

29 Strategic Planning in the Higher Education Sector of Kenya: Case Study of Public Universities in Kenya

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1 Abstract

This paper provides an overview of the strategic planning process, the dynamics involved in university-based strategic planning and the need for strategic thinking in the higher education sector of Kenya. The paper challenges current planning systems that do not appear to be changing with the times. The paper relies mostly on secondary data but also used primary data. Primary data was collected through interviews of knowledgeable individuals. The paper recommends that strategic planning in universities could be improved through incorporation of strategic thinking and acting in the process, and through incorporation of key stakeholders such as industry, faculty, and students in the process of planning. It also makes recommendations on how current planning systems could be improved in Kenyan universities. The paper suggests a model of strategic planning that could prove useful if applied in strategic planning in Kenyan universities.

2 Introduction

According to one professor in one of the universities, Kenyan universities, especially public ones, have always planned but there was never anything strategic about it because the “planning has always been the traditional one that followed the Government’s Five Year planning Cycle.” It is common knowledge that Government’s Five Year Planning Cycles mostly involved adjusting plans for inflation and political changes especially to accommodate the whims of the ruling regime. The planning was never seriously focused on the long term. This was the case until the advent of performance contracting that demanded that planning be strategic. The Education Sector has since the year 2003 embarked on plans to institute reforms at all levels. University managers face strategic or central questions in evaluating their present and future operations.

They ask where are we now? Where do we want to go? How do we get there? In the face of changing circumstances, these are important questions to ask (Mutuku and Mutuku, 2004). These questions ought to force them to evaluate the conditions in their operating environments, examine competitive pressures, carry out SWOT analysis and identify strategic issues. This requires development of a strategic orientation and execution of strategies capable of moving the universities to their desired future states. In short, the universities must engage in practical strategic planning. Strategic planning and thinking involves making choices and decisions about the long-term future of an organisation (Pearce and Robinson, 2007). The process results in strategic plans that require execution or implementation.

3 Problem Statement

This paper provides an overview of the strategic planning process in the context of public universities in Kenya. The paper aims at making the reader understand the concept of strategic planning and the need for strategy in higher education, especially in public universities. In this paper a model is proposed for use in public universities in Kenya. Public universities have been driven to engage in strategic planning by a variety of factors. The first one is that they are now required by the Government to prepare strategic plans as part of performance contracting. CHE requires that

they show proof of strategic planning whenever they apply for approval of programmes. Other factors include changing student demographics; increasing demand for higher education with the concurrent decline in funding; and increasing competition within the university sector in Kenya, in the region, and in the world at large (Ministry of Education, 2006). Strategic planning can aid universities in addressing the challenges as it is a proven fact that organisations that plan do better than those that do not plan (Glueck, 1990; Hegarty, 1976; Herold, 1972; Ansoff, 1976; Karger, Delmar and Malik, 1975; David H. 1972; David B. 1978).

4 Methodology

This study relied mostly on **secondary data**. Literature review involved **examination of strategic plans** of public universities and the recently published Ministry of Education *National Strategy for University Education 2007-2015*. **Limited primary data** was collected through interviews of knowledgeable individuals who were available for consultation.

5 Challenges Facing Higher Education in Kenya

Increase in demand for university education in Kenya is a key challenge. Public universities in Kenya have increased their enrolment in the past eight years by admitting Private or Parallel Full Fee-Paying Students. The total university enrolment is now about 130,000 students. This translates into a Gross Enrolment Ratio (GER) of 3 percent. Only about 20 percent of the qualified KCSE candidates are being admitted into universities per year (Ministry of Education, 2006). The disparity between those students meeting the minimum university entry requirement and those actually admitted is increasing and will peak in 2015 when the estimated number of qualified students will be 230,118 (Ministry of Education, 2006). Students have demands that must be met. These demands include quality assurance, reading materials that are modern and relevant, classrooms and related facilities, appropriate examination systems in view of the large class sizes, and increased involvement in decision making as well as the clamour for better governance of public universities.

