

DECLARATION

**RESPONSES TO CHANGING
ENVIRONMENTAL CONDITIONS: A
CASE OF UNIVERSITY OF NAIROBI**

By
Pamela Nduku Mutua

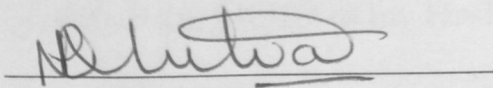
A management research project submitted in partial fulfilment of the
requirements for the degree of Master of Business Administration,
Faculty of Commerce

UNIVERSITY OF NAIROBI

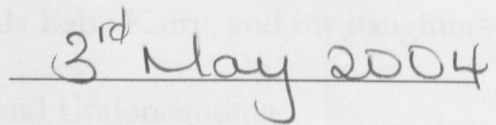
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DECLARATION

This project is my original work and has never been presented for academic purposes in any other University.

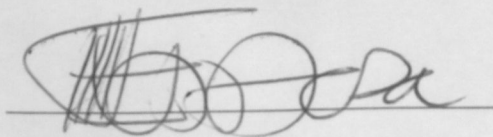


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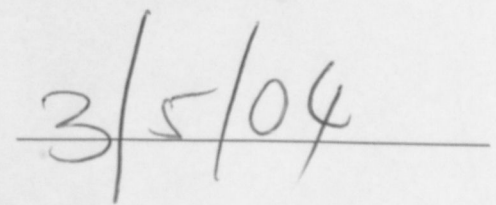


Date

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



Prof. Evans Aosa



Date

Department of Business Administration

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I would like to thank my dear husband, Kennedy Babu Kairu, for the support, both financial and moral, during this period. My daughters Jean and Joan who I will be forever grateful for allowing me to take time off from the family responsibilities of my home. My colleagues, Daniel and John who are so dear to my heart. I thank the staff of the Department of Health, Education and Physical Education, my sisters, Elizabeth and Mary, for their love and support, and to my supervisor, Professor John M. Mwangi for his guidance and support in the preparation of this project.

DEDICATION

I dedicate this project to my Husband, Kennedy Babu Kairu, and my daughters Jean and Joan for their support and Understanding.

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ABSTRACT

The study was about the responses by the University of Nairobi to changing environmental conditions. Its objective was to document the University of Nairobi's responses to the environmental changes. Data collection for this study was carried out using a questionnaire. Information collected was analysed using content analysis. From the findings, the University of Nairobi has a student population ranging from 500 to 1200 per the units or departments. On the external changes and challenges facing the university, some of the changes have stirred the university to awake while others have been harsh. The university is greatly affected by the increase in competition from other institutions especially with the introduction of the module II programme and thus the institutions are competing for teaching staff and space and students.

Responses to the changes have been by unit basis and others by university as a whole. Findings indicate that the university's response has been greatly hampered by the slowness of the management. The university has not adequately responded to the changes and the challenges it is facing from the external environment because there are some internal weaknesses affecting the university. In order to achieve the objectives and be able to measure their performance, the university has put in place some measures to address the challenges and the changes. In conclusion, the study was able to find that the university has been trying to respond to these changes and challenges by coming up with several measures.

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CHAPTER 1: INTRODUCTION

1.1 Background

The success of every organization is determined by its responsiveness to the environment. To be able to retain competitive advantage, organizations need to examine their environment both external and internal and respond accordingly (Porter, 1985). The environment can be relatively stable or turbulent. Each level of turbulence has different characteristics and requires a different strategy to match. The strategy in-turn has to be matched by appropriate organizational capability for survival, growth and development (Ansoff and McDonnell, 1990). In a stable environment, organizations are under no pressure to change. The major concern then is maintaining the firm's position against any competition. Turbulence in the business environment puts pressure on organizations to change so they can effectively sustain their competitive advantage (Worley et al, 1996).

Porter (1985) argues that, the origin of competitive advantage may be found in a firm's local environment. Organizations are required to have a profound understanding of the industry they are in. This requires them to have a thorough knowledge of the critical success factors and the drivers of change in the industry. An organization can further compete effectively when it identifies the strategic group it belongs to, within the industry, and therefore learn more about its closest rivals and the intra industry success factors and to develop focused strategy that will enable it occupy attractive segments (Whipp and Pettigrew, 1993).

Fundamental forces of change have been experienced in the global business environment resulting in unprecedented competition. Organizations responding to these changes have

realized that their existing strategies and configurations may no longer serve them well (Ansoff and McDonell, 1990).

