

**CREDIT REFERENCE BUREAUS, LOANS ADVANCEMENT AND
RECOVERY PERFORMANCE BY THE HIGHER EDUCATION LOANS
BOARD OF KENYA**

BY

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DECLARATION

This research project is my original work and has not been presented in any other university.

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I take this opportunity to first, thank God for good health and for bringing me this far. I too extend my appreciation to everyone who assisted me in completing this study. I warmly convey my gratitude to my supervisor for his encouragement and patience in reading, correcting, critiquing and directing this work up to its completion.

DEDICATION

I dedicate this work to my family who motivated, cared and sacrificed throughout my studies. Their love, care, concern, support, encouragement and enthusiasm inspired me to achieve this goal.

ABSTRACT

The Higher Education Loans Board (HELB) has been experiencing a problem of uncertainty when allocating funds and when recovering the loans from students who pursue higher education. This study sought to determine the effect of the Credit Reference Bureaus on loan advancement and recovery at the HELB, in Kenya. The study adopted a case study design. The study used an interview guide to collect data from the managers of departments at the HELB headquarters in Nairobi. The study found that the information obtained from the CRBs facilitates easy verification of the students loan details, certification of the guarantors, helps in assessing the ability of the loanees' guarantors to pay in case the loanees defaults the loan, and saves time when processing loans. The use of CRBs services has been very beneficial to the HELB as it has increased efficiency while saving time consumed when processing loans. The CRB services have also been of great value to the HELB as it avails information which would otherwise be hard to get. This helps in loan processing and determination of the amount of funds to be award to students. The use of the CRB services facilitates has also led to increase of recovery figures, helps to identify hidden and unidentified loan defaulters and reduces credit risks associated with loan defaults at the HELB. The study recommended that the CRBs create awareness to other financial institutions on the importance of adoption of their services, in order to make consumers aware of their role in increasing price competitiveness of credit facilities by adopting good credit behaviour among consumers and lowering default rates on loans.

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ACRONYMS

CBK- Central Bank of Kenya

CRBs-Credit Reference Bureaus

CSLP-Canada Student Loan Program

HEIs.-Higher Education Institutions

HELF-Higher Education Fund

ICL-Income Contingent Loans

IMF-International Monetary Fund

KBA-Kenya Bankers Association

MOHEST-Ministry of Higher Education Science & Technology

RBV-Resource Based View theory

OECD-Organization for Economic Co-operation and Development,

USLS-University Students' Loan Scheme

CHAPTER ONE: INTRODUCTION

1.1 Background on the study

The Resource Based Theory has been criticized for lacking sufficient focus on how and why certain firms have competitive advantage in situations of rapid and unpredictable change (Eisenhardt and Martin, 2000), and for overlooking the managerial coordinative processes by which firms assemble and leverage knowledge assets. In response, strategy researchers have offered an extension of the Resource Based View (RBV) and other strategy perspectives in the form of a ‘dynamic capabilities’ view of competitive strategy (Kogut and Zander, 1992; Teece et al., 1997). Dynamic capabilities refer to capabilities by which managers ‘integrate, build, and reconfigure internal and external competencies to address rapidly changing environments’ (Teece et al., 1997). Kogut and Zander, (1992) refer to ‘combinative capabilities’ as the ability to acquire and synthesize knowledge resources and build new applications from those resources, especially in a changing environment.

Expanding access to higher education has been a vital task to most countries. Access to higher education has been essential not only for national development, but also for individual advancement (Altbach, 2006). However, governments in many countries have been under financial constraints to adequately support their higher education institutions (HEIs). Higher education has had to compete for limited public revenue with other compelling needs of the economy, such as basic education, social welfare, public health and public infrastructure (Johnstone, 2007).

This study uses the RBV theory to conceptualize the operations of the HELB. As used in the study, the Resources Based View theory argues that collections of resources within a firm enable it to have unique attributes and hence better performance (Barney, 1991). The resources for HELB include individual and group resources. The group resources include organizational resources, physical resources and human resources (Barney, 1991). The theory of RBV is developed in the field of strategic management, and constitutes a theory about the nature of the firm, rather than seeking to explain why

firms exist. In effect, the RBV is a concept of how firms actually operate. (Lockett et al, 2009). This theory informs on how a country such as Kenya uses her resources (loans) to generate more man power (intellectuals). The HELB gives loans to students to pursue higher education who later acquire knowledge (human capital). The students are ideally supposed to repay the loans later after they are through with their education. Thus a country can create human capital using resources within the country. RBV theory is based on the assumption that resources are heterogeneously distributed across firms, and that this distribution is long lasting.

A key strategy to increase access to higher education in many countries has been to implement a student loans scheme as a means of sharing the costs involved in the expansion of higher education (Albrecht and Ziderman, 1993; Woodhall, 2004). Loans scheme transfers higher education costs from a significant reliance on governments and taxpayers to parents and students, based on the rationale that greater equity in access to higher education is achieved through the user-pay system (Johnstone, 2004). When students and parents assume the costs of higher education through tuition fees, the government can spend the excess funding resulting from this shift in cost burden on financial aid to needy students. In this way, loans schemes have the potential to reform financial efficiency and accessibility of higher education.

1.1.1 The concept of credit referencing

The credit referencing concept is when the major lending institutions agree to share details of their customers' credit performance. This means that when someone applies for credit, the lender can check how they have repaid other lenders in the past and how they are repaying their current credit facilities. They can also check how much the consumer already owes to other lenders and how they are managing these existing credit agreements, to help them decide if the consumer is a good candidate to advance further credit. To enable the lenders to see each other's information, the information is stored with an agency called Credit Referencing Agencies or bureaus (Heider, Bolaños, and Lupiac, 2000).

This information however, can only be shared with their customers' permission. When a consumer applies for credit, they usually give the lender permission to share information with other lenders through the Credit Reference Bureaus (CRB's). The information shared includes details about the application and about any credit the new lender grants. These lenders update the database of the bureaus regularly under the strict rules (Principles of Reciprocity) which have been agreed by the lenders who share information as members of the scheme. These rules clearly say how the information may be used (Heider, Bolaños, and Lupiac, 2000).