Keeping elements of the “traditional model” is another challenge. Of course universities cannot run away completely from the traditional provider – driven model to a consumer – driven model which requires that unpopular programmes and courses be dropped. According to Rowley, Lujan, and Dolence, 1997: P 54) “the quest for new knowledge, the analysis of theories and practices, and the free exchange of ideas would suffer if colleges and universities only offered what was popular.”

Public universities face the challenges of maintaining high standards of quality and financing, especially for professional degree programmes. The Government currently spends about 0.9 percent of GDP on public universities. This level of funding may not be sustained and funding to public universities has over the years been declining.

Chacha (2005) summarises the challenges very well by observing that: “Presently in the east African region, a number of universities are torn between struggling to meet daily financial obligations and the pursuit of academic excellence. Low funding from the exchequer and other sources, increased enrolment, limited access compared to the population level, increased enrolment without commensurate improvement in available resources, gender inequality, and a low research capacity are some of the problems facing universities in the region. These problems have led to fears that the quality of education is on a downward trend in most of these universities” Private universities have come into the scene to help address some of the unmet needs. By 2006, the Government, through CHE, had granted charters to seven private universities and interim letters of authority to another five universities. The public universities have also increased their enrolment in the past eight years by admitting private or parallel full fee-paying students (Ministry of Education, 2006). These good initiatives have not completely addressed some of the problems and especially the increasing numbers of those seeking higher education in Kenyan universities.

6 Need for Strategic Planning in Higher Education

Strategy is a tool that a public university can use to find its competitive advantage and place within the ever turbulent operating environment. Kenya's public universities must bring about the needed institutional redesign and devise an effective strategic planning system that will guide their operations. The recent guidelines issued by the Ministry of Education seem to suggest that by pursuing a greater mission differentiation and reallocation of resources they will better respond to the changing needs of their constituencies (Ministry of Education, 2006). Benjamin and Carroll (1998) discussing California education system reached the same conclusion. The authors decry lack of effective strategic planning and point out many problems facing the sector. They observe, "the present course of higher education in the state – in which student demand, tuition, and costs are rising much faster than public funding - is unsustainable. Unless significant steps are taken to address the situation, hundreds of thousands of Californians will be denied access to higher education within the next 20 years." (Benjamin and Carroll, 1998: P 1). "That is a serious, sobering, economic, political, and social catastrophe, and there is nothing in the framework of a current situation that is likely to prevent that from occurring" (Breneman, 1995). One can be tempted to think that these authors are talking about Kenya's higher education sector because the problems are similar.

7 Benefits of Strategic Planning

Kenyan public universities can benefit in many ways through engaging in strategic planning and thinking process. These benefits of engaging in strategic planning and thinking process include:

1. Enhancing of problem prevention capabilities (Pearce and Robinson, 2007).
2. Creation of a framework for determination of the direction a university should take to achieve its vision.
3. Making of it a better competitor in its environment of operation.
4. Creation of synergy and bringing about of group-based strategic decisions that have a better chance of success as they reflect the best available alternatives to pursue (Pearce and Robinson, 2007).
5. Raising of the vision of all key participants, encouraging them to reflect creatively on the strategic direction of the university (Hax and Majluf, 1996: p. 32).
6. Alignment of the university with its environment.
7. The university constituents discuss and think deeply about all issues affecting it, thus improving understanding of the vision and mission, and fostering a sense of ownership of the strategic plan (Pearce and Robinson, 2007).
8. Reduction of gaps and overlaps in activities among diverse individuals and groups (Pearce and Robinson, 2007).
9. Reduction of resistance to change. The participation of stakeholders in the process of strategic planning and thinking helps eliminate the uncertainty associated with change (Pearce and Robinson, 2007; Mutuku and Mutuku, 2004).

