INTERNATIONAL JOURNAL OF BUSINESS, SOCIAL SCIENCES & EDUCATION

INFLUENCE OF STRATEGIC MANAGEMENT PRACTICES ON PERFORMANCE OF PRIVATE UNIVERSITIES IN KENYA: A CASE STUDY OF THE PRESBYTERIAN UNIVERSITY OF EAST AFRICA

MUCHIRI MARY NJERI
THE PRESBYTERIAN UNIVERSITY OF EAST AFRICA

PROF. NEMWEL BOSIRE
THE PRESBYTERIAN UNIVERSITY OF EAST AFRICA

Citation: Njeri M.M. & Bosire N (November, 2018). Influence of Strategic Management Practices on Performance of Private Universities in Kenya: A Case Study of The Presbyterian University of East Africa. *International Journal of Economics and Finance (IJEF)* Issue No XI, Volume 4, pp 319-339.

ABSTRACT

The study sought to examine the influence of strategic management practices on the performance of private universities in Kenya. The study targeted private universities in Kenya both chartered and those with the letter of interim authority. The specific objectives of the study were to examine how finance management, human resource management, technological innovations and marketing strategies influence organizational performance of the Presbyterian University of East Africa. The target population was drawn from the following categories of individuals in PUEA; university management, heads of department, Accountants, ICT specialists, marketing team and support staff whose total population was 51. Data collection was done through self-administered questionnaire through drop and pick method. Data was analyzed using descriptive and inferential statistics mainly; frequencies, percentages, regression, chi-square and correlation facilitated by Statistical Package for Social Sciences (SPSS). Applying multiple regression model and content analysis tools the study analyzed quantitative and qualitative data respectively. Overall, the strategic management practices elements of financial management, human resource management, technological innovations and marketing strategies showed a positive significant influence on the performance private Universities in Kenya since the analysis indicated a positive correlation ($r = 0.432$, $\alpha = 0.01$, $r = 0.279$, $\alpha = 0.01$, $r = 0.129$, $\alpha = 0.05$ and $r = 0.415$, $\alpha = 0.01$) respectively. Therefore, the finding of this research supports the research question that strategic management practices significantly influence the performance private Universities in Kenya. The results of this research provide knowledge, create awareness and identify concepts and framework of strategic management. In addition, the results are useful to Private Universities in Kenya since they can be used to improve implementation of strategic management and this will enhance satisfactory performance. The study recommends that future studies test the influence of the other of strategic management practices on the performance of private Universities in Kenya that were not part of the current study.

Keywords: *Technology, Finance Management, Marketing, Human Resource, Information System, Strategy, Strategic Management and Competitive Advantage.*

Background of the Study

Strategic management has become a central phenomenon that every organizational management is daily focusing on. This is necessitated by the fact that organizations are established to achieve particular stated objectives. For organizations to deliver on these objectives for which they were created, they must remain actively focused on their day to day goals so as to always achieve their objectives. Achievement of organizational objectives is never without challenges. This is because organizations do not operate in isolation; rather, they operate within an environment which inevitably influences them. As a result, organizations, either private or public, are increasingly embracing the practice of strategic management in anticipation that this would translate to improved performance. However, there are challenges facing the effective strategic management which mainly experienced in the implementation stage of the strategy. Therefore, management must come up with new methods of handling the prevailing circumstances to be able to meet the market demands. There is need for strategic thinking in organizations to counter the business environment which is changing very fast. This rapid change in the economic environment ascribed to globalization phenomenon, difference in investors and consumer demands. As a result, organizations have been left with no choice other than coming up with strategies to deal with the new market environment. To realize this, the organization must be keen on several areas such as technological innovation, financial management, human resource management and marketing strategies. All these calls for employment of management strategies which is a continuous development and assessment must be done so as to regulate the commercial environment and undertake an analysis into the industries and businesses targets and goals so as to adequately and favourably compete with their rivals in businesses (Lamb, 1984). Realizing an advantage over the competitors is a rigorous exercise that requires companies to adopt new strategies that will enable the organization to attain their desired goals (Walker, 2012).

This study is attached to the Resource Based Theory (RBT) of the firm (Helfat, and Peteraf, 2003) and supported by other theories discussed herein. The opinion that is brought out very clearly by the Resource based theory is that resources can only be of good use to the organisation if they are optimally utilized to positively influence the firm's competitiveness and bring desired results to the organization (Helfat and Peteraf, 2003; Barney, 1991; Penrose, 1959). In contrast, The Dynamic Capability theory advances that the organizational structures and processes plus the key competencies are important in improving the performance in the rapid changing environment where it operates.

