

## EFFECTIVENESS OF COMPETITIVE STRATEGIES ON STUDENT ENROLMENT, STAFF ATTRACTION AND RETENTION IN KENYAN UNIVERSITIES: A CASE OF UNIVERSITIES IN THARAKA NITHI AND MERU COUNTIES

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### ABSTRACT

**H**igher education in Kenya has entered a new competitive environment which has been witnessed in the increasing number of universities in Kenya. The growth of universities has also been experienced in Tharaka Nithi and Meru Counties. The study sought to determine the effectiveness of the competitive strategies that have been adopted to increase enrolment and staff attraction and retention by the universities in Tharaka Nithi and Meru Counties. Descriptive survey research design was used for the study, with the target population being top management staff in all the universities in Tharaka Nithi and Meru Counties. A complete enumeration of the twenty seven top management staff in all the three universities in Tharaka Nithi and Meru counties was conducted. Data collection was done using questionnaires and the Data analysis was facilitated by use of Statistical Package for Social Sciences. The results obtained implied that there was a significant relationship between strategies implemented by the Universities and student enrollment, staff attraction and retention. All institutions had implemented different aspects of differentiation strategy and market and product development strategy with the aim of increasing student enrolment. The study revealed that the institutions had implemented resource development strategies in order to attract and retain qualified employees. These findings will be useful to the university management in providing information about strategic responses that are implemented to counter the competitive environment of universities.

**Key Words:** *Strategic Response; Competition; University Success; Threat; Competitive strategies*

## 1.0 INTRODUCTION

A firm is regarded as a cohesive organism which learns to adapt or find better ways of doing things in response to its environment. One of the environmental influences to a firm arises from competition. The competitive environment is the dynamic system in which the business competes. Strategy development requires the firm to understand what critical variables are changing, the pace at which these changes are occurring, and their likely impact on the firm (Porter, 2004). The external environment faced by the firm and its business units affect the strategy of the firm, the value of the strategy, and thus the firm's performance. Environmental analysis is therefore an active and essential input to strategy development, helping the firm and its business units identify attractive opportunities and make decisions on where and how to compete (Capon, 2009).

According to Ogolla, Bolo & Muchemi (2011) the growth or sustainability of a firm depends on how it responds to competition. Organizations, whether for profit or non profit, private or public, have found it necessary to engage in strategic thinking in order to achieve their goals. The environment in which firms operate has become increasingly competitive. This requires a threefold response from organizations. They are required to position themselves more strategically, they need to translate their insight into effective strategies to cope with the competitive environment and develop rationale necessary to lay the ground work for adopting and implementing strategies. Porter (2008) viewed strategy as the process of creating a unique and valuable position by means of a set of activities that create synergistic pursuit of the objectives of a firm. For a firm to sustain competitive advantage, it should look at how to compete, whom it is competing with, the basis of competition, whom it is competing against, and the ways to create barrier to competition (Aaker, 2011).

A company's strategy consists of the business' approaches and the initiatives it undertakes to attract customers and fulfill their expectations, to withstand competitive pressures and to strengthen its market position. These strategies provide opportunities for the organization to respond to the various challenges within its operating environment. Firms also develop strategies to enable them seize strategic initiatives and maintain a competitive edge in the market (Porter, 1998). According to Mutali and Messah (2011), Kenya's higher education has remained the fastest growing segment of the education system over the past 20 years with enrolment increasing on average by 6.2 per cent per year. This has been exemplified by the rise in enrolment in public and private universities, the proliferation of more private universities and the establishment of private wings (self sponsored programmes) in the public universities. The large enrolment of university students was a key corollary to the establishment of more public universities. This meant that many tertiary-level colleges have been abolished in favor of university education. The current trend in universities is characterized by aggressive competition especially with establishment of satellite centers across the country and use of different strategies to attract potential students. Currently there are 23 public universities and 29 private universities in Kenya. Official documents on education (GOK, 2009) agree that the national budget on education is over-stretched thus public universities are urged to use their existing resources more efficiently and to establish viable cost-reduction measures. This has thus led to both public and private universities to rely on self sponsored programmes to increase their financial resource.

Meru region has experienced an increase in universities in the recent past. Kenya Methodist University was founded in 1997 and it was the only University in the region until 2004. Egerton University opened Eastern Campus in 2004, which was upgraded to a constituent college of Egerton university in 2007 and renamed Chuka University College. Currently there are six universities in Tharaka Nithi and Meru counties namely Kenya Methodist University, Chuka University and Meru University of Science & Technology (which are

full fledged universities operating under charter) and Nazarene University Meru Campus, Mt. Kenya University Nkubu Campus and University of Nairobi Meru Campus which are satellite campuses. Universities in Meru region can, therefore, respond to the industry expansion in several ways. They may make a credible commitment to expanding their operations in the hope of deterring the competitor rather than face the competitor. The universities may shift into new market segments or simply cede market share by shifting to a niche market and focusing on geographically distant markets that are not targets of the competitor (Gaur, 2007). The study sought to determine the effectiveness of competitive strategies on student enrolment and staff attraction and retention in universities.

Kenyan universities are operating in a more competitive environment than they did a decade ago where their overall sustainability is determined by how well they reposition themselves to increase student enrolment in the competitive environment. In the past, the public universities had an upper hand in student enrollment through Joint Admission Board students and full reliance on funding by the government. However, under the current economic conditions, as government struggles to balance its budget, the government has decreased the funds to the institutions. Public universities are therefore required to seek alternative funding arrangements to increase on their finances. This, therefore, has led to public and private universities to rely on self-sponsored programmes to increase their financial resource thus creating aggressive competition for university students in Kenya. The universities are therefore required to be proactive and to formulate strategies that will attract more students. With increased enrollment there should be commensurate increase in qualified staff to handle them to ensure growth and sustainability of the university. Studies have been done on competitive strategies employed by universities to increase student enrolment and attract and retain qualified staff. However, there is no study on effectiveness of the competitive strategies employed on student enrolment and staff attraction and retention specifically in respect to the universities in Tharaka Nithi and Meru counties, hence the principal motivation behind this study, which sought to determine the effectiveness of competitive strategies adopted by universities to increase student enrolment and attract and retain staff, with a special focus on universities in Tharaka Nithi and Meru counties.