8 Steps in a Strategic Planning Process

Although every strategic planning process is uniquely designed to fit the specific needs of a particular organisation or university for that matter, every successful "model" includes most of the following steps:

1. The university begins by identifying its vision and mission, including broad statements about its purpose, philosophy and goals. The university's vision sets out the reasons for existence and the "ideal" state that the university aims to achieve; the mission identifies major goals and performance objectives. Both are defined within the framework of the university's philosophy, and are used as a context for development and evaluation of planned or intended and emergent strategies.

2. To develop a profile of the university that reflects internal conditions and capabilities. This is done through examination of the internal context of the university and considers resources, functional areas and management functions. This evaluation results in identification of Strengths and Weaknesses.
3. Assessment of the external environment on the basis of **Political/legal, Economic, Socio-cultural, Technological, Geological (Ecological) and Competitive (PESTGCO)** factors. This results in the identification of opportunities and threats facing the university.
4. Analysis of possible options (Strategic Alternatives).
5. Strategic choice of a particular set of long-term objectives and grand strategies needed to achieve the desired options.
6. Development of annual objectives and short-term strategies compatible with long-term objectives and grand strategies.
7. Implementing strategic choice decisions based on budgeted resources allocations and emphasising the matching of tasks, people, structures, technologies and reward systems.
8. Review and evaluation of the success of the strategic process to serve as a basis for control and as an input for future decision making.

The above process can be made more useful to a university through application of strategic thinking and acting. Strategic thinking involves “arraying options through a process of opening up institutional thinking to a range of alternatives and decisions that identify the best fit within the institution, its resources, and the environment” (Rowley, Lujan, and Dolence, 1997:P. 15).

Ohmae (1982:13) observes that, “In strategic thinking one first seeks a clear understanding of a particular character of each element of a situation and then makes the fullest possible use of human brain power to restructure the elements in the most advantageous way.” Strategic planning becomes an organisational norm, deeply embedded within the organisation’s decision-making process, and participants learn to think strategically as part of their regular daily activities (Lerner, 1999).

9 A Strategic Planning Model for Universities

The rational model of strategic planning discussed above have common application and is widely used in public universities. It however, requires adjustment to fit into public university circumstances. Universities’ planning time frame is longer than that of business; universities’ strategic planning must involve a diverse body of stakeholders in a bid to build consensus because of the importance of shared governance in universities management. Universities’ guiding principle – long-term investment in educating people – is different from business profit motive; defining goals and measuring effectiveness consistently with the universities’ mission is problematic due to diversity in terms of stakeholders or publics of a university, and change is especially difficult to accept at the universities, because by their very nature universities are about preservation. Any meaningful model of strategic planning must consider these peculiarities. The model must combine rational analysis, based on the real nature of things, and imaginative reintegration of all the different elements into a new pattern, using nonlinear brain power. Ohmae (1982:15) argues that “this is always the most effective approach to devising strategies for successful dealing with challenges and opportunities – as on the battle field.”

We believe that the model outlined below can help public universities improve their strategic planning if applied in a strategic thinking manner.

1. The definition of Vision and Mission should flow from the philosophy of the university. Public universities in Africa and in Kenya in particular, must debate the issue of what an “African university” should exist for. This requires deep thinking and debate that must clearly result in a clear definition of the mandate of the African university. Core values and operating principles must be agreed upon. The universities must be precise about the programmes they will offer, their markets (stakeholders/student mix), and the technology of delivery.

