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An investigation of Challenges facing Christian universities in Kenya: A case study of Pan Africa Christian University, Nairobi, Kenya

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Abstract

With the upcoming private universities in Kenya confirms that there is fierce competition on funds, students, and right delivery of the higher education (Barnes in Kearney, 1994). The stiff competition is especially for students, and this competition can be won only on quality grounds (Abagi, Nzomo, &Otieno, 2005). The study was to identify the challenges facing Pan Africa Christian (PAC) University in gaining sustainable competitive advantage. It was also to establish sustainable strategies that the university was using to counter the challenges it is facing. The participants included university staff, faculty and students' leaders. Based on the findings, it was concluded that challenges facing PAC University existed and they were expressed differently by various participants. Lack of funds was expressed as a major challenge at the University. Several recommendations were made to market and support the university with finances; University also needed to come up with ways of earning money by establishing more funding bases.

Keywords: Strategy competition, competitive advantage, competitive strategies, challenges

1. Introduction

There are several challenges that Christian universities are facing in their efforts to gain sustainable competitive advantage. The competitive challenges facing institutions of higher learning demands strategies that are competitive – strategies that help an organization to participate and adjust to the countermoves of the competitors. This also demands shifting customer needs and other changes in the business world (Day &Reibstein, 1997). On the other hand, African universities need to adopt relevant strategies during this time when there is competition among public and private universities (Sawyer, 2004). These challenges are experienced in Kenya as well both by public and private universities. According to Carnoy (2002), there are three major challenges that have affected higher education which includes globalization of economic, importance growth of knowledge, and the information and communication age.

Statement of the Problem

According to Fehnel (2000), there has been an emergence of competition in the sphere of higher education (HE). Al-Fattal (2010) confirms that there has been an intensive competition of private HE which has posed considerable challenges for the upcoming private universities, and that the private universities are struggling to maintain or locate their positions in the market. This emerging trend is the main cause of competition among private universities in Kenya, Christian universities included. Oanda, Chege, and Wesonga (2008) add that competition for student enrollment presents a challenge to private universities as well.

Fisher (1989) observes that there is a strong challenge in today's world for the Christian universities and this challenge is to develop a curriculum that will meet the needs of today and the future as well as reaffirming the value of liberal learning. Altbach and Umakoshi (2004) add that there are challenges that

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higher education faces, and for them to grow, they need to gain competitive advantage in a highly competitive academic world. Garrison and Vaughan (2011) point out the challenge in the institutions of higher learning which is providing a learning experience that has good quality. Johnstone and Marcucci (2010) highlight that the greatest challenge that these institutions face is finances due to the rate of inflation and increase in costs, and also scarcity of resources.

Research Questions

The following research questions were used t guide the study:

1. What challenges is PAC University facing in gaining sustainable competitive advantage?
2. What are the sustainable strategies that PAC University is using to counter the challenges?

2. Theoretical Framework

The competitive forces which were pioneered by Porter (1980) work as competitive strategy tool which help the company to be aware of its environment in which it competes. In this forces model, there are five industry level forces which are entry barriers, threat of substitution, bargaining power of buyers, bargaining power of suppliers, and rivalry among the industry (Teece, 2008). Competition goes beyond established industry rivals. The extended rivalry that results from all five forces defines an industry's structure and shapes the nature of competition interaction within an industry (Porter, 2008). Entry barriers help firms to have better opportunities for creating sustainable competitive advantages.

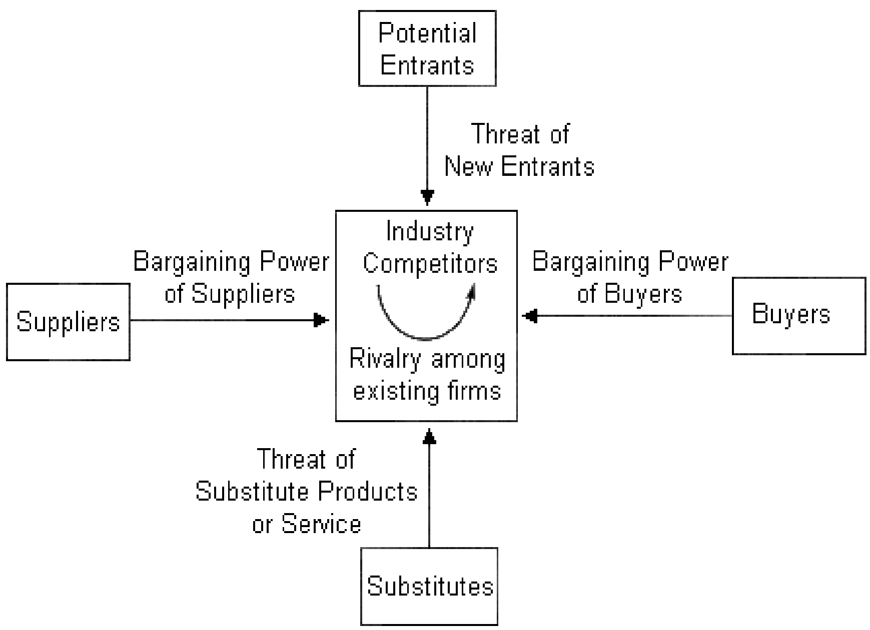

Figure 1: Michael Porter's Five Forces Framework.

