

**THE CHALLENGES ENCOUNTERED BY THE SELECTED PRIVATE  
UNIVERSITIES IN KENYA IN IMPLEMENTING STRATEGIES THAT WOULD  
LEAD TO A FINANCIALLY SUSTAINABLE UNIVERSITY**

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**ABSTRACT:** *Great expectations of high quality education are held by many people due to a high demand of tertiary education in private Kenyan universities. Higher education in Kenya has experienced a lot of numerical growth of the number of universities chartered. As of November 2015, Kenya had a total of 70 chartered universities. Of these, 17 were private chartered ones which had grown in number from 3 to 17 in just two decades (CUE 2015, Chacha 2004,4). That notwithstanding, private universities face numerous challenges, which if not addressed, their sustainability will be threatened. This paper therefore seeks to explore the challenges encountered by selected private universities in Kenya, in implementing strategies that would lead to a financially sustainable university. These challenges were classified into two categories: the internal and external challenges. The internal challenges, experienced from within the university included: inadequate finances, university leadership and structures while the external ones include: government funding, government regulations and donor support. Qualitative grounded theory design was used in which an interview guide and a self-developed interview schedule were used in data collection. Twenty respondents were involved from four theological private universities. A fifth university was used for a pilot study. Data was organized manually and analyzed qualitatively through the use of codes and formation of categories. The strategies utilized were: students' recruitment, internal and external funding, program development, review and diversification. The findings show that different universities are engaging in different strategies without much success in terms of income generated. This was attributed to the many internal and external challenges being faced by these universities. Therefore, this study proposed a financial sustainability system that is based on grounded theory which recommends the need to prioritize income generating strategies - developing, reviewing and diversifying revenue streams (input activities) that will generate adequate income to overcome the challenges in the system that are a major impediment to implementation of activities (output) that would lead to establishment of a financially sustainable university. This paper concludes by suggesting ways of developing, reviewing and diversifying revenue streams that will enhance the financial sustainability of the sampled universities. Moreover, it recommends that universities should develop more creative strategies that are not yet in place, review their status and also diversify their strategies to achieve financial sustainability.*

**KEYWORDS:** Private University, Higher education, Financial Sustainability, Challenges, Strategies, Donor

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## **INTRODUCTION**

Various challenges are encountered by private universities in implementing strategies that would lead to a financial sustainable university. A study done by the commission for university

education with regard to the status of the public and private universities revealed that former theological colleges had the lowest enrolment numbers of students and the highest deficits (CUE 2016). If these challenges are not addressed these universities will not sustain themselves.

The challenges encountered in the implementation of strategies that would lead to a financially sustainable university were classified into two categories: internal and external challenges. The internal challenges included inadequate finances, university leadership and structures. As observed by respondents in this study, these challenges affected the functioning of private universities in various ways and hence a threat to the financial sustainability of the universities. The external challenges which equally affect the financial sustainability of private universities were identified as: government funding, government regulations and donor support.

## LITERATURE UNDERPINNING

Financial sustainability for theological institutions is the ability to fully meet operating costs while effectively fulfilling its organizational mission with an emergency financial reserves that ensures operations for at least one year, while maintaining an institutional capacity that attracts funding for capital projects (Bellon, 2017, p. xiv). Among the many interpretations of sustainability, this paper focuses on challenges encountered in implementing strategies that would lead to financial sustainability in selected private universities.

These challenges, encountered by the selected private universities, have existed for quite a long period of time. Despite the success achieved in meeting the demand for higher education in Kenya by private universities, they still are faced with many challenges. These challenges require that they change tactic to continue to survive in the future, as explained by Mutula and Oketch (Mutula, 2002, p. 112; Oketch, 2003, pp. 28-32). This paper identifies the current challenges that private universities are facing. Some of the challenges identified in earlier studies have been addressed and new dynamics have also emerged and hence, there is need to identify the current concerns. These challenges were classified into two categories identified as internal and external challenges.

Internal Challenges are challenges experienced from within the university. They include: inadequate finances, university leadership and structures. These affected the functioning of the respondents in various ways that were a threat to the financial sustainability of the universities. Though there are many internal challenges encountered in implementing the strategies that would enhance the financial sustainability, there were several external challenges that were also identified. These are challenges experienced from without the university. They include government funding, government regulations and donor support.

