THE ROLE OF COMPETITIVE STRATEGIES ON PERFORMANCE OF PRIVATE UNIVERSITIES IN KENYA: A CASE OF MOUNT KENYA UNIVERSITY

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ABSTRACT
One of the most striking developments during the last two decades is the spectacular growth of demand for university education in the global landscape, thus calling for formulation of strategies in both the developed and developing nations which must be designed in order to stimulate further growth and development. The objectives of the study were; to determine the extent to which adoption of competitive strategies has influenced performance of Mount Kenya University in terms of satisfaction of social needs enhancing innovation and creativity, promotion of diversity and enhancing research and development. This study adopted descriptive research design. The study population was the staff of Mount Kenya University with the main target being the 240 staff stationed at the Headquarters, Thika. The study adopted stratified sampling technique to form a sample size of 72. The researcher used a self-administered questionnaire to collect data. Data collected was then coded by use of computer package SPSS and then analyzed, interpreted and presented in form descriptive statistics and inferential such as regression. The study revealed that universities have accomplished satisfaction of social needs like poverty reduction and enlightening of the masses by providing a forum of exposure. It was further revealed that most of those that have gone to universities were likely capable as discharging the responsibilities. The study also revealed that university education has contributed to good governance as majority of the respondents agreed that university education has been instrumental in promoting good governance in places of work.

Keywords: competitive strategy, social needs, diversity, private university

INTRODUCTION
Competitive strategy is the direction and scope of an organization over the long term. Strategy is usually critical in achieving competitiveness in a changing environment through configuration of resources and competences with the aim of fulfilling stakeholder expectations (Johnson, Scholes, Whittington; 2006). As higher education globally is being adjusted to meet stakeholder expectations mainly through provision of excellent education and research, the need for competitive strategies cannot be underscored. Strategic management of a public institution, and more specific at a university, differs from strategic management of any other organization. Hesel (2005) agrees with the above assertion but contends that clear definable goals serve as a beacon to guide strategies formulation efforts of institutions of higher learning. The scholar asserts that goals create a direction that if wisely followed can lead to achievement of measurable objectives. However it is clear that regrettably many educational institutions develop strategies without having established smart goals or measurable objectives thus failing to create criteria based upon which the success or failure of marketing results can be compared.

Competitive strategy provides direction and scope of an organization over the long term to achieve objectives of an organization and its configuration of resources and competences with the aim of fulfilling stakeholder expectations (Johnson, Scholes, Whittington; 2006). For a higher education institution stakeholder expectations can be excellent education and research. Competitive strategic management of an institution, and more specific at a university, differs from strategic management at other institutions. This is related to the fundamental difference between a public organization and a private organization.
Next to that, higher education institutions are special. Organizations need to learn to manage tomorrow's opportunities as competently as they manage today's businesses. The discovery of new competitive space is helped when an organisation has a class of technology generalists that can move from one discipline to another. The new market development can be geared up by developing the capability to redeploy the human resources quickly from one business opportunity to another. It is the top management's responsibility to inspire the organization with a view of distinct goals and help them to achieve and reach the set target (Hamel and Prahalad, 2005).

Another source of competitive strategy is the knowledge and experience of people in an organization that are key in enabling the successful implementation of organizational goals. Thus there is need to create a climate where people must strive to achieve success. People are the most important resource in a higher education institution. In a higher education institution the academics form the operational core of the organization. The people dimension of competitive strategy can be divided in people as a resource, people and behavior and the need to organize people. People as a resource is concerned with the personal and organizational competences needed and performance management, people and behavior refers to personal and collective behaviors and organizing people is concerned with the HR function, the role of line managers and the structures and processes.

Baldrige (2003) notes that organizations operate under a complex environment and by the fact that there many stakeholders whose demands and constrains can influence the operations of the firm, there is need to work under ‘open systems’ that can’t be easily influenced by external forces like politics which in the long may result to frequent policy changes and also as institutions of learning typically have rivals for the provision of their service thus need to set right priorities. The final set of organizational consequences, according to Boyne (2002), concerns the attitudes and aspirations of their staff, both towards work and life thus motivation to serve the universities in the private sector and due to the fact that managers have strong organizational commitment which can call for establishment of competitive strategies (Boyle, 2002).

In the Kenyan context, the trend in many higher education institutions is the creation of intended competitive strategies and ensuring all is followed according to script. These are usually made explicit through documents in which they translate their mission and vision into (strategic) goals and objectives (Boyne (2002). Examples of such documents are multi-annual plans, vision documents or institutional plans. All universities have strategic institutional plans which are a legal condition to obtain not funding but operational status. As argued before it is a difficult task to implement a competitive strategy (as intended), because of the specific challenges in higher education institutions which are more of multi product organizations (Baldridge, 2008) with the scholar further mentioning goal ambiguity as being common in academic organizations. When looking at several strategic documents of universities this becomes more and more clear as many higher education institutions provide education, conducts research and valorization of knowledge to the society (Hamel and Prahalad 2005). It may well be that there are tensions between the multiple goals a higher education institution needs to achieve because they have different underlying rationales and processes and they can be competitive.