## **2.0 LITERATURE REVIEW**

### **2.1 Competitive Strategies**

Competition is at the core of the success or failure of firms. Competition determines the appropriateness of a firm's activities that can contribute to its performance, such as innovations, a cohesive culture, or good implementation. Competitive strategy is the search for a favorable competitive position in an industry, the fundamental arena in which competition occurs (Porter, 1998). When a firm is implementing a value creating strategy not simultaneously being implemented by any current or potential competitors, then we can say the firm has a competitive advantage. And when a firm is implementing a value creating strategy not simultaneously being implemented by any current or potential competitors and when these other firms are unable to duplicate the benefits of this strategy, then we can say the firm has a sustained competitive advantage (Barney, 1991).

Kisaka & Okibo (2014) in their study on Effect of Porter's Generic Strategies on Expansion of Academic Programmes for Competitive Advantage in Kenya assert that the 21st century has brought challenges and opportunities for higher education in Kenya. The institutions need to understand their resources, capabilities and core competencies which have a direct link to the institutions' ability to achieve their strategic competitiveness and earn above average returns.

According to Kiamba (2002) an over expressed demand for higher education and the limited financial resources in institutions of higher learning may have necessitated the dawn of expansion of new or reviewed academic programmes; an expansion strategy that enables such institutions to have sustainable growth, increase capacity to deliver and increase market share. During the 1994/1995 financial year, the government reduced the education budget from 37 percent of its annual recurrent budget to about 30 percent with the argument that higher allocations were not sustainable. Under these circumstances, public universities were called upon to explore ways and means of financing university programmes with finances generated from sources other than the exchequer. Moreover, due to increased number of both public and private universities in Kenya, these institutions are now competing for students. This necessitates strategizing to not only attract them but also to have competitive advantage.

There is no other country in East Africa which has witnessed as great a surge in higher education institutions as Kenya. This rapid expansion of higher education has had a lot of implications for higher education leadership. The explosion of enrolment has put enormous pressure on public higher education systems which presently face an array of problems since the government has not matched funding with the expansion (Munene, 2013). A common strategy all public universities in Kenya have implemented is the so-called Parallel or Module II degree programs which allow for institutions to admit students who elect to pay the full cost of attendance in addition to those receiving government subsidies (Nyangau, 2014).

Survival of universities in the competitive environment will entirely depend on how well they strategically position themselves in the market through strategic planning, strategies adopted and management for sustainability in the current turbulence of globalization and competition. Mutali & Messah (2011) did a study on effects of selected marketing communication tools on student enrolment in Private universities in Kenya. The study revealed that public relations, advertising, direct marketing and personal selling influenced student enrollment. Kimando, Njogu & Sakwa (2012) did a study on competitive strategies employed by private universities in Kenya. The study revealed that universities have embraced different strategies to counter competition. Some have embraced technology, web marketing strategy where many universities now offer online classes, use e-learning modules, distant learning and selling courses electronically, which has made learning easier and efficient thus increasing their enrollment. Differentiation strategy has also been used to counter competition by employing unique and different products from competitors like, different admission criteria, different requirements for credit transfers, academic staff mobility and application of market-driven strategies. Product leadership has also been used to counter competition by offering leading edge products and services and creatively adapting to new and changing conditions while constantly pursuing new solutions on behalf of the customer and engaging in corporate social responsibility on brand differentiation.

### **2.1.1 Generic Strategies**

These are core ideas about how a firm can best compete in the market place. From a scheme developed by Porter (1998), many planners believe that any long term strategy should derive from a firm's attempt to seek a competitive advantage based on one of the three generic strategies: striving for overall low cost leadership in the industry, striving to create and market unique products for varied customer groups through differentiation and striving to have special appeal to one or more groups of customer or industrial buyers, focusing on their cost or differentiation concerns.

### **2.1.1.1 Cost Leadership Strategy**

To pursue a low cost strategy usually requires the firm to seek economy of scale to bring down costs or through proprietary technology or preferential access to raw materials. In the service sector, it would mean low-cost labor and efficient training procedures because of high turnover. Low cost firms usually sell a standard, no frill product or service (Porter, 1998). The cost leadership is deemed inappropriate for the education industry as up to date modern facilities, technology and attractive premises are the standard hallmarks for a quality institution and these make low cost strategy unachievable at best (Hua, 2011).

### **2.1.1.2 Differentiation Strategy**

The primary focus of a differentiation strategy is creating uniqueness such that the organization's goods and services are clearly distinguished from those of its competitors. A firm seeks to be unique along some dimensions that are valued by its customers and the attributes chosen must be different from that of rivals (Porter, 2004). Carr and Johansson (1995) have defined creativity as the generation of ideas and alternatives, and innovation as the transformation of those ideas and alternatives into useful applications that lead to change and improvement. They have found that in today's business environment, an essential element to an organization's success is adaptability. The organization must be able to manage the speed of change, and that takes creativity and innovation. A differentiation strategy calls for the development of a product or service that offers unique attributes that are valued by customers. Universities must be able to manage the speed of change, and that takes creativity and innovation. In this strategy, it requires universities to develop and implement academic programmes that are perceived as unique throughout the industry. Whether the features are real or just perceived by customers, the programmes must show that they have desirable features not commonly found in competing products

Hua (2011) asserts that the differentiation strategy is deemed appropriate for the education industry in a competitive environment. Differentiation by adding value to the products and services can provide sustainable competitive advantage compared to cost leadership strategy since the competitive advantage cannot be easily copied and customers attach more weight to products attributes other than price. The key methods for achieving differentiation is through utilizing strong brand names, innovative features, strong marketing skills and corporate reputation for quality, strong coordination of business activities, full range of courses offered, wide distribution coverage and ability to attract creative people.

### **2.1.1.3 Niche Strategies**

According to Pearce and Robinson (2007) a focus strategy whether anchored in a low-cost base or a differentiation base, concentrates on the needs of a particular market segment. The cost leadership and focus strategies seek competition in a broad range of industry segments while focus strategies aim at cost advantage or differentiation in a narrow segment. Both variants of the focus strategy depend on segments with customers with unusual needs and the delivery system required to serve these customers is different from those in other industries (Hua, 2011).

## **2.1.2 Grand Strategies**

A grand strategy is a master long term plan that provides basic direction for major actions directed towards achieving long term business objectives. Grand strategies indicate the time period over which long range objectives are to be achieved. The 15 grand strategies are concentrated growth, market development, product development, innovation, horizontal integration, vertical integration, concentric diversification, conglomerate diversification, turnaround, divestiture, liquidation, bankruptcy, joint ventures, strategic alliances and consortia (Pearce & Robinson, 2011). However, not all the grand strategies are applicable in this context.