Also, this paper provides a great emphasis on the link between education and the labour market, an aspect which is highly recommended, but is a challenge to many private universities. Education should prepare one to be able to fit and be effective in the labour market. Universities will not offer quality education if they are financially strained. This is because all aspects of teaching, operations and provision of infrastructure and services depend on the availability of finances. No wonder one of the presidents of a Canadian university stated that there is a struggle between growing student numbers to obtain finances and focusing on quality education while incurring financial strain (Wright, 2010, p. 63). In addition, due to strained

budget, some theological institutions have either cut staff to reduce costs or experienced very high rate of turnover among administrative staff due to poor payment, a situation that has led to loss of institutional history and have undermined the quality of service which they were once greatly reputed (Bellon, 2017, p. 43).

Universities need to identify ways of managing the challenges encountered so as to be financially stable if they have to achieve the purpose for their existence. Since the introduction of education at an international level by UNESCO and the UNEP in 1975, a number of national and international declarations directly relating to sustainability in higher education institutions have been developed and have also gained broad acceptance in the higher education community (Yarime & Tanaka, 2012, p. 64). The focus of the national and international declarations made on sustainability in higher education institutions include sustainable physical operations, sustainable research, public outreach, inter-university cooperation, partnership with government, non-governmental organizations (NGOs) and industry, ecological literacy, developing interdisciplinary curriculum and moral obligations (Yarime & Tanaka, 2012, p. 64).

There is sufficient information showing that most universities in the West as well as in Africa are in real financial trouble due to the various challenges that they encounter, and if the trend continues, we will have higher education system that will no longer be able to meet the diverse needs of various countries affecting the social, political, technological and economic status of the world (Wright, 2010; Supplee, 2014; Chahal, 2015; Amponsah & Omuoha, 2013; Ndirangu & Udoto, 2011). According to Mabizela it is important that the universities take responsibilities to organize resources for maintaining operations of institutions which in turn should bring about a healthy growth which in this paper is referred to as sustainability (Mabizela in Brown, 2005, p. 59). According to Murapa the private universities in Africa are a new phenomenon facing challenges in the areas of enrolment and resources. He recommended the need to be innovative in raising resources to match growth and put in place numerous resource raising strategies (Murapa in Brown, 2005, p. 58).

If Kenya is to achieve its Vision 2030 goal of strengthening the economic, social and political pillars, it will be important to think through their goal of increasing access to education which it hopes to achieve through encouraging public and private universities to expand enrolment with emphasis on the science and technology courses (GoK, 2007, p. 16). These courses are more expensive than the humanities that the private universities are majoring on hence the need to address the issue of financial sustainability of the universities for them to be able to diversify the programs being offered as well as provide the needed facilities, personnel and support services (Brown 2005, 55).

While there is a call for public universities to innovate strategies that would enable more Kenyans to acquire university education, the challenge to university managers in Kenya is how to provide quality higher education in the face of increasing demand and declining government funding (Ndirangu & Udoto, 2011, p. 209). If public universities have to battle with this challenge, then the private universities have a bigger challenge since they not only have to battle with the challenge of quality, but also equity and affordability to many students (Kilonzo, 2011, p. 5)

## **METHODOLOGY**

This study explores the various challenges encountered by the selected private universities in implementing strategies that would lead to a financially sustainable university. Qualitative grounded theory design was used for collecting, analyzing, interpreting and reporting data. In-depth, open-ended face to face interviews were used as a data collection tool since it is deemed to be the most effective tool in terms of eliciting views and opinions from the participant (Creswell, 2003, p. 188). According to Creswell, the rationale for preferring a qualitative study approach includes the nature of research questions which begin with how or what since the focus is to explore what is going on as well as when there is need to obtain a detailed view of the topic in a normal setting (1998, p. 18), which was the approach adopted for this study.

