

**RESPONSE STRATEGIES TO CHANGES IN  
MACROENVIRONMENT BY MIDDLE LEVEL COLLEGES IN  
NAIROBI CENTRAL BUSINESS DISTRICT, KENYA**

**BY  
OWAYA MICHAEL ETYANG**

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## DECLARATION

This research project is my original work and has not been presented for the award of degree in any other university or institution for any other purpose.

Signature .....

Date .....

**OWAYA MICHAEL ETYANG**

**D61/62970/2011**

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

Signature .....

Date .....

**DR.VINCENT MACHUKI**

**SCHOOL OF BUSINESS**

**UNIVERSITY OF NAIROBI**

## **DEDICATION**

To my dear family my wife Jackline, Daughter Euphemia, Sons Alex, Emmanuel and Meshack for being there for me with their tremendous support through prayer and belief in me throughout the duration of my studies.

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## **ABSTRACT**

Firms do not operate in a vacuum but in a given environment. It is from the macro environment that they draw the inputs such as raw materials which they eventually translate to outputs in the form of finished goods and services for external consumption. Organizations are environment dependent and environment serving and are in two way interaction, receive inputs from the environment transform or add value and return outputs in form of goods and services back to environment. Environment changes create pressures for change in organization and this means that they have to respond to the relevant external change and ensure that they survive. Response strategies are essential due to the fact that organizations are open systems and have a continuous interface and interaction with the external environment and as such these strategies will be triggered by the changes. The objective of the study was to determine response strategies to changes in macro environment by middle level colleges in Nairobi central business district, Kenya. The study adopted descriptive survey design. The population of the study consisted of all the one hundred and twenty middle level colleges operating in central business district. The study used primary data which were collected using a structure questionnaire. The findings of the study were that the changes in the environment emanated from political, economic, social, technological, environmental and legal factors. The study concludes that the response strategies pursued by the colleges play an important strategic role of creating value and improving business performance. As such the competitive advantage of middle level colleges in stems not from market position, but from the strategies which they implement and how it responds to the challenges they face. The colleges should continue reviewing the challenges facing the sector so that they avoid reacting to the challenges thus adopting strategies that will not lead to the achievement of desired objectives. Future research should be undertaken on the colleges operating in different environment and also on the relationship between colleges' response strategies and performance of the middle level colleges. The results of this study form an important base upon which further research on response strategies adopted by organization shall be undertaken. There is growing need for policy makers to bear in mind the macro environment changes affecting middle level colleges and their implication to quality and long term survival of this organizations.

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

Firms do not operate in a vacuum but in a given environment. It is from the environment that they draw the inputs such as raw materials which they eventually translate to outputs in the form of finished goods and services for external consumption. Hellman et al (1999) argued that business has intricate and important relationship with the environment with which it interacts. This explains therefore that the success of a firm is a product of very many actors within the environment which pose great challenges that have to be overcome by the organization for success. The changes in the macro environment have significant impact on how organizations operate .There is so many environmental uncertainties which are critical contingency for the firm. These uncertainties are creating the world on the move so as to cope. The strategies are at ends and these ends concern the purpose and objectives of the organization. Huber (1984) notes that as the pace of changes in the external environment accelerates organizations survival increasingly depends on devising entrepreneurial responses to unforeseen discontinuities.

The relationship that emanates from the operation of an organization as a system can best be explored and explained by an open system theory. Organization being an open system therefore depends on the environment for their survival.

Organizations are environment dependent and environment serving and are in two way interaction, receive inputs from the environment transform or add value and return outputs in form of goods and services back to environment. Therefore, what happens in environment affects them of which some are beyond the control of organization and further, the changes in the internal environment affect them. Environment changes creates pressures for change in organization and this means that they have to respond to the relevant external change and ensure that they survive.(Ansoff & McDonnell,1990).Therefore, there are two theories that can apply in this discussion namely the open systems theory and the contingency theory to explain this relationship.

The middle level colleges like other organizations operate in an environment and are open systems. In this case they are dependent on the environment. They are shaped by influences emanating from the economy at large, population demographics, societal values and lifestyles, governmental legislation and regulation, technological factors and Other external environmental factors that have influence outside the company's boundaries, important enough to have a bearing on the decision the company ultimately makes about its direction, objectives, strategy and business model. According to Ansoff and MacDonnell (1990) in the strategic hypotheses, note that the organization strategy and internal capability must keep changing to match the environmental conditions. Since they share in the circumstances of other organizations, their effective organization, leadership and decision making is contingent (dependent) upon the internal and external situations. Response strategies therefore become critical in helping the organization cope with the environmental turbulence.

### **1.1.1. Response Strategies**

Response strategies refer to what organization do to cope with the challenge or even exploit an opportunity. According to Hax and Majluf, (1996) a response strategy is defined as a means of investing selectively in tangible and intangible resources to develop those capabilities that assures a sustainable competitive advantage.

According to Pearce and Robison (1988) Response strategies is a set of decisions and actions that result in the formulation and implementation of plans designed to achieve a firm's objective. For the objectives to be achieved, the set plans and actions must be strategically fit to complexities and dynamism of a rapidly changing environment. Response strategies are essential due to the fact that organizations are open systems and have a continuous interface and interaction with the external environment and as such these strategies will be triggered by the changes. The response strategies will be concerned with decisions and actions meant to achieve objectives and purpose.

The response strategy can be divided into strategic responses and operational responses. Hitt et al, (2004) notes that strategic response or action is a market based move and involves a significant commitment of the organizational resources and is difficult to implement and reverse .In these regard the plans and actions must be strategically fit to the complexities and dynamism of the rapidly changing environment.

The operational response strategies include recruitment of qualified personnel, cost control, advertising, purchase of correct equipments, collaboration with other institutions, while strategic response as Porter (1985) proposed product differentiation, costs differentiation focus product differentiation and cost differentiation as strategies to be adopted by organization. Ansoff (1957) presented the matrix that focused on company's present and potential future products or areas of engagement.

Strategic management will enable a firm to position and relate itself to the environment to ensure continued success and be prepared of the uncertainties caused by changing environment (Ansoff and McDonnell,1990) to achieve the same, the firm's positioning through strategy and capability planning followed by real time response through issue management and lastly systematic management of resistance during strategy implementation are identified. These three parameters would enable the firm to cope with environmental changes.

### **1.1.2. The Concept of Macro Environment**

Hall (2004) defines environment as representing all those elements existing beyond the limits of the organization that may influence directly or indirectly the organization. It can further be understood from the perspective of the open system approach, Thomas (1994) notes that one should attach great importance to the idea that since organizations exist in a dynamic environment their resources are strongly affected by the forces of their environment.

There are different environmental levels. Thomas (1974), Leudecker and Bruno (1984) proposes three levels. These are general environment, operational environment and internal environment. The general environment is what constitutes the macro environment. It comprises of factors that originate beyond and usually irrespective of the single firm's operating situation they include the social, political, regulatory economic and technological conditions existing in a national or global context.

This environment presents firms with opportunities, threats and constraints, but rarely does a single firm exert any meaningful reciprocal influence (Pearce et al, 2008). Walsh (2005) and Johnson, scholes and Whittington (2008) presented the PESTEL acronym dimension to be used for the analysis of the macro environment. They further identified the presence of three basic and required core elements for the strategic planning process; they include strategic position, strategic choice and strategy into action. The environmental analysis forms the first step of strategic planning.

### **1.1.3 Tertiary Education Sector in Kenya**

Education as a complex system rooted in the society's political socio-cultural and economic context is primarily key to preparing the much needed workforce with proficiency, competencies and techniques required to develop and transform global economies of states and governments (Kipkebut, 2010.).The education system is therefore supposed to evolve in tandem with the dynamic needs and demands of the society it serves.