Fethke and Policano(2012) argue that the responses to the forces of competition that are dynamic and affect nearly all industries also apply to higher education as well. If the pressure of competition is coming from new products, new entrants, existing rivals, suppliers and buyers intensify, the ability of these universities to create economic value or capture it diminishes. Fethke and Policano (2012) further argue that if the society is willing to pay tuition for revenue, this is particularly driven toward the opportunity costs that come from competitive pressures that are unfavorable, and as a result some universities fail and they may also suffer financially. Recent studies show that the five forces embody the rules of competition that determine industry attractiveness and help determine a competitive strategy to change the rules and cope with the institution's favor (Njabani, 2009).

3. Review on Challenges Facing Christian Universities and Sustainable Strategies to Counter Challenges

Challenges Facing Christian Universities

All academic institutions are faced with financial challenges (Altbach, 2012). Studies have shown that higher education has become very expensive especially on tuition and as a result several students have dropped out of school. The financing of institutions of higher learning is one of the major problems in education sector (Bunoti, 2012).

According to Obenchain, Johnson, and Dion (2004) in Morris (2008), private universities are facing extreme financial constraint due to the decrease in funding sources and the increase of the cost of operations. Private and Christian universities highly depend on tuition and fund raising to meet these operational costs. Studies have shown that private higher education institutions for their operations rely heavily on tuition revenues. The operating revenue through tuition funding that was realized in the study was 80-90%, concluding that these universities need to attract students that are paying tuition and be able to retain these students (Gansemer-Topf&Schuh, 2006) in Morris (2008). In addition, private universities rely heavily on tuition fees, gifts or endowments, and the programs they offer. Example of these institutions is Daystar University in Nairobi, which depends on four sources of funds: academic fees, endowments, gifts and trusts, boarding and catering charges, and income from university auxiliary enterprises and investments (Sawyer, 2004).

A new study done by the research universities futures consortium comprised of a group of 25 leading U. S. public and private research universities reported some critical challenges these universities are facing. Further, the study identified the need for having information that is better understood and cohesive strategies. This information helps to address effectively the challenges and it also enables the universities to sustain competitive advantage. Some of the challenges that the American research universities are facing are combined pressures of increase in competitive, decrease in funding, compliance requirements that have intensified (Fenwick, 2012).

Innovation and Creativity is another challenge in private universities. Lack of funds in has resulted to a lot of pressure in the competitive market for organizations to be innovative and creative. On the other hand, private universities are generally small and they emphasize on values such as morale, cohesion and the human element, and this affects the innovation strategies of these institutions (Morris, 2008). Private universities are also using tools of branding to enhance their reputation and to enable them to have sustainable competitive advantage in their sector that is very competitive (Colyer, 2005).

The above mentioned challenges have resulted to low student enrolment in private universities in comparison to the public institutions. Otieno (2004) affirms this by pointing out that the share in students' enrolment in the private universities is declining due to the adoption of the programme called Module II by the public universities, while Sawyer (2004) observes that the number of students' enrolment in private universities is low in Africa. Pac University has been experiencing the decline of students' enrolment. In China, private higher education institutions are facing problems of attracting students, and drop in enrolment for these institutions have become very common (Sharma, 2012).

Sustainable Strategies to Counter Challenges in Christian Universities

Generic competitive strategies are strategies in response to competition and strategies that are able to counter challenges in Christian universities. The generic strategies refer to Porter's competitive strategies which include cost leadership, differentiation, focus, that is, focus on cost or focus on differentiation (Kru, 2012).Research on cost leadership strategy suggests that using cost leadership strategy brings more value than using differentiation strategy in achieving a competitive advantage (Hoskisson, 2008). Cost leadership strategy when used effectively can allow an institution of higher learning to create value even where there is the presence of competitive forces. This low-cost position is a good defense against the rivals (Hoskisson, 2008). However, elite private universities in US like Columbia and Northwestern use high tuition (price) as superior quality without worrying of being the cost leader, while maintaining the lowest tuition for the product or service. This exemplifies a true cost leadership strategy in the industry and it is evident both in private for-profit and not-for-profit institutions (Martinez &Wolverton, 2009).