Grounded theory approach was used in this study because of its ability not only to generate theory but also to ground that theory in data from the field (Strauss & Corbin, 1998, p. 8). The experiences of the respondents were expressed in words that were tape recorded, transcribed into text, then analyzed for meaning and interpretation by the researcher.

Data was collected from four out of the five institutions in Kenya that were founded as theological colleges and were chartered as private universities at the time of the study. The fifth university was used for pilot study. According to Creswell, it is recommended that informants in this kind of study should be purposefully selected so as to obtain individuals who will best help the researcher understand the problem and the research questions (2003, p. 185).

An in-depth, open-ended face to face interview was used as the data collection tool since it is deemed to be the most effective when eliciting views and opinions from the participant (Creswell, 2003, p. 188). This method was described as a conversation with a purpose since it involves the use of interview guide, establishing a rapport between the interviewer and respondents, asking questions in an open and empathic way and motivating the respondents to tell their story by probing (Hennink, Hutter & Bailey, 2011, p. 109).

The interview yielded rich sources of in-depth data of people's experiences, opinions, perceptions, aspirations, feelings, meanings, definitions of situations and constructions of reality which is not possible to get using other instruments (Mbirithi, 2013, p. 68; Mugenda & Mugenda, 2003, p. 203; Punch, 2005, p. 168). The interview schedule was employed to collect data and it was designed to respond to all the research questions. The self-developed interview schedule allowed clear differences and similarities to emerge between respondents and was also flexible enough to allow further probing to clarify, justify or give examples through the use of appropriate prompts, of interesting points or areas where information was difficult to elicit (Prescott, 2011, p. 19). The structure of the interview guide had introduction, opening questions, key questions and closing questions (Hennink, Hutter & Bailey, 2011, p. 112).

Information was digitally recorded and transcribed. Data coding and analysis took place after all the interviews were completed (Punch, 2005, p. 175; Wright, 2010, p. 61; Gillham, 2000, pp. 3-6, 46-50; Oppenheim, 2003, pp. 108-113).

## **DISCUSSION OF FINDINGS**

The research question of this study was to identify the challenges encountered by the selected private universities in implementing strategies that would lead to a financially sustainable

university. The findings of this study showed that the private universities are faced with many challenges that were classified into two categories: Internal and external challenges.

The internal challenges are discussed below.

### Internal Challenges

These are challenges experienced by the respondents as they worked within the university. The internal challenges included inadequate finances, university leadership and structures. The bulk of the internal challenges were related to inadequate finances which affected the functioning of the respondents in various ways that were seen as a great threat to the financial sustainability of the universities.

#### Inadequate Financial status

Financial constraint was identified as a major challenge affecting the implementation of all the strategies (academics, financial and marketing strategies). The adequacy of the budget allocated to a department annually in relation to the needs of the department was inadequate to some and adequate to others. The table below shows the ratings of budget allocations, revealing that all the universities under study had some financial constraints:

**Table 1: Ratings of Departmental budget allocations**

Departments	University 1	University 2	University 3	University 4
Respondent <b>ai</b>	Adequate	Inadequate	None	Adequate
Respondent <b>aii</b>	Inadequate	Adequate	Inadequate	None
Respondent <b>aiii</b>	Inadequate	Inadequate	Inadequate	None
Respondent <b>aiv</b>	None	Inadequate	Inadequate	None
Respondent <b>b</b>	Inadequate	Inadequate	Adequate	Inadequate
Respondent <b>ci</b>	Inadequate	Inadequate	Inadequate	Inadequate
Respondent <b>cii</b>	None	Inadequate	None	None

Inadequate finances is a threat to the sustainability of the university based on the findings from respondents who had various concerns. The main challenge in managing the university was due to inadequate funding which is a big challenge. The financial constraint was propelled by the fact that most of these organizations heavily relied on tuition fee and did not have many sources of funds and the sources that were available did not bring a lot of income. This reliance on tuition fee is a great challenge since the rate of student enrolment has not been increasing as anticipated, thus leading to serious cash flow problems. The findings of this study was similar to the study by Supplee (2014), which found out that enrolment-focused strategies alone will not improve the financial performance of Council for Christian Colleges and Universities (CCCU) institutions; instead, a recommendation was made for a balanced approach that includes moderate undergraduate enrolment growth, conservative use of tuition discounting and intentional strategy to increase endowment and other gift resources (Supplee, 2014). This recommendation is also supported by Salmi's finding that was quoted by Mbogo who said that financing Christian higher education and other ministry organizations require reforms and application of multi-faceted solutions in fund development and allocations (Mbogo 2017, 6). Therefore, this study has pointed out several strategies of raising funds from first, second and third streams of revenue.

