

Influence of Statutory Regulation on Strategic Growth of Chartered Universities in Kenya

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Abstract: *organizations are environment serving and environment dependent. The environment in which organizations operate is constantly changing with different factors influencing the organizations. A Chartered University refers to a university that has received accreditation through public acceptance and confirmation evidenced by award of a charter, which meets and continues to meet the standards of academic excellence set by the commission. The regulation of universities has many different facets and combines self-regulation, co-regulation and statutory regulation. The purpose of this research study was to analyze the influence of statutory-regulation on strategic growth of chartered universities in Kenya. A descriptive research design using a survey method was used. The study adopted a Multistage Sampling Method. Primary data was collected and analysed for both descriptive and inferential statistics. Quantitative analysis was done using descriptive statistics which included frequencies, percentages and means. The inferential statistics was done using pearson product moment correlation and multiple linear regression analysis. SPSS Version 22.0 was used for computation. The study found a statistically significant strong positive correlation coefficient of .729 ($p = 0.00 < 0.01$) between statutory regulation and the strategic growth of chartered universities in Kenya. It was concluded that Statutory-Regulation influenced Strategic Growth of Chartered Universities in Kenya.*

Keywords: *Chartered Universities, Higher Education Institutes, Statutory-Regulation, Strategic Growth of Chartered Universities.*

I. Introduction

Education serves as an important means of upward social mobility in most societies. Higher Education in particular, is of paramount importance for social and economic development of a nation, and institutions of higher education have the main responsibility for equipping individuals with advanced knowledge and skills required for positions of responsibility. Imperfect though they are, institutions in higher education have become the most important providers of equal opportunity in most societies. Institutions can only play their important role of developing intellectual independence, if given the autonomy to be responsive and be relevant to the needs of the nation.

Freedom is one of the foundations of Higher Education and should be protected from political interference and over-regulation. This though does not preclude institutions from being accountable to their stakeholders, especially the government and to the community for the manner in which they expend resources and for the range and quality of their program offerings, teaching, and research. Legislation is intended to provide a regulatory framework within which the institutions are to manage their activities, while at the same time trying to hold on to the defining values that characterize education in a democratic society.

According to Mangosuthu Technikon (2006), Higher Education relates to government on three levels. It is related administratively, whether public or private, through laws and regulations governing various programmes and funding mechanisms. Institutions are subject to a plethora of laws and regulations that dictate the administrative processes they should follow. On a second level, universities have an independent appeal to a large, constituency of supporters: e.g. parents, alumni, and donors. These supporters influence political action with their votes and public comment. The third level of interference is in the intellectual lives of the institutions: what is taught, by whom, and to whom. In most cases this interference in the academic freedom of the institution is often subtle.

Education is the major drive of socio-economic development of any nation. It is thus paramount for the concerned educational services' providers to spearhead this development. The drive to remain competitive in the education sector persuades these institutions to respond strategically to both internal and external forces.

Firstly, this research was aimed at helping university governing bodies understand the effects of the various types of regulation in the higher education industry thus assisting them in planning on best strategic responses to remain competitive. Secondly, the research opens up study opportunities in areas not adequately covered here. Thirdly, the research study aims to unearth the effects of the different types of regulations and how they affect the strategic growth/performance of the institutions. The findings of this research project will be used as a reference on the most appropriate approaches and how they can be used together to gain a competitive

advantage and maximize growth for the existing and upcoming universities in the country. The research findings included herein can also be used on other higher education institutions.

II. Statement of the Problem

Universities are currently faced with daunting challenges. National and international competition in the university sector continues to grow, while demands from stakeholders are high. In increasing number of countries, higher education policies are moving from historically state-controlled systems towards systems embracing university autonomy, accountability and peer-based quality assurance. In Kenya, the governing body CHE has changed to cue which has brought with it tremendous changes. According to Kinyanjui (2007), the inspection board report called for a paradigm shift and a radical rethinking on how to address the increasing demand for access and equity.