According to Henry Mintzberg, competitive strategy may follow one of three modes: planning, entrepreneurial, and adaptive. The scholar argues that right choice depends on contingency variables such as the size and age of the organization and the power of key decision makers. The planning mode is a strategy approach that includes a clear statement of objectives, a systematic analysis of the organization and the environment, and a plan of action to reach those objectives. The adaptive mode is a strategy approach characterized by both the organization’s objectives and the means to achieve these are continually adjusted. The adaptive mode of strategy making will be most effective when environmental uncertainty is at a very high level, thus focusing management’s attention on the short term, and when internal power struggles make it impossible for senior management to agree on where the organization should be going. In contrast with a business firms which seek to make a profit universities have vague, ambiguous goals. Baldrige (2003) lists many goals which are all valid for some reason: teaching, research, and service to the local community, administration of scientific installations, housing for students and faculty, support of the arts and solving social problems.
In their article competitive strategy formation in the university setting, Hardy, Langley, Mintzberg & Rose (2004) is that if well-known competitive strategies are formulated before they are implemented, the planning must ensure that they are formulated and that structures should be designed to implement given strategies. In the university setting, these imperatives stand almost totally at odds with what happens in practice, leading to the conclusion either that universities “have it all wrong” or that the strategy theoreticians (Hardy et al.2004) the scholar further mentions several reasons why theory may not necessarily match with reality. First, there is mentioned that few universities had experience with competitive strategies and strategic management. This is something that they have to learn. Besides that, some plea that strategies need to be developed following the methods generally accepted in business. Therefore as Universities struggle to formulate competitive strategies, they consistently fail to implement them satisfactorily because of a deplorable lack of administrative power, leadership, skill or courage in the face of opposition (Hardy et al.; 2004).

**Statement of the Problem**

In an effort to generate additional funds to supplement inadequate resources, universities are diversifying their competitive strategies by among others adjusting their academic programmes in response to apparent social demand for higher education in the country and region(Hardy et al.; 2004). The atmosphere of higher education has increasingly become competitive, and institutions have to compete with each other to attract students in the recruitment markets (Maring et al, 2006). It is expected that private institutions of higher education pay attention to the competitive policy. This is more important for private universities than for public institutions of higher education in Kenya because some private institutions have encountered problems in attracting students. The rapid expansion of the university education has of late not only shaped business operations across the country but it has also significantly altered the traditional approach to education as different universities are employing different strategies and thus positioning themselves in the ever competitive atmosphere of increasing market share. According to Siamwalla and Poapongsakorn (2003), Universities are moving towards eliciting mass institutions with an emphasis of teaching and facilitating all round knowledge an aspect that is also very clear in Mount Kenya University.

Some of the universities have that have reinvented themselves have always done something radical in order to survive for example University of Nairobi University of Nairobi(UoN) has improved its ranking among the best universities in Africa from position 26 in 2011 to 17th in 2012. The latest rankings released by Webometrics in January 2012 shows that Makerere University which was 10th last year has dropped to position 12 this year. The University has continued to improve her rankings every year and it seems her eyes are fixed on overtaking Makerere University as the best university in East Africa, before overtaking the South African universities which dominates the top 10 best universities in Africa (Rowley, 2012). On her part MKU like other Kenyan universities has been engaged in a number of efforts that saw the university ranked number nine in a recent survey conducted by CPS International on ICT adoption and usage among universities, the research was based on East African Universities that have embraced the use of Information Communication Technology (ICT) in teaching and enhancing quality and effective university education in East Africa. Other strategies that the university has employed include hiring qualified staff, training the existing staff, improving the existing infrastructure like libraries and other relevant infrastructure. The institution is also involved in expanding and opening new campuses stretching from Rwanda, South Sudan and Congo respectively not to mention campuses within the country. Notwithstanding the above the university has been ISO certified recently a clear demonstration of the efforts in place. Despite the above efforts the University for the last five years has been constantly ranked poorly among Kenyan universities as evidenced in higher institutions of learning ranking. MKUlike other private universities faces a deficit in terms quality staff, insufficient research, labor turnover among others (GoK, 2004). Therefore there is no adequate information on competitive strategy used in making firms become more competitive.

**Objectives**

The overall objective of the study was to determine how competitive strategies influence performance of Mount Kenya University.
The study was guided by the following specific objectives:
1. To determine how satisfaction of social needs has influenced the performance of Mount Kenya University.
2. To establish the contribution of innovation and creativity on the performance of Mount Kenya University.
3. To determine how promotion of diversity at Mount Kenya University has influenced its performance.
4. To establish how research and development influences the performance of Mount Kenya University.

Research Questions
1. How has satisfaction of social needs influenced the performance of Mount Kenya University?
2. Does innovation and creativity affect organizational performance of Mount Kenya University?
3. What influence does promotion of diversity have on the performance of Mount Kenya University?
4. How has development of research and development influenced the performance of Mount Kenya University?

Theoretical Framework

Social Exchange Theory (SET) by Thorndike’s (1932, 1935)
Social exchange theory argues that obligations are generated through a series of reciprocal interdependence. According to SET, rules of exchange usually evolve reciprocity or repayment rules such that the actions of one party lead to a response or actions by the other party. In terms of social exchange theory (SET) when employees receive rewards and recognition from their organization this makes them feel obliged to respond with higher levels of engagement. Kahn, (2002) noted that psychological safety for an employee is very important and it involves a sense of being able to show and employ the self without negative consequences. According to Kahn, an important aspect of safety stems from the amount of care and support employees perceive to be provided by their organization. In summary, Social Exchange Theory (SET) provided a theoretical foundation to explain why employees choose to become more or less engaged in their job and in the organization. The conditions of engagement in both Kahn’s (2000) and Maslach (2001) model can be considered economic and socio-emotional exchange resources. Social representation theory (SRT) is one of main theory in social psychology. It has parallels in sociological theory in social constructionism and symbolic interactionism (Howarth, 2006). In historical terms ‘social representation theory’ is considered to be based on the work of Durkheim on ‘collective representations’.

SRT involves between the socio-cultural, inter-subjectivity and the psychological organization of knowledge and emphasizes that moves towards an active understanding of representations. Social representations concern the contents of everyday thinking that give coherence to our beliefs, ideas, and connections we create ‘as easily as we breathe’ (Moscovici, 2008).

Social representations develop from the integration of new cognitive elements into existing representations by means of objectification and anchoring. Firstly, anchoring is the process which new knowledge, ideas and opinions are proven by a social group if they fit to an already existing categorization scheme. If the new information fit, they are integrated into the already existing social representation and the existing social representation will be reshaped. On the other hand, a new social representation develops when the new information about an unfamiliar object does not fit into the categorization scheme because of too many new and with existing elements conflicting information as second process, objectification refers to the process by which abstract ideas or concepts become concrete.