### **2.2.2.1 Concentrated Growth Strategy**

According to Pearce & Robinson (2011) concentrated growth is a grand strategy in which a firm directs its resources to the profitable growth of a single product in a single market with a single technology. The main rationale for this approach which is sometimes called a market penetration or concentration strategy is that the firm thoroughly develops and exploits its expertise in a delimited competitive arena. While this strategy offers the advantage of enabling the firm to retain its basic products and market orientation, it exposes the organization to a wide range of financially threatening complications.

### **2.2.2.2 Market Development Strategy**

Market development is a grand strategy of marketing where a firm puts a lot of money into marketing, distribution, advertising and promotion. It is the least costly and least risky of the fifteen grand strategies. Public relations tools employed by the universities include written materials like annual reports, catalogues, student handbook, posters, brochures, institutional identity media through branding, event speeches, customer care and personal contacts. Advertising through print and electronic media such as radio, television, magazines, newspaper, internet and billboards is a key tool for universities to reach prospective students. Website is a major tool that universities can use in direct marketing (Mutali & Messah, 2011).

### **2.2.2.3 Product Development Strategy**

According to Kimando et al. (2012) Product development involves the substantial modification of existing products that can be marketed to current customers. Product development is based on the penetration of existing markets by incorporating product modification into existing items or by developing new products with a clear connection to the existing product line. Product leadership has been used to counter competition by offering edge products and services, providing a stream of products and services and creatively adapting to new and changing conditions while constantly pursuing new solutions on behalf of customers and engaging in corporate social responsibility on brand differentiation.

### **2.2.2.4 Innovation Strategy**

Innovation seeks to reap the premium margins associated with creation and customer acceptance of a new product or service. It is increasingly regarded as an important basis for sustainable competitive advantage in organizations. Available technologies that universities can use include web conferencing, video conferencing and educational television (Kimando et al., 2012).

### **2.2.2.5 Resource Development Strategy**

Barney (1991) asserts that the firm can also employ resource development strategy. Firms resources include all assets, capabilities, organizational processes, firms attributes, information and knowledge that are controlled by a firm that enable the firm to conceive of and implement strategies that improve its efficiency (doing things right) and effectiveness (doing the right things). Human capital is one of the major resources of a firm. According to (Wisdom, 2006) with increased enrollment there should be commensurate capacity to handle them. Universities can employ strategies like teaching, research and development, promotion, appointment on permanent tenure, mentoring, researching and research through giving grant to scholars, attractive salaries and benefits package, non monetary rewards and manageable workload.

## **2.2 Effectiveness of Competitive Strategies**

Abdullahi (2000) argues that if a firm wants to remain vibrant and successful in the long run, it must make impact assessment of the external environment, especially such relevant groups as customers, competitors, consumers, suppliers, creditors and the government. Effective strategy may enable a business to influence the environment in its favour and even defend itself against competition. Muturi (2003) adds that given the

current focus in business, there is need to understand competitor strengths in the market and then position one's own offerings to take advantage of weaknesses and avoid head on clashes against strengths. He says that to adapt to environmental changes, firms require effective leadership.

Porter (1998) observes that for firms to be able to retain competitive advantage, they need to examine their environment, both internal and external, and respond accordingly. According to Tregoe (2001), effective strategic response can be achieved in five phases. Phase one entails strategic intelligence gathering and analysis. It ensures that the depth and breadth of information on which strategic decisions are based is up-to-date, accurate and relevant. Phase two consists of strategy formulation which gives results in the creation of a strategic vision or profile. Phase three is referred to as strategic master project planning. During this stage, the plan for strategy implementation is developed in order to align the organization structure with the strategy. Phase four involves strategy implementation whereby the planned actions are taken, implementation is monitored, and the strategic master project plan is modified as and when required; and phase five - strategy monitoring, review, and updating - helps to determine whether there's success in the overall strategic response. The universities should therefore determine the effectiveness of the strategic responses by measuring the impact of the responses on student enrolment and attraction and retention of employees.

### 2.3 Competitive Forces

According to Porter (1998), competitive environment is the changes in customers and direct competitors that influence the competitive strategy of the business unit, such as the development of new products by competitors, the emergence of new channels of distribution, and the rise of new customer values. Strategic response should be based on an understanding of industry structures and the way they change. Porter identified five competitive forces that shape every industry and every market. These forces determine the intensity of competition and hence the profitability and attractiveness of an industry. The objective of corporate strategy should be to modify these competitive forces in a way that improves the position of the organization. Porter's model supports analysis of the driving forces in an industry. Based on the information derived from the Five Forces Analysis, management can decide how to influence or to exploit particular characteristics of their industry.

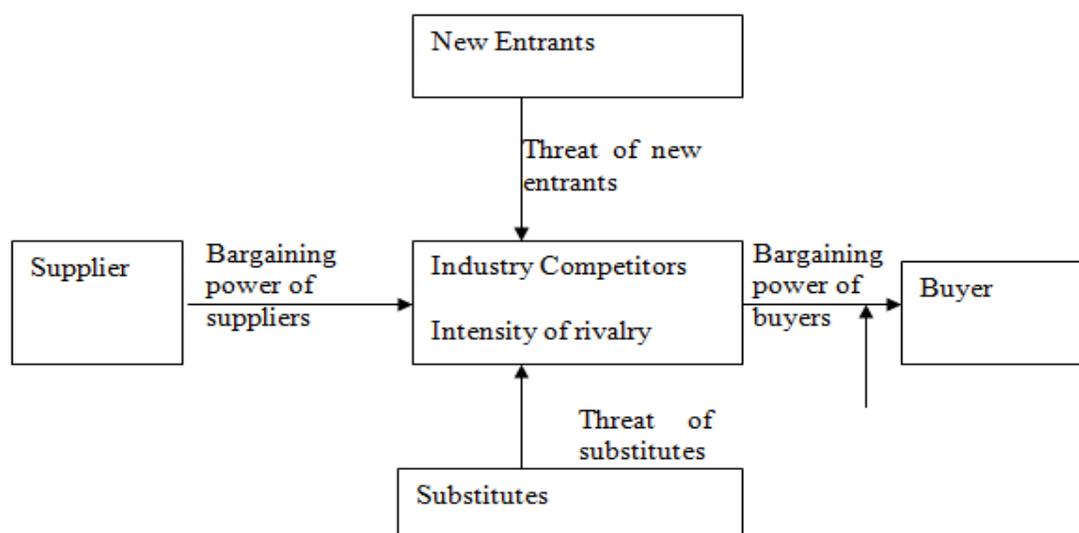


Figure 1. The Porter's Five Forces Model

Universities compete for students, research support, faculty members and financial support. However, the main competition is for students who define the growth and sustainability of the university. This competition is becoming increasingly aggressive and global. De Boer, Enders and Jongbloed (2009) note that as the number of universities grows, the competition increases and more competition lead to efficiency, higher quality, more innovation, more differentiation and more choices for consumers.