The UNESCO International standard classification of education defines education as comprising organized and sustained communication designed to bring about learning (UNESCO, 1975). Tertiary education in Kenya has historically been among the most significant sectors of the government concern. It is expected that students seeking tertiary education by 2015 will range between one hundred sixty thousand and One hundred eighty thousand, thereby increasing the proportion of those accessing tertiary education from 4.2% to 15% by 2020 (Kinyanjui, 2007). However, quality control and assurance remains one of the most critical issue in the revolutionary history of tertiary education albeit the existence of regulatory agencies to control and provide the framework upon which the expansion of institutions for tertiary education should be based. According to Kipkebut (2010) there has been an increasing demand for tertiary education due to job market requirements and increasing population.

There are 22-post secondary school institutions for tertiary education which have been granted authority by Commission for University Education to collaborate with local and international universities institutions for tertiary education to offer diploma and degree programmes. In 2010, the ministry of higher education, science and technology listed 592 post secondary school institutions operating country wide without registration and hence not accredited by Commission for University Education (Nganga, 2010b). While in January 2011, the ministry for higher education science and technology ordered some colleges to be closed because of operations without registration with the ministry of Education accreditation Commission for University Education (Lime et al; 2011).

It is estimated at 83 tertiary institutions as the numbers which are collaborating with local or international universities to offer degree programmes without accreditation from Commission for University Education (Ngure, 2012).

The private middle Level Colleges play a significant role in providing tertiary education in Kenya. They compliment the government owned public middle level colleges in providing career focused education and training programmes to the post secondary clientele. The middle level colleges bridge the gap between supply and demand of tertiary education, a demand that ordinarily cannot be met by public funded colleges. By 2012, the country has over 790 registered middle level colleges and over 405 colleges in Nairobi.

## **1.2 Research Problem**

The macro- environmental changes influence middle level colleges in many ways and there volatility. The political anxiety, social-cultural reforms, technological advancement and global changes are some of the challenges that have greatly affected the growth of the tertiary education sector in Kenya. These environmental factors require a deep understanding by management in order to correctly respond to the market. Failure to correctly respond in time can have devastating consequences (Dess et al., 2006).

In the business environment, budget oriented planning and forecast-based planning methods are insufficient for organization to survive and prosper. The firm must engage in a strategic planning that clearly defines objectives and assess both the internal and external situation to formulate strategy, implement it, evaluate the progress, and make necessary adjustment necessary to stay in track (Thompson and Strickland, 2003).

Even as middle level colleges play a critical role in Kenya's socio economic development. The changes in the macro environment are making life very complex for these institutions in Kenya. Consequently, to survive, middle level colleges must engage in assessing the macro environment factors and their influence to the organization for them to really cope. These institutions have to adopt response strategies and the response strategies must be appropriate for its resources, environment circumstances, and core objectives. The process involves matching the company's strategic advantages to the business environment the organizations face.

Various scholars and researchers in respective industries have carried out studies on the generic strategy. Waihenya (2005) studied the responses of government technical training institutions to competition while Mbai (2006) studied responses of SACCO's to changing operating environment. Lahampaa (2006) studied the responses of higher education Loans Board to environmental changes. Muchuru (2010) did a study on the responses of liquefied gas (LPG) brand owners to changes in the operating environment in Kenya while Mwatua (2010) studied response strategies by Kenya power and Lightning company to challenges of enterprise resource planning system.

The bottom-line in all these studies underscore the fact that organizations institutions must respond to environmental changes for them to survive. However contextual differences make it not possible for the results obtained to be applied to any other organizations. Little is known on the response strategies adopted by middle level colleges to the changes in the macro environment.

It is in this regard that the researcher seeks to fill the existing gap by answering the question regarding the response strategies adopted by middle level colleges to the changes in the macro environment. As such the question is, what are the response strategies adopted by middle level colleges in Nairobi (CBD) to the changes in the macro environment?

### **1.3 Research Objectives**

The objectives of this study were to:

- i) Establish the changes in the Macro environment that affects middle level colleges in Nairobi Central Business District (CBD).
- ii) Establish the response strategies to changes in macro environment by middle level colleges in Nairobi CBD.

### **1.4 Value of the study**

The finding of this study will enable more research aimed at coming up with several response strategies that are relevant to dealing with macro-environmental changes in the business environment.

The findings will enhance knowledge development on operations of middle level colleges and tools for internal quality attributes. The research will form a good literature upon which further research on middle level colleges will be based. This literature will be valuable to the academicians and researchers in Kenya for academic purposes in learning on the role middle level colleges and the challenges they face thereof, besides the response strategies adopted by this institutions.

Based on the findings on the macro-environmental changes affecting middle level colleges. Government will be able to establish policies and reinforce quality assurance standards to protect the students in this colleges. By knowing the challenges posed by this macro-environment procedure, policies and framework shall be drawn that will guide future setting up of colleges in the country.

The findings of this study will be of interest to current and would be managers in training at the middle level college as it will offer comprehensive understanding and appreciation of the different issues to be taken into account during their day to day running of institutions before setting up the investment. This is relevant since it will enhance the understanding of the managers and enable them with more proactive in responding macro-environmental changes.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This Chapter explores and reviews the existing literature on the subject of response strategies to changes in the Macro environment. It in particular takes a look at the theories that inform the study, the macro environment changes and the response strategies to the changes in the macro environment.

#### **2.2 Theoretical underpinnings of the study**

This study is anchored on two critical theories namely the open systems theory and the contingency theory. The Open systems theory on one hand, comes from the relationship that emanates from the operation of an organization as a system. Organizations are thought of as systems with interrelated subsystems that process various inputs to generate various outputs, pleasing users and customers in the process. They depend therefore on the environment for their survival. Some modest environmental shifts can easily alter the results of management decision within organization. As open systems they need structures to deal with forces in the world around them (Scott, 2008). Organizations as open systems remain efficient and effective by adapting to the shifts in their environment.

They have to be concerned not only with what happens within and among its subsystems and people, but also with what happens outside of itself for no organization operates in a vacuum. The decisions the organization make have to fit in two environments internal and external.

These forces influence condition in every organization; however the most influential force in one organization may have little impact on other organizations. Managers continually ought to scan and monitor the environment. This allows managers to determine their organizations best response to an environmental change. The systems therefore that interact with the environment are therefore open systems (Plunkett et al 2008). Open systems consists of five basic elements of inputs, a transformation process, outputs ,feedback and the environment (Scott, 2006).

According to Galbraith (1973) Contingency theory is defined as a class of behavioral theory that indicates that there are no best way to organize a firm, to lead a company, or to make decisions. He further states that the optimal course of action is contingent (dependent) upon the internal and external situation. In his approach uncertainty is defined as a variable which makes the organization contingent upon the environment. Therefore, organization design, and choice, depends on uncertainty. Where uncertainty is to be associated with the mathematical concepts of probability and fuzziness (Klir & Folger, 1988) or propositions of bounded rationality (Nobre, 2008).

The two approaches to uncertainty are complementary to each other since the greater the amount of information that the organization needs to have in order to perform and to complete a task, the greater is the degree of cognition that the organization needs to have in order to process and to manage this information for task execution and completion (Nobre et al, 2009). In this regard the contingency theory can be used to explain that each of the changes in the business environment presents a unique challenge to managers to come up with responses to fit the situations. So, the uncertainty caused by the environment is an important ingredient for a decision making in the organization.