Creativity and Innovation Theory(Bruce Tuckman's 1965)
Creativity often helps drive innovation, but the two concepts are not identical. In fact, creative forces can actually reduce the chances of developing a successful innovation if creativity isn’t managed well in organizations (Levitt, 2002). Creativity becomes a critical workforce issue because attracting, engaging and otherwise managing creative people are an art in itself. Although this report focuses primarily on
innovation, it is critical that organizations have an idea of what creativity is and how it should be managed in corporations.

A substantial portion of the early and current research on creativity has focused on gaining a more in-depth understanding of individual-level factors. Some researchers have studied the interdependent relationship between creativity and individual intelligence (Hocevar & Bachelor, 2009); others have examined the influence of personality factors such as intrinsic and extrinsic motivation. They have found that creative individuals tend to be more intrinsically motivated and that extrinsic motivation can sometimes have a negative impact on an individual’s creative thinking (Hennessey & Amabile, 2008).

An extensive amount of attention has also been dedicated to studying the traits that a creative person demonstrates. After reviewing 15 years of research, Barron and Harrington (2001) summarized that creative individuals demonstrate a “high valuation of aesthetic qualities in experience, broad interests, attraction to complexity, high energy, independence of judgment, autonomy, intuition, self-confidence, ability to resolve antinomies or to accommodate apparently opposite or conflicting traits in one’s self concept and, finally, a firm sense of themselves as ‘creative.’”

Leadership support has been found to be linked to creative behaviors because leaders impact the perception employees have of being within a work environment that encourages and rewards creativity (Casimir, 2001). Amabile et al. (2004) found that the daily interactions of leaders with their employees can influence their feelings, perceptions and, thus, performance in the creative work they do. Amabile et al. (2004) point out that most of the work on creativity and culture has focused on factors that appear to enhance creativity. Because obstacles are also important, Amabile identified characteristics in the culture that would differentiate between factors that support creativity and obstacles that impede it.

Organizational support theory (Eisenberger et al. 1986)

From the organizational support theory, social exchange theory and theory of organizational equilibrium, it has been noted that organizational rewards, have been found to be associated with both perceived organizational support (POS) and affective commitment (AC). As argued by Lincoln &kalleberg (1990) rewards offered by an organization may have a powerful effect on employees’ attitudes towards their jobs and the organization. However, additional evidence is needed concerning whether these work experiences make independent contributions to perceived organizational support and whether relationships between work experiences and affective commitment are mediated by perceived organizational support (POS).

Organizational support theory (OST) (Eisenberger, 2002) holds that in order to meet socio-emotional needs and to assess the benefits of increased work effort, employees form a general perception concerning the extent to which the organization values their contributions and cares about their well-being. Such POS would increase employees’ felt obligation to help the organization reach its objectives, their affective commitment to the organization, and their expectation that improved performance would be rewarded. Behavioral outcomes of POS would include increases in in-role and extra role performance and decreases in withdrawal behaviors such as absenteeism and turnover.

Although there were relatively few studies of POS until the mid-1990s (Shore and Shore 1995), research on the topic has burgeoned in the last few years. Rhoades and Eisenberger’s (2002) meta-analysis covered some seventy POS studies carried out through 1999, and an additional fifty studies were performed by the end of 2002. The meta-analysis found clear and consistent relationships of POS with its predicted antecedents and consequences. In contrast, the theory underlying POS has received only limited coverage (Eisenberger, 2002) In this chapter, we address this need by describing the key concepts of OST, discussing the theory’s relationship with other social exchange approaches and providing suggestions to extend the theory.

POS is assumed to be a global belief that employees form concerning their valuation by the organization. Based on the experience of personally relevant organizational policies and procedures, the receipt of resources, and interactions with agents of the organization, an employee would distill the organization’s general orientation toward him or her. Although the organization’s positive valuations of one’s contributions and concern for one’s well-being are logically distinct, exploratory and confirmatory factor analyses indicate that employees combine these into a unitary perception (Aselage and Eisenberger 2003)
Employees evidently believe that the organization has a general positive or negative orientation toward them that encompasses both their contributions and their welfare. POS provides the basis for trust in the organization to observe and reward extra effort carried out on its behalf (Eisenberger et al. 1990; Shore and Shore 1995). Shore and Shore (1995) argued that employees are aware that, because they are disadvantaged in their exchange relationship with the organization, they run a high risk that their efforts on behalf of the organization will fail to be adequately compensated. According to Shore and Shore, this is because: an employee is the less powerful partner in the exchange, there is often a delay inherent in employer fulfillment of obligations and also multiple agents may influence whether obligations are fulfilled. Indeed, an employer may simply incorporate one’s added effort into normal job responsibilities without added compensation.

**Conceptual framework**

The conceptual framework of the study will include the independent variables and dependent variables with the independent variables including; social needs, innovation and creativity, diversity and research while the dependent variable will be organizational performance.

![Fig. 1. Conceptual Framework](image)

**METHODOLOGY**

The study adopted descriptive research design, which enabled the researcher to focus various variables and describe them accordingly besides explaining to how each variable has influenced organizational performance.

The target population was; administration staff and students of Mount Kenya University at the Thika campus. The main focus of the study targeted the staff stationed at Thika campus which also serves as the Headquarters, numbering about a total of 240 out of whom 20 are administration, 10 Lecturers, 60 were support staff and the rest 150 are the students as indicated in the table 1. The study adopted stratified sampling technique where the researcher broke the population of interest into subgroups or strata to be drawn from various categories in the organization. The population of interest was heterogeneous and thus
divided into administrators, lecturers, support staff and students from whom important information for the study were obtained. This enabled the provision of adequate data for analyzing the various subpopulations. The study adopted 20% which Kothari (2004) regarded as appropriate population representation.

