, coordinated, well-communicated system of goal identification and attainment that takes into consideration all relevant internal and external factors. No individual institution can plan in isolation. Planning is reality based and must be done within the parameters of larger governing and legislative bodies. It is a

highly participatory process and requires many people at many levels to work in synchrony (Machado et. al., 2004).

Environmental scanning is the acquisition and use of information about events, trends and relationships in an organization's external environment, the knowledge of which would assist management in planning the organization's future course of action (Aguilar, 1967). Organizations scan the environment in order to understand the external forces of change so that they may develop effective responses which secure or improve their position in the future. They scan in order to avoid surprises, identify threats and opportunities, gain, competitive advantage and improve long-term and short-term planning (Sutton, 1988). This is in agreement with the results of this study whereby all respondents indicated that they gathered information on the external environment. The Deans of faculty, use of internal consultants, University Management Board, as well as the involvement of the Vice Chancellors were indicated as being responsible for collecting information on the environment.

Competitor analysis is important in helping a university to identify its position in the market, relative to its business rivals. The results of this study indicate that universities gathered information about competitors. The information commonly collected is on courses offered, fees charged, quality of staff, facilities available and changes in curriculum. All the universities described the level of competition to be high, stiff or moderate. In public universities current strategies used by competitors is viewed as the main aspect of competition while bargaining power of suppliers is viewed as the least aspect of competition. Following the implementation of income generating activities and the introduction of the "module II" courses at the University of Nairobi in 1998, other public universities followed the suit and implemented theirs there after. Perhaps this might be the reason why current strategies used by competitors is rated highly. Private universities consider the following as critical aspects of competition; financial strengths of competitors, possible new entrants, current strategies used by competitors, physical and human resources of competitors and goals of competitors.

Participants in this study described the overall industry attractiveness as highly attractive. Perhaps this may be attributed to the fact that the module II courses are still attracting large numbers of students since their introduction in 1998 in public universities. On the other hand, 75% of the private universities in this study consider it moderately attractive while 25% consider it to be highly attractive. This is expected because they have to compete with public universities which are exchequer funded and controls vast resources. Capital base, access to qualified academic staff and market size appears prominently as crucial to the success in the industry.

The use of strategic planning by universities in Kenya is consistent with the empirical findings from previous studies on strategic planning practices in various organizations (Karanja, 2004; Bukusi, 2003; Mutonyi, 2003; Wahome, 2003; Sagwa, 2002 and Kiliko, 2001) among others.

The results are also consistent with strategic planning theory. Organizations tend to resort to strategic planning as the environment becomes more turbulent in order to survive. Since organizations have to interact with their environment, they have to merge their capabilities and strategies to the changing environment. The use of strategic planning enables the organization to align itself to the changes in the environment and thus ensure the long-term survival of the organization.

CONCLUSIONS

From the findings and discussions above, the following conclusions can be made:

One, the universities in Kenya use strategic planning to establish and clarify their mission, establish performance objectives, identify areas of future collaboration and appraise university strengths and weaknesses that are relevant to the long-term direction of the university. Two, they use strategic planning as a management tool for allocating university resources to competing strategic priorities anticipating and designing appropriate academic programmes to meet the public demand. Three, strategic planning is the responsibility of the Vice Chancellor and University

Management Board, who happen to be the senior management team in the university. Four, the university Council's role is limited to approving the strategic plan and providing resources for its implementation. Five, the role of the corporate planning department in strategic planning process is minimal especially in private universities where they are almost non existent. A decentralized approach to strategic planning, which makes the faculties responsible for their implementation is noted. Six, amongst the universities, strategy is largely internally communicated and rarely communicated to external parties. Seven, from the study, it can be further concluded that the strategic planning which is currently being practiced by the universities in Kenya is considered to have been the result of the need to align organizational capability and strategies to the rapidly changing environmental conditions to enable them survive and prosper in the future.