### **2.3 The Macro Environmental Changes**

According to Mintzberg and Quinn (1991) external environment of an organization is a pattern of all the external conditions and influences that affect its life and development. This regards the organization has very little that it can do to be able to change them. The macro environment of a business includes all relevant factors and influences outside the boundaries of the company and particularly significant and with a bearing to the decision the organization makes from time to time about its direction objectives strategy and business model(Thomson,, Strickland and Gamble,2007)

Environmental changes create the need to gather information and respond accordingly. This is particularly important because organization have a concern in their scarce material and financial resources and with the need to ensure their availability (Kotter, 1979). Aguilar (1967) categorized several external environment factors that may affect organizations into social, regulatory, technological, political, economic and industry.

Political and Legal factors relate to changes in government influence and can have huge significance for companies. Changes in the priorities for public spending or the country's relationships with other countries can open or close major markets. They include discriminatory law, consumer law, antitrust law employment law and health & safety law. These factors have an effect on the organizations operation costs and demand for products (Appiah-Adu, 1998).

The Economic factors arise on the fact that economy goes through a series of fluctuations associated with general booms and slumps in economic activity. In a boom nearly all businesses benefit and in a slump most lose out. Other economic changes that affect business include changes in the interest rate, wage rates, and the rate of inflation (that is general level of increase in prices). Businesses will be more encouraged to expand and take risks when economic conditions are right, for example low interest rates and rising demand. According to Narver and Slater (1990), economic growth, interest rates ,exchange rates and inflation rate have major impact on the general operations of the organization and the decision making process. For instance interest rates affects the companies cost of capital and to a large extent how the firm grows. Exchange rates affect the cost of exporting goods and supply and the price of imported goods in economy (Ghani et al 2010). Rates of unemployment can as well hinder growth if the organization is caught off guard (Snyder, 1981).

The Social factors can be described as the cultural aspects that include health consciousness, population growth rate, age distribution, career attitudes and emphasis on safety nets. The general trends environments have an effect on the demand for the organization products and how that organization operates (Rainey, 2008). Social factors relate to pattern of behavior, tastes, and lifestyles. A major component of this is a change in consumer behavior resulting from changes in fashions and styles. The age structure of the population also alters over time (currently we have an ageing population). An understanding of social change gives business a better feel for the future market situation.

The Technological factors to a great extent also incorporate technological aspects like research and development and technological incentives. These factors have become particularly significant in the post-millennium world. This is particularly true in terms of modern communication technologies. The creation of databases and electronic communications have enabled vast quantities of information to be shared and quickly distributed in a modern company enabling vast cost reductions, and often improvements in service. Organizations need to be aware of the latest relevant technologies for their business and to surf the wave of change. Technological shifts can affect costs, quality and stimulate further invention, innovation and competition (Han et al, 1998).

## **2.4 Response Strategies**

There is no one stop prescription to how to respond to the changes in the macro environment. This is because organizations exist in different environment calling for different response strategies.

There is need for the top management of the organization to know in out where their strategic operational and service delivery uncertainties are and how they create risk to the achievement of the objectives of the firm. According to Kimberly and Evanisko, (1981), the management determines the nature and level of strategic risk by defining and assessing the short and medium term context of various sectors, stakeholders and customers of the organization. The following response strategies can be used to deal with the macro environmental changes. Strategic alliances, restructuring, cost leadership, investment, leadership and culture, pricing and outsourcing.

Strategic alliances, a manifestation of inter-organizational cooperative strategies, entails the pooling of specific resources and skills by the cooperating organizations in order to achieve common goals, as well as goals specific to the individual partners. Gaining access to new markets; accelerating the pace of entry into new markets; sharing of research and development, manufacturing, and/or marketing costs; broadening the product line/filling product line gaps; and learning new skills are among the motives underlying the entry of firms into strategic alliances.

The phenomenon is not new since they have been quite important in international business since the turn of the century (Harrigan, 1986). In the last decade, an increasing number of firms have entered into alliances with other firms within the same industry, as well as within other industries. Some firms have progressed well beyond forming isolated alliances to establishing a web of intra- and inter industry, and intra- and international strategic alliances.

The alliances allow rapid penetration of markets and have been made possible due to high development costs and risks along with perceived shrinkage in product lifecycle. Still other alliances focus on collaboration between users and suppliers of new product as a means of coordinating and formulating technical standards and dominant designs (Gringley, 1995). They also formed to facilitate strategic coordination among competitors to increase market power (Hagedoom, 1993). Acquisition of new technical skills and technological capabilities from partner firms can be cited as the motives for collaboration (Mariti and Smiley, 1983., Hamel et al., 1989., Shan, 1990).

The middle level colleges have therefore not been left behind in this collaboration arrangement as they have engaged universities and colleges abroad to collaborate on specific programs that ordinarily this colleges lack the capability and legal support to offer. Restructuring of a firm will normally change the levels of management in a firm, affect the span of control or shift product boundaries. Workforce reduction is the main by product that accompanies organizational restructuring and is the reason for the least positive impact on organizational performance (Bowman, et al, 1999).

It involves removal of structural barriers and creation of learning organization capable of continued regeneration from the variety of knowledge experience and skills of individuals within a culture which encourages mutual questioning and challenge around a shared vision (Hane 2008).

To downsize is to remove the number of most middle level managers and results in increased self management, larger span of control and more work for those who remain (Coleman and Osei 2008). In hypercompetitive or crisis situations, short-term consideration might be dominant (O’Gorman 2006). John et al, (2009) noted that restructuring in the forms of managerial replacement, functional reorganization and other changes to internal arrangements could be an indicator of strategic adaptation to inflation.

Cost Leadership strategy refers to firms in an industry who attempt to be lowest-cost producers. These firms would earn huge profits in the event the competing services or products are essentially undifferentiated and selling at a standard price. The emphasis in organizations with this strategy is cost reduction in every activity in the value chain. Ansoff (1988) states that the aim of cost leaderships strategy is to open up a sustainable cost advantage over competition and then use the firm’s low cost to edge as a basis for either under pricing competitive or gaining market share at their expense of earning a higher profit margin selling at a going market price. Firms acquire cost advantages by improving process efficiencies, accessing lower cost materials, making optimal outsourcing, vertical integration decisions or avoiding some costs altogether.

Firms can opt for investment strategies as a way of coping with the changes in the economic environment. The economic changes will be perceived as an opportunity to invest, innovate and expand into new markets to be able to achieve a competitive advantage as changes occur and beyond.

Establishment closure, working hours, reduction in employment expenditure cuts on wide ranging activities for instance R&D, Marketing and training (Rones 1981; Shama 1993; Michael and Robbins 1998; Geroski and Greggs 1997) as most involve costs control. The organization can therefore adopt an investment strategy as a strategic response strategy in order to counter the macro environmental changes especially the economic factors that an organization can face.

The Leadership and Culture change as a strategy arise since firms should be structured in such a way that it can respond to pressure to change from environment and pursue any appropriate opportunities which are spotted (Lorsch, 1967). According to Thompson and Strickland (1980) strategy implementation involves working with and through other people and institution of change. It is important therefore to design structure and make it work. Aspects like empowerment, employee motivation and reward should be considered. The significance of leadership in today's business has become so essential because of competitive nature of business, the changing macro environmental factors and volatility.

Pearce & Robinson (2002) indicates that organization to deal with constant change by embracing change, clarifying strategic intent and shaping culture to fit with opportunities and challenges that change afterwards. It further entails identifying and supplying the organization with operating managers prepared to preside leadership and vision.