1.1.2 Credit Reference Bureau

Credit Reference Bureaus (CRBs) are companies that collect information from various sources and provide consumer credit information on individual and corporate consumers for a variety of uses. The organization provides detailed information on a person's credit history, including information on their identity, credit accounts and loans, bankruptcies and late payments, as well as recent credit inquiries. Other information shared include: proven frauds and forgeries; cheque kiting; false declarations and statements; receiverships, bankruptcies and liquidations; credit default and late payments; use of false securities; and misapplication of borrowed funds. The borrower could be individuals, businesses, companies, sole proprietors and Government entities. The information provided by CRBs helps lenders assess the credit worthiness of the borrower, their ability to pay back a loan. The information provided can affect the interest rate and other credit terms. Prospective lenders access the information only when they have permissible reason as defined in law, to determine the borrower's creditworthiness (Sullivan and Sheffrin, 2003). The individual information collected by CRBs is made available on request to customers of the credit bureau for the purposes of credit risk assessment, credit scoring or for other purposes such as employment consideration or leasing an apartment.

In a nutshell, CRBs plays three roles: first, they enable lenders to lend to more and better credit risk clients and to better determine the bad loan spread that they need to cover arising from expected losses of credit. Second, CRBs reduce the borrowing cost

by forcing creditors to be more competitive for good borrowers. The reduced cost for good credit risks clients motivates the borrowers to be more diligent with their loan repayments. Third, CRBs reduce moral hazard by developing a good credit culture where they operate as borrowers become aware that the credit market becomes aware of their credit history and rewards or punishes them accordingly (Sullivan and Sheffrin, 2003).

Lending and recovery of debt is a challenging proposition in any setting particularly in the developing world, where the legal or judicial enforcement is weak, where information about the ability and willingness to repay of applicants is not readily available and where many of the prospective lenders are from a poor household/ firms; many of whom have never before borrowed and cannot pledge collateral to guarantee repayment (Levine, 1997).

In Kenya, the Banking (Credit Reference Bureau) Regulations, 2008 was operationalised effective 2nd February 2009. The legislative supplement number 31 of the Banking Act of 2008 outlines the activities the CRB may engage in limited to: Obtaining and receiving customer information, store, manage, evaluate, update and disseminate the customer information to subscribers in accordance with the set regulations in the act, compile and maintain databases and generate reports from customer information databases, address creditworthiness of a customer, sell to institutions specialized literature and other information materials related to these activities, carry out market and statistical research relating to matters covered in the act, and carry out any other activity as may be approved by central bank from time to time in accordance with the act, (The Kenya Gazette, 2008).

CRBs therefore complement the central role played by banks and other financial institutions in extending financial services within an economy. They help lenders make faster and more accurate credit decisions. They collect, manage and disseminate customer information to lenders within a provided regulatory framework. Credit histories not only provide necessary input for credit underwriting, but also allow borrowers to take their credit history from one financial institution to another, thereby

making lending markets more competitive and, in the end, more affordable. Credit bureaus assist in making credit accessible to more people, and enabling lenders and businesses reduce risk and fraud. Sharing of information between financial institutions in respect of customer credit behavior, therefore, has a positive economic impact, (<http://www.centralbank.go.ke/index.php/bank-supervision/credit-reference-bureaus>, 2013).

Recent research based on information from several countries across the globe (Singapore, Iraq, China, Romania, Vietnam, Cambodia, Brazil, Hong Kong etc.) has supported these views that the existence of credit reference bureaus is associated with increased lending volume, growth of consumer lending, improved access to financing and a more stable banking sector (Larrain, Reisen, and von Maltzan, 1997; Reisen and von Maltzan, 1999)

1.1.3 Student Loan Advancement and Recovery

Student Loans are part of the Government's financial support package for students in higher education in the public universities. They are available to help students meet their expenses while they are studying. Albrecht and Ziderman, (1993) claims that loan programs existed in over 50 developing and industrial countries (then), and have most commonly been introduced to assist students to pay their living expenses. In some cases, they are used to support direct payments of instructional costs, and thus to expand the resource base of institutions. They suggest that in order to improve financial effectiveness, programs should be targeted toward the neediest students.

International comparisons of loans schemes abound in academic literature (Johnstone & Marcucci, 2010), with a focus on the differences in higher education accessibility and loans systems among OECD countries (Organization for Economic Co-operation and Development, 2009), developing countries in Sub-Saharan Africa (Johnstone, 2004b), Latin America (Murakami & Blom, 2008) and South Asia (Chapman, 2006). In addition, other studies have focused on countries that have successfully implemented Income Contingent Loan (ICL), such as Australia (Chapman & Ryan, 2002) and the U.K. (Greenaway & Haynes, 2003); and countries that have implemented ICL as an

option, such as the U.S. (Schrag, 2001) and Canada (Finnie & Usher, 2006). While most of these studies analyze the impact of specific loans schemes to higher education accessibility in order to inform the planning of an effective loans policy, they largely do not discuss student loans policies in relation to the expansion of higher education from a historical perspective. One reason may be that a causal relationship between loans policy and higher education expansion cannot be assumed or even established due to the lack of appropriate data.

Student loan schemes in developing countries, including Kenya, have not been effective, while several such schemes have been abandoned altogether (Albrecht, 1995). Efficiency has been jeopardized by pressure to maintain social equity. The loan scheme in Kenya has had very high rates of default and evasion and tracking down past beneficiaries has been painfully slow with not much success. Cases of irregularities in loan disbursement are not rare. Whereas the recovery rate in Kenya has lately significantly increased, administrative costs have been on the rise, even as the loan agency aims at maximizing monthly recoveries. Though the loan scheme now recovers approximately Kshs. 200 million (about 50% of monthly loan disbursements) every month, the realization of a fully self-financing loan scheme is still farfetched, and the revolving fund may not be established as soon as previously targeted. This is because for the revolving fund to be established, annual recoveries must exceed disbursements.

Maintaining credibility of information provided by the students applying for the loans has been a major challenge to the loan agency. In addition, many eligible and disadvantaged students have been unable to get loans and bursaries while others who are not genuine cases have benefited. It is therefore very important that cost-sharing should be implemented with careful targeting of the very needy students (Albrecht, 1995).

1.1.4 Higher Education Financing In Kenya

The genesis of financing higher education in Kenya through loans dates back to 1952 when the then colonial government started giving out selective loans under the Higher Education Loan Fund (HELF) to Kenyans pursuing education in universities outside

East Africa, notably Britain, the USA, the former USSR, India and South Africa. This was later on revised after independence with the establishment of a new loan scheme in 1974 after the establishment of the University of Nairobi (UoN). The main aim of the new loan scheme was to assist students finance their university education while at the same time reducing government expenditure in higher education. University students were then obligated to pay part of their tuition while the government covered other expenses. The Ministry of Education (MoE) prepared annual budgets, managed the loan scheme in liaison with the disbursing bank (the National Bank of Kenya) and was solely responsible for the recovery of loans from graduates.