5.3 LIMITATIONS OF THE STUDY

Some difficulties were encountered in the process of carrying out this study. The main limitation worthy noting was the reluctance to provide information by some of the respondents especially the theological colleges. Out of the seven (7) theological colleges authorized to offer university education, only two (2) agreed to participate in this study.

Some of the findings from the study could have been made clear through the use of face-to-face interviews but this proved difficult due to congested schedules of the respondents, while other respondents delegated the assignment to staff, some not familiar with strategic planning practices.

5.4 SUGGESTIONS FOR FURTHER RESEARCH

From the findings of this study it is recommended that further research be carried out in the area of strategic planning practices and their impact on performance of the universities. The research could also be extended to cover other players in the higher education industry for instance middle level colleges, some of which have partnered with

foreign universities to offer university education in Kenya. Others have been accredited to offer diplomas and certificates by public universities across the country.

5.5 RECOMMENDATION FOR POLICY AND PRACTICE

On the whole, it can be stated that the concept of formal strategic planning (and management) is not very well entrenched by the universities in Kenya. This assertion can be made because of the following reasons:- Nearly 85% of the private universities studied have no corporate planning department and even where they exist, like public universities, the responsibility for strategic planning rests with the University Management Board and is not assigned to a specific corporate planning unit. Although all the universities have vision and mission statements, they are not well articulated and communicated to the relevant stakeholders. Some aspects of strategic planning process like environmental scanning and competitor analysis are not well articulated. In essence, strategic planning is not considered as a distinct separate function like finance or human resource management. It is absorbed by the other functional department, college and faculty management.

The concept of formal strategic planning, therefore, needs to be adopted by all universities whether private or public, irrespective of size, ownership or age because of the positive contribution that formal strategy can impact on the performance of a university. In addition, given the numerous challenges posed by the environment, the universities need to streamline their strategic planning functions and practices to ensure that they are constantly aligned and relevant to the environmental conditions.

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University of Nairobi
Faculty of Commerce
Department of Business Administration
P.O.Box 30197,
Nairobi – 00100.

Vice Chancellor
University_____

Dear Sir/Madam

<u>**RE: LETTER OF REQUEST TO DO RESEARCH IN YOUR
UNIVERSITY**</u>

As part of the requirements of the MBA degree, the undersigned who is a student in the Faculty of Commerce, Department of Business Administration is required to undertake a management research project in partial fulfillment of the Masters Degree in Business Administration (MBA). He is required to undertake a study of **Strategic Planning Practices** by universities in Kenya. Your university has been selected for this study.

The research will involve the respondent filling in a questionnaire to be delivered and picked by the student. The information and data required will be used for academic purposes only and will be treated with utmost confidence.

Your cooperation in participating in this study will be highly appreciated.
Thank you in advance.

Yours faithfully,

George O. Ogari   Dr. Martin Ogutu
Student   Supervisor

Questionnaire No._____

QUESTIONNAIRE

This questionnaire seeks to establish strategic planning practices within Kenyan universities. The information obtained will be treated in utmost confidence and will be used for no other purpose other than academic. Please, discuss with the data collector in case of any difficulties or clarifications required.

The questionnaire is in two parts, A and B. **Part A** consists of questions aimed at obtaining general information about your university. **Part B** seeks information on the strategic planning practices of your institution.

PART A: BACKGROUND INFORMATON

SECTION I: UNIVERSITY DATA

1. NAME OF UNIVERSITY...
2. DATE COMMISIONED BY GOVERNMENT TO START OPERATING ....
3. STUDENT POPULATION..
4. WHO OWNS THE UNIVERSITY? Tick one

    Public ( )
    Religious organization ( )
    Not for profit ( )
    Private Company ( )
    Individuals ( )
    Company trust ( )
    Foreign ( )

5. ARE THE UNIVERSITY PREMISES

    Owned ( )
    Rented ( )
    Other (specify)...

6. WHAT IS THE MAIN FOCUS OF YOUR UNIVERSITY? Tick one

    Physical Sciences and technology ( )
    Education ( )
    Humanities and social Sciences ( )

Health Sciences ( )
Other (Specify)…………………………………….