Studies done in private universities in Nairobi have shown that differentiation strategy has been used by these universities to counter competition. These institutions have done this by employing different products and services from those of the competitors like different admission criteria, and requirements in credit transfers, and academic staff mobility (Kimando, Njogu, &Sakwa, 2012). Further, Yu (2010) notes that in China, the higher education institutions have created a new and fresh product image within the education sector.

In addition, Hunger and Wheelen (2001) argue that differentiation strategy is able to generate higher profits because it creates an entry barrier, while the low cost strategy increases in market share. Gupta (2008) concludes that the higher education institutions (HEIs) have differentiated products and services that meet the demands of their clients, and these clients are students. They have done this by providing programs that are job-related to their students, and these programs have a wider choice.

Focus strategy is the third generic strategy that performs more than the competitors in a certain industry. This type of strategy concentrates on a certain group of customers, product line segments or geographic markets (Dess& Davis, 1984). Christian universities can to look at the niche markets where they have programs which have very unique characteristics, are specific, and with better quality. Ehmke (2005) states that the characteristics of such programs do not necessary use strategies that focus on costs, but the product (program) or service that is of premium quality; that which is differentiated from others that are available in the market.

Strategies like cost reduction in universities may not be maintained for a long time because the infrastructures in the campus have to be paid, but these universities can differentiate their programs and services; while using operating costs in an institution enable that institution to build or create a competitive advantage (Daniel, 1999).The competitive generic strategies that are discussed above apply to the Christian organizations and institutions. Christian universities can differentiate their products that meet the demands of the students, and they can lower their tuition to increase in market share.

Rivalry among the existing firms - In applying this force to universities, the existing competitors are the biggest threat because universities are very interdependent to each other and they affect the other (Answers Corporation, 2006).

The threat of new entrants- The threat of new entrants is attracted by the growth of the market. There are many universities that have come up today, because education is now a profitable business, and so competition has increased. On the other hand, universities are competing with each other globally (Answers Corporation, 2006).

The threat of substitute products or services - Substitutes are mostly likely when technology is up, that is, new technology, and when existing players are weak, or when customers grow tired of the products or services (Pringle &Huisman, 2011). In the universities, this can be applied in terms of different courses that are offered by different institutions. The universities that are coming up compete by offering highly specialized and relevant courses, and the existing courses at the established universities are often too broad and not market-friendly (Porter five forces to university, 2013).

The bargaining power of buyers - Customers can force the industry to lower the prices and at the same demand better quality of the products and more service. This causes the industry suppliers to aggressively compete with each other (Pringle &Huisman, 2011). Students locally or globally compete to get places into these institutions. The upcoming of universities that are lesser known have to work very hard in order to attract buyers (students) because of the variety of choice in educational market (Answers Corporation, 2006).

The bargaining power of suppliers - On applying Porter's five forces model, several authors have discussed the nature of competition nature in higher education that the world is experiencing, for example, an increase in marketing of higher education. Universities have been competing for students, support for research, members of the faculty, and financial contributions. This competition has increased both aggressively and globally (Pringle & Huisman, 2011).

Studies done in Ontario universities demonstrated the value of applying Porter's analysis (2008) to the institutions of higher education. This brings "the understanding on how the economic value created by the industry … is retained by higher education institutions versus how much is bargained away by customers and suppliers, limited by substitutes, or constrained by potential new entrants (Pringle & Huimann, 2011, pp. 54-55). Other studies (Cafferky, 2005; Goold, 1997) proved that Porter's five forces framework cannot be applied in case of religious organizations or institutions. Instead of the five forces, religious institutions can use the force of mission, faith and loyalty which determines the institutional efficiency and profitability. Fethke and Policano (2012) has discussed an extension of Porter's five forces framework which deals with creation especially on distribution value that is provided by the value net as illustrated in figure 2.4 below:

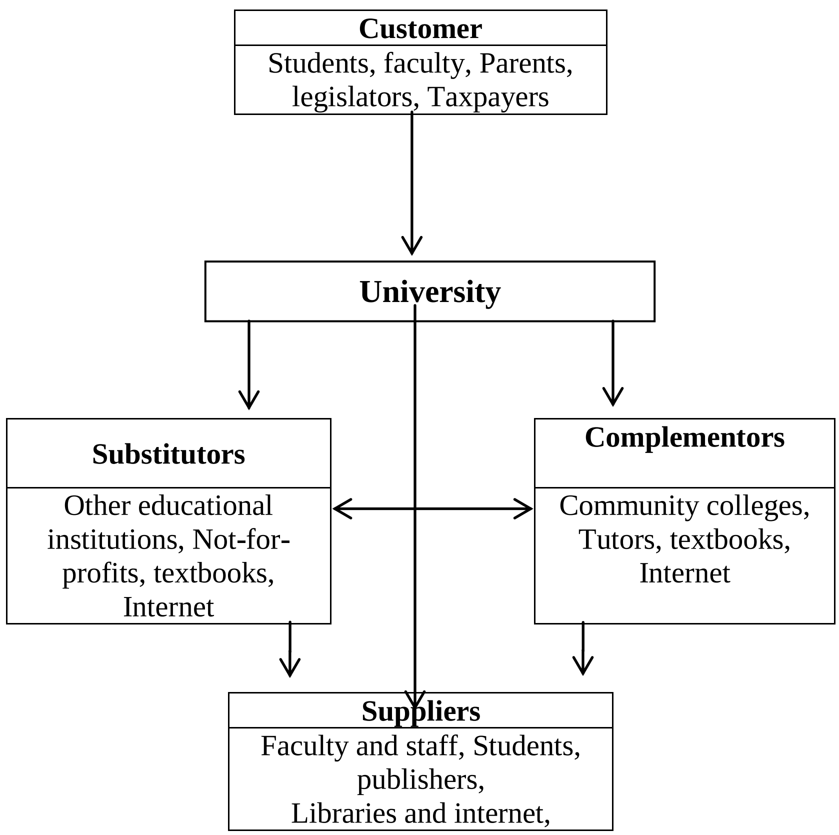

Figure 2.4 Public university values net. Adapted from Fethke and Policano (2012)

Fethke and Policano (2012) point out that some universities replaced qualified faculty with part-time and adjunct faculty and have therefore lost value. These universities have created new opportunities and threats instead of having the ability to create value.

4. Methodology

This study applied the descriptive research design since it described different factors affecting strategies in Christian universities. A case study, which is a descriptive research technique was used to give detailed information about the university. The researcher was to establish the challenges Pac University was facing and how it was responding to these challenges.

The sampling frame used by the researcher in this study was a list of students' council members, and university staff. The sample size in this study was 9 students' who are members of students' council. One masters' student and 12 (supportive, and administrative staff) from all the departments including 7 faculty, 6 heads of department, and 6 members of University management. Out of the 12 members of staff that were selected included; maintenance officer, editorial manager, registrar, assistant registrar, librarian, assistant librarian, assistant dean, university counselor, IT director, IT personnel and two assistant accountants. The sample provided greater accuracy of results, data was collected fast, and population elements were readily available (Cooper & Schindler, 2003).

5. Data Analysis Procedures and Interpretation

Challenges facing Pac University in gaining the sustainable competitive advantage

The participants were asked to express their opinion in relation to challenges that Pac University was facing as shown in table 1 below. On a Likert scale of 1 to 5, the responses concerning funding as a challenge were as follows: strongly agree 25 (89.3%), agree 2 (7.1%), neutral 1 (3.6%), while no one disagree or strongly disagree.

Table 1: Challenges in Funding

	Frequency	Percent
Strongly agree	25	89.3
Agree	2	7.1
Neutral	1	3.6
Total	28	100.0

A relatively high percentage of this group of participants 25 (89.3%) recognized funding as the leading challenge that is facing PAC University its effort to gain sustainable competitive advantage. On this challenge, no participant disagreed or strongly disagreed. The lowest opinion was from 1 (3.6%) to 2 (7.1%). This indicated that the participants were aware of the challenge of finances and the Management needed to seek ways of fund raising as the University makes effort towards attaining sustainable competitive advantage. The trends in economic and factors trends and factors of demographic affect the strategies and direction of higher education. The findings confirm that on economic factors, all academic institutions are faced with financial challenges (Altbach, 2012). Johnstone and Marcucci (2010) confirm this by pointing out that the greatest challenge that universities face is finances due to the rate of inflation and increase in costs, and also scarcity of resources.

Concerning increase in competition, the diverging views expressed by the participants were as follows: strongly agree 12 (42.9%), 13 (46.4%), neutral 2 (7.1%), disagree (0%), and strongly disagree 1 (3.6%).

Table 2: Increase in Competition

	Frequency	Percent
Strongly agree	12	42.9
Agree	13	46.4
Neutral	2	7.1
Strongly disagree	1	3.6
Total	28	100.0

These findings indicated that the participants strongly agreed that there is increase in competition in the market. The highest view was 13 (46.4%) and this group of participants agreed that this challenge existed. The expression of neutrality may have indicated that some these participants were not aware of the increase in competition or were unable to express their opinions. The total number of participants who agreed that there is increase in competition was 25 (89.3%). This was a very high percentage of responses. Fenwick (2012) confirms that increase in competition is one of the challenges that universities are facing combined pressures of decrease in funding, and compliance requirements that have intensified.