The type of the organization defines the management strategy to be introduced in it and its flexibility in adopting to the rapid changing business environment. Several management theories like those of Boyne and Walker (2012), Chandler (1962) and Child (1972) and others have posited that private organizations can choose and implement their strategies amidst their competitors. The development and performance of an organization is determined by how that particular organization handles the strategic choices at hand. Further, it is notable that the relating issues that influence strategy must also aid in deciding vital matters such as infrastructure constraints, level and the resources available, reliable technology and the entire production process. Educational institutions play a significant role in economic and social development worldwide. The performance and growth of these institutions is secured by the strategic management practices that are applied in them. Organizations both profit oriented and non-profit are slowly embracing strategic management principles to run on the basis accountability and transparency (Clinton, Williams, & Stevens, 1995).

Statement of the Problem

In the world organizations whether public or private are embracing the practice of strategic management in anticipation that this would translate to improved performance. In the world universities which are one of the fundamental institutions of societies, must be restructured to go through an important change and transformation process and compete with the leading national and international universities. It is considered that implementation process of the increasing expectations from universities can be made possible by good management of these institutions, and this can be achieved when universities adapt and implement a more professional management style along with the concept of strategic management. In parallel with the changes, transformations and extension in higher education and other fields in the world, the demand for higher education has also increased rapidly in Kenya as well. We can follow now one of these processes in higher education, where Kenya has its place only in terms of extension. The number of universities has reached totally 61 (30 Public Chartered Universities, 13 Private Chartered Universities and 13 Institutions with Letters of Interim Authority founded over the last years). Along with this extension, the main reason for the high number of students per lecturer or senior lecturer is that the number of lecturers has not increased enough in number when compared to that of students (Günay, D., Günay, A., 2011). Hence the need of this study therefore was to examine the influence of strategic management practices on the organizational performance specifically on private universities.

LITERATURE REVIEW

Strategic management practices involve the art and science of formulating, implementing, and evaluating cross-functional decisions that enable an organization to achieve its objectives (Jossiah, 2014). It is the formal process, or set of processes, used to determine the strategies (actions) for the organization. According to McKernian (2013), strategic management practices focuses on many areas, including the integration of management; marketing; finance/accounting; production/operations; research and development; and computer information systems (Strategic management as a practice involves behaviors and actions that are determined by both individual human agency and structural/institutional forces.

According to Mintzberg (2013), there are three theoretical groupings or modes of strategy formulation: the planning mode that depicts the process as a highly ordered, neatly integrated one; Adaptive mode that depicts the process as one in which many decision makers with conflicting goals bargain among themselves to produce a stream of incremental, disjointed decisions and finally; Entrepreneurial mode where a powerful leader takes bold, risky decisions toward his vision of the organization's future.

The internal factors, which include personnel, finance, and manufacturing capabilities, may be analyzed based on functional approach, value chain approach or resource-based view approach. The external factors may include macroeconomic matters, technological change, legislation, and socio-cultural changes, as well as changes in the marketplace or competitive position (Regner, 2013). Okongwu (2013), contend that analysis of external factors encompasses looking at political and regulatory influences, economic factors and influences, societal and cultural influences, and technological innovations (PEST Analysis). Okongwu (2014), emphasized that organization needs to analyze the competitive environment and identify rivalry between competing sellers, companies offering substitute products, suppliers of resource inputs, buyers, and potential new entrants. The analysis of the concerns of the stakeholders, employees, customers, suppliers and the society in general is crucial to develop objectives that stakeholders would support.

Financial management on organizational performance

Financial management practices are defined and demarcated as the practices performed by the accounting officer in the areas of fixed asset management, accounting information systems, working capital management, financial reporting analysis and capital structure management.

Fixed Asset Management (FAM). For this thesis the focus is on movable assets; the acquisition of capital assets can most certainly exert an effect on an organization’s competitive advantage over the long term. Capital equipment is characterized by large expenditure and non-recurring expenditure. Purchasing capital equipment usually requires a relatively large capital outlay, which may sometimes amount to millions and which may have particular financial implications. Buying capital equipment can therefore be regarded as an investment which is financed from long-term, rather than from working, capital. It is important to consider not only the purchase price of capital equipment, but also the total cost of ownership (Hugo et al., 2006).

Accounting Information Systems (AIS). Orwel (2009) states that the AIS is a system of records usually computer-based, which combines accounting principles and concepts with the benefits of an information system and which is used to analyze and record business transactions for the purpose of preparing financial statements and providing accounting data to its users. AIS assists in the analysis of accounting information provided by the financial statements. Romney et al (2009) purport that the biggest advantage of computer-based accounting information systems is that they automate and streamline reporting. Reporting is a major tool for organizations to accurately see summarized, timely information used for decision-making and financial reporting.