Demand for performance and accountability continues to rise. However, it is still not very clear how regulatory pressures affect the strategic growth of chartered universities. The presence of this knowledge gap which results from the dynamics imposed on the HEI sector and their effects on strategic growth has left the management and running of the universities very challenging in ensuring economic survivability while still maintaining the quality of education. The purpose of this study therefore was to assess the effects of Statutory Regulation on strategic growth of universities. This will help in identifying the types of regulatory pressures universities face, whether they have any effects, and the best growth strategies the universities can adapt to survive in a highly competitive environment.

III. Objectives Of The Study

The Main Objective of this research study was to investigate the influence of statutory regulation on strategic growth of chartered universities in Kenya.

3.1 Specific Objectives of the Study

The study was guided by the following Research Objective

- i. To assess how Statutory-Regulation affects Strategic Growth of Chartered Universities in Kenya.

3.2 Research Hypotheses

H01: Statutory-Regulation does not significantly influence Strategic Growth of Chartered Universities in Kenya.

IV. Literature Review

According to Mangosuthu Technikon (2006), Higher Education relates to government on three levels. It is related administratively, whether public or private, through laws and regulations governing various programmes and funding mechanisms. Institutions are subject to a plethora of laws and regulations that dictate the administrative processes they should follow. On a second level, Universities have an independent appeal to a large, constituency of supporters: e.g. parents, alumni, and donors. These supporters influence political action with their votes and public comment. The third level of interference is in the intellectual lives of the institutions: what is taught, by whom, and to whom. In most cases this interference is in the academic freedom of the institution is often subtle. Higher Education benefits from regulation that is transparent, accountable, proportionate, consistent, and targeted only at cases where action is needed. Regulation must also be dynamic and responsive to new developments. The costs of regulation must be minimized while the benefits must be secured. It is essential for the reputation of the sector that academic integrity is not compromised by poorly conceived or hastily implemented regulation (HEBRG, 2011).

4.1 Statutory-Regulation On Chartered Universities

Governance in higher education is said to involve the authority to make decisions about fundamental policies and practices in several critical areas concerning colleges and universities: their number and location, their mission, their enrolment size, the access of students to their instructional programmes and the access of citizens to other services, degree requirements, the quality standards expected in student performance, the quality of research and public service activities, the freedom available to individual faculty members in their instructional and research activities, the appointment of staff, internal organisational structure, the allocation of available resources to operating and support programmes and financial support. The problem of governance is therefore the location of authority to resolve these issues: Internal and External (Millet, 1985). In Kenya, at the national level, a Permanent Secretary position was created in the office of the Prime Minister to be in charge of performance contracting. With the introduction of PSs, institutional governance and management has been shared among the ministry of Higher Education, Science and Technology, the University councils, and the Performance Contracting Secretariat. The buffer institution, (Commission for Higher Education, CHE) did not

have much role. However, the new Universities Act, 2012 gives the Commission for University Education (CUE) a supervisory role over all Universities.

4.2 Strategic Growth Of Chartered Universities

Most business enterprises are constantly faced with the challenge of ‘prospering and growing their businesses. Strategic growth is generally measured in terms of increased revenue, profits or assets. Businesses can choose to build their in-house competencies, invest to create competitive advantages, differentiate and innovate in the product or service line, organic growth or leverage upon the market, products and revenues of other companies, in-organic growth. Simply put, business expansion with the help of the businesses’ core-competencies and sales refers to organic growth and is in contrast with inorganic growth approach where expansion objectives are met through mergers and acquisition. According to the study by Marginson and Van der Wende, 2007, both education and business define competitive advantage as being better and/or unique, e.g., for HEIs we look at having a good reputation, growing customer (here student) numbers, recognizable (brand) name and market position, competent faculties including top level reputable professors, possessing an effective international network and rich experiential knowledge among others.