**Table 1. Population and sample of Study**

<table>
<thead>
<tr>
<th>Category of staff</th>
<th>Population</th>
<th>Percentage (%)</th>
<th>Sample size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration / top management</td>
<td>20</td>
<td>20</td>
<td>4</td>
</tr>
<tr>
<td>Lecturers</td>
<td>10</td>
<td>20</td>
<td>6</td>
</tr>
<tr>
<td>Support Staff</td>
<td>60</td>
<td>20</td>
<td>12</td>
</tr>
<tr>
<td>Students</td>
<td>150</td>
<td>20</td>
<td>28</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>240</strong></td>
<td><strong>20</strong></td>
<td><strong>50</strong></td>
</tr>
</tbody>
</table>

The research instrument used was the questionnaires to collect primary data while secondary data were collected through comprehensive literature review study of a competitive strategy that also cover how such affected organizational performance. The questionnaire comprised of two major parts where; part A covered demographic variables and part B contained information pertaining to the role of competitive advantage on organizational performance. Questionnaire was self administered. The reliability coefficient of the research instrument was 0.7.

**Data analysis**

The study generated qualitative data which were analyzed descriptively while quantitative data was analyzed using inferential statistics. The raw data obtained from the field were first coded, scrutinized and then organized into categories, edited to enhance accuracy and hasten analysis using Microsoft excel and SPSS. The data was grouped into frequency distribution to indicate variable values and number of occurrences in terms of frequency. Frequency distribution table were informative to summarize the data from respondents, percentages and other diagrams such as charts, graphs and grouped frequency distributions were used during the analysis where statistical parameters were determined for descriptive statistics. To test hypothesis, the study employed linear regression model as an analytical tool to run a regression to be able to investigate the effects of independent variables on dependent variable. SPSS was used to run a regression. The research model adopted helped overcome potential bias in regression coefficients. Multiple linear regression model was as follows:

\[ Y = \alpha_1 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + e \]

Whereby, \( Y \) = Performance of private universities
\( \alpha_1 \) = Constant
\( \beta_1, \beta_2, \beta_3, \beta_4 \) = the coefficients of the determinants of performance of private universities.
\( X_1 \) = Social needs, \( X_2 \) = Innovation and creativity, \( X_3 \) = Promotion of diversity, \( X_4 \) = Research and development \( e \) = Error

**RESULTS AND DISCUSSION**

**Demographic Information**

**Gender of Respondents**

The study shows the distribution on gender in Table 2. According to the findings, a majority 54 % of the respondents were male while 46 % were female.

**Table 2. Gender of Respondents**

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>27</td>
<td>54</td>
</tr>
<tr>
<td>Female</td>
<td>23</td>
<td>46</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>50</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>


**Academic Qualifications**

The study shows the highest academic qualification of the respondents in Table 3. It ranges from primary level to degree and above.

**Table 3. Highest Academic Qualification**

<table>
<thead>
<tr>
<th>Academic Qualification</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>O-level</td>
<td>15</td>
<td>30</td>
</tr>
<tr>
<td>Diploma</td>
<td>22</td>
<td>44</td>
</tr>
<tr>
<td>Degree and above</td>
<td>10</td>
<td>22</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>50</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

The findings revealed that 44% of the respondents had diploma level education as their academic qualification while 30% had O-level qualification respectively. Further 22% indicated that they had degree and above as their highest academic qualification while 6% had attained only primary level qualification.

**Position held in organisation**

The study established that the respondents indicated that they were top management like administrators, lecturers, other staff and students. The study categorized the positions of the interviewees as shown in Table 4.

**Table 4. Position in the Organization**

<table>
<thead>
<tr>
<th>Position</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top management</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>Lecturers</td>
<td>6</td>
<td>12</td>
</tr>
<tr>
<td>Other staff</td>
<td>12</td>
<td>24</td>
</tr>
<tr>
<td>Students</td>
<td>28</td>
<td>56</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>50</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

The findings indicated that 56% of the respondents were students as they are the major consumers of services offered. 24% were other staff who have worked for some close to ten years in the university while 12% were lecturers besides 8% being the university administrators.

**Period Worked in the Organization**

The following Table 5 shows distribution of period in the organization.

**Table 5. Period in the Organization**

<table>
<thead>
<tr>
<th>Period</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>less than 1 year</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>1-5 years</td>
<td>23</td>
<td>46</td>
</tr>
<tr>
<td>6-10 years</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>11-15 years</td>
<td>6</td>
<td>12</td>
</tr>
<tr>
<td>16 years and above</td>
<td>12</td>
<td>24</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>50</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

According to the findings, 46% of the respondents indicated that they had associated with the university for a period of 1-5 years while 24% said that they had been around for duration of 16 years and above. On the other hand 12% of the respondents had been around for a period of 11-15 years while 10% had worked for a had been around between 6-10 years and 8% for a period of less than a year respectively.