Financial Reporting Analysis (FRA). As pertains to Financial Reporting Analysis (FRA), recording and organizing the accounting information systems will not meet objectives unless reports from systems are analyzed and used for making managerial decisions. Financial statements usually provide the information required for planning and decision making. Information from financial statements can also be used as part of the evaluation, planning and decision making by making historical comparisons (Gitman, 2011).

Capital Structure Management (CSM). Capital Structure Management (CSM) according to Romney (2009) means overseeing the capital structure of an organization. A company's capital structure refers to the combination of its various sources of funding. Most companies are funded by a mix of debt and equity. When determining a company's cost of capital, the costs of each component of the capital structure are weighted in relation to the overall total amount. This calculates the company's weighted average cost of capital (WACC). The WACC is used to calculate the net present value (NPV) in capital budgeting for corporate projects. A lower WACC will yield a higher NPV hence achieving a lower WACC is always optimal.

Working Capital Management. According to (Garrison, 1999), Working Capital Management (WCM) refers to decisions relating to working capital and short-term financing. These involve managing the relationship between a firm's short-term assets and short-term liabilities. The goal of WCM is to ensure that the firm is able to continue its operations and that it has sufficient cash flow to satisfy both maturing short-term debt and upcoming operational expenses. The context of working capital management includes cash management, receivables and payables management, and inventory management.

Human resource management on organizational performance

Tocher and Rutherford (2009) defined human resource management (HRM) as the set of activities and functions directed to developing and maintaining the labour structure in firms. The activities in HRM are recruitment selection, appraisal, training, compensation, and employee relations (Guest, 2011). The role of HRM is to translate the strategic aims of the organization into human resource policies and to create human resource strategies that generate a competitive advantage (Tyson, 1995). According to Walker (1992), strategic HRM is defined as ‘the means of aligning the management of human resource with the strategic content of the business and human resource strategy so that the latter supports the accomplishment of the former and, indeed, helps to define it’.

Strategic HRM involves designing and implementing a set of proactive HR policies/practices that ensures that an organization’s human capital contributes to the achievements of its corporate objectives (David, Chin and Victor, 2002). SHRM highlights the growing proactive nature of the human resource (HR) function, its potential importance to the success of organizations and the possibility of change in the HR function from being reactive, prescriptive, and administrative to being proactive, descriptive and executive (Boxall, 1994). Sahoo, Das, & Sundaray, (2011), note that the strategic human resource management concept relates to the proper integration of human resource management into the primary business strategy of the firm by adapting human resource activities in all stages of the firm.

Other researchers have defined SHRM as a cumulative set of practices or behaviours related to the management of human capital, where the HR professional serves as a strategic business partner with the other executive bodies of the organization (Golden & Ramanujam, 1985; Huselid, Jackson, & Schuler, 1997; Miles & Snow, 1984; Truss, Gratton, Hope-Hailey, Stiles, & Zaleska, 2002). SHRM has been a substantial concept to enhance the strategic capabilities of organizations, ensuring the availability of committed, motivated, and skilled labor (Branine & Pollard, 2010). Organizations with strong strategic capabilities have a tendency to integrate their HR processes into their central corporate strategies to achieve ideal outcomes (Lengnick-Hall, et al., 2011). In a recent study (Sahni & Jain, 2015), researchers recommended integration of HRM practices into the overall operations and strategies to achieve organizational effectiveness.

Technological innovations on organizational performance

According to Freudenburg (2003), “innovation is defined as the development, deployment and economic utilization of new products, processes and services and is an increasingly important contributor to sustained and sustainable economic growth both at micro and macro levels”. Can Kenyan private Universities achieve superior performance without clear innovative strategies? Thomas, et al. (2011) posits that the measure of innovation performance in organizations is the development of new services, advancement of technology and process improvement, research and development. All private Universities need to be innovative if they are to contain the volatile environmental and market forces.

Sustainable innovations that lead to major shifts in technology and dominant designs in products or service deliveries are less common among small organizations, although when they do occur they are particularly noteworthy. Nevertheless, the need for adaptation and change, the lack of bureaucracy, the multi-disciplinary nature of the work environment and the closeness of owner-managers to students and employees, all serve to increase the likelihood of innovation in smaller organizations, a view supported by empirical research (Vossen, 1998, Mazzarol, 2004).