Following recommendations by the Ndegwa Report (1992) and the Presidential Working Paper on Education and Manpower Training for the Next Decade and Beyond (Government of Kenya, 1988), a new strategy for the selection of needy students was adopted. As part of the reform, a direct fee of Kshs 6,000 was introduced in 1991, alongside a university bursary scheme. This however was not received well by the students, as had happened in other countries such as Uganda, Nigeria and Botswana (Kipsang⁷, 2002).

In reality it was a reactivation of the old program, which was not discontinued in essence, as it was only the funding from the government that was stopped. The program was renamed the University Students' Loan Scheme (USLS), and was a division under the Ministry of Education known as the Loan Disbursement and Recovery Unit. Its main functions at that time were to promote equal opportunity to qualified students irrespective of their backgrounds, to reduce drop-out rates by providing economic incentives to university students, to provide a continuous source of finance through a fund that would eventually become self-sustaining and to complement the government's financial commitment to university education. This unit however did not have any clear-cut policies guiding its operations. Despite outlining such impressive objectives, nothing was practically done to ensure that they were achieved. No attempts were made at recovering the funds that were literally dished out to university students whose number grew rapidly. The budgetary allocation from the Ministry of Education to the

loan scheme grew from 3% to 6% in ten years from 1974, and was the fastest growing component of university education (Otieno, 2002).

According to Owino, (2003) there are several factors which accounted for this poor performance of the loan scheme. First it was started in an unplanned approach; hence no precautionary measures were taken. Second, the programme lacked trained personnel, who were mostly drawn from the Ministry of Education, instead of staff that were experienced and skilled in debt management such as those from banks. Third, the beneficiaries were neither educated in their obligations nor the benefits resulting from repayment. The extent to which students rioted every time changes were introduced to the scheme is testimony to this. Fourth, the loan scheme lacked a legal basis, making loan recoveries unenforceable, as should be the case with other forms of lending. Other legal obstacles prevented recovery of the loans. For instance, the Limitations of Actions Act, which renders any debt not claimed within six years from the time it is due, unrecoverable. The new loan scheme has however been exempted from this law with the enactment of the HELB Act in 1995.

Faced with such hurdles, a rapidly growing university student population and more constrained resources, the government was forced to rethink its university financing policy. Subsequent to recommendations from the World Bank and the IMF, a semi-autonomous agency was established through an Act of Parliament. The Higher Education Loans Board (HELB), henceforth referred to as the Board, was established in 1995 to manage the revised student loan scheme (Owino, 2003).

The Board was to initially get funding from the government, though it would eventually become self-sustaining through funds obtained from the loan scheme. Currently, the Board receives approximately 100,000 applications annually from students in both public and private chartered universities. Funds received from the Exchequer stand at 50% of the total loans that the Board gives out to students annually, but tops up this loan portfolio from monthly recoveries to the tune of 200 million Kenya shillings (Owino, 2003).

1.1.5 The Higher Education Loans Board

Various loans schemes have been in operation in around 75 countries, with the largest loans schemes found in advanced economies such as the United States and Australia (Shen & Ziderman, 2009). Two basic forms of student loans exist, with variations of each or hybrid versions of the two (Johnstone, 2004), and the type of repayment schedule being the major difference among them (Salmi & Hauptman, 2006). The conventional mortgage-type loan is characterized by fixed interest rate and repayment period, with the burden of repayment being the varying element; while the progressive loan type — income contingent loans (ICL) — requires an obligation to commit a fixed proportion of the borrower's future earnings until the loan is repaid. ICL was introduced in Australia in 1989 and the U.K in 1997, and more recently in transition and developing economies (Albrecht & Ziderman, 1991; Johnstone, 2007).

The Higher Education Loans Board (HELB) was established in 1995 to manage the student loan scheme in addition to formulating sound policies that would assist the government in financing higher education (Government of Kenya, 1995a). The Board was to initially get funding from the government, though it would eventually become self-sustaining. Currently, the Board receives approximately 100,000 applications annually from students in both public and private chartered universities. Over 90% of the applicants are usually successful and get varying amounts of loans and bursaries. Funds received from the government stand at 50% of the total loans that the Board gives out to students annually, but tops up this loan portfolio from monthly recoveries to the tune of 50% (or 200 million Kenya shillings) of the total loans given out.

The Board derives its functions from the Act and has the following main objectives: Disbursement of loans, scholarships and bursaries to needy Kenyan students in institutions of higher learning both locally and abroad, Recovery of loans from students who were beneficiaries of Kenya government loans since 1974 to date, Establishment of a viable revolving fund for future sustenance of student loans, bursaries and scholarships. The Board's other activities include among others: • Formulation of policies for regulating the management of the education fund, Setting criteria and conditions governing the granting of loans including the rate of interest and recovery of

loans, Processing loan applications and determining the maximum number of eligible applicants to be awarded the loan, Recovery of matured loans and investment of surplus funds (Ayoo, 2002).

Due to financial constraints, the Board is eligible to award loans to needy Kenyan students admitted to the public universities through the Joint Admissions Board and also needy Kenyan students who attend public and private universities and other institutions recognized by the Commission for Higher Education. According to the cost-sharing policy, a student currently pays about Kshs 120,000 per annum to train at a public university. Of this amount, the HELB awards a maximum loan of Kshs 60,000 and a bursary of Kshs 8,000 to very needy students. Other loan amounts awarded are Kshs 35,000, Kshs 40,000, Kshs 45,000, Kshs 50,000 and Kshs 55,000. The students are expected to raise the difference from other sources. For the 2002/2003 academic year, the minimum loan awarded was raised from Kshs 20,000 to Kshs 35,000 due to complaints from students, (Gathuru, 1991).

1.2 Problem Statement

Off shoring, both as internal process and business strategy, could be an outcome of successful management of resources, and may itself represent a direct application of firm-level capabilities as envisioned by the RBV. At the same time, however, off shoring may reflect the commoditization of a production function and erode benefits derived from management of resources and capabilities if it becomes an activity that is widely imitable and not unique to a firm or confederation firms. The Dell example, and others unreported, may argue that there are real limits to the competitive benefits of off shoring, at least for some industries and companies. The focus of the dynamic capabilities perspectives on rapid change captures the environment in which firms consider – often under intense pressure from competitors and the external environment – how and where to deploy and redeploy assets across geographic space. As both Farrell and Levy acknowledge, this process is at the core of the motivations for outsourcing. As is the case under the RBT framework, some firms' combinative capabilities lie in their

ability to arrange, organize, and coordinate offshore outsourcing for others, (Farrell, 2005; Levy, 2005).