The financial constraints were associated with human resource challenges that included inability to employ more staff and too much work for the few members of staff working in various departments. The challenge of publicity and marketing, enrolment and limited facilities and resources are discussed below.

### **Human Resource Challenges**

Human resource was raised as a key challenge resulting from inadequate funds and this affected all the departments in all the universities under study. Financial constraints have led to the issue of understaffing. For instance, as shown in the demographic table 1, the marketing departments in three out of the four universities felt that they were understaffed hence their performance was negatively affected. One of the three universities had two staff members (one in charge of public relations and the other one in charge of marketing) while the other two universities had one staff each responsible for public relations, communication and marketing. The issue of understaffing affected the administrative staff and also the Academic Deans.

The universities were not only lacking enough staff but they were also struggling to attract and retain the qualified staff. The finance department was also aware that it was not able to remunerate the staff in a competitive manner due to financial constraints hence retaining qualified staff was a challenge. The challenge of poor remuneration was also identified by the study by Mbogo that showed that many personnel interviewed indicated that their universities were small and struggling financially hence they were “underpaid” - a factor that led to job dissatisfaction (Mbogo 2017, 2).

In addition to lack of enough and qualified staff, poor performance seemed to be an outcome of lack of finances since the members of staff were not effective in carrying out their duties either due to lack of finances or as a result of having numerous roles.

Three out of the four studied university confirmed that they had qualified faculty but based on the size of the schools and the responsibilities given, the numbers were too few hence performance was affected. In fact all the deans interviewed ended up not only giving leadership to the school but also they were responsible for establishing new programs since they were the most qualified. They were expected to do administrative work, attend many meetings, and participate in recruitment of students and fundraising for their respective schools in addition to their teaching and these supervision roles.

### **Publicity and Marketing**

The challenge of publicity (visibility) and marketing (recruitment) was also prevalent across all the departments in all the universities. This challenge was also associated with financial constraints. In table 1, all marketing department respondents indicated that their budget was inadequate and that they had so many strategies that they would use to recruit students but the budget limited them hence they are not well facilitated.

Facilitation in terms of provision of needed materials and transport was also found to be a challenge. Out of the four studied universities, three of the universities raised a concern of understaffing since two universities had one staff each, while the other university had two staff. These concerns were similar to those cited by Bellon who stated that the cost associated with student recruitment such as salaries, travel, equipment, printed materials and other marketing expenses are often higher than amounts budgeted for. He added that the situation has worsened due to big universities that splash expensive mass advertisements like in daily newspapers

causing a lot of competition (Bellon 2017, p. 152). The findings also noted that the other challenge being experienced from the public universities is that of establishing many campuses in different towns - a situation that has caused a lot of competition for the few potential students who prefer to join these public universities mainly because they are already known and are more popular than private universities who are trying to brand themselves (noting that they changed names during the process of charter award).

The universities need to note that the stiff competition is a challenge to marketing their programs more aggressively using appropriate, creative and effective marketing and promotion strategies to maintain viability as recommended by Murapa in Brown (2005, p. 51). Due to stiff competition that was being experienced from both private and currently the public universities, the respondents stated that the only way for university survival is to revamp the marketing department to manage both internal and external marketing as a way of obtaining the needed students' numbers.

### **Student Enrolment**

Students' enrolment was the other main challenge that was raised by respondents from all the departments in all the universities. Sometimes there are departments that have the needed facilities, approved programs and lecturers but no enough students to teach. As academic divisions struggled with students' numbers, finance departments were also concerned with the low enrolment because of lack of viable class sizes and decreasing numbers of self-sponsored students who paid the required fees and in good timing as per the set policies.