The Kenyan environment is not exempt from what the global scenes are experiencing. Organizations being environment dependent have to constantly adapt their activities and internal configurations to reflect the new external realities and failure to do this may put the future success of an organization in jeopardy (Aosa, 1998).

1.2 The University Of Nairobi

The Vice Chancellor of the University of Nairobi, Prof. Kiamba in his write up "The need for change"(UON Website), explains that provision of higher education within Kenya has been subjected to the dynamics of a fast changing society. As the society reexamines its goals and the underlying social contract, institutions are burdened with developing and nurturing the knowledge base upon which different sectors of the economy chart a way forward. The University system in Kenya hence is an indispensable part of the societal matrix. It provides a knowledge base through the training of critical manpower needs and through the search and pursuit of new knowledge. It has become imperative that the university must think and vision ahead of time in order that changes in society do not render that knowledge base irrelevant. The growing demand for products of higher education, has been created in part by the rising number of school graduates looking for further advancement in their education and in the increasing sophistication of the economy, demanding more skilled workers to meet the needs of a more competitive market.

For a long time, University of Nairobi (UON) has been the leading provider of higher education in Kenya. Due to the risen demand for higher education, more and more private universities have been established as well as expansion of public universities to cater for the demand. This has posed challenges to the UON to maintain its leadership role and it is expected that it has responded to changes in the environment by adapting its operations to meet the new challenges.

The University of Nairobi (UON) is one of the oldest universities in Kenya. Started initially as the Royal Technical College, it has grown through various phases to become a fully-fledged university in 1970. Although other universities, both public and private have emerged in the interceding years, the UON has remained the largest in the country. In this respect this university holds a special place in Kenya and inevitably its traditions are used to inspire the organizations of the rest of the university system (University of Nairobi, Calendar 2000).

University of Nairobi by its history and position finds itself in an inherent role to provide leadership in the domain of higher education. The external environment within which this role has to be performed has changed dramatically. The University has had to take stock of this new dimension and come to terms with the challenges within its new level of interaction. University of Nairobi is faced with major challenges including its identity, the need for greater relevance and efficiency in the manner in which the university fulfils its fundamental vision and mission as well as the need to develop the university consistently with the restructuring of the economy. Further, there is a need to have greater accountability and sensitivity to the needs of stakeholders, alleviate the crisis of brain drain, upgrade the physical facilities in the University and look into ways of improving the dented image of the university (University of Nairobi, Calendar 2000).

The UON is operating under a changing environment and hence evident that it cannot afford to rest on the laurels of its past successes. It is expected that UON has been responding to these environmental changes.

The University of Nairobi Campuses

The Main Campus is situated near the City Centre and bounded roughly by Harry Thuku Road on the East, University Way and Nyerere Road to the South, Mamlaka Road to the West and Msonga Wai/Nairobi Rivers to the North.

The Chiromo Campus is located across the Msonga Wai River, some two kilometer's from the Main Campus off Riverside Drive. This campus accommodates the College of Biological and Physical Sciences and the Pre-clinical Medical and Veterinary Departments of CHS and CAVS respectively.

The Upper Kabete Campus is situated close to the North-Western City boundary off Kapenguria Road and some thirteen kilometer's from the Main Campus and houses the College of Agricultural and Veterinary Sciences.

The Lower Kabete Campus located about ten kilometer's from the Main Campus along Lower Kabete Road and housing the Office of the Deputy Principal of the College of Humanities and Social Sciences and the Faculty of Commerce.

The Kikuyu Campus located is approximately 24 kilometer's from the Main Campus along Nairobi-Naivasha Road at Kikuyu in Kiambu District and housing the College of Education and External Studies.

The **Kenyatta National Hospital Campus** is located about five kilometers from the main campus within the Kenyatta National Hospital where the College of Health Sciences is housed.

The **Parklands Campus** located about 3 kilometers from the Main Campus at Parklands Estate of Nairobi and housing the Faculty of Law.

1.3 Statement Of The Problem

In the last decade, the country has undergone a lot of changes in all spheres of life. These changes have not spared the University of Nairobi, which is the premier learning institution in the country. Prof. Kiamba, the Vice Chancellor says in the introduction to the welcoming note to the university website that "If we do not continuously re-envision or re-invent our mission and our University, we risk seeing its role being marginalized as the forces of change (and the multitude of competitors they generate) overtake us". To achieve a sustainable advantage when such change occurs, an organization must find a new position by making trade-offs and establishing a new system of complimentary activities.