7. DOES YOUR UNIVERSITY HAVE CONSTITUENT COLLEGES?
   Yes ( )
   No ( )

8. IF YES, HOW MANY?……………………………………………………………………

9. NUMBER OF EMPLOYEES (i) Academic …………
   (ii) Non- Academic………

SECTION II: GENERAL INFORMATION

1. NAME AND TITLE OF RESPONDENT
   ……………………………………………………………………………………………

2. AGE (Tick one)
   Less than 35 years ( )
   35 – 45 years ( )
   Above 45 years ( )

3. FOR HOW LONG HAVE YOU BEEN IN MANAGEMENT?

   Less than 5 years ( )
   6-10 years ( )
   11-15 years ( )
   16-20 years ( )
   Above 20 years ( )

4. PLEASE STATE YOUR ACADEMIC AND PROFESSIONAL
   BACKGROUND
   ……………………………………………………………………………………………
   ……………………………………………………………………………………………
   ……………………………………………………………………………………………
   ……………………………………………………………………………………………

5. HOW MANY YEARS HAVE YOU WORKED IN THE HIGHER EDUCATION
   INSTITUTION?……………………………………………………………

PART B: STRATEGIC PLANNING PRACTICES

SECTION I: VISION AND MISSION STATEMENTS

1. DOES THE UNIVERSITY HAVE A VISION STATEMENT?
   Yes ( )
   No ( )

2. DOES THE UNIVERSITY HAVE A MISSION STATEMENT?
   Yes ( )
   No ( )

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v)   If No, please move to Section II

5. (a) Is it a formally written statement, which employees and other stakeholders
       can identify with?
       Yes   (   )
       No   (   )

   (b) Who formulated the mission statement? Tick
       Council members/Board of directors   (   )
       Vice Chancellor/CEO   (   )
       University Management Board   (   )
       Senate   (   )
       Consultants (i) Internal   (   )
                   (ii) External   (   )
       Senior Management in the UNIVERSITY   (   )
       Others (Specify)...

   (c) When was the mission statement implemented? Tick
       Under 2 years ago   (   )
       2 – Under 4 years ago   (   )
       4 – Under 6 years ago   (   )
       6 – Under 8 years ago   (   )
       Over 8 years ago   (   )

SECTION II: OBJECTIVES AND THEIR SETTING

1. DO YOU HAVE ANY SET OBJECTIVES FOR YOUR UNIVERSITY?
   Yes   (   )
   No   (   )
2. IF YES, PLEASE LIST THEM IN THE ORDER OF IMPORTANCE
   i)   ....
   ii) ....
   iii) ....
   iv) ....
   v)   ....

3. AT WHAT LEVEL ARE THESE OBJECTIVES SET?
   i)   ....
   ii) ....
   iii) ....
4. WHO PARTICIPATES IN SETTING THESE OBJECTIVES?
   i)   ....
   ii) ....
   iii) ....
   iv) ....

v) ....

5. IS EVERYONE IN YOUR INSTITUTION AWARE OF THESE OBJECTIVES?
   Yes   (   )
   No   (   )

6. IF YES, HOW ARE THEY COMMUNICATED?
   i) ....
   ii) ....
   iii) ....

7. WHEN WAS THE LAST TIME THERE WAS A SIGNIFICANT CHANGE IN YOUR OBJECTIVES?
   ....
   ....

8. WHAT WAS CHANGED AT THAT TIME?
   Objective   Change
   ....
   ....

9. PLEASE GIVE REASONS THAT BROUGHT ABOUT THESE CHANGES
   ....
   ....
   ....
   ....

10. WOULD YOU SAY THAT YOUR UNIVERSITY HAS IN GENERAL SUCCEDED OR FAILED TO ACHIEVE ITS KEY OBJECTIVES?
    Yes   (   )
    No   (   )

11. HOW IMPORTANT ARE THE FOLLOWING REASONS IN EXPLAINING ATTAINMENT OF YOUR SET OBJECTIVES? (Use 5point scale where 1=not important up to 5= very important)