Marketing departments' concern was the low numbers of students either because some students shy off from joining former theological institutions or due the decreasing numbers of those who are eligible for university entry as a result of current reforms in the education system nationally. There is also a concern that all those who are eligible could be absorbed in the public universities due to the many universities in Kenya, leaving very few students in the market that could be admitted as self-sponsored. As much as the universities may be willing to go out and do marketing, if there is no positive feedback because of low students numbers that are eligible for university entry, there is nothing much that can be done.

Besides having many numbers, there was also concern of recruiting the right kind of students in regard to the mission of the universities as stated by one of the registrars. The challenge that has existed for quite a long time is recruitment of the right kind of students in sufficient numbers. For instance, none of the studied universities received government-sponsored students in Theology department, yet this is the main department that is expected to thrive in these formerly theological universities, in fulfilment of their mission:

The other factor that poses a challenge to the private universities is the economic status of the country. This is because there are qualified students in the market capable of joining the university but the state of the country's economy makes it difficult. So, if there is no money, then you find students are not joining the university or they are just joining for the first semester then they are not able to continue because of the economic situation.

Though there is hope for receiving government-sponsored students in private universities, respondents pointed that the government paid less tuition which came long after the students have finished almost a year. This means that the universities need money to sustain the operation budgets. This was found to be a challenge noting that all the universities studied

stated that the numbers of self-sponsored students were decreasing. This means that even with good marketing strategies and needed facilitation, the private universities will continue to experience this challenge thus threatening the sustainability of these universities.

### **Physical Facilities and resources**

Another challenge that came out was unrealistic expectations by the students with regard to physical facilities. It was noted that the students, especially those coming from high schools, had higher expectations in regards to learning facilities, accommodation and recreational facilities. Lack of these aspects disrupts customer satisfaction, making it difficult for students to participate in recruiting other students. Students' dissatisfaction also affects retention rates.

This study found out that the facilities were overstretched in terms of capacity due to increased students' numbers as a result of additional government sponsored students. The undergraduate students are also young and hence very keen in recreation activities which was not a great need with the mature self-sponsored students that the universities were enrolling. The universities confirmed that they do not have the required facilities to cater for the recreation needs of the young students as well as modern classrooms for effective learning. Therefore, this disruption of customer welfare made some students seek for transfer to preferred universities while others are not keen to participate in students' recruitment strategies and other activities in the universities.

### **University Leadership and Structures**

The findings of this study showed that the second internal challenge affecting the sustainability of the private universities was leadership and structures that were put in place. These internal challenges included: Planning, Financial management and change management.

#### **Planning**

The respondents were also concerned with the leadership and structures of the universities which was viewed as an internal challenge affecting financial sustainability. For instance, in regard to planning, the university management needs to foresee things that have future implications so as to be able to plan accordingly. Planning should consider the needed human and financial resource; having proper administration structures; and physical development guided by a strategic plan. This recommendation was also cited by Oketch who stated the need for proper planning of the scarce resources to ensure that the increase in student numbers is commensurate with the available physical facilities to avoid overstressing available resources and hence maintain quality education in a conducive learning environment ( 2003, 37).

#### **Financial Management**

Financial management is another function of management that was mentioned. The finances allocated to any activity should be used for the specific purpose, because if they are diverted, other areas will be missing the financial support. So just managing the finances appropriately is the most important thing.

In terms of the structure of the university, it is important to have key leadership positions in place to be able to make good and quick decisions. In addition to having the right leadership in position, the issue of departmental structures was also affecting the productivity of the university. Universities may lose many prospective students simply because the marketing,

recruitment, admission and registration system was not well defined in terms of the processes and leadership oversight. This could be because they either lost touch with the prospective students who had started an enquiry process or the data was lost between various offices hence the need to have well-defined structure which will make them more effective and accountable.

### **Change Management**

One of the universities that had developed a strategic plan to drive the university experiences and challenges of ownership of the strategic plan right from owning the mission statement to adapting the new changes. Moreover, another respondent said that as a leader he had to struggle to motivate everyone to be on the same page in the understanding that they are working as a team. On the other hand, another respondent who was also coming up with new strategies said that there was need for university leadership to ensure that people worked hard to give value for the money that students have paid.