Porter (2008) describes the threat of new entrants as directly related to barrier to entry for that particular industry. He argues that it is not necessarily the actual entry of new competitors but the threat of new entrant to the industry that drives competition. As more and more students attain university credentials, there is increasing demand for the same because these credentials become the base expectation in the market place. This expectation leads to more competition for the same number of available spots and students are willing to pay more to capture a seat that is considered more prestigious to differentiate themselves more favorably from other with similar credentials. This suggests a clear advantage to the better established institutions. Newcomer universities are unlikely to have earned a sufficient reputation and respect from the industry to guarantee jobs therefore the demand side benefit is not realized (Pringle & Huisman, 2011).

In the case of universities the buyer is the student. Duczmal (2006) argues that the power of students increases with the number of options they have to choose from. With more and more universities offering degrees, students will have more choices and the competition for buyers will grow. This can, therefore, limit the ability of universities to increase tuition fee.

According to Porter (2008), substitutes perform similar function by different means. When the threat of substitute is high, industry profitability suffers. (Martinez & Wolverson, 2009) argue that the threat of substitutes is defined by three attributes convenience, time and application. They consider time to be the most important factor driving students to seek substitute products, arguing that students do not want to invest many years to obtain a bachelors or masters degree. As a result many students are demanding alternatives that decrease the completion time for a degree. Convenience is responsible for driving the adult learner to seek out alternative modes of education. As a result, in addition to the distance/online market, the delivery methods of evening, weekend and modularized programs are increasing. Universities that seek to respond to this group by offering convenience and decreased time may find that they become the industry standard (Pringle & Huisman, 2011).

In the higher education industry, the intensity of rivalry depends on the object of the competition which can be competition for students, staff members, government funding and research grants. The rivalry can be defined further by examining structural factors, the profile of exiting players and the industry context (Martinez & Wolverson, 2009). Kimando, Njogu and Sakwa (2012) assert that there has been a rapid growth of private universities over the last five years, which has been fuelled by several factors including limited opportunities available in public universities and the desire to complement public universities. The competition has made public universities to join the fray by opening new colleges in different parts of the country and introducing parallel degree programs in response to spiraling demand for higher education and for the purpose of dealing with competition brought about by private universities.

## **2.4 University Education in Kenya**

In more recent years, developing countries and donor agencies alike have come full circle, again embracing the notion that higher education is fundamental for development Higher education budgets have increased

substantially at the same time as donor agencies have renewed their investments in higher education. Specifically, donor agencies have invested heavily in education and training programs, curriculum development particularly through distance learning and technology-based mechanisms, scholarship programs, consortia and networks, and institutional development and capacity building (Creed, Perraton and Waage, 2012). Kenya has placed considerable importance on the role of education in promoting economic and social development after the achievement of independence in 1963 (Sifuna, 2010).

According to Mutali and Messah (2011), over the last four decades, the social demands with respect to higher education in Kenya have clearly intensified. Kenya's higher education has remained the fastest growing segment of the education system over the past 20 years with enrollment increasing on average by 6.2 per cent per year. In Kenya the last two years have witnessed both an increase in the number of chartered universities as well as the number of students enrolling in them. Massification is the steady increase in the students' enrolments without the compounding increase in budgetary allocations and investment in facilities and academic staff. The large enrolment of university students was a key corollary to the establishment of more public universities. This meant that many tertiary-level colleges have been abolished in favor of university education. The current trend in universities is characterized by aggressive competition especially with establishment of satellite centers across the country and use of different strategies to attract potential students (Kaburu & Embeywa, 2014).

Currently there are 23 public universities and 29 private universities in Kenya. Official documents on education (GOK, 2009) agree that the national budget on education is over-stretched thus public universities are urged to use their existing resources more efficiently and to establish viable cost-reduction measures. This has thus led to both public and private universities to rely on self sponsored programmes to increase on their financial resource.

### **2.5 Universities in Tharaka Nithi and Meru Counties**

Tharaka Nithi and Meru Counties consist of approximately 13000km<sup>2</sup> stretching from River Thuci in the South (which is the traditional boundary between the Meru and Embu people) to Isiolo district in the North. The counties have experienced a high growth rate of universities in the recent past. Kenya Methodist University was founded in 1997 and it was the only university in the region until 2004 when Egerton University opened Eastern Campus which was upgraded to a constituent college of Egerton university in 2007 and renamed Chuka University College. Since then, other universities have come up in Meru region namely Meru University of Science & Technology, Nazarene University Meru Campus, Mt. Kenya University Nkubu Campus and University of Nairobi Meru Campus.

### 3.0 METHODOLOGY

#### 3.1 Research Design

The descriptive survey design was adopted because it gives accurate description of variables. This design investigates the current status and nature of the phenomenon. Orodho (2003) defines descriptive survey as a method of collecting information by interviewing or administering questionnaires to a sample of individuals. According to Gay (1992), this research design allows the researcher to gather information, summarize and interpret the data and assists in obtaining pertinent information concerning the phenomena and whenever possible draw general conclusions from facts discovered.

#### 3.2 Population

The target population for this study was management staff in the universities in Tharaka Nithi and Meru counties. The staff members in the university Management Board were selected. This is because the Management Board is charged with the responsibility of running the university on behalf of the Council and it is responsible for the approval and allocation of resources. Twenty seven Management Board members from the three universities in Tharaka Nithi and Meru counties were selected.

Table 1

#### Target Population

Institution	Number of Top Management Staff
Chuka University	6
Kenya Methodist University	13
Meru University of Science and Technology	8
Grand total	27

Source: Researcher, 2013

#### 3.3 Sampling Procedure and Sample Size

A complete enumeration of the twenty seven Management Board members in all the three (3) universities in Tharaka Nithi and Meru counties was conducted. This is because Israel (1992) recommends that the entire population should be used as a sample when the population is two hundred (200) or less.

#### 3.4 Data Collection Procedures

The researcher obtained an introduction letter from Chuka University as well as a research permit from the National Council for Science and Technology. Further an appointment was sought with the institutions through their management. The questionnaires were then distributed to the respondents by the researcher who explained the instructions and assured them of confidentiality and gave them ample time to fill the questionnaires. Finally, the researcher collected the filled in questionnaires for sorting and analysis.