Total quality management can be one such approach to develop culture of quality. Benchmarking being an important tool of total quality management with the objective to identify the “best practices” in performing an activity to learn how to lower cost, have fewer defects or other outcome linked to excellence are achieved.

Pricing is one of the most difficult areas of making decision (Quinn, 1992). It deals with methods of setting profitable prices. Pricing is closely regulated especially when there is closer public scrutiny. The change in economy can influence pricing strategy for both goods and services. The pricing policy affects sales volumes, demand, profit, the target market penetrated and consumer perception of services and competitive evaluation of services attractiveness. To set prices the cost leadership, market skimming based on the market and subsidized charges can be some of the strategies to be used.

The outsourcing Strategy is based on leveraging external service providers economies of scale, expertise and scalability of resources enabling the buyers enterprise to accomplish core business. Shrewd managers turn to outsourcing as most effective time tested strategy for achieving their objective of higher return on investment (Gattorna, 1998).

These strategy is highly pronounced when an organization can specialize in specific tasks that it can carry out well while the non essential ones are given to another provider outside of the organization who can carry it well.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter presents the research methodology that was applied in carrying out the study. The study were guided by the research objective in chapter one. The chapter looked at the research design, the population of study, data collection and data analysis.

#### **3.2 Research Design**

A research design is the blue print for collection, measurement and analysis (Cooper and schindler, 2005). The study was a descriptive survey design. Descriptive study was basically intended to answer the question of what, when and how of a phenomenon to give facts of the situation from the target respondents, similar approach was carried out by (Donald and Pamela, 2003).and (Boyd, westfall and stasch1990).

This design was deemed appropriate as it enabled researcher to make comparisons between the colleges' interms of the courses they offer, ownership structure and the year of registration. This was going to give abroad range of data that can be got through the design.

### **3.3 Population of the Study**

A population was the total collection of elements about which the researcher wishes to make some inferences (Cooper and Schindler, 2005). The colleges were obtained from the Kenya Telephone Directory Yellow Pages. There 120 middle level colleges in the CBD (Kenya telephone directory yellow pages 2013). All the colleges in the Nairobi CBD listed were studied.

The data were collected using a structured questionnaire. The target population in the study was the directors or principals running each of the 120 colleges. A census was used in the process through the colleges. The list of the colleges is provided in appendix 2. These colleges offer professional courses namely in accounting and information technology, hospitality and general business management courses.

### **3.4 Data collection**

The questionnaire consisted of three parts; A, B, and C. Section A covered the demographic data. Section B dealt with data on the macro environmental changes facing private middle level colleges. Section C was to gather data on the response strategies adopted by private middle level colleges. This study used structured questionnaire which was distributed to the respondents. The questionnaire had closed ended questions because specific responses may be expected.

The questions formulated are standard. The respondents targeted were directors or principals of each of the 120 institutions since they are more conversant with the strategic matters of the institution and the responses thereof.

### **3.5 Data Analysis**

The completed questionnaires and data obtained were edited, coded and entered to Microsoft excel office application package for analysis. Descriptive statistics was used to analyse the quantitative data. The data analyzed were presented using frequency tables, pie charts where appropriate and explanations on each graphical table given to assess response strategies adopted by middle level colleges. Percentages mean and standard deviation were used to determine the most common macro environmental changes and response strategies.

Descriptive statistics utilized data collection and analysis techniques that yield reports concerning the measures of central tendency, variation, and correlation. The combination of its characteristic summary and correlational statistics, along with its focus on specific types of research questions, methods, and outcomes make it the most appropriate for this study.

## **CHAPTER FOUR**

### **DATA ANALYSIS, FINDINGS AND DISCUSSION**

#### **4.1 Introduction**

The research objective was to establish response strategies to changes in macro environment by middle level colleges in Nairobi central business district, Kenya. The study targeted 120 top managers or directors i.e. of middle level colleges. This chapter presents the analysis, findings and discussion. The findings are presented in percentages and frequency distributions, mean and standard deviations.

A total of 120 questionnaires were issued out to the respondents and only 93 were returned. This represented a response rate of 78%. This percentage represents a good response and therefore is sufficient for data analysis.

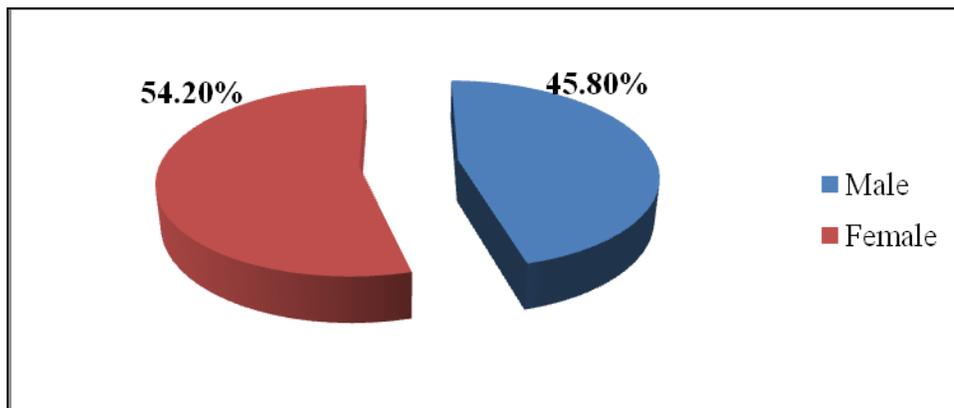
#### **4.2 General Information**

The following section presents the general respondents information and organizational profile. The respondent and organizational profile considered in the study was the respondents' gender, age bracket, duration for which one has worked with the college, ownership structure of the college, duration of college operation, number of employees and the existence of other branches.

#### 4.2.1 Gender Distribution

The study sought to establish the gender distribution of the respondents and therefore they were asked to indicate their gender in order to ensure that the results obtained captures the views of both gender. The results are presented in figure 4.1.

**Figure 4.1: Respondents Gender**



The results indicate that 54.2% of the respondents were female while 45.8% of the respondents were male. The respondents were made up of more female than male. Although the employment levels from which participants were drawn significantly favour female (Randeree, 2006), the study had almost equal ratios of males and females and hence the study was not skewed towards any gender.

#### 4.2.2 Respondents age bracket

The respondents were asked to indicate their age bracket in order to ensure that the views of all age brackets were taken into consideration in the study. The results are presented in table 4.1.

**Table 4.1: Respondents age bracket**

Years	Frequency	Percent	Cumulative percent
20 – 30	12	12.9	12.9
31 – 40	51	54.8	67.7
41 – 50	21	22.6	90.3
Above 51	9	9.7	100.0
Total	93	100.0	

The results on the respondents age bracket indicate that 54.8% of the respondents age bracket was between 31 and 40 years, 22.6% of the respondents indicated that their age bracket was 41 to 50 years, 12.9% of the respondents said that their age was less than 30 years while 9.7% of the respondents were over 50 years. The results indicate that the views of all age brackets on the response strategies adopted by the colleges were considered.

#### **4.2.3 Duration of working in the college**

The respondents were requested to indicate the duration they have worked in the college. This was important to the study in order to determine the respondents' knowledge of the college functions and the response strategies adopted. The results are presented in Table 4.2.

**Table 4.2: Length of continuous service**

Years	Frequency	Percent	Cumulative percent
0 – 5	9	9.7	9.7
6 – 10	69	74.2	83.9
11 – 15	15	16.1	100.0
Total	93	100.0	

Table 4.2 shows the results on the respondents' duration working in the college. The findings show that 74.2% of the respondents have worked with the middle level colleges for a period of 5 to 10 years, 16.1% of the respondents indicated that they have worked in the colleges for more than 10 years while 9.7% of the respondents said that they have worked in the colleges for a period of 0 to 5 years. The results indicate that the respondents have worked in the colleges for more than 5 years and therefore they have full knowledge of the college's operations in terms of the macro environment changes and the strategies adopted to deal with the changes.