Marketing strategies on organizational performance

Marketing strategy is the set of integrated decisions and actions, by which a company wants to recognize and meet customer needs to achieve marketing goals. Marketing strategy is concerned with activities relating to context analysis at Macro and Micro level, competitor and customer analysis, segmentation, targeting, and defining an appropriate positioning based on marketing mix: product, price, place and promotion decisions. The Concept of strategic marketing planning assumes that an organization should have a long-term outlook that is not only environmentally sensitive but also nationally and globally oriented. Therefore, when an organization develops its strategic policy it must go beyond its short or mid-term goals and must integrate feedback from stakeholders and customers to reach its goals and objectives bringing about benefit not only for the organization but also for consumers and society.

Hual and Madu (1994) presented four types of marketing strategies to reach a totality of strategic marketing orientation: Volunteer marketing, Total marketing, Value marketing and Environmentally conscious marketing. Kotler (1991) presented a model of three types of marketing strategic orientation: External marketing, Internal marketing and Interactive marketing and explained how they are applied in today’s market place. Hooley, Lyneh & Jobber developed 5 types of marketing strategies for generic markets by extend the work by Porter and Miles and Snow by focusing on a wide range of marketing variables. They called as: Aggressors, Premium positioning segmentors, Stuck-in-the middlers, High value segmentors and Defenders.

Strategic management and organizational performance

Organizational performance can be defined as a collection of work activities, operational efficiency, and effectiveness, their measurement and subsequent outcomes attained (Dessler, 2008). Every organization has well defined mechanisms of measuring performance which enable it to evaluate current and past achievements relative to expected standards, but the methods used to measure performance are relative to the context in which the organization operates, and the strategic objectives pursued (Akinyi, 2010). The concept of performance is vital in all organizations whether commercial, profit-making or Not-for-profit organizations, private or public sector, (Johnson et al, 2008). Organizational performance is a measure of the extent to which the organization's goals and objectives have been achieved. Such measure of achievement informs all the stakeholders of the extent to which we are succeeding in the business we are in.

Based on their context, different organizations use different modes of performance. Mazzarol and Rebound (2009), state that organizational performance can be measured as achieving sustainable growth over time using such indicators as annual turnover, the number of employees, size of assets and equity in the balance sheet, market share and profitability. Organizational performance assesses how organizations can meet their stated objectives over time. It is known that the ultimate goal of any business organization is to be able to meet specific objectives such as customer satisfaction, profit maximization and cost effectiveness.

Success of strategy implementation in organizations is dependent on how the strategies are implemented and how structure, leadership, communication, control and related factors are dealt with in the process. Measurement of performance in a University set-up will therefore include academic excellence, land infrastructure development, discipline and school culture, stakeholder satisfaction, financial stability and excellence in non-academic activities.

METHODOLOGY

The researcher adopted descriptive survey design. The population of the study will be 51 members of staff of the Presbyterian University of East Africa. Stratified random sampling design was used in this study to arrive at a sample size. The researcher used questionnaire to collect the data from 51 members of the staff of the Presbyterian University of East Africa. The data collected was analyzed using both descriptive and inferential statistics.

Descriptive statistics were used to produce percentages, frequency tables and means which generated charts for each of the objective study.

RESEARCH FINDINGS

Inferential statistics

Correlation matrix

The study sought to establish the association among the study variables. The results are presented in Table 1.

Table: Correlation matrix

		Financial management	Human Resource management	Technological innovations	Marketing Strategies	Organizational performance
Financial management	Pearson Correlation	1.000	.432**	.279**	.129*	.415**
	Sig. (2-tailed)		0.000	0.003	0.030	0.000
Human Resource management	Pearson Correlation	.432**	1.000	0.507**	.286*	.564**
	Sig. (2-tailed)	0.000		0.000	0.008	0.000
Technological innovations	Pearson Correlation	.279**	0.507**	1.000	.521**	.541**
	Sig. (2-tailed)	0.003	0.000		0.000	0.000
Marketing Strategies	Pearson Correlation	.129*	.286*	.521**	1.000	.486**
	Sig. (2-tailed)	0.030	0.034	0		0
Organizational performance	Pearson Correlation	.415**	.564**	.541**	.486**	1.000
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	

**. Correlation is significant at the 0.01 level (2-tailed)

*. Correlation is significant at the 0.05 level (2-tailed)

The results in Table 4.6 indicated that financial management and performance of private Universities are significantly and positively related (r= .415, p=0.000). Further, correlation results showed that human resource management, technological innovations and marketing strategies are positively related with performance of private Universities. Results indicated that human resource management (r= .564, p=0.000), technological innovations (.541, p=0.000) and marketing strategies (r= .486, p=0.000) are significantly and positively related to performance of private Universities in Kenya. Conducting audit of financial management, human resource management, technological innovations and marketing strategies increases the performance of private Universities.