4.3 Conceptual Framework

This study was guided by the conceptual framework conceived by the researcher as shown below:

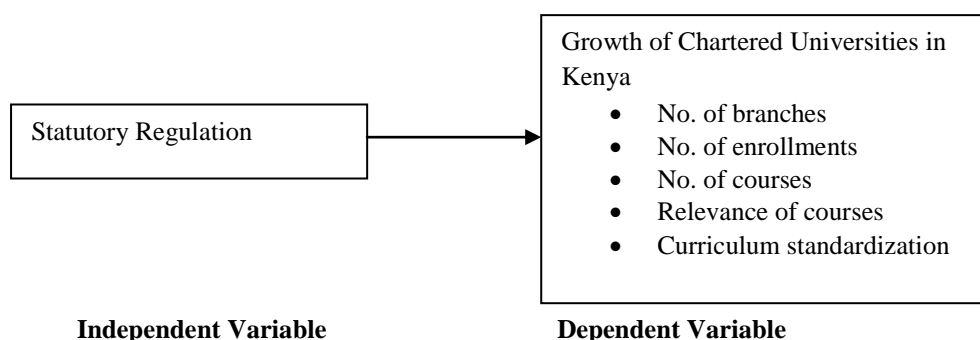


Figure 4.1: Conceptual Framework

V. Research Methodology

A descriptive survey design was adopted in conducting this study. Descriptive survey design is used to test attitudes and opinions about events, individuals or procedure (Gay, 2003). This design fits the study of this nature since the researcher looked at the effect of the independent variable (Statutory-Regulation) on the dependent variable (Strategic Growth of Chartered Universities). The target population comprised of all the 620 heads of various functional units in the Chartered Universities. The sample frame for this study comprised of DVCs, Principals and Dean of faculties among 10 Chartered Universities in Kenya and their constituent colleges. The study adopted a multistage sampling method. Using the Kathuri & pals (1993) table based on the formula $n = \frac{nc^2}{c^2 + (n-1)e^2}$, for a population of 14 DVCs 10 were sampled, out of 158 Principals 108 were sampled and out of 448 Deans of faculties 205 were sampled. A pilot study was conducted to ensure that the instruments were valid and reliable.

5.1 Research Findings

The study sought to examine how Statutory-Regulation influences Strategic Growth of Chartered Universities in Kenya. All respondents were reached and there was 88.7 % return. The distribution of the respondents by gender showed that majority of the respondents 57.7% were females, while the remaining (42.3%) were male. This finding agrees with global campaign for education (2003), which found out that across the developing world, less than one quarter of university staff are men and in some countries the percentage can be as low as 10% or 13% (UNESCO 2002). The researcher sought to establish how Statutory-Regulation as the independent variable influences Strategic Growth of Chartered Universities in Kenya as the dependent variable.

5.2 Descriptive Findings

5.3 Influence Of Statutory Regulation On Strategic Growth Of Chartered Universities

The results of the findings were presented in form of frequencies and percentages given that these two parameters were found to be the most appropriate in describing the variability of individual responses on

Statutory-Regulation vis-à-vis Strategic Growth of Universities. The findings are as shown in table 5.1.

Table 5.1: Influence of Statutory Regulation on Strategic Growth of Chartered Universities

Statement	N	Min	Max	Mean	Std. Deviation
1. Our University Curriculum And Exams Are ISO Certificated	260	1	5	4.45	.226
2. The University Cannot Hire Or Fire An Employee Independently.	260	1	5	2.42	.775
3. The Qualification Of Lectures And Tutors Is Regulated By An Independent Body.	260	1	5	4.21	.304
4. Admission Of Students Is Entirely Regulated By The CUE.	260	1	5	3.17	.896
Valid N (Listwise)	260				

Shown in table 5.1, respondents agreed (mean = 4.45) that their University curriculum and exams are ISO certificated. The respondents disagreed that the university cannot hire or fire an employee independently (mean= 2.42). Overall the qualification of lectures and tutors being regulated by an independent body was agreed by respondents (mean= 4.21). Respondents were of indifference (mean= 2.42) about admission of students being entirely regulated by the CUE. The standard deviations were .226, .775, .304 and .896. These data were not far from zero hence showing that the data were also very close to the mean of respective indicators.