#### **4.2.4 Ownership of the college**

The respondents were requested to indicate the ownership of the college and this was important for the study in order to determine the efficiency of the colleges in responding to the changes in the environment. The ownership has implication to decision making process and therefore critical in this study.

**Table 4.3: Ownership of the college**

Ownership of the college	Frequency	Percent	Cumulative percent
Sole proprietorship	45	48.4	48.4
Partnership	18	19.4	67.8
Limited liability company	30	32.3	100.0
Total	93	100.0	

The findings in Table 4.3 show that 48.4% of the respondents said that the middle level colleges were owned by sole proprietors, 32.3% of the respondents indicated that the companies were limited liability companies while 19.4% of the respondents said that the colleges were owned by partners as partnerships. The results indicate that the ownership of the colleges varied and this has a bearing to the efficiency of decision making to macro-environmental changes and the response strategies to be adopted.

#### **4.2.5 Duration of college operation**

The respondents were asked to indicate the duration that the colleges have been in operation. This was necessary for the study in order to determine the influence that the duration of colleges have on response strategies. The results are presented in Table 4.4.

**Table 4.4: Duration of college operation**

Years	Frequency	Percent	Cumulative percent
0 – 5	12	12.9	12.9
6 – 10	33	35.5	48.4
11 – 15	30	32.3	80.6
16 – 20	12	12.9	93.5
Above 20	6	6.5	100.0
Total	93	100.0	

The results indicate that 35.5% of the respondents said that the colleges have been in existence for a period of between 6 and 10 years, 32.3% of the colleges were indicted to have been in existence for 11 to 15 years, 12.9% of the respondents indicated the duration of existence for the colleges to be 16 to 20 years, another 12.9% of the respondents said that the colleges have been in existence for less than 5 years while 6.5% of the respondents said that the institutions have been in existence for over 20 years. The results show that the institutions that have been in existence for a longer duration of time have a better understanding the of the macro-environment changes that have taken place and the response strategies that need to be implemented in order to effectively deal with the changes.

#### 4.2.6 Number of employees

The number of employees in the colleges was necessary for the study in order to determine the size of the college and the extent to which they can implement the response strategies effectively. The results are presented in Table 4.5.

**Table 4.5: Number of employees**

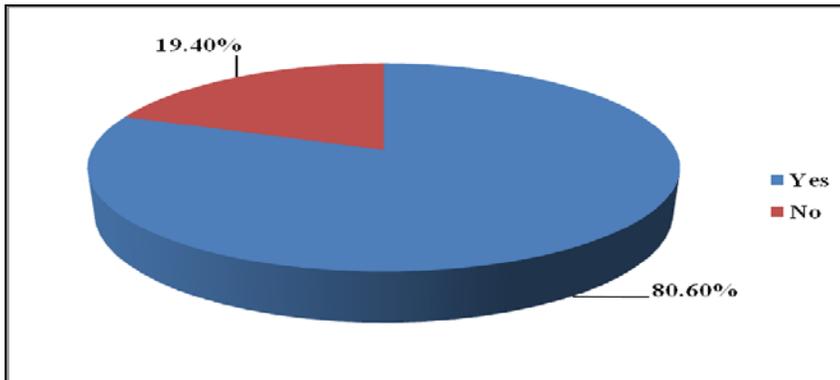
Number of employees	Frequency	Percent	Cumulative percent
Less than 100	72	77.4	77.4
100-150	12	12.9	90.3
151-200	3	3.2	93.5
201-250	6	6.5	100.0
Total	93	100.0	

The findings show that 77.4% of the respondents indicated that the colleges have employed less than 100 employees, 12.9% of the colleges were indicated to have between 100 and 150 employees, 6.5% of the respondents said that the colleges have between 201 and 250 employees while 3.2% of the respondents indicated the number of employees in the middle level colleges to be between 151 and 200. The results indicate that the colleges have not employed many employees; however the designing and implementation of the response strategies can be executed effectively as the each employee is assigned its duties. Further there is flexibility in delivery due to the fact that majority of employees are teaching staff who specifically attend to their classes and are not bound by tedious institutional programs.

#### 4.2.7 Existence of branches

The respondents were requested to indicate whether the colleges do have any other branch as this will assist the study to determine the effectiveness of the strategies adopted.

**Figure 4.2: Existence of branches**



The findings in Figure 4.2 on the colleges having other branches was that 80.6% of the respondents said that the colleges do have other branches while 19.4% of the respondents indicated that the colleges do not have any other branch. The results show that the majority of the colleges do have other branches and this necessitates formulation and implementation of response strategies that will suit all the branches and if need be then for each branch.

### 4.3 Macro environmental changes

The macro environment of a business includes all relevant factors and influences outside the boundaries of the company and particularly significant and with a bearing to the decision the organization makes from time to time about its direction, objectives ,strategy and business model.

#### 4.3.1 Influence of macro environment factors

The respondents were requested to indicate the extent to which the macro environment factors influence the college response strategy. The items were scored on a five point Likert scale with 1 = No impact at all; 2 = less extent; 3 = moderate extent; 4 =large extent; and 5 = very large extent. The mean scores were computed for each item. Means below 3.0 indicate low levels of influence on strategy. The findings are presented and discussed below.

**Table 4.6: Influence of macro environment factors**

	Mean	Std. Deviation
Social factors	3.2581	.4448
Technological factors	3.7419	.9297
Political factors	3.6129	.7154
Economic factors	3.9677	.9826
Environmental factors	2.3871	.6672
Legal factors	3.4928	.9297

The results indicate that all the macro environment factors influence the response strategy of the colleges except environment factors (mean 2.3871). The findings indicate that majority of the respondents expressed high level of influence by economic factors (mean 3.9677), technological (mean 3.7419), political (mean 3.6129), legal factors (mean 3.4928) and social factors (mean 3.2581).

The results indicate that the colleges are faced by several challenges that need the formulation and implementation of adequate response strategies as the pace of change is accelerating as never before and organizations have to chart their way through an increasingly complex environment. The findings were consistent with Johnson *et al.*, (2005) findings that an organization exists in the context of a complex political, economic, social, technological, environmental and legal world. The environment changes and affects different organizations differently therefore organizations have to come up with their own response strategies.

#### **4.3.2 Influence of the factors on colleges.**

The respondents were requested to indicate whether the listed factors influence the colleges . The results are presented in Table 4.7.

**Table 4.7: Influence of the factors on colleges**

Factors influencing colleges	Yes	No	Total
Tax policy	100.0	0.0	100.0
Trade restrictions	54.8	45.2	100.0
Interest regime	100.0	0.0	100.0
Inflation	100.0	0.0	100.0
Career attitudes	100.0	0.0	100.0
Age distributions	100.0	0.0	100.0
Safety matters	87.1	12.9	100.0
Automation	60.2	39.8	100.0

The findings presented in Table 4.7 indicate the distribution of responses on the level of influence by the factors at middle level colleges. The findings indicate that all the respondents (100%) said that tax policy, interest regime, inflation, career attitudes and age distributions influence the colleges to a great extent. The respondents further noted that safety matters were indicated by (87.1%) as affecting the colleges, 60.2% of the respondents said that automation influence the colleges while 54.8% of the respondents indicated that trade restrictions was a challenge to the colleges. The results indicate that colleges are influenced by several factors that need the management to act quickly in order to achieve its objectives.