University of Nairobi being the first university in Kenya and one of the largest so far draws attention to the need to study its environmental responses. The University whose mandate for a long time has been the provision of graduate education is facing challenges to maintain its leadership and pioneering role in the field of education. In the attempt to maintain this leadership role, it is expected that the organization is adapting its operations to meet the needs of the changed environment. University of Nairobi's response to these changes will assist other universities both private and public in evaluating the challenges facing them.

There are many environmental changes that affect the operations of an organization. UON is an organization and is also affected by changes in the environment. Not all external changes are relevant to organizations. Organizations are expected to respond to relevant changes in the environment. Has UON responded to these changes?

1.4 Objective Of The Study

This study addresses one objective. This is: -

1. Documenting the U.O.N. responses to the environmental changes.

1.5 Importance Of The Study

The findings of the study are expected to be beneficial to the Government especially the Ministry of Education in formulating policies and in coordinating higher education learning.

The public and private universities who are faced and are affected by similar environmental changes, University of Nairobi who are directly faced by the environmental changes and Scholars will too find it useful in areas to be identified for further study.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

As we aim to explore the study of responses by the University of Nairobi, it is important to review what professionals in this area have articulated on the subject. This will be the pillar to guide the study .

2.2 Importance Of The Environment

Organizations exist in a complex commercial, economic, political, technological, cultural and social environment. This environment changes and it is more complex to some organizations than for others. For survival, an organization must maintain a strategic fit with the environment. The environment is important and an organization has to respond to its dynamism, heterogeneity, instability and uncertainty (Thomson 1967). In addition, the competitive environment has been and continues to be driven by technological innovation, globalization, competition, extreme emphasis on price, quality and customer satisfaction. As a result, organizations must continuously create and innovate in order to stay relevant and be successful. A sustainable competitive advantage is achieved when there is a strategic fit between the external and internal environment. An organization's external environment includes economic forces, social cultural, demographic and technological, while its internal environment includes, the organizations systems, policies, resource capability and corporate culture (Pearce and Robinson, 1997).

Sauvé, (2002) notes that, the environment is a critical factor for any organization's survival, and success. It should be seen as a biosphere in which individuals and organizations live over the

long term and as a community project in which to be actively involved. It is a resource to be managed and to be shared, hence the need to effectively manage the value chain system and establish collaborations, partnerships and to get involved in social responsibility to enrich this resource and enhance the corporate image of the organization. It is noted that, many organizations are now more than ever being involved in social responsibility activities since a good corporate image can also be a source of competitive advantage. (PricewaterhouseCoopers and Nation, 2001). It is imperative that managers apply critical investigation into the realities of the changing environment of this millennium through enlightened diagnosis of the problems it poses. The political and economic environment for example, can influence the lifestyles and the health of the people. This same environment should also be seen as a system that calls for profound understanding in order to improve decision-making and to recognize the links between the past, present and the future and between local and global matters. This necessitates that strategic managers therefore, view the environment in all its context and perspective and understand the concept of strategic management.

2.3 Strategic Management

Strategic management is different from other aspects of management in that it is concerned with complexity arising out of ambiguous and non-routine situations with organization-wide implications (Johnson and Scholes, 1999). Strategic management includes strategic analysis, choice and implementation. Strategic analysis is where a strategist seeks to understand the organizations strategic position. Strategic choice involves the formulation of possible course of action, evaluating them and enabling a choice to be made between them. Strategic implementation is concerned with planning how the choice of the strategy can be put into effect and managing the changes required (Johnson and Scholes, 1999)

With the enormous challenges that face organizations in their endeavor to achieve and maintain a fit between the environment, strategy and the internal capability, it requires that they employ strategic management. Strategic management is defined "as the art and science of formulating, implementing and evaluating cross-functional decisions that enable an organization to achieve its objective" (David, 2001, P. 10).

According to Hunger and Wheelen (1999, P.3), "strategic management is a set of management decisions and actions that determine the long run performance of an organization. It includes environmental scanning (both external and internal) strategy formulation, strategy implementation and evaluation." Emphasis is on the monitoring and evaluation of external opportunities and threats in light of the organization's strengths and weaknesses.

Strategic response requires that strategy formulation, implementation and evaluation occur at the corporate, divisional and the strategic business units or functional units of an organization. Competition occurs at the various levels and organizations must reinforce and support the competitive strategies at these levels. This will work well, if organizations empower the various hierarchical levels and decentralize decision making where necessary to enable them to be proactive in their different environments. Strategic management process clearly depicts the link between the organization and its environment as well as its internal functions and capabilities. (Ansoff and McDonnell, 1990). Due to the dynamism of the environment, the strategic management process should also be dynamic and continuous. This calls for organizations to be flexible in order to respond to competitive and market changes and ensure continuous operational effectiveness in the race to stay ahead of competitors (Porter, 1996). Strategic

managers therefore need to understand the value of strategic management to appreciate its input in business.