In the last eighteen (18) years, HELB has supported many Kenyans who could not afford to pay fees for university education and training through provision of loans, bursaries and scholarships. However, today the number of students pursuing higher education is very high which burdens the HELB. Thus some reforms are required to restructure HELB to become a financial institution in order to mobilize resources in the financial market, solicit government funding, manage endowments, foundations, trusts and other initiatives, prudently invest funds not required immediately, and recover loans advanced to students. The resource base from these sources should enable it to establish and manage a revolving fund. Also measures should be put to ensure that funds mobilized from various sources, revolving fund and investments are used to adequately respond to the demand for financial assistance by students (Task force on education, 2012).

Previous studies done in Kenya provide scanty information on the effect of credit referencing on the HELB operations. For example, Otieno, (1997) did a study on programme performance evaluation using a case of University students loan programme in Kenya. The study found that the loan programme in Kenya exhibited elements of inefficiency and ineffectiveness. The failures of the loan programme were seen in the low loan recovery ratio, restrictive admission policies and a traditional, non-innovative curriculum offered by institutions not responsive to labour market incentive and distinctive structure and over-dependence on one source of revenue, (Ayoo, 2002). The study established that the transfer of funds by way of the education system was generally progressive between regions but regressive between socio-economic groups and economic sectors.

From the above studies it is evident that there had been no known study on the impact of credit referencing on the loan advancement and recovery in Kenya. This study sought to determine the influence of Credit Reference Bureaus on the loan advancement and recovery at the HELB in Kenya?

1.3 Research Objectives

This study had three objectives:

- i. To determine the influence of Credit Reference Bureaus on the loan advancement and recovery at the HELB in Kenya.
- ii. Establish the extent of adoption and use of the Credit Reference Bureaus at the HELB in Kenya
- iii. To assess the effectiveness of adoption of credit reference bureaus at the HELB in Kenya.

1.4 Value of the Study

The findings of this study are of great importance to various stakeholders. These include the government of Kenya, the HELB, the ministry of higher education in Kenya, CBK, the students and the scholars among others.

The government will get important information on how to develop policies and regulations on use of CRBs in Kenya. The ministry of higher education will also benefit as it will use the findings in structuring regulations pertaining students financing in Kenya.

HELB will use the findings to formulate more procedures and come up with effective mechanism of tracking loanees. This will serve to increase the level of recovery and effective equity ascertainment.

CBK will use the findings to formulate and regulate on credit referencing in Kenya. It can increase the number of the firms or formulate new laws on the existing ones. This regulation will be helpful as it will enhance the level of credit information in the market.

To The Scholars and Academicians, the findings will provide a benchmark upon which more studies can be undertaken. Moreover, the findings will add value to the existing knowledge on credit referencing in Kenya. This will be useful to the future researchers as it will act as a reference.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter presents the theoretical review which includes the enforcement theory of strategic management. The chapter also discusses the rationale of the strategic management practices and finally the Higher Education Loans Board of Kenya.

2.2 Theoretical foundation of the study

The issue of firm performance has been central in strategy research for decades and encompasses most other questions that have been raised in the field, for instance, why firms differ, how they behave, how they choose strategies and how they are managed.

In the 1990s, with the rise of the resource-based approach, strategy researchers' focus regarding the sources of sustainable competitive advantage shifted from industry to firm specific effects (Spanos and Lioukas, 2001). Initiated in the mid-1980s by Wernerfelt (1984), Rumelt (1984) and Barney (1986), the Resource-Based View (RBV) has since become one of the dominant contemporary approaches to the analysis of sustained competitive advantage. A central premise of the RBV is that firms compete on the basis of their resources and capabilities (Peteraf and Bergen, 2003). Most RBV view researchers choose to look within the enterprise and down to the factor market conditions that the enterprise must contend with, to search for some possible causes of sustainable competitive advantages holding constant all external environmental factors (Peteraf and Barney, 2003). This inward-looking approach has proven to be both influential and useful for the analysis of many strategic issues (Foss and Knudsen, 2003), among which the conditions for sustained competitive advantage and diversification.

The Resource-Based View (RBV) emphasizes the firm's resources as the fundamental determinants of competitive advantage and performance. It adopts two assumptions in analyzing sources of competitive advantage (Barney, 1991 and Peteraf and Barney, 2003). First, this model assumes that firms within an industry (or within a strategic group) may be heterogeneous with respect to the bundle of resources that they control.

Second, it assumes that resource heterogeneity (or uniqueness) may persist over time because the resources used to implement firms' strategies are not perfectly mobile across firms (i.e., some of the resources cannot be traded in factor markets and are difficult to accumulate and imitate). Resource heterogeneity is considered a necessary condition for a resource bundle to contribute to a competitive advantage. The argument is that if all firms in a market have the same stock of resources, no strategy is available to one firm that would not also be available to all other firms in the market (Cool, Almeida Costa and Dierickx, 2002).

The RBV is an efficiency-based explanation of performance differences (Peteraf and Barney, 2003): performance differentials are viewed as derived from rent differentials, attributable to resources having intrinsically different levels of efficiency in the sense that they enable the firms to deliver greater benefits to their customers for a given cost (or can deliver the same benefit levels for a lower cost) (Peteraf and Barney, 2003). The assumed heterogeneity and immobility are not, however, sufficient conditions for sustained competitive advantage. According to Barney (1991), a firm resource must, in addition, be valuable, rare, and imperfectly imitable and substitutable in order to be source of a sustained competitive advantage. In her 1993's paper, Peteraf presents four conditions underlying sustained competitive advantage: superior resources (heterogeneity within an industry), ex post limit to competition, imperfect resource mobility and ex ante limits to competition. Peteraf and Barney (2003) make clear that Barney's (1991) and Peteraf's (1993) frameworks are consistent once some terms are unambiguously defined. The RBV has developed very interesting contributions, among others, with regard to imitation with the concepts of isolating mechanisms (Rumelt, 1984), time compression diseconomies, asset mass efficiencies, and causal ambiguity (Dierickx and Cool, 1989). Recently, much resource-based research has focused on intangible assets, which include information (Sampler, 1998), knowledge (Spender, 1996), and dynamic capabilities (Teece, Pisano and Shuen, 1997).

As work on the resource-based view has progressed, it has become clear that the resource based view extends not only to the assets of an organization but also to its capabilities (Henderson and Cockburn, 1994). For purposes of this analysis, we define

organizational resources and capabilities as follows; A resource refers to an asset or input to production (tangible or intangible) that an organization owns, controls, or has access to on a semi-permanent basis. An organizational capability refers to the ability of an organization to perform a coordinated set of tasks, utilizing organizational resources, for the purpose of achieving a particular end result.