According to Pearce and Robinson (1988) strategic responses are a set of decisions and actions that result into formulation and implementation of plans designed to achieve a firm's objectives. In order to effectively achieve the firm's objectives, these set of plans and actions must be strategically fit to the complexities and dynamism of a rapidly shifting environment.

#### **4.4 Response Strategies**

Organizations are environment dependent and serving. Response strategies are a set of decisions and actions that result in the formulation and implementation of plans designed to achieve a firm's objective. For the objectives to be achieved, the set plans and actions must be strategically fit to complexities and dynamism of a rapidly changing environment. Strategy is a bridge between the firm's resources and the opportunities and risks the firm faces in the environment. It incorporates the competitive moves and approaches to deliver the best performance and satisfaction to all stakeholders.

##### **4.4.1 Response strategies adopted**

Respondents were asked to rate the response strategies that were used by the middle level colleges. They rated them on a scale of 1 to 5 with 5- being very large extent and 1- being not at all. These ratings are presented in table 4.8:

**Table 4.8: Response strategies adopted**

Response strategies adopted	Mean	Std. Deviation
Strategic alliance	3.9097	1.0064
Restructuring	3.3516	1.0328
Cost leadership	3.4355	1.0307
Diversification	3.7194	.7199

As shown in Table 4.8, middle level colleges use different strategies in dealing with changes in the macro environment. The most commonly used strategy was strategic alliance, which had the highest mean (3.9097). This means that the strategy was mostly applicable to the colleges. Diversification was the second strategy with a mean of 3.7194. The third strategy with a mean of 3.4355 was found to be cost leadership while the least strategy used by the colleges was restructuring.

The choice of the responses depends on the speed with which a particular threat or opportunity develops in the environment. Well developed and targeted response strategies are formidable weapons for a firm in acquiring and sustaining competitive edge. The results are in line with the findings of Ansoff and McDonell (1990) that each level of environmental turbulence; has different characteristics, requires different strategies and requires different firm capabilities. Thus there is need for continuous strategic diagnosis.

#### **4.4.2 Ratings of response strategies**

The respondents were requested to indicate the extent to which the colleges have used the listed response strategies. They rated them on a scale of 1 to 5 with 5- being very large extent and 1- being not at all. Means below 3.0 indicate low levels of usage. These ratings are presented in table 4.9:

**Table 4.9: Ratings of response strategies**

Ratings of response strategies	Mean	Std. Deviation
Reduced staff	3.1226	1.2216
Acquired new institution	2.0968	.9782
Divested from any line of business	3.4194	1.3360
Open new campuses	2.7097	1.3464
Merge with other colleges	2.0000	1.3416
Targets new segments of the market	3.6452	.8385
Collaboration	3.2581	1.3157
Add program refinement	3.9355	.8920
Seek accreditation for higher qualification	3.7419	1.0944
Cost leader	3.3548	1.1704
Market skimming for higher charges	2.5806	1.2048
Subsidized charges	3.3677	1.0483

The findings in Table 4.9 indicate the extent to which the colleges have used the strategies to respond to environmental changes. The results were that the colleges have added programme refinement (mean 3.9355), seek accreditation for higher qualification (mean 3.7419), targets new segments of the market (mean 3.6452), divested from other line of business (mean 3.4194), subsidized charges (mean 3.3677), adopted cost leadership (mean 3.3548), collaboration (mean 3.2581) and reduction of staff (mean 3.1226).

The respondents indicated that the response strategies not commonly used by the colleges were opening of new campuses (mean 2.7097), market skimming for higher charges (mean 2.5806), acquisition of new institution (mean 2.0968) and merging with other colleges (mean 2.0000). The results indicate that ensuring that an organization can compete effectively in the marketplace is one of the principal tasks of management and therefore they have to adopt strategies that will ensure that the college responds well to the challenges inherent. Kumar (2006) noted that organizations that respond by exploiting comparative advantage through various strategies are able to maintain or even increase their competitive strength over their rivals.

#### **4.5 Discussion**

To understand the business environment of the colleges, one needs to analyze both the general environment and the firm's industry and competitive environment. Gathering industry information and understanding competitive dynamics among the different companies in an industry is important to successful strategic change. Johnson, Scholes and Whittington (2005), an organization exists in the context of a complex political, economic, social, technological, environmental and legal world. The environment changes and affects different organizations differently. This is consistent with the findings of the study that economic factors, technological, political, legal factors and social factors influence the operations of the colleges and therefore these changes warrant appropriate response strategies.

The macro environment presents opportunities, which the firm can exploit and poses threats which can hinder the organization's activities. The middle level colleges operate in a competitive environment where the competitors' actions affect the ability of the business to make profits, because competitors will continually seek to gain an advantage over each other, by differentiating their products and services, and by seeking to provide better value for money. The tax policy, interest regime, inflation, career attitudes, age distributions, safety matters, automation and trade restrictions influence the colleges' operation in one way or another. Pearce and Robinson (2005) discuss macro environmental forces economic, political, social and technological. Each of these factors influences corporate strategy. While these descriptions are generally accurate, they may give the false impression that the components and factors are easily identified, mutually exclusive, and equally applicable in all situations. Narver and Slater (1990) noted that economic growth, interest rates, exchange rates and inflation rate have major impact on the general operations of the organization and the decision making process.

Strategy is a bridge between the firm's resources and the opportunities and risks the firm faces in the environment. The choice of the responses depends on the speed with which a particular threat or opportunity develops in the environment. Well developed and targeted response strategies are formidable weapons for the middle level colleges in acquiring and sustaining competitive edge. The study found out that the colleges have responded to the changes in the operating environment through strategic alliance, restructuring, cost leadership, diversification, programme refinement, accreditation for higher qualification, targeting new segments of the market and subsidized charges.

The findings are consistent with Pearce and Robinson (1988) observations that in order to effectively achieve the firm's objectives, set of plans and actions must be strategically fit to the complexities and dynamism of a rapidly shifting environment. Organizations can achieve their objectives by responding to the changes in the environment through new products, new markets, new process, new service, new strategies for entering the market, restructuring, marketing, information technology, leadership and culture change. They further noted that alignment of strategies of organizations with the requirements of their environment outperform organizations that fail to achieve such an alignment.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATION**

#### **5.1 Introduction**

This chapter gives the summary, conclusion and recommendations of the study. The suggestion for further research was also highlighted.

#### **5.2 Summary**

The findings show that majority of the respondents have worked in the college industry for a long time and therefore they understand the changes that face the industry and the response strategies. The results indicate that the ownership of the colleges varied and this will determine the efficiency of decision making in order to respond to environmental changes. The findings on the colleges existence show that majority of the colleges have been in operation for a longer duration of time and therefore understand the dynamics of the industry and the responses that should be adopted by the operators in order to be meet their goals. The number of employees in the colleges varied and this can be attributed to the size of the colleges and the number of branches.

The colleges constantly interact with its environment to survive, are environment dependent and depend on environment for survival. The colleges operations were established to be influenced by macro environment forces which include economic, technological, political, legal and social factors.

These changes in the environment manifest themselves in the form of tax policy, trade restrictions, interest regime, inflation, career attitudes, age distributions, safety matters and automation. For colleges operating in a highly challenging environment a distinctive strategic orientation is needed, requiring the exploitation of critical resources in order to gain competitive advantage.