Model summary

The results presented in table 4.7 present the fitness of model used of the regression model in explaining the study phenomena. Financial management, human resource management, technological innovations and marketing strategies were found to be satisfactory variables in explaining performance of private Universities. This is supported by coefficient of determination of 49.0%.

Table: Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.686[a]	0.490	0.445	0.38040

a. Predictors: (Constant),Financial management, Human resource management, Technological innovations, Marketing strategies

This means that financial management, human resource management, technological innovations and marketing strategies explains 49.0% of the variations in the dependent variable which is performance of private Universities in Kenya. This results further means that the model applied to link the relationship of the variables was satisfactory.

Analysis of Variance

Table 4.8 provides the results on the analysis of the variance (ANOVA). This was to establish whether there was any significant difference among the variables means. Independent variables were explored to determine whether their existed any significance difference with the dependent variable (performance of private Universities).

Table: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.585	4	1.646	15.702	.0001[a]
	Residual	6.843	25	0.036		
	Total	16.428	29			

The results indicate that the overall model was statistically significant. Further, the results imply that the independent variables are good predictors of performance of private

Universities. This was supported by an F statistic of 15.702 and the reported p value (0.000) which was less than the conventional 0.05 significance level. Therefore, the result findings from the ANOVA showed that there exist a significant difference between the independent variables and the dependent variable.

Regression Coefficients

Regression of coefficients results in table 4.9 below present the test of the statistical significance of the independent variables in the model. This provides the estimates of independent variables, their standard error and the t-ratios. The table also provides the statistical significance of each independent variable in the regression model. The results indicate that financial management had a t-ratio value of 2.195. This t-ratio is significant at 5% level of significance (0.063) which indicates that financial management is a significant predictor of performance of private Universities in Kenya. The estimate of coefficient value for financial management is 0.252 which indicates that performance of private Universities in Kenya is positively influenced by financial management.

The results indicate that the t-ratio for human resource management for the university was 2.303. This t-ratio is significant at 5% level of significance (0.002) which indicates that human resource management is a significant predictor of performance of private Universities in Kenya. The estimate coefficient value for human resource management is 0.215 which indicates that performance of private Universities in Kenya is positively influenced by human resource management.

The results indicate that the t-ratio for technological innovations was 2.227. This t-ratio is significant at 5% level of significance (0.003) which indicates that technological innovations is a significant predictor of performance of private Universities in Kenya. The estimate coefficient value for technological innovations is 0.248 which indicates that performance of private Universities in Kenya is positively influenced by technological innovations.

The results indicate that the t-ratio for marketing strategies was 2.355. This t-ratio is significant at 5% level of significance (0.014) which indicates that marketing strategies is a significant predictor of performance of private Universities in Kenya. The estimate coefficient value for marketing strategies is 0.288 which indicates that performance of private Universities in Kenya is positively influenced by marketing strategies.

Table 4.9: Regressions of coefficients

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	0.269	0.367		0.708	0.442
	Financial management	0.252	0.120	0.244	2.195	0.063
	Human resource management	0.215	0.140	0.363	2.303	0.002
	Technological innovations	0.248	0.152	0.320	2.227	0.003
	Marketing strategies	0.288	0.171	0.311	2.355	0.014

a. Predictors: (Constant),Financial management, Human resource management, Technological innovations, Marketing strategies

b. Dependent Variable: Performance in Private Universities

From the regression model; $Y= a+b_1x_1+ b_2 x_2+ b_3 x_3+ b_4 x_4 +é$

Where y: Organizational performance (Dependent variable)

a: Constant of Proportionality

x_1: Finance management

x_2: Human resource management

x_3: Technological innovations

x_4: Marketing strategies

b_1, b_2, b_3, b_4, Gradient of equation

é: Error term

The optimal model for the study is as follows;
Performance of private universities in Kenya= .269 + .252 Financial management + .215 Human resource management + .248 Technological innovations +.288 Marketing strategies.
This overall model shows that financial management will increase performance of private Universities by 0.252 units; Human resource management will increase performance of private Universities by 0.215 units while Technological innovations will increase performance of private Universities by 0.248 units. Marketing strategies will also increase the performance of private Universities by 0.288 units. Finally, the positive constant

(0.269) represents other factors which can increase the performance of private Universities but have not been included in the model.

Conclusions

The purpose of this study was to assess the strategic management practices influencing the performance of private universities in Kenya. To achieve this, the study identified the research objectives: To investigate the effect of financial management as a strategic management practice to the performance of private universities in Kenya; To explore the effect of human resource management as a strategic management practice on the performance of private universities in Kenya; To establish the effect of technological innovations as a strategic practice on the performance of private universities in Kenya; To assess the effect of marketing strategies as a strategic management practice on the performance of private universities in Kenya.