Appropriateness of objectives	1	2	3	4	5
Managerial performance	1	2	3	4	5
Political, regulatory action	1	2	3	4	5
Competition	1	2	3	4	5
Organizational structure	1	2	3	4	5
Economic environment	1	2	3	4	5
Technological change	1	2	3	4	5

12. HOW INFLUENTIAL ARE THE FOLLOWING IN SETTING YOUR PRESENT OBJECTIVES? (Use 5point scale where 1=not at all influential up to 5= very influential)

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Government	1	2	3	4	5
Council members/ Board of Directors	1	2	3	4	5
Vice Chancellor/Chief Executive Officer	1	2	3	4	5
Management Board	1	2	3	4	5
Corporate Planning Department	1	2	3	4	5
Academic members of staff	1	2	3	4	5
Non-academic members of staff	1	2	3	4	5
Students	1	2	3	4	5

13. TO WHAT EXTENT DO YOUR OBJECTIVES SERVE AS AN IMPORTANT ROLE IN THE FOLLOWING AREAS. (Use 5point scale where 1=do not serve this role up to 5= serve an important role)

Evaluation of past performance	1	2	3	4	5
Communication to external publics	1	2	3	4	5
Evaluation of second level objectives	1	2	3	4	5
Monitor current performance	1	2	3	4	5
Used to activate contingencies	1	2	3	4	5
Provide challenge and motivation	1	2	3	4	5

14. 14.DO YOU BELIEVE THAT YOUR CORPORATE REPUTATION HAS CHANGED IN THE PAST 5 YEARS (Use 5point scale where 1=less favorable up to 5= more favorable)

As viewed by your clients	1	2	3	4	5
As viewed by the general public	1	2	3	4	5

SECTION III: OPERATIONAL PLANS

1. DOES THE UNIVERSITY DEVELOP ANY OPERATIONAL PLANS?
   Yes   (   )
   No   (   )
   If No, why?...
   If Yes,
   (a) How long ago were these plans first developed in the UNIVERSITY?
       Under 2 years ago   (   )
       2 – Under 4 years ago   (   )
       4 – Under 6 years ago   (   )
       6 – Under 8 years ago   (   )
       Over 8 years ago   (   )
   (b) How frequently are these plans reviewed?
       Every month   (   )
       Every quarter   (   )
       Half yearly   (   )
       Yearly   (   )

(c) Who are the key participants in the development of these plans?......................
....
....

(d) Do the following features characterize the planning process in the Institution?
(Please tick as appropriate)
(i) Formal planning meetings   Yes ( ) No ( )
(ii) Informal planning sessions   Yes ( ) No ( )
(iii) Timetables for the preparation of plans   Yes ( ) No ( )
(iv) Well defined responsibilities for planning   Yes ( ) No ( )
(v) Existence of a planning department   Yes ( ) No ( )

SECTION IV: STRATEGIC PLANS

1. DO YOU HAVE A STRATEGIC PLAN (SP)
   Yes   ( )
   No   ( )

2. WHO ARE THE MAIN PARTICIPANTS IN THE STRATEGIC PLANNING
   (SP) PROCESS

3.
   (i) The Council/Board of Directors   ( )
   (ii) The management Board   ( )
   (iii) The planning department   ( )
   (iv) Consultants   ( )
   (v) Academic Members of Staff   ( )
   (vi) Other Staff   ( )
   (vii) Students   ( )

4. WHAT ROLE DOES THE COUNCIL/BOARD PLAY IN STRATEGIC
   PLANNING (SP) PROCESS?

   (i) Approving the SP   ( )
   (ii) Providing the vision and mission ( )
   (iii) Drawing the entire SP   ( )
   (iv) Hiring the consultants   ( )
   (v) Others, specify...