Change is important to any college that wishes to succeed in today's competitive business environment. For a college, change management means defining and implementing procedures and/or technologies to deal with changes in the business environment and to profit from changing opportunities. The choice of the responses adopted by the colleges depends on the speed with which a particular threat or opportunity develops in the environment. Well developed and targeted response strategies are formidable weapons for colleges in acquiring and sustaining competitive edge. The study found out that change in the environment resulted in the colleges responding through strategic alliance, restructuring, cost leadership, diversification, programme refinement, accreditation for higher qualification, targeting new segments of the market and subsidized charges.

### **5.3 Conclusion**

An effective response is founded on continuous response by the college to the changing environment. These responses include the adoption of the strategic alliance, restructuring, cost leadership, diversification, programme refinement, accreditation for higher qualification, targeting new segments of the market and subsidized charges.

As such the management of the colleges should continue pursuing strategies that will enable the colleges to respond appropriately to the changes that occur. It is the interaction of these different types of strategies that drives a firm's competitive advantage and the catalytic effect on the others and it is this cumulative catalytic impact that makes an organization develop sustainable competitive advantage.

The response strategies pursued by the colleges play an important strategic role of creating value and improving business performance. As such the competitive advantage of middle level colleges in today's economy stems not from market position, but from the strategies which they implement and how it responds to the challenges they face. The generated value is the result of the colleges' ability to manage its processes and, on the other hand, the effectiveness and efficiency of performing organizational processes based on its competencies. Management of the colleges will enable the college to grow and develop the appropriate response strategies. Therefore, the fact that organizational responses are based on the effective and efficient management of strategic assets puts it at the heart of business performance and value creation. However, there is need to understand the processes of creation of response strategies to avoid a scenario where the strategies adopted does not yield the intended benefits to the organization.

#### **5.4 Recommendation**

The study established that the middle level colleges use different strategies to respond to the changes in the environment and it is recommended that the management of the colleges should inculcate a practice of continuous review of the state of the macro environment and changes in the education sector so that they do not react to the challenges brought about by the existing or changes to avoid panic situation which will lead to adoption of strategies which will not enable the college to realize the desired objectives.

The study established that information communication technology was being used by the colleges to respond to the changes in the environment and it is important for the management of these colleges to increase their information communication strategies by more automation in order to speed up the processes and also to be more efficient in meeting the students' needs. The study also recommends that the management of these colleges should be more careful during the restructuring process especially by explaining to all the employees on the overall goals/objectives that need to be achieved so as to avoid anxiety. There is need for the policies to be followed up once designed to evaluate the acceptance and applicability at all level.

The study established that the changes in the macro environment resulted in the adoption of the strategies that is hoped to have led to the colleges achieving the desired objectives. Towards the achievement of this, colleges should implement appropriate process of identifying and harnessing strategies in order to ably face the challenges from the uncertain business environment. As part of the organization strategy, assessment of competitors should form an important exercise and the targets set should bear in mind the capacity of the organization to achieve the targets with the available structures and resources. At the same time, the process of harnessing the organizations strategies should be backed by the support of the organizations top management and the staff level of awareness of strategies is critical to the success of implementing the same strategies in an organization. To improve on the competitiveness of the middle level colleges, the management of the institutions should ensure that they involve its employees on every aspect they intend to pursue in order to make them to feel part of the process.

### **5.5 Limitation of the study**

Despite the research having met its objectives, there were challenges that were experienced by the researcher. The businesses operate in an open environment and there are many actors within the environment that pose great challenges which eventually have to be overcome by the organization for success. The response strategies adopted vary with the operating environment and therefore there might be other strategies that are adopted by the business not considered in the study to the changes in macro environment.

The study was undertaken in all the middle level colleges operating in Nairobi Central Business District, Kenya. Since this research was a survey of several colleges operating under different cultures and working environment, this led to the conclusion that the colleges adopts several strategies in order to respond to the changes, perhaps a survey of more middle level colleges should be undertaken to get a much representative results.

The colleges also were not willing to divulge other strategies that they pursue. These coupled with the fact that some respondent's opinion does not entirely reflect the proprietors' view on the matters asked. The study that uses longitudinal data over a longer period of time would provide more robust conclusions about the direct effects of macro environmental changes and the impact of the interaction between the changes and response strategies for middle level colleges. The study has made an attempt to link the changes in the environment and the response strategies; however the results may not be completely free from ascertaining associations between the macro environment changes and the response strategies pursued by the colleges.

Initially, it would not be surprising to discover that some researchers in the response strategy field find issue with the methodology employed to define response strategies in this research. The methodology underlying work in the response strategies area is fraught with some difficulty, with confusion stemming from the concepts of response strategies and strategic response. These two concepts are in reality two different things, and yet the methodology underlying these concepts has been applied to develop both constructs.

## **5.6 Suggestions for Further Research**

The context in this study was middle level colleges operating in Central Business District. The generalizability of the results could be expanded by doing similar case studies in somewhat different settings. Extending response strategies in different environments would be the next step for developing the result further. The target of future research would be finding different cases and testing whether the same processes and factors exist in these environments e.g business cultures that are completely different than the Central Business District might produce interesting results.

At the same time more studies need to be done to establish the relationship between colleges' response strategies and performance of the middle level colleges. This will go a long way in ensuring that the strategies point towards the overall firm's objective as well as the performance of a firm. Further research needs to be carried out to evaluate the effect of university education expansion of programs especially certificate and diploma courses that are the hallmark of middle level colleges to the future survival and viability of this institutions.

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## APPENDICES

### Appendix I: Introduction Letter

UNIVERSITY OF NAIROBI  
SCHOOL OF BUSINESS  
DEPARTMENT OF BUSINESS ADMINISTRATION  
**NAIROBI**

6<sup>th</sup> September 2013,

Dear Respondent

**Re: Collection of survey data**

I am Michael Owaya, a post graduate student at the University of Nairobi pursuing an MBA Degree. In order to fulfill the degree requirements, I am undertaking a research project titled: Response strategies adopted by middle level colleges to the changes in the macro-environment, in Nairobi.

Your organization has been selected to form part of this study. This is a sincere request to you for assistance in collecting the data by honestly filling out the accompanying questionnaire. The information collected will be used strictly for academic purposes and will be treated with utmost confidentiality. Your organization's name will not appear in my report.

Your cooperation will be highly appreciated and your feedback will assist the researcher come up with useful information on the study.

Kind Regards.

Owaya Michael Etyang

## Appendix II: University Introduction Letter



UNIVERSITY OF NAIROBI  
SCHOOL OF BUSINESS  
MBA PROGRAMME

Telephone: 020-2059162  
Telegrams: "Varsity", Nairobi  
Telex: 22095 Varsity

P.O. Box 30197  
Nairobi, Kenya

DATE.....27/9/2013

### TO WHOM IT MAY CONCERN

The bearer of this letter .....MICHAEL ETYASK OWAYA.....

Registration No.....D61/62975/2011.....

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

  
**PATRICK NYABUTO**  
MBA ADMINISTRATOR  
SCHOOL OF BUSINESS



## Appendix III: Research Questionnaire

### RESPONSE STRATEGIES ADOPTED BY MIDDLE LEVEL COLLEGES TO CHANGES IN THE MACROENVIRONMENT

The following interviews seek to achieve the following objectives.

- i) To establish the macro environment changes facing middle level colleges
- ii) To establish response strategies adopted by middle level colleges to changes in the macro environment.