**Social Needs**

Mount Kenya University has set up a structure to ensure that their education serves to meet social needs of its students. The University seeks to ensure that their education reduces poverty, increases wealth creation and raises the standard of living of their students. Extend to which education of MKU satisfies social needs of their students is presented in Table 6.
Table 6. Meeting social needs

<table>
<thead>
<tr>
<th>Statement</th>
<th>SD</th>
<th>D</th>
<th>Moderate</th>
<th>A</th>
<th>SA</th>
<th>total</th>
</tr>
</thead>
<tbody>
<tr>
<td>MKU has policies and procedures on how to meet social needs of all stakeholders</td>
<td>6</td>
<td>12.8</td>
<td>8</td>
<td>17.0</td>
<td>20</td>
<td>42.6</td>
</tr>
<tr>
<td>University education has created awareness on imminent needs for all stakeholders</td>
<td>6</td>
<td>12.8</td>
<td>5</td>
<td>10.6</td>
<td>17</td>
<td>36.2</td>
</tr>
<tr>
<td>Education programmes offered have helped graduates take necessary precaution against falling</td>
<td>5</td>
<td>10.6</td>
<td>5</td>
<td>10.6</td>
<td>14</td>
<td>29.8</td>
</tr>
<tr>
<td>Training offered has been effective in helping students understand the wealth creation</td>
<td>6</td>
<td>12.8</td>
<td>4</td>
<td>8.5</td>
<td>16</td>
<td>34.0</td>
</tr>
<tr>
<td>Relevancy of courses given and programmes offered has increased through training</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td>2</td>
<td>4.3</td>
</tr>
<tr>
<td>Poverty eradication has been a integrated in productivity of employees in the different</td>
<td>7</td>
<td>14.9</td>
<td>3</td>
<td>6.4</td>
<td>11</td>
<td>23.4</td>
</tr>
<tr>
<td>organization</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MKU maintains statistics and report on seminars and conferences on</td>
<td>5</td>
<td>10.6</td>
<td>9</td>
<td>19.1</td>
<td>9</td>
<td>19.1</td>
</tr>
</tbody>
</table>

KEY: SD-Strongly Disagree, D-Disagree, A-Agree, SA-Strongly Agree

The study established that 42.6% of the respondents were moderate that the MKU has policies and procedures on meeting social needs. 36.2% were also of moderating social needs have created awareness on imminent needs that education should cater for. Further a marginal of 27.7% agreed that education programmes has helped graduate to take necessary precaution. Nevertheless 36.2% agreed training offered has been effective in helping graduates understand the scope of strategies as far as meeting social needs is concerned in different organizations. However 72.3% were strongly in disagreement that poverty reduction can be enhanced through training. Further 29.8% agreed that education has been a factor contributing to the productivity of employees in different organization while 38.3% were moderate that understanding relevant polices in different organizations.

Barber et al.,(2013) believes that urgent transformation is done to ensure that all institutions of higher learning aim at not only imparting knowledge but aim at providing students with an avenue to meet their social needs. Today, more than ever in their history, higher education institutions are being judged by the ways in which they respond to the social and economic needs of society, that is, how they are facilitating social mobility and wider access to higher education for disadvantaged groups, their actions to enhance graduate employability, their short- and long-term contributions to national economic growth and local development, and the ways in which they are stimulating the birth of new enterprises and innovation in existing firms (Collini 2012).

Wolff and Gittleman (1993) examined the higher education level and run regression on labor productivity index. They showed that university enrollment ratio is highly correlated with labor productivity growth i.e. the more the students graduated from the university higher the labor productivity growth is. Also they examined the specialized field including the science and technology and concluded that more the scientists and engineers produced by the university, more will be the economic growth, and less the poverty level is. Higher education provides more incentive and better jobs, which indirectly lessened the poverty as almost 75 percent young people graduated from the universities normally get the job.

They concern the role of higher education in shaping the social order as far as social privileges, meritocracy, equity and social cohesion are concerned. They concern the balance between, on the one hand, the pursuit of knowledge for its own sake and the critical functions of higher education and, on the other hand, more utilitarian expectations from other parts of society. And they concern the modes of regulation of higher education, including the respective roles played by market forces, the academic profession and its leaders, the state and other stakeholders Marginson, (2000).
Promoting creativity and innovation
Creativity and innovation are keys to any institution of higher learning. Table 7 that summarises the responses which sought to establish how creativity has been cultivated in the university.

Table 7. Creativity and innovation

<table>
<thead>
<tr>
<th>Statement</th>
<th>SD F</th>
<th>D F</th>
<th>Moderate F</th>
<th>Agree F</th>
<th>SA F</th>
<th>No response F</th>
<th>%</th>
<th>%</th>
<th>%</th>
<th>%</th>
<th>total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy statements in the promotion of creativity and innovation is unclear at various levels</td>
<td>2</td>
<td>4.3</td>
<td>4</td>
<td>8.5</td>
<td>15</td>
<td>31.9</td>
<td>19</td>
<td>40.4</td>
<td>7</td>
<td>14.9</td>
<td>-</td>
</tr>
<tr>
<td>Creativity and innovation involves responsibilities from the top management to the performance at operational levels. Management of MKU has not been keen in encouraging creativity and innovation based on funds allocated to promote the same. There is no clear road map on how to go about creativity and innovation at all levels. The university top management has not demonstrated their commitment on promoting creativity and innovation.</td>
<td>7</td>
<td>14.9</td>
<td>5</td>
<td>10.6</td>
<td>17</td>
<td>36.2</td>
<td>13</td>
<td>27.7</td>
<td>5</td>
<td>10.6</td>
<td>-</td>
</tr>
<tr>
<td>KEY: SD - Strongly Disagree, D - Disagree, A- Agree, SA – Strongly Agree</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

According to the findings, about 40% of the respondents were not satisfied with creativity and innovation. Mok, (2005) argues that universities’ quest for becoming entrepreneurial has inevitably changed the role of the university sector and its relationship with the state, the market and the industry, especially when universities are becoming more proactive in promoting innovation, economic development and academic entrepreneurship. Marginson, (2000), adds that universities, nowadays, are driven to become more entrepreneurial and enterprising not only for income generation but also for enhancing the national competitiveness in innovation, research development and technological advancement in order to benchmark favourably in international ranking exercises like the global university leagues.