The study utilized a descriptive research design using PUEA as a case of the study. The population of the study was drawn from employees of PUEA totalling 51 distributed across all the departments. Using a stratified random sampling technique, a sample size of 25 respondents was selected for inclusion in the study. Data collection was done using a questionnaire that was self-administered by the researcher. Collected data was inspected, keyed and coded into SPSS vs. 20 for analysis using descriptive statistics and inferential statistics. The analysed data was presented using tables and figures for easy interpretation. The findings reveal that there is a positive and significant direct influence between the financial management, human resource management, technological innovations and marketing strategies on performance of private Universities in Kenya. Based on the initial design of the constellation between variables, the results showed that the contribution of financial management variable on performance is 25.2%, human resource management is 21.5%, technological innovations is 24.8% and marketing strategies is 28.8%. Marketing strategies indicated the highest individual contribution to the performance of private Universities in Kenya. When combined, contribution of the four independent variables of financial management, human resource management, technological innovations and government regulation reach 49.0% indicating the contribution of other variables not included in the model to predict on the organizational performance are 51.0% confirming this model is of moderate goodness. Other researchers wishing to conduct similar studies may include other variables such as; environmental analysis, strategy formulation, strategy implementation, Current organizational structure, Leadership style, Organizational Culture and Politics, Management skills, Financial resources, Employee training, Reward system, Existing organizational policies, Political interference, Universities culture, Universities risk and growth, total assets, liquidity ratio, debt equity ratio, Universities size, dividend yield, change in turnover, rate of returns (ROE, ROA, & ROI) and so forth. This confirms that it is necessary to conduct a comprehensive and critical analysis related to the factors influencing the performance of private universities in Kenya.

Recommendations

Proper and timely record keeping should be kept to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting. Sound record keeping will also enable senior management to hold staff accountable for their actions. Senior managers should ensure proper record keeping so that records supporting financial and performance information as well as compliance with key legislation can be made available when required for audit purposes. They should also implement policies, procedures and monitoring mechanisms to manage records and make staff members aware of their responsibilities in this regard.

Controls should be in place to ensure that transactions are processed in an accurate, complete and timely manner, which in turn will reduce errors and omissions in financial and performance reports. Some of the matters requiring attention from senior management include the following: Daily capturing of financial transactions, supervisory reviews of captured information and independent monthly reconciliation of key accounts; Collect performance information at intervals appropriate for monitoring, set service delivery targets and milestones, and validate recorded information; Confirm that legislative requirements and policies have been complied with before initiating transactions.

Accounting officers should ensure that auditors have mechanisms to identify applicable legislation as well as changes to legislation; assess the requirements of legislation; and implement processes to ensure and monitor compliance with legislation. Compliance checklists should be implemented as a tool to supplement policies and procedures. These will enable officials, supervisors and monitoring units (e.g. internal audit units) to independently check whether all legislative requirements are met in the daily transactional. Regular reports to management and governance structures on compliance with key legislation will also promote awareness of legislative requirements and ensure that management deals with compliance in a regular and structured manner.

The processes of recruitment and selection in labour-intensive firms have been critical to achieve long-term sustainability. A typical selection process in an organisation involves judging candidates on a variety of dimensions, ranging from the objective and measurable e.g., years of experience and educational attainment, to the subjective and personal e.g., quality of output expected and leadership potential. To do this effectively, private universities should rely on a number of selection tools or devices. These include application forms, evaluation of written information including letters, resumes and vitae, portfolios, and writing samples, simulated demonstrations by the applicants, tests, interviews of various sorts, physical examinations, reference and background checks, and sometimes onsite visits to the current employer. Applying inadequate methods of recruitment and selection might lead to a high cost to businesses. Private Universities should note that certain personality traits of the individuals are valuable for implementing particular strategies and vice versa.

Training and development should be done in order help accomplish organizational objectives, a human resource training and development plan must be established which is carefully aligned with the corporate strategic goals. Private Universities which are in the business of education, have scarcely focused attention on the training and development of their own employees to maintain the faculty and administrative vitality. Underlying many of the expressed concerns of training and development in academia is the absence of any systematic attempt to link training and development to the strategic plans of the institution, when in academia, employee development may be more important today than ever before.

Basically, the purpose of performance appraisal is two-fold. First, it provides the information needed to make strategic decisions by assessing the fit between current human resource systems and those systems required by a change in strategic direction. Second, it is a control system through which individual performance can be measured against strategic objectives with the goal being effective job performance. Henceforth, performance appraisals seem particularly important in the labour intensive educational organization.