#### Part One: General Information

##### Respondent Profile

1. Please tick your gender: Male  Female
2. Please tick your age bracket: 20-30  31-40  41-50  51 and above
3. What is your position in the college-----
4. How long have you been in this college?
  - a) 0-5 years
  - b) 6 -10 years
  - c) 11-15 years
  - d) 16-20 years

##### College Profile

5. Name of the College (Optional)-----
6. What is the Ownership structure of your college? (Kindly tick one below)
  - a) Sole proprietorship
  - b) Partnership
  - c) Limited liability company
  - d) Others (please specify
7. Please tick the years of the college's operation
  - a) 0-5
  - b) 6-10
  - c) 11-15
  - d) 16-20
  - e) 20 years and above

Please tick the number of employees in your college

- a) Less than 100
  - b) 101-150
  - c) 151-200
  - d) 201 -250
  - e) 251-300
  - f) Over 300
8. Does your institution have any branches? Yes  No  (Tick where appropriate)

#### Part Two: Macro environmental changes

The following are macro environmental factors that influence your response strategies. Do you agree with the following statements that relate to above factors in your college? To what extent does each impact your organization strategy? Rank using the key below and tick appropriately.

Key:

**1 –No impact at all; 2 –less extent; 3 –Moderate extent; 4 –large extent; 5 –Very large extent**

	1	2	3	4	5
Social factors eg population growth, age distribution					
Technological factors eg technological incentives					
Political factors eg political stability					
Economic conditions eg Economic growth					
Environmental factors e.g. weather					
Legal factors eg tariffs					

9. Does any of this factors influence your institution in any way

- |                       |     |     |    |     |
|-----------------------|-----|-----|----|-----|
| a) Tax policy         | Yes | [ ] | No | [ ] |
| b) Trade restrictions | Yes | [ ] | No | [ ] |
| c) Interest regime    | Yes | [ ] | No | [ ] |
| d) Inflation          | Yes | [ ] | No | [ ] |
| e) Career attitudes   | Yes | [ ] | No | [ ] |
| f) Age distribution   | Yes | [ ] | No | [ ] |
| g) Safety matters     | Yes | [ ] | No | [ ] |
| h) Automation         | Yes | [ ] | No | [ ] |

10. Other Changes (Please specify).

- a) -----
- b) -----

### Part Three: Response strategies.

The following are response strategies that that your institution can use to deal with the changes above. To what extent does each impact your organization strategy? Rank using the key below and tick appropriately.

**1 –No impact at all; 2 –less extent; 3 –Moderate extent; 4 –large extent; 5 –Very large extent**

	1	2	3	4	5
Strategic Alliance					
Restructuring					
Cost leadership					
Diversification					

	<b>Strongly agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly disagree</b>
	<b>(5)</b>	<b>(4)</b>	<b>(3)</b>	<b>(2)</b>	<b>(1)</b>

Reduced staff (Downsize)					
Acquired new institution					
Divested from any line of business					
Have you opened new campuses in last in last 5 years					
Have you merged with other colleges to provide a wider coverage					
Targeting new segments of the market					
Collaborations.					
Adding program or program refinement					
Seeking accreditation for higher qualification					
Cost leadership					
Market Skimming High charges					
Subsidized Charges					

11. Rate the extent to which you agree to have used the following as response strategies in your institution.
  
12. What other response strategies has your organization been able to adopt to deal with the above changes

**Thank you for taking your time**

#### **APPENDIX IV LIST OF COLLEGES IN NAIROBI CENTRAL BUSINESS DISTRICT(NCBD)**

1. Africa College of Aviation and management
2. Ashleys Hair & beauty Academy
3. Aston Institute
4. Beams International College
5. Belcom ICT Center
6. Blessed Institute for Advanced Technology
7. Bodywise Training Centre (BTC)
8. Centre for Accountancy and Business Management(CABM)
9. Compuera college
10. Clovers Computer College
11. Computer Pride
12. Cornerstone Training Institute
13. Crownways Institute Ltd
14. Cybertech Training
15. Dhiiren's Hair & Beauty College
16. Digital Age Institute Ltd
17. Dima College
18. Dreamline
19. Eagle College of Management and Business Studies
20. East Africa Institute
21. East Africa Institute of Certified Studies
22. East Africa Institute of Health Sciences
23. East Africa School of Foreign Languages
24. East Africa School of Journalism
25. East Africa School of Management (EASM)
26. East Africa Utalii Institute
27. East African Media Institute
28. East African School of Business Studies
29. East African School of Media Studies (EASMS)
30. Easton Training Institute
31. Edmas College
32. Emanex Institute
33. EMobilis Mobile Technology Training Academy
34. Evelyn College of Design
35. Expert Touch Hair & Beauty School
36. Focus Computer College
37. Foresight Institute of Logistics and Business Studies (FILBS)
38. Fornax College
39. Frabercom College
40. Frantech College
41. Futurecom Institute
42. Gebcons College
43. German Institute of Professional Studies

44. Global Institute of Tourism and Management Studies
45. Goethe-Institut Nairobi
46. Graffins College
47. Halisi Pre-School Teachers Training College
48. Henna Tattooing College
49. Institute of Administrative Management
50. Institute of Advanced Technology(IAT)
51. Institute of Applied Technology
52. Institute of Community/ Centre for Accountancy
53. Institute of Computer Education (ICE)
54. Institute of Economic Affairs
55. Institute of Human Resource Management
56. Institute of Information Technology Studies & Research
57. Institute of Software Technologies
58. Intel College
59. International College of Professionals
60. Intraglobal Training Institute
61. Italian Institute of Culture
62. Jodan College of Technology Nairobi city campus
63. Kenafric College
64. Kentrac College
65. Kenya College of Development Studies
66. Kenya College of Medicine & Related Studies
67. Kenya Institute of Development Studies (KIDS)
68. Kenya Institute of Entrepreneurship and Related Studies
69. Kenya Institute of Entrepreneurship Development (KIED)
70. Kenya Institute of Foreign Languages & Professional Studies
71. Kenya Institute of Media and Technology
72. Kenya Institute of Professional Studies(KIPS)
73. Kenya Institute of Social Work
74. Kenya Institute of Studies in Criminal Justice
75. Kenya Institute of supplies Management
76. Kenya School of Technology Studies
77. Kenyan College of commerce and Hospitality
78. Kenya institute of Media and Technology
79. Kenya School of Management
80. Kreston College
81. Leaders Institute of Journalism, Law & Security Studies
82. Legacy College
83. Map Africa Institute for Community Development
84. Media School Africa
85. Metropolitan Institute
86. Metropolitan Training and Educational Centre (METEC)
87. Nairobi Aviation College
88. Nairobi Institute Of Business Studies (Nibs)

89. Nairobi Institute of Technology (NIT)
90. North pole
91. Orbit School of Management Studies
92. Pinnacle Business School
93. Pioneer's Training Institute
94. Premese Africa Development Institute
95. Premier College of Professional Studies
96. Prestige Hair Dressing & Beauty School
97. Prosper Air Travel Hospitality and Languages Institute
98. Prowdair Aviation College
99. Regional Center for Tourism & Foreign Languages
100. Rewarding College
101. Rhemax College
102. Riccatti Business college of east Africa
103. Rocky Computer College
104. Rosetta Business College
105. Royal Business School
106. Rural AID Kenya Institute
107. Sacred Training Institute
108. Shang Tao Media Arts College
109. Skynet Institute & Travel Services Ltd
110. Skytech Aviation College International
111. Summit Institute
112. Timeless College
113. Trans-Eastern Airlines Aviation College (TEAAC)
114. Ultimate Business School
115. Unity College of Professional Studies
116. African Institute
117. Vision Institute of Professionals (VIP)
118. Webbs Institute
119. Wiseman college
120. Zetech College

**Source:** [www.kenya-schools.com](http://www.kenya-schools.com) (Kenya schools and colleges Directory 2013)