5. TO WHAT EXTENT IS THE VICE CHANCELLOR/CEO PERSONALLY
   INVOLVED IN: (Use 5point scale where 1=not involved at all up to 5= very
   involved)

Development of corporate objectives	1	2	3	4	5
Development of alternative corporate strategies	1	2	3	4	5
The evaluation and approval of corporate plan	1	2	3	4	5
Having planning accepted as philosophy in the university	1	2	3	4	5

6. HOW FREQUENT IS THE PROGRESS REVIEWED AGAINST PLAN?
(i) Monthly ( )
(ii) Quarterly ( )
(iii) Half yearly ( )
(iv) Annually ( )
(v) Less than once a year ( )

6. ARE MANAGERS HELD RESPONSIBLE FOR VARIANCES BETWEEN PLAN AND ACTUAL PERFORMANCE?
Yes ( )
No ( )

7. IF NO, PLEASE GIVE REASONS WHY?
....
....
....
....

SECTION V: EXTERNAL ENVIRONMENT

1. DOES YOUR INSTITUTION AUDIT THE EXTERNAL ENVIRONMENT?
Yes ( )
No ( )

2. IF YES, PLEASE DESCRIBE
(i) the kind of audit carried out
    1)...
    2)...
(ii) Who is involved in the external audit
    1)...
    2)...
    3)...
(iii) The source of the information
    1)...
    2)...
    3)...
(iv) The key external factors
    1)...
    2)...
    3)...

SECTION VI: COMPETITOR ANALYSIS

1. BRIEFLY DESCRIBE THE LEVEL OF COMPETITION IN THE HIGHER EDUCATION SECTOR

   ....
   ....
   ....
   ....

2. HOW STRONG DOES YOUR UNIVERSITY CONSIDER THE FOLLOWING FORCES OF COMPETITION TO BE IN THE INDUSTRY (Use 5point scale where 1=not strong all up to 5= extremely strong)

Barriers to entry	1	2	3	4	5
Rivalry among Competitors	1	2	3	4	5
Bargaining power of customers	1	2	3	4	5
Bargaining power of suppliers	1	2	3	4	5
Availability of substitutes	1	2	3	4	5
Government action	1	2	3	4	5

3. DO YOU GATHER INFORMATION ABOUT YOUR COMPETITORS?
   Yes   (   )
   No   (   )

4. IF YES, BRIEFLY DESCRIBE THE;
   (i)   kind of information gathered
   ....
   ....
   (ii)   How the information is gathered
   ....
   ....

5. PLEASE INDICATE THE LEVEL OF IMPORTANCE YOUR UNIVERSITY ATTACHES TO THE FOLLOWING ASPECTS OF COMPETITION (1= not important up to 5 = very important)

The number of your competitors	1	2	3	4	5
Possible new entrants	1	2	3	4	5
Financial strength of competitors	1	2	3	4	5
Current strategies used by competitors	1	2	3	4	5
Marketing practices	1	2	3	4	5
Physical and human resource of competitors	1	2	3	4	5
Goals of competitors	1	2	3	4	5

6. WHICH UNIVERSITIESS DO YOU CONSIDER TO BE YOUR FIVE MAJOR COMPETITORS? (PLEASE LIST THEM STARTING WITH THE MOST IMPORTANT)

  i) ....
  ii) ....
  iii) ....
  iv) ....
  v) ....

7. WHAT DO YOU CONSIDER TO BE THEIR:-

  i) Strengths/Capabilities
  1. ....
  2. ....
  3. ....
  4. ....

  ii) Weaknesses
  1. ....
  2. ....
  3. ....
  4. ....

SECTION VII: INDUSTRY ANALYSIS

1. HOW WOULD YOU DESCRIBE THE OVERALL INDUSTRY ATTRACTIVENESS

  Less attractive   ( )
  Moderately attractive   ( )
  Highly attractive   ( )

2. HOW IMPORTANT DOES YOUR UNIVERSITY CONSIDER THE FOLLOWING FACTORS IN THE INDUSTRY (1 = Not important up to 5 = very important)

Market size	1	2	3	4	5
Scope of rivalry	1	2	3	4	5
Industry profitability	1	2	3	4	5
Market growth rate	1	2	3	4	5
Backward/forward integration	1	2	3	4	5
Number of buyers and sizes	1	2	3	4	5
Capital requirements	1	2	3	4	5
Entry of major firms	1	2	3	4	5
Ease of entry/ exit	1	2	3	4	5

3. WHAT DO YOU CONSIDER TO BE KEY FACTORS IN THE INDUSTRY?

  i) ....

ii) ....
iii) ....
iv) ....
v) ....