#### 3.5 Data Analysis

Mugenda and Mugenda (2003) describe data analysis as coding, categorizing, data entry, manipulation and summarization of data. The filled questionnaires were checked, cleaned and edited to ensure they were correctly and completely filled. The questionnaires were then coded and fed in the computer to facilitate analysis. The raw data collected from the study was organized through descriptive statistical methods to help analyze and interpret the data obtained. Inferential statistics mainly the chi square were used. Results of data analysis were presented in cross tabulation. The analysis was facilitated by use of Statistical Package for social sciences.

## 4.0 EMPIRICAL RESULTS AND DISCUSSIONS

### 4.1 Response Rate

The target population for this study was management staff in the universities in Tharaka Nithi and Meru counties. Twenty seven Management Board members from the three universities in Tharaka Nithi and Meru counties were selected. Twenty two respondents returned the questionnaire. The results of the response rate are presented in Table 2.

Table 2

#### Response Rate

Name of the Institution	Number	Response Rate Percentage
Chuka University	5	83.0%
KEMU	11	85.0%
Meru University of Science and Technology	6	75.0%
Total	22	81.0%

Results from Table 2 indicated that for Chuka University the response rate was 83.0%, KEMU was 85.0% and Meru University was 75.0%. Generally, the overall response rate was 81.0%. Data was collected through drop and pick of the instruments thus making it easy for the researcher to follow up on the questionnaires from the respondents.

### 4.2 Preliminary Analysis

#### 4.2.1 Years the Institutions have been in Existence

The time within which the university had been in existence was important as it would determine the extent at which the institution had been able to implement strategic responses. This study sought to find out the years each institution had been in existence. Descriptive statistics of frequencies and percentages were used to analyze the data. The results are presented in Table 3.

Table 2

#### Years the Institution has been in Existence

Name of Institution	Years the Institution has been in existence		
	2-5 years	over 5 years	Total
Chuka University	18.2%	9.1%	27.3%
KEMU	.0%	50.0%	50.0%
Meru University of Science and Technology	18.2%	4.5%	22.7%
Total	36.4%	63.6%	100.0%

Results from Table 3 indicated that majority (18.2%) indicated Chuka University to have been in existence for 2-5 years while 9.1% indicated it had been in existence for over 5 years. 100% respondents from Kenya Methodist University (KEMU) indicated it to have been in existence for over five years. Majority (18.2%) indicated Meru University to have been in existence for 2-5 years while 4.5% indicated it to have been existence for over 5 years.

### 4.3 Competition in Terms of Students' Enrolment

The main competition in institutions of higher learning is competition for self-sponsored students who define the growth and sustainability of the institution. The study sought to establish the level of competition among institutions of higher learning within Tharaka Nithi and Meru Counties in terms of students' enrolment. Descriptive statistics of frequencies and percentages were used to analyze the data. The results are presented in Table 3.

Table 3

#### Competition in Terms of Students Enrolment

Name of Institution	competition in terms of students enrolment			
	Moderate	High	very high	Total
Chuka University	16.7%	33.3%	50.0%	100.0%
KEMU	.0%	9.1%	90.9%	100.0%
Meru University of Science and Technology	40.0%	20.0%	40.0%	100.0%
Total	13.6%	18.2%	68.2%	100.0%

Results from Table 3 indicated that majority 86.4% (18.2% + 68.2%) from all the target universities indicated there was high competition in terms of students' enrolment while 16.7% felt that competition in terms of students' enrollment was moderate. This suggested that there was a great need for institutions to craft and implement effective strategic responses to achieve a competitive edge in terms of students' enrollment. The results were in agreement with De Boer, Enders and Jongbloed (2009) who noted that as the number of universities grows, the competition increases and more competition leads to efficiency, higher quality, more innovation, more differentiation and more choices for consumers.

### 4.4 Competition in Terms of Staff Attraction

Attracting and retaining highly qualified staff is critical for the growth of any institution. This study therefore sought to find out the levels of competition in terms of staff attraction among the target institutions. Descriptive statistics of frequencies and percentages were used to analyze the data. The results are presented in Table 5.

Table 5

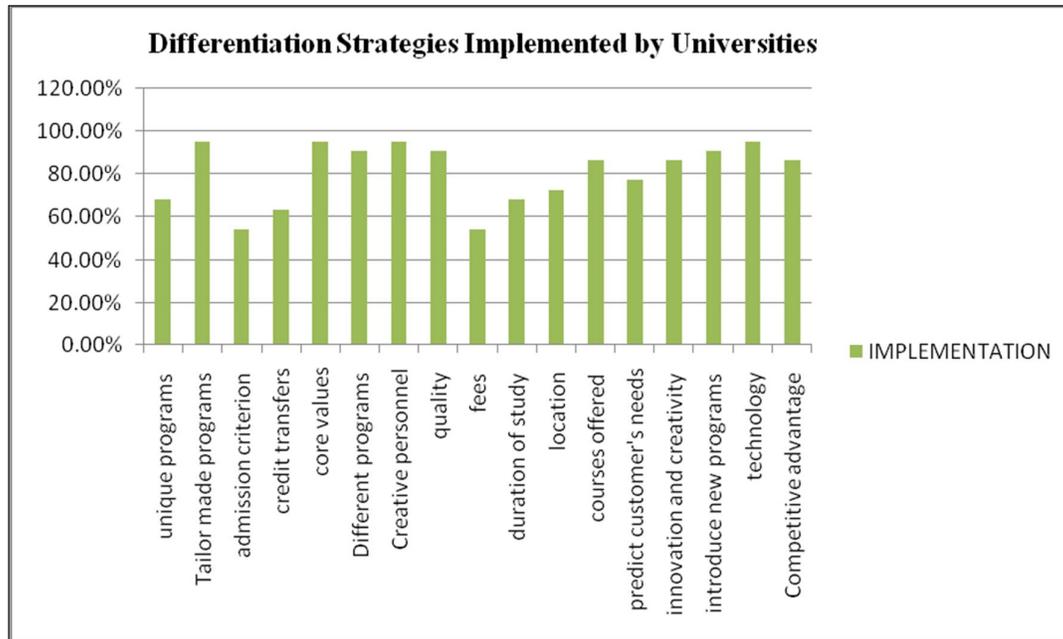
#### Competition in Terms of Staff Attraction

Name of Institution	Competition in terms of staff attraction					Total
	Very low	Low	Moderate	High	Very high	
Chuka University	16.7%	.0%	33.3%	16.7%	33.3%	100.0%
KEMU	.0%	.0%	27.3%	54.5%	18.2%	100.0%
Meru University	.0%	20.0%	20.0%	60.0%	.0%	100.0%
Total	4.5%	4.5%	27.3%	45.5%	18.2%	100.0%

Results from Table 5 showed that majority 63.7% (45.5% + 18.2%) indicated competition in terms of staff attraction to be high among the institutions, 9% (4.5% + 4.5%) of the respondents felt that competition in terms of staff attraction and retentions was low while 27.3% felt completion in terms of staff attraction and retentions to be moderate. This implied that each institution had to offer the most competitive packages to attract as well as retain the most highly qualified faculty and administrative members of staff.