Opinions on efficiency and quality as a leading challenge that Pac University was facing were asked. The participants responded as follows: strongly agree 5 (17.9%), agree 13 (46.4%), neutral 5 (17.9%), and disagree 5 (17.9%).

Table 3: Challenges in Efficiency and Quality

	Frequency	Percent
Strongly agree	5	17.9
Agree	13	46.4
Neutral	5	17.9
Disagree	5	17.9
Total	28	100.0

The findings above indicated that this group of participants was in agreement that efficiency and quality is a challenge in the effort towards gaining sustainable competitive advantage. The highest view was 13 (46.4%) which indicated that about half of the participants agreed on this challenge. However, the 5 (17.9%) participants who disagreed may have indicated that efficiency and quality is not a leading challenge that PAC University has been facing. Sawyer (2004, p.12) observes that the issue of the quality and performance of the institutions of higher education needs to have indicators that included: the caliber and commitment of the teaching and research staff; the range and quality of the curriculum and pedagogy; and the quality and extent of educational facilities. Barnes in Kearney (1994) confirms that there is fierce competition on funds, students, and right delivery of the higher education. The private universities have a stiff competition especially for students, and this competition can be won only on quality grounds (Abagi, Nzomo, &Otieno, 2005).

Concerning innovation and creativity, the responses were as follows: strongly agree 11 (39.3%), agreed 6 (21.4%), 10 (35.7%), and 1 (3.6%). The top rank of the responses was 11 (39.3%) where the participants strongly agreed that innovation and creativity is a leading challenge in the University.

Table 4: Challenges in Innovation and Creativity

	Frequency	Percent
Strongly agree	11	39.3
Agree	6	21.4
Neutral	10	35.7
Disagree	1	3.6
Total	28	100.0

The participants who strongly agreed and agreed were 11 (39.3%) and 6 (21.4%) and these findings indicated the awareness by the participants about this challenge. The high ranking of neutrality indicated that the participants were not aware of this challenge or they were not willing to give their opinion. Based on the above findings, the University may need to confront these challenges in achieving competitive advantage. Lack of funds in private universities has resulted to a lot of pressure in the competitive market for organizations to be innovative and creative (Fethke & Polico, 2012).

Measures for Confronting Challenges

The participants recommended some measures for PAC University to take in order to confront challenges faced in achieving competitive advantage. The following measures were given by students who were participants of this study.

1. Customer service improvement (considering professionalism in students' handling); treating students well and giving them quality services because they are the main marketers of the school through one-on-one, and working to satisfy the customers (students) – 14.2%.

2. Coming up with ways of earning money, and looking for more donors regarding funding – 21.4%.

3. Employing skilled personnel and highly knowledgeable teachers, and using systems that reduce man power (17.9%).

4. Improvement on innovation and creativity, and maintaining standards (7.1%).

5. Learning from other institutions, and networking with other universities to see what has made them successful (10.7%). Networking with other universities in order to run some programs effectively is becoming the norm (Tavernier, 2005).

6. Develop masters' and Ph.D. in Bible and Theology and other programs, and create more competitive programs to have competitive advantage (14.2%).

7. Have high students' enrolments and create more campuses in the country, and buy a bus to transport students from town to school and back (21.4%).

8. Marketing of the school to other places not only in churches (3.6%).

The above findings indicated that the students were concerned about how they were treated and the quality of services that was provided for them. They needed skilled and highly knowledgeable teachers; holders of PhDs who would work to satisfy them as customers. In return they would market the university to others.

The following are measures that were given by staff who participated in the study:

1. Start to learn to be independent – look for finances as an institution without depending on others, and establish more funding bases (35.7%).

2. The University has enough facilities and space which can be utilized for that, improve infrastructure and facilities (resources) – 17.9%.

3. The leadership of PAC University will be more effective if the ownership rivalry is stopped, leadership transparent, and involvement of stakeholders in seeking solutions (25.0%).

4. Plan for open days and invite colleagues from other universities, and benchmark with other Christian universities (10.7%).

5. Employment and promotion on merit, retention of academic staff, respect the service providers, efficient service delivery, staff development programs (50.0%).

6. Create quality and competitive programs (57.1%).

7. Create a strong organizational culture; take greater pride of its graduates – use of follow-up studies (satisfaction) – 17.9%.