Therefore, change management was found to be affecting these private universities. Having been originally theological institutions and offering mainly theology programs to mature students, some of the studied universities were struggling to adjust and adopt new changes. The organization culture that staff have held for many years and structures of the university in terms of operations were identified as some barriers to university sustainability which require reforms in their management and governance style as stated by Chacha (2004, p. 1). In this regard, there is need to have Universities adopt a business model in their operations to sustain themselves amidst the stiff competition in the market.

### **External Challenges**

Though there are many internal challenges encountered in implementing the strategies that would enhance the financial sustainability, there were several external challenges that were also identified. These included government funding, government regulations and donor support.

### **Government Funding**

Government funding was a challenge that was affecting all the departments in the studied universities. Majority of the respondents appreciated the new reforms and regulations that had been put in place by the government. However, they felt the regulations had posed challenges that were affecting their departments in different ways as follows:

The finance departments expressed their concerns over the amounts of funds that the government was paying per student which is far below what their regular students pays.

In addition to the low payments for the government students, the government funds took long to be paid. The delay in payment caused a lot of cash-flow challenge because by the time the government pays, the institution has already spent on the students, so it's like paying a debt which makes managing utilities a great challenge due to the growing of the institutions.

### **Government Regulations**

Given their financial constraints, the universities under study were finding it difficult to keep up with the government's requirements because of cost implications. Concerning the programs approval, one of the respondents said that the Commission for University Education (CUE) Regulations and requirement on its own is a challenge because the demands on those programs

to be validated are quite high, in terms of labour, human resources, and facilities that are required.

Apart from paying CUE for programs approval and the programs cannot be approved without qualified lecturers. Moreover, lot of money is needed for purchase of books. In this regard CUE should help universities use fewer resources instead of purchasing a lot of physical books yet the technology has changed to an extent that there is a possibility cheap or free ebooks and journals. CUE should accept evidence of universities providing online resources that students are able to access as opposed to demanding physical books on the shelves.

Most of the universities were reportedly complying with CUE requirements for the approval of the programs. However, the requirement for highly qualified program leaders was found to be a challenge noting that this has financial implication. In addition to programs approval and resources required before the approval of a program, the regulations on full time to part time ratio was also raised as a challenge (CUE 2014, 62-63)

Government policies that led to establishment of many universities in Kenya leading to diminishing numbers of eligible students who qualify to be absorbed by all these universities. Apart from that, Government decisions that respondents felt were seemingly not thought through was, for instance, KUCCPS posting students to universities of choice creating a stiff competition for universities to do more marketing and hence financial implications. There is also the decision to post students in private universities yet pay less for these students as well delay the payment leading to a strenuous cash flow situation.