## 4.5 Competitive strategies

### 4.5.1 Differentiation Strategies Implemented By Universities



**Figure 2.** Differentiation Strategies Implemented by Universities

Results in figure 2 show that strategies that were most highly implemented include embracing technology as a way of improving services, frequently introducing new programs to the market, adopting quality to differentiate their products, attracting creative personnel, having programmes to select from depending on the students needs, focus on core values of the institution, implementing use of technology, embarking on innovation, ability to predict their customer needs, adopting duration and institution location to differentiation services and having unique programs compared to those of competitors. Among strategies least implemented by institutions included adopting fees as a differentiation criterion, having a different admission criterion from competitors, and having different requirements for credit transfers.

#### 4.5.2 Market Development Strategies Implemented By Universities

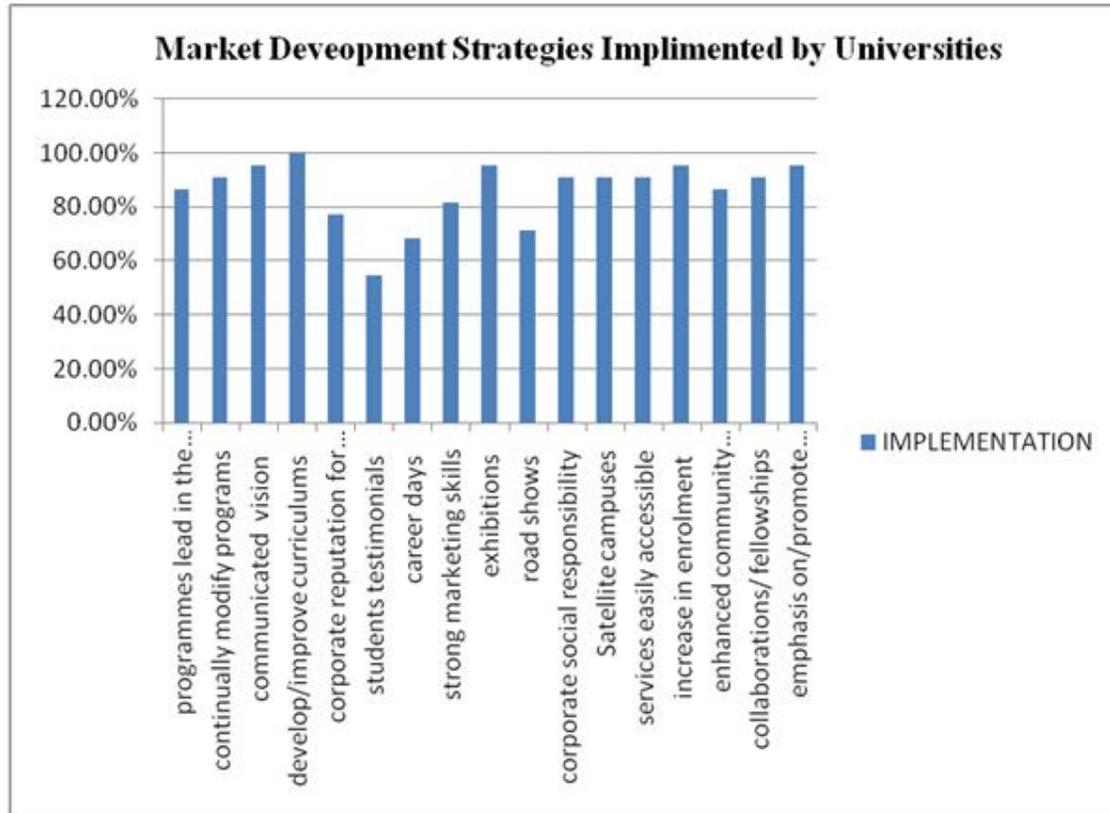
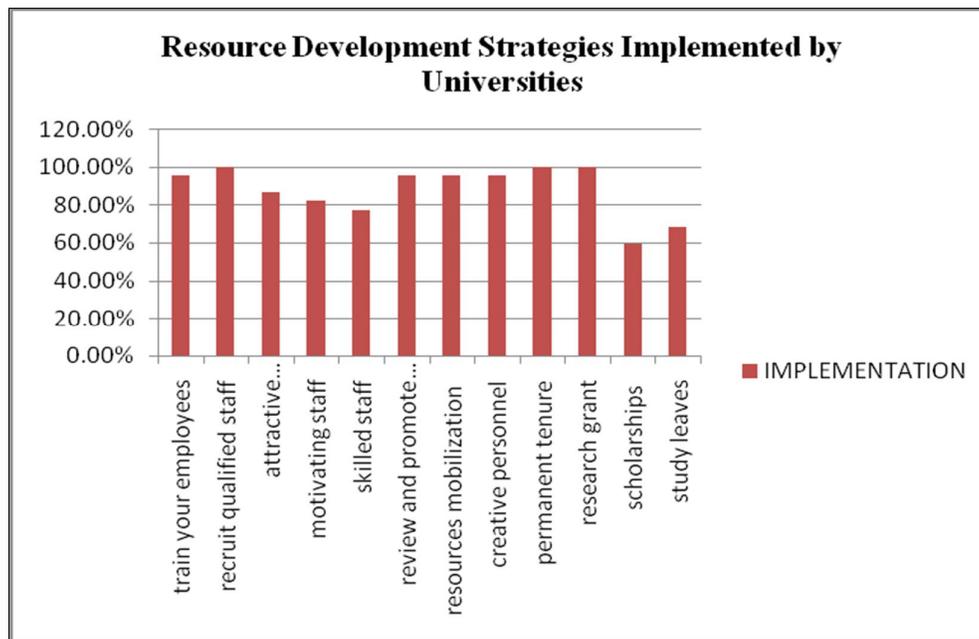


Figure 3. Market Development Strategies Implemented by Universities

Information in figure 3 indicates that among the market strategies that the universities have largely implemented include developing curriculum, emphasis on research, collaborations/ fellowships, enhanced community outreach, easily accessible services, satellite campuses, corporate social responsibility, participation in exhibitions, strong marketing skills, programmes that lead in the market, continually improving programmes, communicating the university vision to the public and having a good corporate image. Among the least implemented strategies were highlighting students' testimonials in marketing materials, participating in road shows and holding career days as a way of marketing.