8. Increase market visibility through advertising, use mushrooming vernacular stations, hire and brand buses, pitch advertisement tents around the neighborhood, and network with potential employers (64.3%).

9. Enhance customer satisfactory (17.9%).

10. Have faithful financial managers, maintain an open attitude toward any changes that needs to be undertaken, and conduct a survey to identify missing gaps (14.2%).

The above findings from the staff showed that they were concerned about autonomy of the university where the ownership rivalry should stop and leadership becoming transparent. Both the students and staff participants indicated that with the above measures and others, PAC University would be able to confront challenges that it is facing in achieving sustainable competitive advantage. According to Carnoy (2002), there are three major challenges that have affected higher education which includes globalization of economic, importance growth of knowledge, and the information and communication age.

Sustainable Strategies That Counter Challenges

The participants were asked to express their views in relation to strategies to counter challenges faced by PAC University towards gaining as shown in the tables below. On a Likert scale of 1 to 5, the responses concerning cost leadership strategy were as follows: strongly agree 8 (28.6%), agree 11 (39.3%), neutral 5 (17.9%), disagree 2 (7.1%), and strongly disagree 2 (7.1%). The highest rank in cost leadership strategy was 11 (39.3%) where the participants expressed their agreement on the strategy. The second highest rank in this strategy was 8 (28.6%) where the participants strongly agreed.

Table 5: Cost leadership

	Frequency	Percent
Strongly agree	8	28.6
Agree	11	39.3
Neutral	5	17.9
Disagree	2	7.1
Strongly Disagree	2	7.1
Total	28	100.0

Based on the above findings this strategy once employed could counter challenges faced by PAC University and enable it to gain sustainable competitive advantage. The participants who indicated that the strategy was neutral rated it at 5 (17.9%). The participants rated the strategy very low at 2 (7.1%) and 2 (7.1%). Why the participants disagreed and strongly disagreed indicated that they did not value this strategy as an economical value of lowering costs than the competitors to gain sustainable competitive advantage. Martinez and Wolverton (2009) note of some universities that use high tuition as their superior quality maintaining the lowest tuition for the product or service, but this still exemplifies a true cost leadership strategy in the industry though they are worried of being the cost leaders.

Concerning the differentiation strategy, the responses were as follows: strongly agree 18 (64.3%), agree 5 (17.9%), neutral 3 (10.7%), disagreed 1 (3.6%), and strongly agreed 1 (3.6%). The highest rank of differentiation strategy was 18 (64.3%) as strongly agreed. The participants who agreed were 5 (17.9%) who agreed concerning this strategy. Those participants who expressed the lowest rank ranged from 1 (3.6%, disagreed and strongly disagreed) to 3 (10.7%, neutral).

Table 6: Differentiation (Offering unique programs)

	Frequency	Percent
Strongly agree	18	64.3
Agree	5	17.9
Neutral	3	10.7
Disagree	1	3.6
Strongly Disagree	1	3.6
Total	28	100.0

The above findings indicated that a majority (64/3%) strongly agreed on the differentiation strategy which is a right strategy to be employed at PAC University by providing unique programs towards achieving a competitive advantage over competitors. This would help the University to attract more customers and increase revenue. Based on the opinions of the participants, differentiation strategy would counter challenges more effectively compared to cost leadership. Gupta (2008) observes that the higher education institutions (HEIs) have differentiated products and services that meet the demands of their clients, and these clients are students. They have done this by providing programs that are job-related to their students, and these programs have a wider choice.

The participants' strongest view on cost focus was 10 (35.7%) as neutral, followed by 9 (32.1%) as agree, 4 (14.3%) as strongly agreed, 4 (14.3%) as disagree and 1 (3.6%) as disagreed as shown in the table below.

Table 7: Cost Focus (Offering Low Fees)

	Frequency	Percent
Strongly agree	4	14.3
Agree	9	32.1
Neutral	10	35.7
Disagree	4	14.3
Strongly Disagree	1	3.6
Total	**28**	**100.0**

The group of participants who ranked considerably high view (35.7%) as neutral indicated that they did not represent their views in relation to cost focus strategy. The other group of participants who ranked second (9, 32.1%) agreed that this strategy could be exploited by the University. The University could find out the differences in cost behavior in the market segments or the special needs of buyers in other market segments. The participants who rated this strategy as disagree or strongly disagree indicated that some of them did not either believe or recognize the adoption of the cost focus strategy. This type of strategy concentrates on a certain group of customers, product line segments or geographic markets. It attempts to achieve either differentiation or cost advantage. However, organizations that use this strategy enjoy customer loyalty and this kind of loyalty discourages the competitors from competing openly (Dess& Davis, 1984).