5.4 Strategic Growth Of Chartered Universities In Kenya

The researcher further assessed the recorded growth of chartered universities in Kenya. The results were as shown in table 5.2

Table 5.2: Strategic Growth Of Chartered Universities In Kenya

Statement	N	Min	Max	Mean	Std. Deviation
1. Our University Has Experienced A Significant Increase In Student's Population In The Last Three Years	260	1	5	4.09	.216
2. Our University Has Recruited A Significant Increase Strategic Growth In Teaching Fraternity In The Last Three Years	260	1	5	4.36	.335
3. Our University Has Increased The Size Of Library.	260	1	5	4.11	.784
4. During The Past Two Years, Our Institution Has Improved In Service Delivery.	260	1	5	4.32	.566
5. Our University Has Reviewed Its Strategic Plan For Next Five Or More Years	260	1	5	4.17	.518
6. Our Institution Has Added More Courses/Programs In The Last Five Years	260	1	5	4.39	.341
Valid N (List Wise)	260				

5.5 Inferential Statistics

5.6 Statutory-Regulation and Strategic Growth Of Chartered Universities

As shown in the table 5.3 an r-value of .729 was gotten, indicating a strong positive relationship between Statutory-Regulation and Strategic Growth of Chartered Universities. The p-values .000 is below .05 thus led to rejection of the null hypothesis that Independent-Regulation does not significantly influence Strategic Growth Chartered Universities in Kenya, at 5% level of significance. Therefore, Statutory-Regulation is positively correlated to Strategic Growth of Chartered Universities in Kenya.

Table 5.3: Statutory-Regulation And Strategic Growth Of Chartered Universities

Strategic Growth Of Chartered Universities	Pearson Correlation	1	.729*
	Sig. (2-Tailed)		.000
	N	260	
*. Correlation Is Significant At The 0.05 Level (2-Tailed).			

VI. Conclusions Summary And Recommendations

6.1 Summary

The study found statistically significant strong positive correlation coefficient of .729 ($p = 0.00 < 0.05$) between Statutory-Regulation and the Strategic Growth of Chartered Universities in Kenya. It was inferred that effective Statutory-Regulation predicated Strategic Growth of Chartered Universities in Kenya. This was satisfactory to the objective of the study, to determine the influence of Statutory- Regulation on the Strategic Growth of Chartered Universities in Kenya. The p-value .000 was below .05 thus led to rejection of the null hypothesis that Statutory-Regulation does not significantly influence Strategic Growth of Chartered Universities in Kenya, at 5% level of significance. Therefore, effective statutory regulation is positively correlated to the strategic growth of chartered universities in Kenya.

6.2 Conclusions

The study concludes that statutory regulation influences strategic growth of chartered universities in Kenya. The university curriculum and exams are regulated by internally; qualification of Lectures and tutors is regulated by a statutory body while the admission of students was majorly regulated by the CUE. The study finally concludes that there has been significant strategic growth of chartered Universities in Kenya. Most universities have experienced a significant increase in students' population, teaching population, library, improved service delivery, reviewed strategic plan, additional courses/programs and opening of some branch and campuses in the past few years.

6.3 Recommendations

The study recommended that CUE should step up its efforts to ensure effective Statutory-Regulation among Universities. The study farther recommends the government should come up with more stringent regulation and penalties to boost the office of CUE to ensure equity, professionalism and corruption free operations.

Further Research

The study investigated the influence of Statutory-Regulation on Strategic Growth of Chartered Universities in Kenya. It would be necessary to find out how effective these regulations are in achieving the educational goals by the government. It would be necessary to widen the scope to include all Institutions of Higher Learning. The study hence recommends studies on the Factors Influencing Regulation of Institutions of Higher Learning in Kenya. It would also be a good idea to assess the Strategic Responses that the HEIs use to respond to the Regulatory Pressures.

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