Afuah (1998) concludes that the significant role of higher education in nurturing talents for further research and development and the advancement of innovation is vital in an economy. He adds that the access to higher education and the assurance of higher education quality has laid a very solid foundation for the promotion of innovation in most nations in the world. Tierney (1993) suggests that for creativity and innovation to be cultivated in institutions of higher learning. All stakeholders should play their part and create a conducive environment for learning. Quality assurance agencies should be aware of the potentially detrimental effects of external quality mechanisms if they stress conformity over risk-taking, are oriented towards the past rather than the future and develop into burdensome bureaucracies. QA agencies are invited to explore jointly with higher education institutions how external quality mechanisms may strengthen creativity. The ultimate objective would be the development of quality systems which foster the creativity agenda. This means placing enhancement and an institution’s capacity to change at the heart of the evaluation process.

Creativity is frequently associated with notions such as talent, spontaneity and coincidence, i.e. factors that cannot be influenced or determined but ultimately are left to chance. We find this expressed, for instance, in the popular idea of a “creative leap” or “flash of genius” as the origin for major scientific, artistic or social breakthroughs (e.g. Newton observing a falling apple). However, the modern literature on creativity reveals that, although factors such as luck or chance certainly play a role, creativity in higher...
education may be enhanced (or hindered) by specific institutional and environmental situations as well as cultural factors. Favourable conditions include team work, cross cultural exchange grounded in socio-cultural diversity, trans- and interdisciplinarity, time and resources and a risk-taking culture that tolerates and even encourages failure (e.g. Landry 2000, Tepper 2005).

In their recommendation, endorsed by the presidents of sixty-two research universities, the American Association of Universities recommended that Universities should look towards the future in all their activities, rather than being grounded in the past. The high level of expertise of the university community in diverse fields uniquely qualifies(Higher institutions of learning) HEIs to strive towards “being one step ahead” of the times by going beyond established knowledge, questioning time-honoured ideas and trying not only to solve current problems but also be proactive in identifying issues of future relevance. In keeping with this forward-looking orientation, HEIs should work towards developing internal quality processes that support the creativity agenda by being geared towards the future and avoid over-bureaucratisation (Tierney, 1993).

Diversity
This section of the study shows MKU has worked in promoting diversity by the respondents. Results in Table 8 show respondents’ rating of opinion on the how MKU has promoted diversity.

Table 8. Diversity in Mount Kenya University

<table>
<thead>
<tr>
<th>Statement</th>
<th>SD F</th>
<th>D F</th>
<th>Moderate F</th>
<th>Agree F</th>
<th>SA F</th>
<th>No response F</th>
<th>Total %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diversity is reflected in academic programmes offered at the university.</td>
<td>2</td>
<td>4</td>
<td>8.5</td>
<td>15</td>
<td>31.9</td>
<td>19</td>
<td>40.4</td>
</tr>
<tr>
<td>The admission procedure must be able to reflect diversity and globalization.</td>
<td>7</td>
<td>14.9</td>
<td>5</td>
<td>10.6</td>
<td>17</td>
<td>36.2</td>
<td>13</td>
</tr>
<tr>
<td>Policies on diversity at work place have created a safe and conducive environment where different stakeholders are accommodated.</td>
<td>6</td>
<td>12.8</td>
<td>5</td>
<td>10.6</td>
<td>13</td>
<td>27.7</td>
<td>15</td>
</tr>
<tr>
<td>There must be a clear road map on how to go about diversity issues in university.</td>
<td>4</td>
<td>8.5</td>
<td>10</td>
<td>21.3</td>
<td>12</td>
<td>25.5</td>
<td>16</td>
</tr>
<tr>
<td>MKU top management has demonstrated their commitment to be laid down policies on promoting diversity.</td>
<td>3</td>
<td>6.4</td>
<td>7</td>
<td>14.9</td>
<td>19</td>
<td>40.4</td>
<td>14</td>
</tr>
<tr>
<td>The policies on diversity have attracted commitment from all stakeholders</td>
<td>7</td>
<td>14.9</td>
<td>10</td>
<td>21.3</td>
<td>17</td>
<td>36.2</td>
<td>11</td>
</tr>
</tbody>
</table>

KEY: SD-Strongly Disagree, D-Disagree, A-Agree, SA-Strongly Agree

The study found out that 40.4% agreed that policy statements in the MKU include measures and standards meant to promote diversity to be observed by all stakeholders at various levels. On the other hand 36.2% were moderate that MKU include measures and standards meant to promote diversity to be observed by all stakeholders at various levels while 31.9% agreed MKU include measures and standards meant to promote diversity to be observed by all stakeholders at various levels concerning the employees and the organization at large.

Alger (1997) argues that colleges and universities have recognized and responded to the fact that diversity is key in university education, their mission statements have undergone a process of rather dramatic transformation. Increasingly, institutional mission statements at colleges and universities across the country affirm the role that diversity has in enhancing teaching and learning in higher education. Furthermore administrators (Bollinger, 1997; Rudenstine, 1997; Shapiro, 1995), academics (Astone and Nuñes-Womack, 1990; Duster, 1993; Hurtado, Milem, Clayton-Pedersen, and Allen, 1998; Smith and
Associates, 1997; Tierney, 1993), and national educational associations offer compelling arguments about the ways in which diversity expands and enriches the educational enterprise through the benefits that it provides to individual students, to colleges and universities, and to our society and our world. In a statement endorsed by the presidents of sixty-two research universities (including eight Ivy League institutions and more than thirty public research universities), the American Association of Universities argued: *We speak first and foremost as educators. We believe that our students benefit significantly from education that takes place within a diverse setting.*

Tierney (1993) believes that in the course of their university education, students encounter and learn from others who have backgrounds and characteristics very different from their own. As we seek to prepare students for life in the twenty-first century, the educational value of such encounters will become more important, not less, than in the past.

In recent years, more of this research has focused on the ways in which racial dynamics on campus influence student outcomes. The most abundant research evidence supporting arguments for the continued use of affirmative action in college admissions exists in the area of how individuals benefit from diversity. Individual benefits refer to the ways in which the educational experiences and outcomes of individual students are enhanced by the presence of diversity on campus. Research evidence regarding the individual benefits of diversity suggests that diversity enhances student growth and development in the cognitive, affective, and interpersonal domains.