Both resources and capabilities may evolve and change over time in important ways. This analysis focuses on the evolution of capabilities, deferring an analysis of resource evolution to another time and place. We also classify capabilities as either ‘operational’ or ‘dynamic,’ while recognizing that other categories may prove useful in future analyses. Winter (2000) defines an operational capability as ‘a high-level routine (or collection of routines) that, together with its implementing input flows, confers upon an organization’s management set of decision options for producing significant outputs of a particular type.’ In this definition, the term routine refers to a repetitive pattern of activity. An operational capability generally involves performing an activity, such as manufacturing a particular product, using a collection of routines to execute and coordinate the variety of tasks required to perform the activity.

Dynamic capabilities, do not involve production of a good or provision of a marketable service. Instead, as noted above, dynamic capabilities build, integrate, or reconfigure operational capabilities. Dynamic capabilities do not directly affect output for the firm in which they reside, but indirectly contribute to the output of the firm through their impact on operational capabilities. Zollo and Winter (2002) also note that, like operational capabilities, dynamic capabilities consist of routines. For example, a dynamic capability such as post-acquisition integration is composed of a set of routines that integrates the resources and capabilities of the merged firms.

2.3 Strategic Management Practices

HELB has adopted various strategic management practices. One of the most recent and significant is the use of credit reference bureaus (HELB Review, 2002).

Strategic management has gained importance in recent years. During last century organizations focused on long-term planning. Long-term planning supposed that external and internal environment will remain stable for long period of time and thus they made plans for long duration. Today it is clear to the managers and entrepreneur's that environment can change at any point of time (David, 2004), and their plans should follow a strategy that includes contingency planning too.

Strategic management is an ongoing process of formulating strategies for the organization that bring profit to the organization and create harmony between organization and its environment. It lists the strengths that the organization already possess for the achievement of its objectives; weaknesses that hinder in goals accomplishment; opportunities and markets that can be exploited in favor; and threats that are present in external and internal environment: this is in short called SWOT analysis. While making decisions about the strategy the organization analyzes what are the distinctive competencies the company already possesses. Distinctive competency can be a valuable asset for the company. Distinctive competencies make the process of strategy formulation much more directional and successful (David, 2004).

Money lending is one business which is almost as old as time. In the different eras of world history, money lending had existed in one form or the other. In the present dispensation, lending institutions have modernized the money lending business and this has made it a lucrative and extremely well organized industry. HELB discovered that strategic management is the pathway to success. It has been generally noted in the business environment that more organizations succeed using business strategy and those organizations that do not use strategic management meet with failure and ruin. It allows a business to use forward thinking. In this process, it shows a business where they are currently, where they want to be and how to get where they want to be. Strategic management sets the goals of the business.

When strategic management is implemented the management team, executive officers, and stockholders identify the goals of the business. They identify where the business is now and what the business want to accomplish in approximately the next five years.

When making these decisions the strategic management team must set realistic goals. They need to consider the current market and the direction that the market is navigating towards, the competitors of the business, as well as the resources afforded to the business. Within this scope they must be open to new technology and new products and or services being offered and or developed. A primary concern is how the decisions made will affect the business and the consumer. An organization must consider what the consumer desires that they can offer within the scope of their business and how to win the consumer away from their competition. At the same time the business needs to factor in the desires of the stockholders within the organization. Strategic management spends a lot of time and resources balancing the objectives of the organization, the stockholders objectives, and the desires of the consumer, (Mohd, 2005).

2.4 Overview of Strategic Management

Strategic management is the process and approach of specifying an organization's objectives, developing policies and plans to achieve and attain these objectives, and allocating resources so as to implement the policies and plans. In other words, strategic management can be seen as a combination of strategy formulation, implementation and evaluation (David, 2005; Haim Hilman Abdullah, 2005; Mohd Khairuddin Hashim, 2005; Zainal Abidin Mohamed, 2005). Based on the Management Theory

The strategic management theories stem mainly from the systems perspective, contingency approach and information technology approach. In light of this background, following David (2005) and Mohd Khairuddin Hashim (2005), among the common strategic management theories noted and applicable are the profit-maximizing and competition-based theory, the resource-based theory, the survival-based theory, the human resource based theory, the agency theory and the contingency theory.

2.4.1 The Profit-Maximizing and Competition-Based Theory

The theory was based on the notion that business organization main objective is to maximize long term profit and developing sustainable competitive advantage over competitive rivals in the external market place. The industrial-organization (I/O)

perspective is the basis of this theory as it views the organization external market positioning as the critical factor for attaining and sustaining competitive advantage. In other words, the traditional I/O perspective offered strategic management a systematic model for assessing competition within an industry (Barney, 1995).

Agency theory, for example, examines the relationship between ownership structure and profit maximizing behavior. This perspective posits that the split between ownership and control in the modern corporation can lead to non-profit-maximizing behavior if the incentives of those in control (managers) are not aligned with those of owners. Thus, utility maximization at the individual level may impede profit maximization at the firm level. In the absence of aligned incentives, managers act to maximize their individual utility not organizational profit; i.e. if the decision makers in the firm do not share the goals of owners, individual utility maximizing behavior can lead to non-profit-maximizing behavior on the part of the firm (Barney, 1995).

2.4.2 The Resource-Based Theory

This theory stems from the principle that the source of firms competitive advantage lies in their internal resources, as opposed to their positioning in the external environment. That is rather than simply evaluating environmental opportunities and threats in conducting business, competitive advantage depends on the unique resources and capabilities that a firm possesses (Barney, 1991). The resource-based view of the firm predicts that certain types of resources owned and controlled by firms have the potential and promise to generate competitive advantage and eventually superior firm performance (Ainuddin et al., 2007).

The Resource Based View of the firm suggests that valuable, rare, imperfectly imitable, and non-substitutable resources can lead to sustainable competitive advantage and superior performance (Barney, 1991). Sirmon and Hitt (2003) provide arguably the most encompassing application of RBV to family businesses. They distinguish between five sources of family firm capital: human, social, survivability, patient, and governance structures, and argue that family firms evaluate, acquire, shed, bundle, and leverage their resources in ways that are different from those of nonfamily firms. Overall, they

believe that these differences allow family firms to develop competitive advantages. In support of this, Carney (2005) describes three characteristics of family firm governance parsimony, personalism, and particularism—that may lead to cost advantages, help in the development of social capital, and encourage entrepreneurial investments. Expanding on Sirmon and Hitt's (2003) proposal of patient capital as a family business resource, Miller and Le-Breton-Miller (2005) show in a study of large, long-living family firms that continuity and the power to institute changes without outside interference or control enables these firms to generate and make exceptional long-term use of patient strategies and relationships with stakeholders.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter provides information the research design methodology that was used in the study. The chapter is organized into subheadings which include research design, target population, sampling design, data collection and procedures and data analysis.