2.4 Value Of Strategic Management

Strategic management has helped organizations to be more proactive than reactive in coping with changes in their external environment. Porter (1980) ascertains the value of Strategic management to any organization is to provide a central purpose to the activities of the organization, the people who work in it (internal environment) and often the world outside (external environment). This can be summarized as the organizations vision, mission and objectives.

Strategic management also enables organizations to adjust to the different conditions or pressures due to the changing external environment. Organizations can and do often create their environment, by focusing on strategic issues. Porter (1980) goes on to explicitly say that strategic management helps companies develop sustainable competitive advantage. To develop strategy, they need to carry out an analysis of the organizations external and internal environment. This enables the organization to be proactive to the changing environment rather than reactive.

Strategic management helps organizations focus their competitive efforts, be more effective in resource allocation and identify their key success factors. This ensures that organizations are looking at long term implications of their plans hence creating a culture of learning organizations. Strategic managers need to understand the concept of strategy as they view their environment in all its perspective.

2.5 Concept Of Strategy

Central to the strategic management process is the concept of Strategy. According to Porter (1996, p55) strategy "is the creation of a unique and valuable position involving a different set of activities". This emphasizes that to achieve a unique position an organization must trade off some decisions in determining what to do. It might need to perform functions or activities differently from its competitors. Indeed Mintzberg (1996) agrees that, strategy as a plan, pattern, position or perspective defines organizations and differentiates it from others.

Strategy is a multi dimensional concept. It is a match between an organizations resources and skills and the environmental opportunities and risks it faces and the purposes it wishes to accomplish. (Schendel & Hofer, 1979).

Since strategic decisions influence the way organizations respond to their environment, it is very important for a firm to make strategic plans and define strategy in terms of its function to the environment. The purpose of strategy is to provide directional cues to the organization that permit it to achieve its objectives while responding to the opportunities and threats in the environment (Schendel & Hofer, 1979)

An organization's success is manifested in attaining a competitive position or series of competitive positions that lead to superior and sustainable performance. Accordingly, there are three essential conditions to success. The first is that an organization develops and implements an internally consistent set of goals and functional policies that collectively define its position in the market. Strategy is seen as a way of integrating the activities of the diverse functional departments within an organization. The second condition for success is that this internally

consistent set of goals and policies align the organization's strengths and weaknesses with the external opportunities and threats. Strategy again is the act of aligning an organization and its environment and to maintain a dynamic and not a static balance. The third condition of success is that an organization's strategy be centrally concerned with the creation and exploitation of its distinctive competencies, the unique strengths that make possible its competitive success (Porter, 1985). This is a clear demonstration that strategy takes a central role in linking an organization to its environment and is a unifying theme that gives coherence and direction to the actions and decisions of an organization (Grant, 2000).

Quinn (1980) notes that, strategy as a plan or pattern integrates an organization's major goals, policies and helps marshal and allocate resources into a unique and viable posture based upon its relative internal competences and short-comings, anticipated changes in the environment, and contingent moves by intelligent opponents. (Ohmae, 1983), agrees with this when he says that, strategy is about competitive advantage that enables an organization to gain sustainable edge over its competitors. Strategy can also be seen as the process of deciding a future course for a business and has a role in organizing and steering the business in the attempt to bring that future course (Webb, 1989).

Most organizations owe their initial success to a unique strategy positioning that is usually acquired through clear trade offs and in the alignment of activities to this positioning. However, through passage of time and pressure of growth, compromises are made and incremental additions of services or products and imitation of rivals become the norm. It is at this point that an organization begins to lose its clear competitive position. Strategic positioning is therefore, a

continuous process that is often not obvious but requires insight and creativity on the part of managers (Porter, 1996).

Pettigrew, (1996) notes that, the focus of strategic choice at any one time is the environment and the intra - organizational variables which include its, technology, structure, leadership, internal politics and culture. Strategic managers task is to have a thorough understanding of the environment they operate in and forge a fit between the strategy and the environment and ensure coherence in the intra-organizational variables as well as maintain consistency with the strategy.