Organizations need a mechanism that demonstrates senior management's interest in attaining strategic goals, and the reward system is that mechanism. There are conditions other than pay that can unleash employee energy: freedom, diversity, risk taking, complexity, and a release from time pressures. If employees are provided with these elements of job satisfaction, they become a resource with elasticity —and one that is renewable. The well-being of the university depends on its ability to recruit and retain a talented professionals. Human resource management and practices play an important role in building the organizational performance. Many studies highlight the significance of strategic actions related to HRM that could enhance employee trust and thereby build a culture of trust and innovation. Effective HRM practices indeed facilitate organizational innovativeness, and that this effect is partially mediated by lack of trust in the organization. Therefore HRM practices should be designed to facilitate organization trust among employees.

The study recommends that for private universities to be highly competitive, they need to employ modern technological innovations such as internet based services. Technology is one of the key elements that define a society or civilization. The critical role of technological innovation in the development of an organization and its contribution on the economic growth of firms has been widely documented. Private Universities should continue investing in technological innovation information channels because they are able to control their costs much better. The volume of transactions that can be processed on channels like the internet and mobile are high as compared to delivering such transactions using manual processes. This helps to minimize the cost per unit of service and hence better returns to the Private Universities.

Since technological innovation is aggressively and continuously adopted in Kenya, the government should provide incentives for research and development to research scientists who would continue to invest their time and skills in discovering more technological innovations. It is recommended that the government also pursues a strategy to provide incentives for technology transfer from more developed economies in order to promote the adoption of world class innovations.

Information and communication technology (ICT) professionals should invest their time, effort and resources towards innovations. This will mean more income for the professionals if the innovations become successful. In Kenya there are some citizens who still have no access to universities due to unavailability of the educational services. ICT professionals should explore ways of providing innovative solutions for reaching such people. This can result to more financial deepening and better financial development for the country and hence better profitability for the Private Universities.

The study found out that marketing strategies tremendously affect organizational performance and that there is a strong positive relationship between marketing strategies and organizational performance. These put in to perspective the Marketing mix modelling (MMM) namely; product, pricing, promotion and distribution strategy. Private Universities should intensify their style of outreach thereby adopting modern marketing strategies that are realistic and time bound to increase organizational performance but with caution to ensure that control and sobriety is observed within the educational industry. One of the ways to gain popularity is through promotional strategy so as to commensurate with organizational performance, it should be done in a manner that improve business growth. The pricing is a tool towards organizational progress as indicated in the findings. The government agencies and regulatory authorities should introduce measures to censure such occurrences to enhance growth for all private Universities in Kenya.

The researcher recommends to the private Universities in Kenya to improve and increase the activities of online marketing. This implies increased usage of always using social networks such as facebook and twitter when advertising new programmes and contacting customers.

Secondly, the study recommends that private Universities in Kenya to improve on branding marketing. This implies need to improve and maintain good service design such us maintaining the quality levels and value, as this will help spur the demand of the services and hence improve on the performance.

Thirdly, the researcher recommends to the private Universities in Kenya to improve on good relationship marketing. This implies improvement in carrying out direct marketing which can help them interact directly with prospective students, hence increasing student numbers.

Fourthly, the study recommends that private Universities to improve on market dominance marketing. This implies need to constantly promote their services by providing information that would make customers make informed choices on the quality and safe usage of the services.

REFERENCES

Aosa, E. (1998) *The Leadership Challenge Facing Kenyan Organizations*, The Account Journal of the institute of Certified Public Accountant of Kenya.

Barney, J (1991), *Firm resources and sustained competitive Advantage*, Journal of Management, 17, 99-120.

Bett S. K. (1995) *Strategic Marketing of Dairy Productions in Kenya*, Unpublished Master of Business Administration Project, School of Business, University of Nairobi.

Boseman and Phatak, (1989), *Strategic Management*, Tex and Cases (2nd edition), New York.

Burnes, B. (1996) *Managing Change: A Strategic Change to Organizational Dynamics* 2nd Edition, Pitman Publishing, London.

Chepkwony, J., (2001) *Strategic Response of Petroleum Firms in Kenya to Challenges of Increased Competition in the Industry*. Unpublished Master of Business Administration Project, School of Business, University of Nairobi.

Dess, G. G.; Lumpkin G.T. & Eisner, A.B. (2010). S*trategic Management: Creating Competitive Advantages.* 5th ed. New York: McGraw-Hill Irwin.

Drucker, P.F (1989), *The practice of management*. Oxford, Heinemann Profession.