2. Assessment of the internal context or environment must be done on the basis of thinking that examines each individual element critically and rationally and then seeing the element in the context of all the other elements in the particular environment. The researchers propose that the internal environment analysis examines:
 - a) Resources – Men and Women, Money, Machines and Equipment, Materials, Minutes, Markets (stakeholders), management methods/systems, and man-made resources (corporate resources). This classification of resources may simply be described as the 8Ms.
 - b) Management functions that include: Planning and Premising; Organising; Directing; Staffing and Supervision; Coordination, Control, Communication; Research, Reporting, Reforming, Re-engineering, and Budgeting or simply put in a mnemonic as **PODSCORB**.
 - c) Functional areas such as Finance, Accounting, Production, Marketing, Engineering and Design, R&D and IT.
3. Assessment of the external environment must also involve strategic thinking no matter what model is used. Some analysts propose use of “industry forces” such as threat of entry into the industry, substitute products and services, bargaining power of buyers and suppliers, and rivalry within the industry as found in **Porter’s Five Forces Model**. Others propose the use of the popular **SWOT Analysis Model**. We propose the use of what we call **PESTGCO Model** for external analysis. This model has been given such names as **PEST**, **PESTEL** and **STEP** in most books on strategy. We consider this model more complete as it incorporates ecological issues and combines both the immediate external environment (CO) and the remote external environment (PESTG) in a rather fancy way.
4. The next stage involves identification of strategic issues. These are critical issues in any situation or what we describe as “matters of life and death” to an organisation, so described because failure to address them results in serious trouble to an organisation while addressing them on the other hand might help to bring success. Strategic issues and decisions require top management involvement, involve allocation of large amounts of resources, impact on the long-term prosperity of a university, are future-oriented, demand examination of the external environment and affect all the areas of a university or business for that matter (Pearce and Robinson, 2007). Examining these issues requires an idiosyncratic mode of thinking that brings out all the key elements. It must be a creative process that must challenge the status quo. This involves what Koch (1999:41), quoting Bruce Henderson, says must combine analysis and intuition – “Define the problem and hypothesise the approach to a solution intuitively before wasting time on data collection and analysis. Do the first analysis lightly. Then and only then redefine the problem more vigorously and reanalyse in depth. (Do not go to the library and read all the books before you know what you want to learn).” Then the issues are prioritised on the basis of the realities facing the university, its philosophy, vision and mission.
5. Having to deal with complexity of issues requires that one comes up with good criteria for deciding what strategic alternatives to pursue in addressing the issues. Alternatives can be categorised into four classes as: Growth, Stable growth, Retrenchment and Turnaround, and Combination. Growth strategies involve increasing the level of objectives; stable growth is about increasing efficiencies; retrenchment and turnaround is about doing away with business units or functions that are no longer necessary, and combination is about using different strategies at the same time or at different times. Public universities in Kenya are on the growth mode. However, because universities are traditionally conservative and exist to serve the public good they will not do away with programmes just because they do not appear desirable. Growth strategies will include such strategies as diversification, market development, product development, integration, partnerships and strategic alliances. The strategic alternative to be chosen must relate to the reason for the existence of a university today and in the future. Deciding the reason for existence is a strategic thinking matter.

6. According to Pearce and Robinson (2007), the actual choice of strategy is determined by such factors as past strategies, risk involved, managerial power games, the dictates of the external environment (for example, changing student demographics, competition, Government financing, and others), and for a university one can add, the philosophy of the university. This requires that strategic planners in a university think critically of what mandate the university has. This is not a simple matter. It requires clarity of thought, strategic thinking and innovation.
7. Implementation should specifically involve what we describe here as **leadership implementation**, **organisational implementation**, and **policy and functional implementation**. Leadership is about examination of human resource issues in terms of competencies required, talent assessment, career plan, motivation, leadership, succession planning, training and remuneration, among other related issues. Policy is about development of broad guidelines to guide action in each of the functional areas as well as resource deployment. Organisational implementation is about restructuring the organisation in line with the chosen strategy. This ensures that the structure is matched with the strategy chosen (Pearce and Robinson, 2007; Glueck, 1980:303).

10 Discussion

Public universities in Kenya have started to get serious about strategic planning because they recognise the challenges they face today but also because they are now required by the Government to carry out strategic planning. All the public universities studied showed evidence of strategic planning. Their strategic plans show that they followed the Rational Strategic Planning Model whose steps have already been discussed. In the context of the Model, the strategic planning process in public universities can be faulted in several ways. In the formulation of vision and mission, majority of the universities did not seem to have looked seriously into the area of their philosophy or creed. The philosophies did not appear to have looked at the critical issue of what an “African University” must exist for. According to Barry Munitz, former CSU chancellor, universities need to establish where their strategic competitive advantage is. He observes, “As you begin your own strategic planning effort, be thoughtful and concise and specific about where you want to make this campus’ mark. What do you do well? What do you do differently? What do you do better than most other people? Those things that you care less about and you do less well should disappear” (Munitz, speech at CSUN, 1995).