2.6 Environment, Strategy And Capability

An organization has two different but complementary capabilities. One is management capability, whose role is to identify, plan and guide strategic responses and functional capability, which executes these responses (Ansoff and Mc Donnell, 1990). According to (Grant, 2000) survival and success occurs when an organization creates and maintains a match between its strategy and the environment, and also between its internal capability and the strategy. The environment is not static but turbulent, discontinuous and uncertain. Strategic response calls for organizations to change their strategy to match the environment and also to transform or re-design their internal capability to match this strategy. This requires that its internal resources, which include both the tangible and intangible resources, maintain a strategic fit in its value chain system. Failure to match an organization's strategy to the environment will create a strategy gap, while an organization that fails to match the internal capability to strategy will experience a capability gap. An organization that has been able to create and maintain

consistency or a match between its strategy and environment and a match between its internal capability and strategy has greater chances of survival and success (Ansoff and Mc Donnell, 1990).

Organizations are dependant on the environment where there is a shift in the environment this requires a shift in organization's strategy likewise the internal capability. This will enable it support the new strategic responses effectively (Ansoff and Mc Donnell, 1990).

In an organization, if the environment shifts, and there is no strategic response to match the organizations strategy to the environment, it creates a strategic gap. Likewise a case where the strategy matches the environment but the responsiveness of the organization capability to its strategy is lacking, a capability gap occurs. An organization's competitive advantage, may thus reside as much in the environment as in the individual organization. The challenge to organizations is to continuously match environment, strategy and their internal capabilities in order to survive, succeed and to remain relevant (Porter, 1985).

2.7 Strategic Management Studies Done In Kenya

The business environment in Kenya drastically changed during the 1990's and the most visible of these changes has been economic reforms, which led to liberalization and privatization of state-owned corporations. These and other changes have created challenges to all organizations irrespective of whether they are for profit or not for profit. A number of studies have been done on the impact of these changes.

In a study on strategic responses by Telkom Kenya Ltd. undertaken by Kandie, (2001), noted that there was need by public companies to come up and implement strategies that aim towards being a competitive player in the market. Njau, (2000) in his study on East African Breweries Ltd. noted that a change in the competitive position requires organizations to decide strategies to adopt. Bett (1995) established that, due to the economic reforms in Kenya, firms in the dairy industry made substantial adjustments in their strategic variables, which include the marketing mix components of product, promotion, place and price. Kombo, (1997) also noted, that firms in the motor vehicle industry made adjustments by introducing new technologies in product development, differentiation, segmentation and by targeting their customers with improved customer services. All these studies, among others emphasize relationship between external competitive environment and internal organization's operations. Kenyan organizations must recognize the importance of this relationship and nature the same continuously in order to survive and succeed.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Introduction

Kenya as a country has been undergoing numerous changes economically, technologically, politically and socially. University of Nairobi being the first public University to be founded in Kenya and one of the largest so far has to be experiencing the trickle effect experienced by the government. The impact of the changes can only be quantified by a case study.

3.2 Research Design

Over a period of time we have seen an upsurge of private universities in Kenya. This has been necessitated by the changes in the higher education sector in Kenya. The research aimed to provide an in-depth understanding of the environmental changes that the University of Nairobi has experienced and document how they have responded to these changes.

3.3 Data Collection

The researcher conducted in-depth personal interviews to fifteen respondents within the various departments of the University of Nairobi. The selected respondents were staff of the university in senior positions who were willing to respond to the questionnaire. The respondents included Senior lecturers in the Faculty of Arts, Commerce, Department of Finance and administration, Office of University of Nairobi Enterprise Services (UNES) and the office of the Vice Chancellor. A convergence of views was reached after interviewing the fifteen respondents giving clarity to the study. A letter of introduction was issued to the respondents prior to the interview (See appendix 1) and a questionnaire was used. A sample questionnaire is attached in Appendix 2.

Secondary data from the organizations annual reports, strategic plan, evaluation reports and government's reports as well as session papers were also used. The data collection took one and a half months, from Mid September to End October 2003.

3.4 Data Analysis

The data analysis was based on the type of data collected and the case study objectives. The in-depth qualitative data were analyzed using content analysis. Content analysis is a systematic, detailed qualitative description of the objectives of the study. This method enabled the researcher to analyze and logically group the data and to compile the results of the study.

CHAPTER 4: DATA ANALYSIS AND FINDINGS

4.1 Introduction

The changes that have affected the university include lack of funds, increase in competition from other institutions, changing needs of the labour market, changing composition of the students, positive political goodwill, and effect of government policies. The external changes that have affected the university operations are as explained below.