This educational benefit is universal in that all students learn from it, not just minority students who might have received a “bump” in the admissions process. Indeed, majority students who have previously lacked significant direct exposure to minorities frequently have the most to gain from interaction with individuals of other races. The universality of this benefit distinguishes the diversity rationale from the rationale of remedying discrimination, under which minority students received special consideration to make up for past injustices to their racial group (Alger, 1997)

**Research and development**

The study sought to show the responses on satisfaction with the research and development in figure 2.

![Figure 2. Satisfaction with research and development](image)

According to the findings, 40% indicated that they were fairly satisfied on research and development carried out at the university. On the other hand 28% stated that they were satisfied with the research policy while 19% expressed that they were not satisfied. The policies and regulations in research and development at the university if followed well can promote graduates performance are respective workplace.

Cooper and Schindler (2003) stress the importance of research in higher learning institutions. They say the most important factor is the ability of the academic staff to combine tuition and research work, which usually explains the loyalty towards a particular institution – ideally, the tuition and research work should go hand in hand throughout one’s academic career.
Every year, secondary school graduates have to choose a university. This is a crucial decision for their future trajectories made under imperfect information. Therefore, quality indicators like university rankings and an excellence competition may provide valuable information for choosing a university. The greatest determinant of university ranking is the quality and quantity of research presented by the university (Neave 2000).

Geiger, R.L. (1992) asserts that research leads to applications that directly benefit the people of a nation and beyond. He believes that without research, we would not be able to transform disease into health, shortage into plenty, stasis into mobility, brown fields into green fields. As Camara and Toure (2010) emphasises the role of research as a source of new knowledge, along with government and industry and are the critical pedals that shape a knowledge based economy in any country. The key to achieving this is to look at research not only as the origin of new knowledge but also as a process that trains people to create more knowledge.

**Training on Research and development**

Table 9. Training on research

<table>
<thead>
<tr>
<th>Statement</th>
<th>SD</th>
<th>D</th>
<th>Moderate</th>
<th>A</th>
<th>SA</th>
<th>No response</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research work in the university is creative, satisfactory and motivating</td>
<td>1</td>
<td>2.1</td>
<td>14</td>
<td>29.8</td>
<td>20</td>
<td>42.6</td>
<td>9</td>
</tr>
<tr>
<td>There is commitment and will by the management to research and development</td>
<td>3</td>
<td>6.4</td>
<td>4</td>
<td>8.5</td>
<td>18</td>
<td>38.3</td>
<td>19</td>
</tr>
<tr>
<td>There exists an interrelationship within the lecturers and between the students aimed at promoting research.</td>
<td>2</td>
<td>4.3</td>
<td>6</td>
<td>12.8</td>
<td>16</td>
<td>34.0</td>
<td>19</td>
</tr>
<tr>
<td>The current research funding in the university has strongly improved on the productivity.</td>
<td>2</td>
<td>4.3</td>
<td>9</td>
<td>19.1</td>
<td>23</td>
<td>48.9</td>
<td>9</td>
</tr>
<tr>
<td>Research funding affects commitment, competence, cost effectiveness and congruence on research and development.</td>
<td>2</td>
<td>4.3</td>
<td>5</td>
<td>10.6</td>
<td>7</td>
<td>14.9</td>
<td>16</td>
</tr>
<tr>
<td>Students are engaged in consultation by the management while developing tools to for research.</td>
<td>5</td>
<td>10.6</td>
<td>9</td>
<td>19.1</td>
<td>18</td>
<td>38.3</td>
<td>11</td>
</tr>
<tr>
<td>The tools to manage an promote research are friendly and encouraging</td>
<td>2</td>
<td>4.3</td>
<td>13</td>
<td>27.7</td>
<td>16</td>
<td>34.0</td>
<td>12</td>
</tr>
</tbody>
</table>

**KEY:** SD- Strongly Disagree, D- Disagree, A- Agree, SA – Strongly Agree

According to the findings, 42.6% were moderate that motivation to carry out research and development in the university thus making it attractive, creative, satisfactory and motivating. Meanwhile 40.4% agreed that agreed that there was optimal commitment and willingness by the management to provide funding for research. Further 48.9% were moderate that the current funding of the research department has strongly improved research. In addition 34% strongly agreed that research and development needs commitment, competence, and congruence while 38.3% were moderate about the same.

Research is one of the key mandates of Universities, the others being teaching and community service. The Science and Technology in use today is an outcome of long-term investment in Research and Development (R&D). Traore (2002) defines research as a process of inquiry that seeks new information or verifies existing facts in order to solve problems within society, is equally an important tool and investment for socio-economic development of any country. He argues that while both basic and applied
research is important; for a developing country like Kenya, more resources ought to be directed to applied research since it does provide the required solutions within a short period of time. All the same, some allocation of resources to basic research is prudent as medium and long-term development strategy. Many African universities today have lost their capacity for doing sustainable research as a result of poor leadership and constrains of funds from government. Shabani (1995) noted that while many African countries formally acknowledge the importance of the role of research in the socio-economic development process, they have failed to give the needed precedence to the development and the adoption of the various resources needed for cutting edged research. Today, Sub- Saharan Africa unfortunately contributes the least to research funding in the world. Mater (1999) emphasizes that without research, universities quickly lose the ability to offer first class graduate studies and to attract and retain quality staff and postgraduate students. The many constrains according to Traore (2002) affecting the capacity of universities in Africa to engage in cutting edge research include, lack of strategic vision in research, lack of infrastructure, poor research funding, poor remuneration for research staff to mention a few. For a university in Africa, these hurdles would have to be overcome to open doors for high quality research.