### **Donor Support**

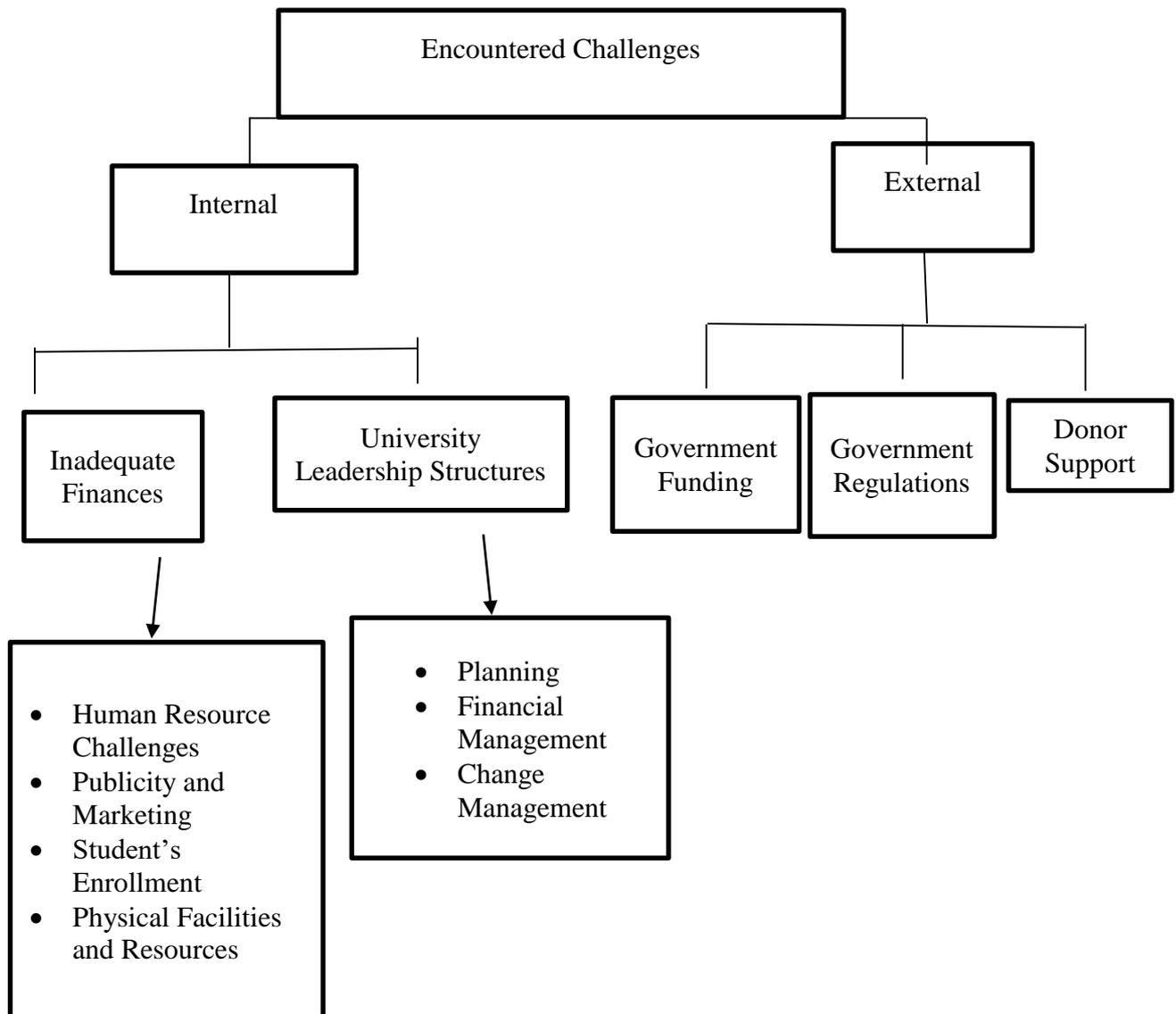
Lack of donor support was another external challenge that affects financial sustainability of the selected universities. For instance, Donors come up with policies and requirements that are not fully discussed with the universities to agree on the content and timing of implementation.

There are reasons why the donors have pulled out from supporting the universities and one of the reasons given was due to donor fatigue. The other reason as to why these partners pulled out with services and their resources was because of universities changing their status from theological schools to universities yet donor partners were initially mission oriented. In addition, Bellon stated that missionaries returned to their own countries because of family challenges, insufficient financial support and more importantly the realization that it is now Africa's turn to train its own people (2007, p. xii).

These partners not only pulled out their services and resources supporting universities' budget but they also either reduced the scholarships for students or they totally stopped supporting the students. The donations received mainly from external donors usually are minimal compared to the numbers of students and sometimes it is designated for specific theology students.

In Figure 1 there is a summary of the challenges encountered by the private universities. The summary shows that the bulk of the challenges encountered are financially related hence the system (universities) is unstable.

**Figure 1: Financial Sustainability System**



### **IMPLICATIONS FOR FUTURE RESEARCH**

Further research is recommended in the following areas:

First, this study focused on the challenges encountered in implementing strategies that would lead to a financial sustainable university. The findings show that the second internal challenge affecting the financial sustainability was university leadership and structures. A study on how management functions and how structures of a university affect the financial sustainability needs to be studied. Second, the findings of this study show that the selected private universities were experiencing major challenges in their efforts to implement the various strategies for financial sustainability. There is need therefore to explore the implications of these challenges on quality education. Third, a similar study should be carried out in other private universities

that were not established as theological colleges as well as in public universities. Fourth, further studies could be done to explore the quantitative approach of the study.