4.2 Lack of funds for training and University maintenance

For a university to continue offering quality academic services, it has to have well trained qualified lecturers and staff. The university has to continuously train its academic and other staff to maintain the quality. However, without financial ability or support, the university will find it difficult to perform this duty. Among the changes that have stirred the university of Nairobi is the lack of funds for training. Kenya has reduced the State burden in financing higher education. The Universities of Nairobi now receives only 70 per cent of their revenue from the State, compared to almost 100 per cent a few years ago. This means that the university cannot afford to train its entire staff well. This has thus affected the university and has become one of the challenges that the university has to work with.

The last decade has seen a diminished performance of the economy. The University of Nairobi is verging on unmanageability. Its physical facilities are dilapidated and devoid of any maintenance. Equipment in critical areas has become unserviceable with great loss to the quality of teaching. Vital aspects of the academic support system are wanting with such areas as transport, document processing, library acquisitions etc. suffering considerably over the

last two decades. The University in its physical appearance has ceased to be an inspiring place and now provides an atmosphere of gloom far removed from the vibrancy expected of a solid center of learning.

4.3 Increase Of Competition from Other Institutions

Inadequate funding is often quoted as the root of evil. However, the most serious change that has occurred in the environment in which the University of Nairobi is operating is the increased competition from and in the number of institutions offering similar programs. This change has led to increased demand on the university to change in order to remain competitive. It has to change its programs content, the availability (accessibility) and the affordability. It also has to be content with the competition for the teaching staff who are now tempted to teach in the other institutions. The increase in the number of private universities which do not depend on government funding means that they can lure the teaching staff to their universities because they can pay competitive rates.

The emerging of similar institutions of learning has created a lot of competition, this has hampered the rate of job creation resulting in many unemployed graduates, with the consequence that society questions the relevance of the education offered here.

4.4 Needs of the labour market

In Kenya today, there is a growing demand for the products of higher education created in part by the rising number of school graduates looking for further advancement in their education and in the increasing sophistication of the economy itself demanding more skilled workers to meet the needs of a more enlightened market. Knowledge-based economic activity is more and more the growth area in the economy. These changes has placed a lot of

pressure on the university to change in tandem with the demands of the labour market in order to make their graduates relevant in the new labour market dispensation.

From the study it was found that the effects on the operations have come from the increase in competition from other similar institutions, the needs of the labour market, introduction of module II courses, lack of funds for training and changing composition of the students, positive political goodwill, and changes in government policies.

The provision of higher education within Kenya is now subject to the dynamics of a fast changing society. As the need crystallises for society to recast its goals and reassess the critical issues underlying the social contract, all facets of life in the nation find they have to adjust to this new reality. This inevitably includes social institutions and with them, the delivery systems for the goods and services that society needs.

4.5 Changing the Composition of the Students

There have been significant changes in student demographics. The introduction of module II programs often called parallel degree programmes has changed the student scenario very much. The number of students in module II has increased the population of students and placed a very big challenge to the university services like the library, computer services, desks and other facilities. The university now operates on a demand driven courses from the students who now demand for certain subjects which hitherto the university would not respond as demanded. Module II brings in the students who would otherwise have gone abroad or joined junior colleges. These students pay everything from their pockets and thus demand to be given services worth the value of their payments. It will be unethical and immoral for the university to assume that they will operate the same way as they used to.

4.6 Positive Political Good Will

There has been a wind of change in all spheres of Kenyans lives and the university must go along. This change has led to reduced interference in the running of the universities. Unlike in the previous years when political considerations in the policies of the universities were more important than their *raison d'être*, this goodwill is a boon to the universities. The need for accelerated and increasing delivery presents universities with both challenges and opportunities. The achievement of the goals of universities and the aspirations of the community require an effective strategy for the further development of the institution. Such a policy must now focus on the shifting role of the universities within the economy and the need for greater efficiency in the fulfillment of that role.

4.7 Government Policies

The need for strategic planning within the University is premised on the need for greater relevance and efficiency in the manner in which the University fulfills its fundamental vision and mission. The catalyst for this is the changed attitude of the Government towards the institutions of higher learning requiring that Universities become more attuned to their stakeholders and defines anew their obligations and expectations toward those stakeholders. In the recent weeks, the Minister for Education has been calling on the universities to change and be more responsive to the needs of the larger society and the students and staff in order to avoid regular riots.

These changes have posed some challenges to the university in terms of curriculum content, for the university to produce larger number of qualified persons, temptation to teach at other universities for the lecturers, low standards of achievements and performance, has caused many students to take part time classes and has caused need for the expansion of

facilities. These changes are affecting the entire university and specific units. These imply that the university is facing a lot of changes and it therefore has to change with the times or perish. The university is greatly affected by the increase in competition from other institutions especially with the introduction of the module II programmes and thus the institutions are competing for teaching staff and space and students.