The participants were asked to consider out of the above discussed strategies the most commonly used strategies. Their responses are shown in the table below.

Table 8: Commonly Used Strategies

Strategy	Frequency	Percentage
Cost leadership (low cost provider)	6	21.4
Differentiation (offering unique programs)	15	53.6
Cost focus (offering low fees)	6	21.4
No response	1	3.6
Total	28	100.0

Out of the three strategies discussed above, differentiation strategy was the one that had the highest percentage of 53.6% (15) as the most common strategy. Cost leadership and cost focus had the same percentage of 21.4% (6). There was 1 (3.6%) participant who never responded when asked on the most commonly used strategies. These findings indicated that the participants preferred the University to use differentiation strategy towards gaining sustainable competitive advantage. Offering unique programs would attract more students and hence high revenue and growth. Yu (2010) argues that the differentiation strategy is used when organizations create new product design or features, and where they have new technology, brand image, network and customer service.

Table 9: Leading dependent variables

Strategies	Frequency & percentage				
	1	2	3	4	5
Increase in growth	5 (17.9%)	10 (35.7%)	8 (28.6%)	5 (17.9%)	0 (0)%)
Increase in students' enrolment	2 (7.1%)	8 (28.6%)	11 (39.3%)	7 (25.0%)	0 (0)%)
Increase in market share	1 (3.6%)	7 (25.0%)	14 (50.0%)	5 (17.9%)	1 (3.6%)
Increase in customer satisfaction and loyalty	3 (10.7%)	7 (25.0%)	12 (42.9%)	6 (21.4%)	0 (0)%)
Increase in efficiency and quality	3 (10.7%)	8 (28.6%)	13 (46.4%)	4 (14.3%)	0 (0)%)
Increase in innovation and creativity	2 (7.1%)	6 (21.4%)	11 (39.3%)	8 (28.6%)	1 (3.6%)

The summary of the above table indicated the impact that the three strategies, that is, cost leadership, differentiation, and cost focus have contributed. The highest rank was 10 (35.7%) on the increase in profit and growth. The participants agreed that these strategies were effective if employed at PAC University. The responses that followed ranged from 5 (17.9%) as strongly agree and disagree to 8 (28.6%) as neutral. There was no response under strongly disagree.

On the increase in students' enrolment, neutral had the highest ranking of 11 (39.3%) followed by the following: 8 (28.6%) as agree, 7 (25.0%) as disagree, and 2 (7.1%) as strongly agree. However, market share had the highest rank of 14 (50.0%) as neutral followed by 7 (25.0%) as agree, 5 (17.9%) as disagree, 1(3.6%) as strongly agree and strongly disagree. Concerning increase in customer satisfaction and loyalty, neutral had the highest ranking of 12 (42.9%), followed by 7 (25.0%) as agree, 6 (21.4%) as disagree, and 3 (10.7%) as strongly agree.

The above findings indicated that a high percentage of the participants were not sure whether the strategies contributed to the above variables as shown on the table above. A relatively high number of participants disagreed and others strongly disagreed concerning the impact of the above discussed three strategies. But a considerable group of participants agreed that the strategies contributed to all the variables listed on the table above with a percentage of 8(28.6%) being the highest. Stonehouse, Campbell, Hamill and Purdie (2004) argue that for a business to acquire sustainable competitive advantage an institution must select one of the generic strategies which combine low cost or price which create competitive advantage easily.

6. Discussion on Research Findings

Challenges Facing PAC University in Gaining Sustainable Competitive Advantage

A relatively high percentage of this group of participants 25 (89.3%) recognized funding as the leading challenge that is facing Pac University its effort to gain sustainable competitive advantage. The lowest opinion was from 1 (3.6%) to 1 (7.1). This responses by the participants indicated financial challenge is evident at Pac University. The trends in economic and factors trends and factors of demographic affect the strategies and direction of higher education. The findings confirm that on economic factors, all academic institutions are faced with financial challenges (Altbach, 2012).

These findings indicated that the participants strongly agreed that there is increase in competition in the market. The highest view was 13 (46.4%) and this group of participants agreed that this challenge existed. The expression of neutrality may have indicated that some of these participants were not aware of the increase in competition or were unable to express their opinions. Fenwick (2012) has confirmed that increase in competition is one of the challenges that universities are facing combined with the pressures of decrease in funding, and compliance requirements that have intensified. In the interview responses, very few participants recognized competition as a challenge.

Efficiency and quality is a challenge in the effort towards gaining sustainable competitive advantage. The highest view was 13 (46.4%) and participants agreed this is a challenge. Sawyer (2004, p.12) has observed that the issue of the quality and performance of the institutions of higher education needed to have indicators that included: the commitment of the teaching and research staff; quality and extent of educational facilities; the range and quality of the curriculum and pedagogy.