The statements of strengths and weaknesses in public universities strategic plans were found to be too broad to shed light on what might be considered real strengths and weaknesses in the universities. Strategic thinking would have brought out critical issues such as failure to forecast and manage talents in public universities; leadership failure and leadership challenges; decision making that is not based on strategic issues but is mostly informed by politics; admission that there are serious resource constraints that hinder learning, teaching and examination systems that are traditional and not changing with the times; gender disparity issues and how they should be addressed beyond the level of lowering admission points for females.

Nearly all the strategic plans of public universities examined showed that the planners had thought about the external environment but not all the factors had been examined exhaustively and strategically. For example, issues of ecology and universities, societal expectations of universities, politicisation of higher education, technology challenges and related issues had been glossed over. For example, public universities were loosing out to competition in the region. What is the possible explanation for this? The strategic plans did not seem to treat this issue in detail.

Another example can be given in terms of the large numbers of trained doctors Kenya is loosing to other countries. The universities should have addressed this issue in detail other than saying remuneration issues will be looked into. University lecturers are rewarded mainly based on research and teaching. For strategic planning and thinking to succeed, faculty should be rewarded for a broader range of things beyond teaching, research and consultancy, while the essence of the university, that is, teaching and research - is not lost. Strategic planning goals and objectives should be linked to the reward system.

The factors given earlier in the mnemonic as “PESTGCO” had not been studied exhaustively in formulating the strategic plans of public universities. It looked like universities were in a hurry to prepare and submit their strategic plans for the performance evaluation exercise. A serious omission noted in all the strategic plans examined was inadequate attention, if any, to Key Performance Areas, and Key Performance Indicators in the strategic plans. What was evident was that the plans had certain actions that needed to be accomplished between 2008 and 2012. These actions would require finance, and responsibility by key university administrators. One would have expected to see statements on governance improvement, leadership, decision making improvement, consultation with industry and other stakeholders as key performance issues in the Administration Key Performance Area, for example. In the Finance Key Performance Area one would have expected to see statements that show how innovation and creativity will be applied in cultivating external sources of revenue.

Majority of the public universities had involved stakeholders in their strategic planning in a very limited way. There was no evidence that most universities consulted industry, NGO players and education authorities adequately. Faculty had not been involved in the process. The need for participatory planning stems from the universities’ “shared governance” model. “The faculty can exercise significant veto power over the options available to university administrative leadership” (Rowley, Lujan, and Dolence, 1997). Finding a mechanism to get faculty involvement at every stage of the planning process is essential to success; faculty cannot be “commanded,” but have to be willing to voluntarily participate.

The monitoring and evaluation systems in the various strategic plans of public universities did not seem to go beyond simple measures of monitoring and evaluation. They did not critically examine qualitative and quantitative methods and systems that the universities were going to use to keep their strategic implementation efforts in check and control.

11 Conclusion and Recommendations

Kenyan public universities that are essentially traditional in orientation must find new ways of dealing with the issues facing them including increasing competition from other universities. Strategic planning is one of the major steps the universities can take to address the challenges they face. The development of universities’ wider strategic plan by the Ministry of Education (2006) to be followed by all universities in Kenya in their strategic planning processes is a welcome move. It provides a basic framework that could prove useful to universities. The Model could be looked at in conjunction with the model the authors have proposed. It is more comprehensive. It is proposed that universities consider incorporation of strategic thinking in their process of strategic planning in order to make their planning more useful in view of the failures of strategic planning in public universities. Strategic thinking helps examine the critical issues in every situation and possibly would help public universities to be flexible and open in their planning efforts. Public universities should encourage active participation of many stakeholders as possible, including the faculty, administration, industry, education authorities, students, and alumni. This way synergy and ownership are built in the process.

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