4.8 Responses To Changes And Challenges

The responses to the changes have been by unit basis and the university as a whole. In the response to how the units specifically have responded to the changes; respondents indicated that they have tried to improve by training staff by way of paying part of the fees, improving the facilities and mode of teaching and reviewing of delivery of personnel services. This implies that the university has been forced to improve in its human resource in order to improve on its performance.

However, the study established that there are changes and challenges they have not responded to. This is because of bureaucracy. The serious lack of managerial skills among university administrators stands out as a serious problem in the pursuit of addressing the challenges and changes. The fact that some of the faculties feel that the industry is absorbing most of their graduates has also lead them to relax in the face of the challenges facing them. This implies that despite the fact that the university is facing a lot of competition it has not changed the old ways of doing things like bureaucracy and assuming that the industry is sympathetic to them.

On the ability of the university to respond to the external changes and challenges, the university has the capacity to respond relevantly to the external changes, the university is well placed only if the bureaucracy is eliminated and that the university is able to respond to challenges.

The university has therefore put in place some measures to ensure that the positive trends are maintained and the neglected areas are addressed. The future plans concerning consolidating the responses to the changes and addressing the challenges include the introduction of new programmes, continuous improvement based on organizations needs and the addressing of previously neglected areas. On the continuous improvement, the university has embarked on the improvement of facilities and the mode of teaching in order to address the challenge of curriculum content and delivery. The university continuously improves based on organizational learning and finding out the needs of the stakeholders and then respond accordingly.

CHAPTER FIVE: SUMMARY AND CONCLUSION

5.1 Summary

The study was carried out as a case study of the University of Nairobi. The University of Nairobi by its history and position is in an inherent role to provide leadership domain in higher education. The external environment within which this role is performed has changed dramatically. From the findings of the survey, it was found that the university has been greatly affected by the changes in the external environment from the increase in competition from other institutions, the needs of the labor market, the introduction of module II courses, the lack of funds for training and from the changing composition of the students, positive political goodwill, and changes in government policies. This implies that the university has to employ strategic decision-making. As Schendel & Hofer (1979) put it that the purpose of strategy is to provide directional cues to the organization that permit it to achieve its objectives while responding to the opportunities and threats in the environment. These changes mean that the university has to respond in one way or another in order to maintain its position and possibly increase its competitive advantage.

The challenges brought about by the changes in its environment, according to the findings, show that the university of Nairobi is facing challenges in terms of curriculum content, to produce larger number of qualified persons, space, temptation on the lecturers to teach at other universities, low standards of achievements and performance, the many students taking part time classes and the need for the expansion of facilities. These changes have affected the entire university as a whole and the specific units of the university in particular. These imply that the university is facing a lot of changes and it therefore has to change or perish.

The university is greatly affected by the increase in competition from other institutions especially with the introduction of the module II programme and thus the institutions are competing for teaching staff and space and students.

According to Porter (1996) strategic positioning is a continuous process that is often not obvious but requires insight and creativity on the part of managers. The responses to the changes have been by unit basis and others by university as a whole. The findings indicate that the university's response has been greatly hampered by the slowness of the management. The findings indicate that the university has not adequately responded to the changes and the challenges it is facing from the external environment because there are some internal weaknesses affecting the university. These weaknesses according to the findings include bureaucracy, the notion that the industry is absorbing most of their graduates, and the lack of funds and managerial problems. However the respondents indicated that the university has the capacity and the ability to respond if the weaknesses are addressed. The challenge to the university now as Pettigrew (1996) would put it, is that the strategic managers' task is to have a thorough understanding of the environment they operate in and forge a fit between the strategy and the environment and ensure coherence in the intra – organizational variables as well as maintain consistency with the strategy they have put in place.

The university has to gauge itself if it is performing as expected. The respondents indicated that the key performance indicators for the university are the revised programme, the new programmes, staff performance and appraisal, sustained enrolment inspite of government policy, the high turnover of graduates, and the number of students on industrial attachments.

3.2 Conclusion

The future plan regarding methodology of responding is by finding out needs of stakeholders' response, trying to improve both organization and education, more involvement of industry, make sure staff have performance skills and conduct review exercises.

Some of the things they would do better which were overlooked before would be to improve in terms of staff and space, introduce diploma and certificate courses, to have elections for the deans and the chairmen of departments, take more care of the university.