The participants who strongly agreed and agreed were 11 (39.3%) and 6 (21.4%) and these findings indicated the awareness by the participants about this challenge. The high ranking of neutrality indicated that the participants were not aware of this challenge. Lack of funds in private universities has resulted to a lot of pressure in the competitive market for organizations to be innovative and creative (Fethke & Polico, 2012). The discussion on innovation is discussed in detail above under various strategies used to gain competitive advantage.

The other challenge that came up from the participants was the challenge was on leadership issues at PAC University. It was said that the institution has poor management, and that the University Council and Board of Trustees need to support the vice chancellor in achieving sustainable competitive advantage. The institution needs vision-driven leadership, because the leaders who are there are only managers. Change in management and leadership has been a major challenge. A study was done in private universities and colleges located in Kenya, Uganda and Tanzania. It was to investigate on the chronic and poor top leadership that has characterized public private universities which is not able to deliver (Aduda, 2003, in Fritz (2005). In addition, "strategy and leadership are essential parts of each other. Strategy does not have a life of its own. It is an inseparable part of leadership" (Pietersen, 2010, p. xxi).

Sustainable Strategies That PAC University Is Using To Counter the Challenges

Cost leadership Strategy

Wankel and DeFillippi (2002) argue that the university can change lower fees, but at the same time it can achieve a low cost position when it controls its operating costs. Cost leadership strategy is well adopted by universities that are large and that have low-tuition-cost because they are able to offer volume that is high to an expansive market. High standards need to be set at PAC University in the way its delivers its products and offer cheaper services than its competitors. On cost leadership the University may keep its low fees than the competition. But PAC University does not consider this as an effective tool to confront the challenges it is facing.

Differentiation Strategy

PAC University has adopted differentiation strategy because it has been developing more programs and marketing them aggressively. This will bring big students numbers, but the University needs to come with realistic strategies that ensure students join the institution in large numbers. Broadening the product range will help Pac University to have unique programs.

PAC University needed to develop more programs and market them aggressively. This would bring big students numbers, but the University also needs to come up with realistic strategies that ensure students join the institution in large numbers. Future changes in the universities especially in educational landscape will require them to adjust and update their courses in a timely way (University of Oxford Strategic Plan, 2008-9). Differentiation strategy is the strategy that Pac University prefers to adopt to achieve its competitive advantage.

Cost focus strategy - private universities normally focuses on low-cost programs unlike the public universities (Beausang, 2012). But problems may arise when cost focus strategy offers high and specialized programs where it targets a group of students that is small (Martinez &Woverton, 2009). PAC University may need to focus on programs that are low cost but this may not be an effective strategy for the institution right now because of the small number of students. The University prefers differentiation strategy to counter the challenges that it has been facing and to gain competitive advantage.

7. Conclusions, Summary and Recommendations

Conclusions

The study also established that PAC University has several challenges. A financial constraint is a major challenge. Johonstone and Marcucci (2010) highlight that institutions of higher learning face the greatest challenge of finances due to the rate of inflation and increase in costs, and also scarcity of resources. Management needed to seek ways of fund raising as the University makes effort towards attaining sustainable competitive advantage. Quality enhancement is strategy that PAC University has adopted and is improving to help it gain a sustainable competitive advantage.

Summary

The research findings indicated that quality enhancement strategy was the least in the University. Quality assurance system is important to use at PAC University to enhance quality and improvement of the institution. Leadership is another challenge that came up in the study. Dynamic leadership steers institutions into higher heights. This is an area that would need to be checked by the institution because the issue of leadership came up very clearly in the qualitative analysis.

Recommendations

The researcher recommends that PAC University improves its customer service. Students need to be treated well and given quality services. They are the main marketers of the school through one-on-one and the University staff needs to satisfy the customers (students). Satisfaction of students has a positive economic effect. PAC University needs to attract students and retain competent staff because both students and staff are a marketing resource. Archambault (2009, p.28) argues that in "today's competitive academic market, people are looking to those institutions that possess a differential and/or competitive advantage. One key advantage is the delivery service to the customers".

The researcher also recommended that PAC University form a viable and sustainable alumni association to market and support the university with finances. The University needed to come up with ways of earning money by establishing more funding bases. Finally, the University needed to do benchmark regularly in order to update its marketing status. It also requires external evaluation to point out areas of strengths and weaknesses.

Areas for Further Research

The researcher identified a challenge of the leadership gap between the management and the staff, faculty and the students as well. Further studies can be carried out to bridge this gap.

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