3.2 Research Design

This study adopted a case study design. Basically, a case study is an in depth study of a particular situation rather than a sweeping statistical survey. It is a method used to narrow down a very broad field of research into one easily researchable topic. Whilst it would not answer a question completely; it gives some indications and allow further elaboration and hypothesis creation on a subject.

The case study design was deemed the most appropriate where a detailed analysis of a single group of respondents is desired (Mugenda & Mugenda, 2003) as it provides focused and detailed insight to phenomenon that may otherwise be unclear (Mugenda & Mugenda, 2003).

3.3 Data Collection

The data was collected through an interview guide and analyzed through content analysis. The interview guide had open-ended questions. This helped the researcher to collect more qualitative data from the respondents.

The interview guide was used to interview five senior managers from the department of Loan Advancement and Recovery at the HELB head office in Nairobi, who were interviewed. The key informants of the study are shown in table 3.1.

Table 3.1 Key informants

Position	Frequency
Head of Operations	1
Lending Manager	1
Recovery Manager	1
Assistant Lending Manager	1
Assistant Recovery Manager	1
Total	5

The interviews were done at the HELB by research assistants contracted to undertake the interviews. The information was collected from the Head of Operations, Lending Manager, Recover Manager, Assistant Lending Manager and Assistant Recovery Manager.

The importance of using an interview guide was to obtain detailed information about respondents' feelings, perceptions and opinions, allow more detailed questions to be asked and achieve a high response rate.

3.4 Data Analysis

Proper procedures and methods of analysis need to be adopted so as to make valid, accurate and reliable conclusions. This study collected data by interviewing the relevant respondents to acquire high quality and reliable information. Part of the data collected was qualitative in nature. This data was analyzed using qualitative content analysis consisting of mean scores, standard deviations, frequencies analysis acquired using SPSS version 17 tool. Qualitative content analysis is a process designed to condense raw data into categories or themes based on valid inference and interpretation. This process uses inductive reasoning, by which themes and categories emerge from the data through the researcher's careful examination and constant comparison (Patton, 2002). The findings are presented in tables and charts.

According to Patton, (2002), qualitative research is fundamentally interpretive, and interpretation represents personal and theoretical understanding of the phenomenon under study. Thus care will be taken to make the findings a readable report by making sure that it provides sufficient description that allows other readers to understand the basis and the interpretation, and understand the description of the study. The results of qualitative content analysis will be compared with previous findings with a view of supporting the development of new theories and models or even validate existing theories, while providing thick descriptions of particular settings or phenomena and objectives of this study.

CHAPTER FOUR: DATA ANALYSIS AND PRESENTATION FINDINGS

4.1 Introduction

This chapter presents the findings of the data collected from the respondents of this study. The chapter has information on the demographics of the managers at the HELB loan advancements and loan repayments departments. The data is in prose form and in tables. A brief description of the findings accompanies the tables for clarity of the data details.

4.2 Demographic information

The study interviewed three (3) males (60%) and two (2) females (40%). This gave a good representation of the gender balance and representation in the leadership position. According to the Kenyan constitution, there should be no more than two thirds (2/3) persons of the same gender in leadership.

The age of a person reflects the maturity and experience of a person. Age of a person is used to calculate the dependence ratio of a country. This study collected information on the age distribution of the managers interviewed as shown in table 4.1.

Table 4.1 Age of the respondents

Age	Frequency	Percentage (%)
30-40 years	1	20%
40-50 years	3	60%
Above 50 years	1	20%
Total	5	100%

From the findings, three (60%) of the managers interviewed were in the age bracket of 40-50 years. One person was in the age bracket of 30-40 years and one person was in the category of those with more than 50 years. The age structure indicated a workforce with capacity to work efficiently without fatigue of old age.

The duration a person stays in a particular position or trade influences his/her efficiency in doing the activities of the designated post. The study collected information on the duration the interviewees worked at HELB.

Table 4.2 Duration of years worked at HELB

Duration	Frequency	Percentage (%)
5-10 years	1	20%
10-15 years	3	60%
Above 15 years	1	20%
Total	5	100%

The findings shown in table 4.2 indicates that majority of the people in the management had stayed in HELB for a period between 10-15 years. Others had worked in HELB for more than 15 years (20%) while others have worked in HELB for a period between 5-10 years (20%). This indicates that the management is made of people with very good experience on loan advancement and recovery.

4.3 Influence of CRBs on the loan advancement at the HELB in Kenya

The study sought to get establish the number of applicants who had applied to be considered for loans by the HELB and the number of applicants who were awarded HELB loans. The findings are shown in table 4.3.

Table 4.3 Number of loan applicants awarded HELB loans

	Number of loan applicants		Number of applicants awarded	
	Number	Percentage	Number	Percentage
Self-sponsored	37,272	28.72%	31,635	26.68%
GOK sponsored students	92,499	71.28%	86,937	73.32%
Total	129,771	100%	118,572	100%

The total number of students who had applied for loan assistance was 129,771. However, the study shows that more GOK sponsored students than self-sponsored students applied for the loans. From the findings, 71.28% of the total applicants were GOK sponsored students while the rest 28.72% were self-sponsored students. This differential gap could be explained by the fact that self-sponsored students are in most cases able to finance their education unlike the GOK sponsored students who are selected based on meeting a certain cut off point.

The findings show that out the 129,771 loans applicants 118,572 were assisted by HELB, representing a proportion of 91.37%. This shows that most of the loans applicants got assisted. The number of GOK sponsored students was 86,937 representing a percentage of 73.32% of the total students assisted while the self-sponsored students were 26.68%. This shows that majority of those who had applied for the loan from the HELB got assisted. The total amount of loan advanced to the students amounted to Kshs. 5,514,305,000.

4.4 Effects of using CRBs services on the loan advancement process

The study has established that HELB had adopted the services of a CRB at the time of the study. The study established that the services at the HELB were a bit slow before the adoption of the CRBs services by the HELB.

The use of CRB in loan advancement by the HELB has had various advantages compared to the old method where the HELB determined the validity and the authenticity of the loan applicants' information through the information the students supplied to them.