In some African universities, there are faculty members who have been able to attract substantial amounts of foreign funds for various research projects. These people would be given the platform to share best practice to especially relatively new faculty members to enable them learn the techniques in writing proposals, sourcing for research funds and managing projects. Creating a university where high quality cutting edge research is practiced has to be a collective effort and is incumbent on all faculty to join hands to promote the University research culture (Traore 2002). The office for Research Innovation and Development (ORID) would work hard to provide faculty members with the information and technical expertise to practice high quality research. The office would aid in linking faculty members to institutions abroad with training and funding opportunities. ORID would endeavour to foster interdisciplinary research projects and negotiate with national international organizations for funding opportunities from which faculty members can apply to and access funds. The University would provide the institutional support for mentoring programs, institute starter grants and innovation grants for faculty members (Oyewole 2007).

Regression Analysis
Regression analysis was one to test the correlation between the independent variable and the independent variable. Below is a summary of the findings:

Table 10. Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>.998(a)</td>
<td>0.995</td>
<td>0.995</td>
<td>1.00265</td>
</tr>
</tbody>
</table>

(a) Predictors: (Constant), social needs, creativity and innovation, diversity and research and development
(b) Dependent Variable: organizational performance

Adjusted $R^2$ is called the coefficient of determination and tells us how different strategies at the MKU have boosted performance varying with meeting social needs, creativity and innovation, diversity besides research and development. From the table above, the value of adjusted $R^2$ is 0.995. This implies that, there was a variation of 99.5% of between the dependent and the independent variables. This simply means that, when meeting social needs, creativity and innovation, diversity besides research and development are jointly applied, performance would be achieved at 99.5%.

Table 11. ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>8825.761</td>
<td>4</td>
<td>1765.152</td>
<td>1755.827</td>
<td>.0005(a)</td>
</tr>
<tr>
<td>Residual</td>
<td>41.218</td>
<td>41</td>
<td>1.005</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>8866.979</td>
<td>46</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(a) Predictors: (Constant), SOCIAL NEEDS, CREATIVITY and INNOVATION, DIVERSITY and RESEARCH AND DEVELOPMENT (b) Dependent Variable: UNIVERSITY PERFORMANCE
The study used ANOVA to establish the significance of the regression model from which an f-value of p<0.005 was established. This shows that the regression model has a less than 0.005likelihood (probability) of giving a wrong prediction.

### Table 12. Coefficients Results

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>2.498</td>
<td>0.621</td>
<td></td>
<td>4.026</td>
</tr>
<tr>
<td>Meeting social needs</td>
<td>0.312</td>
<td>0.125</td>
<td>0.029</td>
<td>2.488</td>
</tr>
<tr>
<td>Creativity and innovation</td>
<td>0.004</td>
<td>0.154</td>
<td>0.000</td>
<td>0.029</td>
</tr>
<tr>
<td>Promoting diversity</td>
<td>0.230</td>
<td>0.169</td>
<td>0.233</td>
<td>1.359</td>
</tr>
<tr>
<td>Research and development</td>
<td>0.869</td>
<td>0.180</td>
<td>0.884</td>
<td>4.830</td>
</tr>
</tbody>
</table>

Dependent Variable: UNIVERSITY PERFORMANCE

The following regression analysis was obtained:

\[ Y = 2.498 + 0.312X_1 + 0.004X_2 + 0.230X_3 + 0.869X_4 - 0.123X_5 \quad p=0.001 \]

Whereby Y is Employee Performance, \( X_1 \) is meeting social needs, \( X_2 \) is creativity and innovation, \( X_3 \) is diversity and \( X_4 \) is research and development. The model illustrates that when all variables are held at zero (constant), the value of university performance would be 2.498. However, holding other factors constant, a unit increase in social needs, would lead to a 0.312 increase in university performance, a unit increase in enhancing creativity and innovation would lead to a 0.004 increase in university performance, a unit increase in diversity would lead to a 0.230 increase in performance. On the other hand, a unit increase in research and development would lead to a 0.869 increase in performance. This suggests that increased meeting social needs, creativity and innovation, increased diversity and existence research and development at MKU would increase performance.

### CONCLUSION

From the study one can conclude that private universities’ competitive strategy has promoted research and development, added value to social satisfaction, promoted creativity and innovation besides being a key pillar to promoting diversity and dynamism among those who go to university. From the results, it is clear that institutions of higher learning require competitive strategies that are aimed at differentiating them from their competition. It can be seen clearly that for effective implementation of the competitive strategies, stakeholders need to be involved and resources need to be allocated to the implementation. From the research it is worth concluding that diversity plays an important role as a competitive strategy in promoting competitiveness of a modern institution of higher learning. It is important to note also that universities that invest in research and development and encourage creativity and innovation are rated highly and are always competitive. Finally, universities retain relevance of their courses are tailormade to suit the environment of the students and help them to improve their social needs by dealing with issues such as poverty, crime and unemployment.

### RECOMMENDATIONS

On the basis of the findings the following recommendations were made:

- Universities ought to design their curriculum to meet social needs of the students. Such issues to be addressed include, poverty reduction, wealth creation, leadership, corruption among other social issues.
- University education should be structured in such a way that it makes students to be fully engaged in national affairs and be able to better their living conditions.
To remain competitive, universities should promote creativity and innovation. There should be a good environment for students to be able to initiate and implement their ideas. Incentives should be given to innovators to ensure that the culture of innovation is supported.

Institutions of higher learning ought to be embracing if not promoting cultural diversity. They should be at the forefront in setting up structures that ensure that students and staff from diverse cultures are recruited.

Research and development is key for all universities in the world. There is a need for universities to hold several conferences and workshops that provide an avenue for students and staff to present their research work. Students should also be taken through the research process and mentored to be researchers while in the university and after.

The need for universities to evaluate and assesses issues that are both internal and external to the firm with Internal assessments based on the university’s functional and process capabilities and financial resources. While the external assessments being on the key success factor that have been identified aimed at leading to an understanding of the opportunities and threats facing the private universities.

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