Guest, D. (2002). Human resource management, corporate performance and employee wellbeing: Building the worker into HRM. *The Journal of Industrial Relations*, 44(3), 335-358

Helfat, C.E. (2000). Guest Editor's Introduction to the Special Issue: The Evolution of Firm Capabilities. *Strategic Management Journal*, 21(10-11), 955-960.

Hill, C. W. L. and Jones, G. R. (2001) *Strategic Management Theory*: An Integrated Approach, 5th Edition, Houton Miffin Co., New York

Hill, C.W.L. and Jones, G.R (2003) *Strategic Management Theory*, An Integrated Approach, 6th Edition.

Kazmi, A (2002), Business Policy and Strategic Management, TMH, New Delhi.

Kiptugen, E. J. (2003) *Strategic Responses to a Changing Competitive Environment*. A Case Study of KCB. Unpublished Master of Business Administration Project, School of Business, University of Nairobi.

Kothari, C.R, (1990). *Research Methodology*: Methods and Techniques. 2nd Edition Wishira Prakashan.

Kotler, P. and Armstrong, G. (1990) *Marketing: An Introduction*, Prentice Hall Inc. New Jersey, U.S.A.

Kotler Philip, & Gary Armstrong (2001) *Principles of Marketing* (9th edition) Prentice Hall, New Delhi.

Lamb, R.B. (1984). *Competitive strategic management*, Englewood Cliffs, NJ: Prentice Hall.

Leonard-Barton, D. (1992). Core Capabilities and Core Rigidities: A Paradox in Managing New Product Development. *Strategic Management Journal*, 13 (Special Issue), 111–125.

Mazzarol. T. (2003). A model of small business HR growth management. International *Journal of Entrepreneurial Behaviour & Research*, 9(1), 27-49

Meldrum, Mike (2006), *A Marketing Orientation in Marketing Management*, Macmillan Business Press, London

Miles, R.E. & Snow, S.S. (1984). Designing Strategic Human Resources Systems. *Organization Dynamics*, 16: 36–52.

Mintzberg H., (2013) "Technology management strategies and small medium enterprises of Punjab manufacturing: A use-based sector analysis," Journal of Intellectual Property Rights, Vol. 17, pp. 64 - 72, January.

Mugenda, O.M & Mugenda A.G (2003), *Research Methods: Qualitative and Quantitative approach*; Nairobi, Acts Press.

Muriuki, P. (2005) *Responses of Juakali Artisans to challenges of increased competition*: The Case of Kamukunji Area in Nairobi, Unpublished Master of Business Administration Project, School of Business, University of Nairobi

Muriuki, W. (2005) *Strategic Planning at East African Breweries Ltd*. Unpublished Master of Business Administration Project, School of Business, University of Nairobi.

Oketch, W. (2013). Strategic Planning: A Comparison of High and Low Manufacturing Firms, Technovation, 25 (10), pp. 1107–1117.

Orodho, A.J (2003) *Techniques of writing research proposal and reports in education And science*, Nairobi, Masole Publishers.

Pearce, J.A. (1997). *Strategic Management: Formulation, Implementation & Control*. New York Press: Prentice Hall.

Pearce J.A. and Robinson R.B (2003) *Strategic Management; Strategy Formulation, Implementation, and Control*, Irwin, Homewood, Illinois.

Porter, M., (1998) *Competitive Advantage*, New York Press: Free Press.
PUEA, Handbook 3rd Edition 2017.
Research Methods for Business, *A skill Building Approach*, 4th Edition by John Wiley & Sons (Asia) Pte. Ltd.

Ross, E.M (1996), *Stock Markets, Corporate Finance, and Economic Growth, Overview*. World Bank Economic Review, 10(2) May, 223-239

Teece, David J. (2007). "Explicating Dynamic Capabilities: The Nature and Micro foundations of (Sustainable) Enterprise Performance," *Strategic Management Journal*, 28(13): pp.1319-1350.

Thiga, S. W. (2002) *Strategic Response of Airlines Operating in Kenya in the Face of Changing Environmental Conditions*, Unpublished Master of Business Administration Project, School of Business, University of Nairobi

Thompson A., Strickland A.J., (1993), *"Strategic Management"* Concepts and Cases, Irwin, New York.

Tocher, N., & Rutherford (2009). *Perceived acute human resource management problems in small and medium firms: An empirical examination.* Entrepreneurship Theory and Practice, March, 455-479.

Walliman, N. (2001). *"Your research project, a step-by-step guide for the first time research",* London, Sage.

Wernerfelt, B., (1984). A resource-based view of the firm. *Strategic Management Journal*, 2, pp. 171-80.

Wheelen. Hunger, *"Strategic Management and Business Policy"* Fifth Edition, Addison-Wesley publishing company, New York, 1995.