According to the findings, the use of CRBs was of prime importance to the process of loan advancement as it helps the HELB loan assessment team to process the loans for the students effectively and within a short period of time. The use of CRB by the HELB has made the process to be more efficient and quicker in ascertaining the truth of an applicant's information. Since the credit information is supplied to the HELB upon

request, the HELB can ascertain the ability of the guarantors of the loan applicants to pay the loan in case of default from the applicant.

The findings also shows that through use of the CRBs services the HELB have benefited the HELB assessment team in their loan advancement processes and procedures on credit information of the applicants to be more accessible. The ready availability of the information helps to make quick assessment and avoids the risk of making and arriving at wrong conclusions. The CRB services have made information for the loan applicants readily available especially for those seeking funds to take post graduate studies. This is because their information can be accessed easily on the spot and from reliable source thus the certification of the information at the HELB becomes easy.

The HELB also benefit from use of the CRB as they use the information to determine the loan applicant's amount they are supposed to be awarded. The information gotten from the CRB shows the loan repayment history of the loan guarantors and this provides the loan processing team at HELB with the right information that helps them determine the exact amount to award to a loan applicant.

4.5 Effectiveness of adoption of CRBs at the HELB in Kenya

The findings indicate that the use of the CRBs has enabled the HELB to be effective in loan recovery. This is because most of the loanees are well known and their information is available in the CRB. This has led to increased compliance by the loanees and less defaults.

According to the interviews conducted, HELB was able to collect a figure of about Kshs. 2.5 Billion. The study also noted that the Board had since inception supported more than 380,000 Kenyans with loans amounting to more than Kshs. 40 Billion to access higher education. On recoveries HELB recovers Kshs. 208 Million per Month [Compared to Kshs. 5 Million in 1995]. This increase in recovery figures was attributable to the penalty charges introduced and use of CRB services.

The process of the loan repayment processes and procedures using CRBs has helped HELB to trace loan defaulters according to the study findings. This is because the information of the loanees is now found in the CRBs and can be easily seen and the defaulters easily reached. The management team interviewed stated that the use of CRB services had been of great help to the HELB because the loan repayment processes and procedures were improved in preventing defaulters thus the use of CRB services at HELB reduced the credit risks associated with loan lending.

The managers interviewed perceived the use of CRB services as being very important and crucial in that apart from actually apprehending the defaulters, the awareness of the loanees that HELB was using the CRB services influenced them to pay their dues to avoid being listed by the CRBs. Use of CRB services in loan assessment and loan recovery has been a very successful and has generally brought efficiency and effectiveness in the loan assessment, allocation and even loan recovery processes.

4.6 Discussion of the findings

The study findings indicate that the HELB loans are applied for by more than 120,000 students each year. This agrees with Owino, (2003) findings that HELB receives approximately 100,000 applications annually from students in both public and private chartered universities. A case in point is the year 2012/2013 where a total of 129,771 students applied for the loan assistance.

There is however noticeable difference in the numbers of those seeking the funds based on the self-sponsorship and Government sponsorship. Majority of the funds seekers are GOK selected students (71.28%). According to Gathuru, (1991), the HELB is eligible to award loans to needy Kenyan students admitted to the public universities through the Joint Admissions Board and also needy Kenyan students who attend public and private universities and other institutions recognized by the Commission for Higher Education but does not state how much to be given to private or public universities (Gathuru, 1991).

HELB allocates loans and award bursaries to those students based on the level of need of the applicants. Those students who come from poor backgrounds are awarded the highest amount of loan and bursary. This is indicated by the high number of GOK who got assisted (73.32%) compared to the self-sponsored students (26.68%). According to the cost-sharing policy, HELB awards a maximum loan of Kshs 60,000 and a bursary of Kshs 8,000 to very needy students while students are expected to raise the difference from other sources (Gathuru, 1991). The In total the amount given out to students for assistance is above Kshs. 5.4Billion.

The study findings indicated that HELB has adopted the use of CRB services to improve their processes of loan assessment, allocation and loan recovery. According to Dankwah, (2012) under reciprocity agreements, CRBs obtain data from lenders and other sources, consolidate and package information into individual reports, and distribute it to creditors for a fee.

The student loan performance in Kenya exhibited elements of inefficiency and ineffectiveness. Albrecht and Ziderman (1995) report that average rates of loan recovery were as high as 67% in Sweden and Barbados, but as low as 10% in Kenya and Venezuela. From the study findings, the use of CRB services has increased the effectiveness of the process of loan assessment, allocation and recovery. This is because the information of the loan applicants is gotten very fast from the CRB and this has hastened the processes and made it more efficient for the loan processing and recovery teams at HELB.

Use of CRB service by the HELB has also made available the information which could otherwise be scanty, inaccessible or hard to get readily available. This has made the processes of loan to be quicker and more efficient. This is in line with the policies which provide the CRBs to store, manage, evaluate, update and disseminate the customer information to subscribers in accordance with the set regulations in the act (The Kenya Gazette, 2008).

The HELB loan assessors and allocators are able to certify the information given by the loan applicants with much ease as compared to when they were not using the CRB

services. This is because the information is gotten at a glance and also from a reliable source. According to The Kenya Gazette (2008), CRBs compile, maintain databases, generate reports from customer information databases and address creditworthiness of a customer.

Through the use of the CRB services, the allocation of loan funds to students depending on their needs has been very easy and without much strain. This is so because the credit histories not only provide necessary input for credit underwriting, but also allow borrowers to take their credit history from one financial institution to another, thereby making lending markets more competitive and, in the end, more affordable (CBK report on CRBs 2012)

HELB has been effective on loan recovery as a result of the use of the CRB services. The study established that HELB recovers Kshs. 208 Million per Month (Compared to Kshs.5 Million in 1995). This is due to the fact that the information of the defaulters is well known and circulated among the major financial institutions. This gives other services fair chance for a sustainable development as the money collected is enough to cater for others students. Johnstone, (2007) stated that Higher education competes for limited public revenue with other compelling needs of the economy, such as basic education, social welfare, public health and public infrastructure as 50% has been provided by the Government. The use of the CRB has enabled HELB recovery team to easily trace the hidden and unidentified defaulters. This is because the information is circulated within every major financial institution which uses the CRB services.

There is a reduction of loan defaults which is highly attributable to the integration and use of the CRB services at HELB. This facilitates a lot of people to get assisted and to access the higher education which would otherwise be costly for poor students. According to Johnstone, (2004), when students and parents assume the costs of higher education through tuition fees, the government can spend the excess funding resulting from this shift in cost burden on financial aid to needy students. In this way, loans schemes have the potential to reform financial efficiency and accessibility of higher education.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter provides information on the findings, conclusions of the study and the recommendations of the study. Lastly there is a section on the suggestions for further studies related to the current study.