### 4.5.3 Resource Development Strategies Implemented By Universities



**Figure 4.** Resource Development Strategies Implemented by Universities

The results in figure 4 revealed that among the largely implemented resource development strategies by the universities were recruitment of staff on permanent tenure, giving employees research grants, employing qualified employees, having prudent management, attracting creative personnel, reviewing and promoting employees, offering attractive benefits, training staff to develop skills and motivating staff. Among the least implemented strategies by the universities were giving scholarships to staff for further studies, giving staff study leaves as well as attracting, training and retaining highly skilled staff.

### 4.6 Effectiveness of Competitive Strategies on Students' Enrolment

#### 4.6.1 Effectiveness of Differentiation Strategies on Students' Enrolment

As competition for student increases and funding decreases universities need to create and maintain a distinctive image in the market place through adopting most unique and competitive strategic responses in terms of students' enrolment. This study sought to establish the effectiveness of competitive strategies on students' enrolment employed by universities. To measure effectiveness of differentiation strategic responses on students enrolment a differentiation strategy index (DSI) was computed. The index consisted of thirteen (13) variables representing thirteen differentiation strategies implemented by the universities on increasing students' enrolment. The strategies included unique programmes, tailor made programmes, different admission criteria, credit transfer, variety of programmes, creative personnel, quality, fees, duration taken, location, courses offered, innovation and use of technology. The variables were scored in a likert scale of 1-3 with 3 representing the highest scores implying very effective and 1 representing the lowest score meaning not effective.

$$DSI = \frac{UP + TMP + DAC + CT + VOP + CP + QTY + FE + DT + LOC + CO + INN + TEC}{n}$$

13

Where UP= unique programmes, TMP= tailor made programmes, DAC=different admission criteria, CT=credit transfer, VOP=variety of programmes, CP=creative personnel, QTY=quality, FE=fees, DT=duration taken, LOC=location, CO=courses offered, INN=innovation and TEC= use of technology.

Descriptive statistics of frequencies and percentages were used to analyze the data. The results are presented in Table 6.

Table 6

#### Effectiveness of Differentiation Strategy on Students' Enrolment

Competition in terms of student enrolment	Differentiation Strategy			Total
	Not Effective	Fairly Effective	very effective	
Moderate	.0%	33.3%	66.6%	100.0%
High	.0%	25.0%	75.0%	100.0%
Very high	.0%	53.6%	42.6%	100.0%
Totals	.0%	45.6%	54.4%	100.0%

Chi-square value=34.126, df=22, p-value=0.044

Results from Table 6 indicated that for those who said that competition in terms of students' enrolment was moderate majority (66.6%) indicated strategies employed to be very effective. Those who indicated that competition was high (75%) indicated strategies to be very effective. However, for those who said that competition was very high majority 53.6% indicated strategies to be only fairly effective. Generally, 100% of the respondents said that differentiation strategies employed by universities were effective. The data was further statistically analyzed using chi-square test at 5% significant level. The computed chi-square value 34.126 and p-value 0.044 implied that there was significant relationship between differentiation strategies adopted and students' enrolment. The study thus rejected the null hypothesis ( $H_{01}$ ) which stated that there is no significant relationship between the differentiation strategies implemented by the universities and student enrolment.

The results agreed with Kimando, Njogu and Sakwa (2012) who in their study found that private universities had employed technology and innovation as a competitive strategy and they had employed differentiation to give them a competitive advantage. Their results further suggested that private universities had embraced technology, differentiated their products and services to ensure they led in the market. The results were also consistent with Hua (2011) who assert that the differentiation strategy is deemed appropriate for the education industry in a competitive environment. Differentiation by adding value to the products and services can provide sustainable competitive advantage compared to cost leadership strategy since the competitive advantage cannot be easily copied and customers attach more weight to products attributes other than price.

#### 4.6.2 Effectiveness of Market/Product Development Strategies on Students' Enrolment

The objective of market/product development is to generate an immediate response from customers. This study sought to establish the effectiveness of strategic responses on students' enrolment employed by universities. To measure effectiveness of market/product development strategic responses on students enrolment a market/product development strategy index (MSI) was computed. The index consisted of seven (7) variables representing seven market/ product development strategies implemented by the universities on increasing students' enrolment. The strategies included corporate reputation, marketing skills, exhibitions, road shows, corporate social responsibility, satellite campuses and collaboration and fellowships. The variables were scored in a likert scale of 1-3 with 3 representing the highest scores implying very effective and 1 representing the lowest score meaning not effective.

$$MSI = \frac{CR+MS+EXH+RS+CRS+SC+CF}{7}$$

7

Where CR= corporate reputation, MS= marketing skills, EXH= exhibitions, RS= road shows, CRS= corporate social responsibility, SC= satellite campuses and CF=collaboration and fellowships. Descriptive statistics of frequencies and percentages were used to analyze the data. The results are presented in Table 7.

Table 7

#### Effectiveness of Market/Product Development strategies on Student Enrolment

Competition in terms of students enrolment	Market Product Development Strategy			Total
	Not Effective	Fairly Effective	Very Effective	
Moderate	.0%	66.6%	33.3%	100.0%
High	.0%	25.0%	75.0%	100.0%
Very high	.0%	33.4%	66.6%	100.0%
Total	.0%	36.2%	63.8%	100.0%

Chi-square value=13.915, df=14, p-value=0.456

Results from Table 12 indicated that those who said that competition in terms of students' enrolment was moderate 66.6% indicated that market/product development strategies adopted were only fairly effective. For those who indicated competition to be high, a majority 75% of the respondents indicated strategies to be very effective. For those who said that competition was very high, a majority 66.6% said that strategies were very effective. Generally, 100% of the respondents felt that market/product development strategies employed by universities on students' enrolment were effective.