In order to achieve the objectives and be able to measure their performance, the university has put in place some measures to address the challenges and the changes. These measures include the continuous improvement based on organizations needs and the introduction of new programmes. The future plan regarding methodology of responding is by finding out needs of stakeholders' response, trying to improve both organization and education, more involvement of industry, make sure staff have performance skills and conducting of review exercises.

3.3 Recommendations for Further Study

The other critical factors to take into consideration is to right the wrongs of the past and despite being late in grabbing the opportunities the university can improve in terms of staff and space, introduce diploma and certificate courses, have elections for the deans and the chairmen of departments, and take more care of the university. All these were neglected before but the indication is that the university is moving towards doing them better.

5.2 Conclusion of The Study

In conclusion, the objective of the study was to document the University of Nairobi's responses to the environmental changes. From the findings, it has become apparent that, the university is facing a lot of challenges and the greatest of all is the challenge of competition from the other institution that have taken advantage of the insatiable quest for higher education by Kenyans to give U.O.N. a run for its money. The study was able to find that the university has been trying to respond to these changes and challenges by coming up with several measures. These measures include the continuous improvement based on organizations needs and the introduction of new programmes by finding out needs of stakeholders' response, trying to improve both organization and education, more involvement of industry, make sure staff have performance skills and conducting of review exercises. It has also taken cognizance of neglects of the past and taken measures to correct. These include improvement in terms of staff and space, introduction of diploma and certificate courses, plan to have elections for the chairmen of departments, and taking more care of the university.

5.3 Recommendations For Further Study

Further study is recommended in the determination strategic competencies that can make the University of Nairobi more competitive and be able to respond to the competitive environment. Given the change in the environment and the increase in competition, the University needs to know and focus on those areas that it has competencies to achieve the coveted competitive advantage.

5.4 Limitations Of The Study

Collection of data from was greatly affected by the mood at the university at the time. The university was mourning the loss of one of its top lecturers and this made it difficult to get the senior administrators to respond to the questionnaire. The findings of this study may not apply to the other universities.

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APPENDIX I: LETTER OF INTRODUCTION

JUNE 2003

Dear Respondent,

MBA RESEARCH PROJECT

This questionnaire is designed to gather information on the effects of environmental changes and the responses used by the University of Nairobi (UON).

This study is being carried out for a management project paper as a requirement in partial fulfillment of a degree of Master in Business Administration, University of Nairobi.

Your response will be treated strictly confidential and in no instance will your name be mentioned in the report.

Your cooperation will be highly appreciated.

Yours Sincerely,

MUTUA P.N.

MBA STUDENT

PROF. E. AOSA

SUPERVISOR

APPENDIX II: QUESTIONNAIRE

A GENERAL UNIVERSITY DATA

Unit Name

Location.....

1. What is the current population of the unit?

a. = 500 – 800, 2 = 801 – 1000, 3 = 1001 – 1200, 4 = 1201 – 1500, 5 = Over
1500

- | | | | | | |
|------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| • Students | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Teaching Staff | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Administration staff | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Subordinate staff | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

2. How long have you been working in this unit?

- | | |
|--------------------|--------------------------|
| i. 1– 5years | <input type="checkbox"/> |
| ii. 6 - 10 years | <input type="checkbox"/> |
| iii. 11 – 15 years | <input type="checkbox"/> |
| iv. 16 – 20 years | <input type="checkbox"/> |
| v. Over 20 years. | <input type="checkbox"/> |

B ENVIRONMENTAL CHANGES

3. What is the vision of this unit as a part of the UON vision and mission?

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

4. What external changes have taken place, and hence affected your operations?

- 1)
- 2)
- 3)
- 4)

5. What challenges (if any) do these changes pose to you?

- 1)
- 2)
- 3)
- 4)

6. Are these changes affecting the entire university or are specific units only?

- 1. Entire University
- 2. Specific Units only
- 3. Entire university and specific units only

C RESPONSES TO ENVIRONMENTAL CHANGES

7. How have you responded to these changes in your unit specifically?

.....
.....

8. Are there any changes that you have not responded to?

Yes

No

8. (i) Why?

.....
.....

9. What are the Key performance indicators of your responses at your unit?

1)

2)

3)

4)

10. What measures have you taken to ensure continued positive trends due to responses taken towards challenges?

1)

2)

3)

4)

11. What would you recommend towards future plans of the university regarding the methodology of responding to challenges?

- 1)
- 2)
- 3)
- 4)

12. What would you do differently now that you overlooked previously?

- 1)
- 2)
- 3)
- 4)

13. Comment on the ability of the university or your unit to respond to relevant external changes?

.....

.....

THANK YOU FOR YOUR TIME AND COOPERATION.