5.2 Summary of the findings

The study found that HELB loans are applied every year by more than 120, 000 students. The latest figures for the year 2012/2013 indicate a total of 129, 771 students who applied for the loan assistance. Majority of the loan seekers are government sponsored students.

The HELB awards loans to students with regard to their need where students from poor backgrounds are awarded highest amount of loan and bursary while those from able backgrounds get relatively less amount per year.

The study established that HELB has adopted the use of CRB services to improve their processes of loan assessment, allocation and loan recovery. The CRBs get data from other lenders and sources store and keep the information which they distribute to creditors at a fee.

The HELB loan assessors and allocators are able to certify the information given by the loan applicants with much ease as compared to when they were not using the CRB services. This has made it possible to co-ordinate and distribute credit information in the financial sector increasing the financial sector. The use of the CRB has enabled HELB recovery team to easily trace the hidden and unidentified defaulters. This is because the information is circulated within every major financial institution which uses the CRB services.

Use of CRB service by the HELB has also made available the information which could otherwise be scanty, inaccessible or hard to get readily available. This has made the

processes of loan to be quicker and more efficient. There is also increased effectiveness of the process of loan assessment, allocation and recovery. This is because the information of the loan applicants is gotten very fast from the CRB and this has hastened the processes and made it more efficient for the loan processing and recovery teams at HELB.

5.3 Conclusions

The study concludes that HELB has adopted the services of CRBs to increase efficiency, quicken loan processes, allocation and even loan recovery. This is because the use of CRBs has been established to have more benefits and to be more accurate, easy and effective. The use of the CRB services influences the processes of loan advancement in several ways: the information obtained from the CRB facilitates easy verification of the students loan details, certification of the guarantors, helps in assessing the ability of the loanees' guarantors to repay the loan in case the loanees defaults, saves time, avails information which would otherwise be hard to get and in determination of the loan amount to award to students.

The adoption of the CRB services has been of great importance since the information and the services have brought positive contribution on recovery efforts. The use of the CRB services facilitates: increase of recovery figures, helps identify hidden and unidentified loan defaulters, reduce credit risks of loan defaults at the HELB.

The study concludes that the adoption of the CRB services at HELB has been of great importance to the loan advancement and loan recovery sections. This has had a positive influence and has been very effective in the loan awarding and recovery processes and procedures.

5.4 Recommendations

This research found out that the relevance of the CRBs cannot be over-emphasized within the financial industry in Kenya. The researcher finds it expedient to make the following suggestions after the findings and recommendations. To reduce cases of default of the loan at the HELB, financial institutions must make it as part of their duty

to educate customers about the functions of the bureau and how it will help in addressing the problem of the informative asymmetry between lenders and borrowers regarding the creditworthiness of the latter.

The study findings shows that use of CRB services facilitates: increase of recovery figures, helps identify hidden and unidentified loan defaulters and reduces credit risks of loan defaults. It is recommended that HELB and the CRBs should offer business advice to organisations lacking experienced board and management personnel who can help streamline their operations to enable them track the loans defaulters.

The study established that CRBs share credit information of the people in the country. To enhance the effectiveness of CRB it is recommended that there be constant collaboration and sharing of information between the financial institutions and the CRBs. This would improve the reports provided by CRBs to the financial institutions.

The study findings show that CRB share credit information of people, investors and entities which is very sensitive. The sensitivity of the credit information can scare away many institutions from sharing their credit history of their customers. To help customers understand and appreciate the work of the CRBs, it is recommended that CRBs develops a credible plan and adopts procedures to ensure that: questions, concerns and complaints of customers or financial institutions are treated equitably and consistently in a timely and efficient manner. There is also need for more education and sensitization be done by the already established CRB organizations in the country, to make consumers aware of their role in improving good credit behaviour among consumers, lowering default rates and increasing price competitiveness of credit facilities.

5.5 Suggestions for further research areas

The study focused on the use of CRB services and their effect on the processes of loan advancement and recovery at HELB. The case could be different in other financial intuitions which offer lending services to the public. It is thus recommended that similar studies be done in other financial institutions which offer lending services to their customers.

The study recommends that a similar study be done to determine the effect of use of CRBs services in the financial sector. This includes effects on default rate, payment of nonperforming loans in banks, SACCOs and other micro financial institutions.

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APPENDICES

Appendix: Interview Guide

The following sections provide sample questions to be used in evaluating the influence of credit reference bureaus on loans advancement and recovery performance by the higher education loans board.

Section A: Demographic information

1. What is your gender
2. What is your age?
3. How long have you worked with HELB
4. What is your position in HELB?

Section B: Loan advancements

1. What is the number of loan applicants this year?
 - a. Self-sponsored
 - b. GOK sponsored students
2. How many of the applicants were assisted?
 - a. Self-sponsored
 - b. GOK sponsored students
3. What is the total amount of loans advanced to students?
4. Has HELB adopted the services of CRBs to ascertain loan advancement?
5. How effective is the use of CRBs in loan advancement?
6. Have CRBs on the loan advancement processes and procedures saved time spent in the process of the loans?
7. Have CRBs on the loan advancement processes and procedures increased the efficiency in time management?
8. Have CRBs on the loan advancement processes and procedures quickened the loan awarding procedures?
9. Have CRBs on the loan advancement processes and procedures made credit information of the applicants accessible?

10. Have CRBs on the loan advancement processes and procedures helped HELB to certify the information of the loan applicants?
11. Have CRBs on the loan advancement processes and procedures helped HELB to certify the information of loan guarantors?
12. Have CRBs on the loan advancement processes and procedures helped HELB to ascertain the appropriate amount to give to loan applicants?
13. Apart from the above mentioned effects what other benefits have CRBs brought to loan advancement?

Section C: Loan repayment

1. How effective is the use of CRBs on loan recovery?
2. What is the total of loans recovered last year?
3. Have CRBs on the loan repayment processes and procedures helped/influenced HELB to trace loan defaulters?
4. Have CRBs on the loan repayment processes and procedures helped HELB to prevent loan defaults?
5. Have CRBs on the loan repayment processes and procedures helped the improvement of recovery figures?
6. Have CRBs on the loan repayment processes and procedures influenced many defaulters to pay their monies since its adoption?
7. What other ways has the use of CRBs helped HELB in recovery of loaned amounts to students?
8. What is the general performance of CRBs on loan advancement and recovery?

What comments/suggestions do you have on the use of CRBs on loan advancements and recovery?