SECTION VIII: INTERNAL ANALYSIS

1. DOES YOUR UNIVERSITY CARRY OUT INTERNAL AUDITS?
   Yes ( )
   No ( )

2. IF YES, BRIEFLY DESCRIBE HOW THESE ARE CARRIED OUT
   ....
   ....
   ....

3. WHAT DO YOU CONSIDER TO BE YOUR UNIVERSITY'S INTERNAL FORCES?
   ....
   ....
   ....

4. WHAT DO YOU CONSIDER TO BE YOUR UNIVERSITY'S
   i) Strengths
   1. ....
   2. ....
   3. ....
   4. ....

   ii) Weaknesses
   1. ....
   2. ....
   3. ....
   4. ....

THANK YOU

UNIVERSITIES IN KENYA

PUBLIC UNIVERSITIES

1. University of Nairobi

2. Moi University

3. Kenyatta University

4. Egerton University

5. Jomo Kenyatta University of Agriculture and Technology

6. Maseno University

PRIVATE UNIVERSITIES

A) Chartered Universities

7. University of Eastern Africa Baraton (1991)

8. Catholic University of East Africa (1992)

9. Daystar University (1993)

10. Scott Theological College (1997)

11. United States International University (1999)

12. Africa Nazarene University (2002)

B) Universities with Letters of interim Authority

13. Kenya Methodist University (1997)

14. Kabarak University (2000)

15. Kiriri Women's University of Science and Technology (2002)

16. Aga Khan University (2002)

17. Strathmore University (2002)

C) Universities with Certificates of Registration

18. Kenya Highlands Bible College, Kericho (Reg. 1989)

19. St. Paul's United Theological College (Reg. 1989)

20. East Africa School of Theology (Reg. 1989)

21. Pan Africa Christian College (Reg. 1989)

22. Nairobi Evangelical Graduate School of Theology (Reg. 1989)

23. Nairobi International School of Theology (Reg. 1989)

(**Source**: Commission for Higher Education, Kenya)

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY

Student Enrolment by Gender in Universities, 1999/2000-2003/2004

INSTITUTION	1999/2000		2000/2001		2001/2002		2002/2003		2003/2004	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Public Universities										
Nairobi	8,419	3,523	8,383	3,341	10,638	4,345	10,737	4,623	9,603	4,406
Kenyatta	4,188	3,008	4,510	3,019	10,638	4,314	10,737	4,998	10,753	5,023
Moi	3,483	2,312	4,753	1,960	5,469	2,310	6,275	2,638	5,804	2,812
Egerton	7,131	2,842	5,998	1,968	6,816	2,284	6,975	2,387	6,908	2,444
Jomo Kenyatta (JKUAT)	2,511	626	2,992	1,288	2,565	1,115	3,184	1,404	3,203	1,454
Maseno	2,338	1,385	2,596	1,538	2,531	1,518	3,505	2,130	3,429	2,178
Sub-total	28,070	13,696	29,232	13,114	38,656	15,887	41,412	18,181	39,699	18,317
Private Universities										
Private Accredited	3,186	3,816	3,093	4,050	3,122	4,089	3,476	4,163	3,650	4,371
Private Unaccredited	777	346	876	472	949	511	748	742	763	757
Sub-total	3,963	4,162	3,968	4,521	4,071	4,600	4,224	4,905	4,412	5,128
Total	32,033	17,858	33,200	17,636	42,727	20,486	45,635	23,086	44,111	23,445
Grand total	49,891		50,836		63,214		68,721		67,556	

Source: Ministry of Education, Science and Technology