The data was further statistically analyzed using chi-square test at 5% significant level. The computed chi-square value 13.915 and p-value 0.456 implied that there was no significant relationship between market/product development strategies employed by universities and students enrolment. The study thus failed to reject the null hypothesis ( $H_{02}$ ) which stated that there is no significant relationship between the market development strategies implemented by the universities and student enrolment. The results were contrary to common knowledge where students' enrolment is directly influenced by market/product development. This implied that as much as the respondents felt the product and market development strategies were very effective, there could be other factors relating to the strategies that bring the difference. The market and development strategies studied could also have been different in each university under study.

The results thus agreed with Kitoto (2005) in her study on competitive strategies adopted by universities in Kenya which found out that several external factors, some of them quite closely related, affected the universities.

#### 4.7 Effectiveness of Resource Development Strategies on Staff Attraction

The increasing number of universities has brought about competition in terms of staff attraction. Resource Development strategy was used to measure staff attraction and retention. This study sought to establish the effectiveness of strategic responses on staff attraction and retention employed by universities. To measure effectiveness of strategic responses on staff attraction a staff attraction strategy index (SAI) was computed. The index consisted of eight (8) variables representing eight strategic responses implemented by the universities on staff attraction. The strategies included attractive salaries, staff training, attracting skilled staff, review and promotions, rewards and incentives, recruitment on permanent tenure, scholarships and grants and study leaves. The variables were scored in a likert scale of 1-3 with 3 representing the highest scores implying very effective and 1 representing the lowest score meaning not effective.

$$RDS = \frac{AT+ST+ASS+RP+RI+PT+SG+SL}{8}$$

Where AT= attractive salaries, ST= staff training, ASS= attracting skilled staff, RP= review and promotions, RI= rewards and incentives, PT=recruitment on permanent tenure SG= Scholarships and grants and SL= study leaves. Descriptive statistics of frequencies and percentages were used to analyze the data. The results are presented in Table 8.

Table 8

#### Effectiveness of Resource Development Strategies on Staff Attraction and Retention Employed by Universities

Competition in terms of staff attraction and retention	Staff Attraction and Retention Strategies			Totals
	Not Effective	Fairly Effective	Very Effective	
Very low	.0%	4.5%	.0%	4.5%
Low	.0%	.0%	4.5%	4.5%
Moderate	.0%	.0%	27.3%	27.3%
High	.0%	9%	36.5%	45.5%
Very high	4.5%	.0%	13.7%	18.2%
Total	4.5%	13.5%	82.2%	100.0%

Chi-square value =44.422, df=28, p-value=0.032

Results from Table 13 indicated that for those who said that competition in terms of staff attraction and retention was very low among the institutions, staff attraction and retention strategies were only fairly effective. Those who said that competition was low indicated the strategies to be very effective while the ones who said competition to be moderate, indicated strategies to be very effective. However, for those who said competition was high, a majority of 36.5% indicated strategies to be very effective while for those who said competition was very high, a majority of 13.7% said that strategies were very effective. Generally, results show that 82.2% of the respondents felt that the strategies on attraction and retention of staff were very effective.

The respondents showed that the relationship in terms of competition and staff attraction and retention strategies was high – that is 63.7% of the respondents felt that competition in terms of staff attraction and retention was related to the attraction and retention strategy. 95.7% of the respondents felt that the staff retention strategies were effective. The data was further statistically analyzed using chi-square test at 5% significant level. The computed chi-square value 44.422 and p-value 0.032 implied that there was significant relationship between the strategies implemented and staff attraction and retention. The study thus rejected the null hypothesis ( $H_{03}$ ) that stated that there is no significant relationship between resource development strategies implemented by universities and staff attraction and retention. The results were in agreement with Wisdom (2006) who asserts that with increased enrollment there should be commensurate capacity to handle the students. Therefore, universities should employ strategies like teaching, research and development, promotion, appointment on permanent tenure, mentoring, researching and research through giving grant to scholars, attractive salaries and benefits package, non monetary rewards and manageable workload to ensure they attract and retain qualified academic staff in their institutions.

## 5.0 CONCLUSIONS AND RECOMMENDATIONS

### 5.1 Conclusions

In conclusion, the study established that the differentiation and resource development strategies that the universities had implemented were effective towards increasing student enrolment and staff attraction and retention. The Chi-square test performed on the differentiation and resource development strategies showed that there was significant relation between the effectiveness of the competitive strategies and student enrolment and staff attraction and retention. The decision criteria for confirming whether the significant relationship between the independent and dependent variables existed or not, were informed by the p-value. The p-value showed the probability of existence of the relationship based on the set significance level of 5%. If p-value was  $>0.05$  then it meant that no significant relationship that existed between the variables. If p-value was  $<0.05$  then it meant that there existed significant relationship between the variables. In this study the differentiation and resource development strategies subjected to the Chi square test produced p-value of less than 0.05 which implied that the null hypotheses developed were rejected and the alternative hypotheses accepted thus:

- i. There was significant relationship between the differentiation strategies implemented by universities and student enrollment.
- ii. There was significant relationship between the resource development strategies implemented by universities and staff attraction and retention.

However, the universities needed to refocus on the market development strategies implemented on student enrolment. The Chi-square test performed on the market development strategy showed that there was no significant relationship between effectiveness of market development strategies implemented by the universities and student enrolment. This was informed by the p-value. In this study the market development strategies subjected to the Chi-square test produced p-value greater than 0.05 which implied that the study failed to reject the null hypothesis that

- i. There was no significant relationship between the effectiveness of market development strategies implemented by universities and student enrollment.

From this finding, it can be concluded that the universities needed to refocus on their market development strategies and use more modern marketing tools. With the increasing completion, the universities had to continually modify their market development strategies to be more competitive and remain relevant in the existing market.

### 5.2 Recommendations

The following are the researchers recommendations based on the findings of the study and conclusions that institutions of higher learning and other stakeholders can use:

Universities should sustain the differentiation and resource development strategies by investing more on these strategies. This is because these strategies have a significant influence on increasing student enrolment and attracting and retaining qualified staff.

The universities should also consider improving on the market development strategies by shifting print media to the web and using other modern marketing tools in order to reach students. They can do marketing through social networking sites like my space, twitter and face book in order to create and maintain a distinctive image in the market place.

The universities can consider using different admission criteria as a differentiation strategy to increase enrolment. Therefore different institutions would provide unique services during admission process which would attract potential students. Universities can also use fees as a criterion to differentiate their products/services. Those institutions offering lower fees would have a greater advantage of attracting students thus increasing the student enrollments.

Since 40% of the respondents said they do not give scholarships to their staff for further studies, it is recommended that university can use the strategy of giving scholarships to staff as a way of attracting and retaining qualified personnel.

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