## CONCLUSION

The following are the general conclusions and recommendations made based on the findings of this study:

According to this study, the strategies were not yielding the expected output mainly because of two reasons: First, this was due to the many internal and external challenges that were great hindrance, hence they affected the productivity of those involved in implementing the strategies. Second is the implementation process that focused on the output activities like developing programs, faculty involvement in research and marketing strategies instead of addressing the challenges that were being encountered in implementing the strategies.

The challenges identified were classified as internal and external. The internal were put into two categories: University leadership and structures that had implication on planning, financial management and change management. The second category was inadequate finances that were affecting the functioning of the system due to human resource challenges, lack of proper physical facilities and resources, inability to do proper publicity and marketing of the institution that eventually affects the students' enrolment.

External challenges include government funding and government regulations and donor support. In general, compared to other successful private universities discussed in this paper, it is evident that the selected universities need to address the challenges being encountered in implementing the strategies as well as revising the sequence of implementation process which is of paramount importance towards the achievement of a sustainable university. Therefore, the study proposes a paradigm shift from pursuing the output initiatives of the system and focus on managing the challenges affecting the input strategies. This will in turn alleviate the challenges in the system leading to high productivity of the system in terms of the output (financial sustainability).

## RECOMMENDATIONS

As a result of the findings and conclusions made in this study, the following recommendations were made to improve the financial sustainability of the selected universities.

- 1) Following the proposed sustainability system that is based on grounded theory, this study recommends the need to prioritize income generating strategies (input activities) that will generate adequate income to overcome the challenges in the system that are a major impediment to implementation of activities (output) that would lead to establishment of a financial sustainable university.
- 2) Since the main purpose of a university is to offer education, then the universities will need to develop the 1<sup>st</sup> stream revenue as the main source of income which is received from students' fees. This is achieved by increasing students' enrolment especially the self-sponsored students who pay full tuition fees. To achieve this goal, universities needs to recognize that public relations and marketing is the driving force of any institution and any

forward-looking university that needs to thrive amidst the great competition needs to revamp the marketing department so that it can recruit many students.

- 3) This study recommends the need to review the 2<sup>nd</sup> stream revenue as follows:
  - a. Revive and restore any relationship with the donors that have existed over the years with the hope of re-thinking new partnership approaches.
  - b. Intentionally engage overseas as well as local partnerships with churches and other organizations who can commit themselves to regular donation of funds to the university.
  - c. Establish partnerships and funds mobilization department to enhance relations with individuals and groups with the aim of recruiting regular donors to the university, pursuing fundraising initiatives for projects and to oversee development of proposals for funding. The focus should be on church, alumni relations and other organizations.
- 4) In addition to the 1<sup>st</sup> and 2<sup>nd</sup> stream revenue, the findings from other studies done show the need to diversify the income generating strategies as a 3<sup>rd</sup> stream of income. This is mainly because besides managing the operations of the university, there is need of not only developing modern physical facilities that would attract students but also to remain relevant to the changing dynamics of technology and job market. Therefore, a recommendation was made to have these selected universities expand the current income generating projects to have a fully-fledged established business units that should be able to explore various income generating projects and do investments on behalf of the university.
- 5) The findings of this study have shown that there is need to establish proper leadership and organizational structures in place to be able to manage the available funds in a prudent way as well as to establish the needed policies that will ensure efficient operations of the systems and services. Leadership is key in any organization and therefore it is possible for an organization to have all the strategies that are needed, have the right sequence of implementation but if there is no proper leadership and structures in place, the institution will not be sustained. Therefore, university leadership should ensure proper planning and management is done to save the university from operating on perpetual deficit mood through the years.
- 6) The final conclusion was to do with external challenges that include donor funding, government funding and regulations that have financial implications on the universities. These challenges are in addition to the social, economic, religious and political climate that is experienced locally and globally. Therefore, a recommendation is made to have policy makers have a healthy consultative relationship with the university leaderships (practitioners) so that they can dialogue on emerging issues and work together in a complimentary approach.

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