

**STRATEGIC CHOICES OF PUBLIC UNIVERSITIES IN A COMPETITIVE  
LIBERALISED HIGHER EDUCATION. A CASE OF THE UNIVERSITY OF  
ZAMBIA.**

**By**

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**A dissertation submitted to the UNIVERSITY OF ZAMBIA in collaboration with the  
ZIMBABWE OPEN UNIVERSITY in partial fulfilment of the requirements for the  
degree of  
Master of Business Administration.**

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## DECLARATION

I, Damaseke Kuyumba Chibale, hereby certify that the work presented in this dissertation is to the best of my knowledge and belief, and that it has not been previously submitted by anyone at the University of Zambia or at any other University.



.....  
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14<sup>th</sup> January 2019

.....  
Date

## APPROVAL

This dissertation by Damaseke Kuyumba Chibale is approved as partial fulfilment of the requirements for the award of the Master of Business Administration by the University of Zambia in collaboration with Zimbabwe Open University.

Signature

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## **DEDICATION**

I dedicate this work to dear wife, Mary Banda Chibale, and my Children, Ronald Mwila Chibale, Mable Mwamba Chibale, Esther Kalubwa Chibale and Faith Matambose Chibale. I owe it to you, my best friends.

## **ACKNOWLEDGEMENT**

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Of utmost importance, my prayers of thanks go to Almighty God, Jehovah, for giving me life, good health and a supportive family.

## **LIST OF ACRONYMS**

ANOVA	Analysis of Variance
BCG	Boston Consulting Group
GDP	Gross Domestic Product
HEIs	Higher Education Institutions
ICT	Information Communication Technology
ILO	International Labour Organisation
ODE	Open and Distance Education
SADC	Southern African Development Community
SPSS	Statistical Package for Social Sciences
SWOT	Strengths, Weaknesses, Opportunities and Threats
TFP	Total Factor of Production
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNZAAWU	University of Zambia Allied Workers Union
UNZALARU	University of Zambia Lecturers and Allied Researchers Union
UNZAPROSU	University of Zambia Professional Staff Union

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## **ABSTRACT**

This study sought to establish the competitiveness of liberalised higher education, its effects on strategy formulation and making of strategic choices. The assumption of the study implied that public Universities should attain a sustainable, long-term competitive edge in order to remain relevant and continue to operate financially viable. The autopsy employed descriptive design involved observing and describing the behaviour of a subject without influencing it in any way. Moreover, a study sample size of 75 people was used guided by Glenn Israel formula, for which a study population of 300 persons was obtained. Data were collected through self-administered questionnaires and structured interview questions. Non-parametric tests such as the Chi-Square Test of Independence and other descriptive statistics summaries were generated and analysed by SPSS (Version: 20.0). Based on the research findings, the Pearson Chi-Square Test of Goodness of Fit indicated ( $P_v < \alpha: 0.01 < 0.05$ ), which showed that the attributes of the study sample were reflective of the study population. The findings further established that the University of Zambia should develop a competitive advantage and a positive brand as well as utilise ICT innovations in student enrolment as key strategic choices. Additionally, the findings revealed strategic measures to generate own revenues needed to be adopted by the University through investment in infrastructure development, charging cost reflective tuition fees, developing business ventures, increased student enrolment and introduction of new market driven degree programmes in order of importance. It was also unearthed that there was an urgent need for the University of Zambia to adopt and implement Product Differentiation strategy as a strategic response to emerging higher education environmental challenges. The study further recommended the University management to competitive operate in liberalised higher education sector by substantially investing in Communication and Marketing, use ICT innovations in higher education service delivery and invest in physical and virtual infrastructure. The study point of departure furthermore, recommended that the University Management should employ strategic planning and strict budget controls besides others in order to remain financially viable.

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### **Attachments:**

(1) Confirmation of Study letter, (2) Permission to Conduct Research, (3) The University of Zambia Humanities and Social Sciences Research Ethics Committee Approval of Study, (4) Published Article of this Study.

# **CHAPTER ONE**

## **INTRODUCTION**

### **1.0 Overview**

This section outlines background information of the study. It highlights the purpose, research objectives, questions, significance and theoretical framework of the study. The scope and limitations of the study is clearly presented as well as, definitions of operational terms used in this study.

### **1.1 Background**

At independence, Zambia had about 100 people with degrees from universities outside the country (Sanyal et al, 1976). This situation posed a challenge for a newly independent Zambia with a mammoth task of developing its own trained human resources to take over the mantle of leadership from the colonial regime. To this effect, the new Government of the Republic of Zambia embarked on formulating various education policies which were aimed at improving education system from primary level through to higher education levels.

Of paramount importance, these are:

- a) The Lockwood Commission Report of 1963 which proposed the establishment of an academically autonomous university in Lusaka, Zambia
- b) The University of Zambia Act (1965), which formally established a national university in the country (Achola, 1990).

Thus, the University of Zambia was established in 1965 by an Act of Parliament called the University of Zambia Act No. 66 of 1965 but became operational on 17<sup>th</sup> March 1966 as a sole public university for the people of Zambia and beyond. In 1966, the University started with only three (3) Schools namely, Education, Humanities and Social Sciences, and Natural Sciences with 312 students.

For over five decades now, the University of Zambia has grown from three schools to 13 schools, namely, Schools of Education (1966), Humanities and Social Sciences (1966), Natural Sciences (1966), Law (1967), Engineering (1969), Medicine (1970), Agricultural Sciences (1971), Mines (1973), Veterinary Medicine (1983), Graduate School of Business (2015), Nursing (2016), Health Sciences (2016), Public Health (2016).

Additionally, the University of Zambia Act of 1965 underwent a couple of reviews and amendments since 1987. So in 1987, the newly amended University Act Nos. 19 & 20 of 1987 provided for the separation of the University of Zambia Ndola campus into an independent public university. Consequently, the University of Zambia Ndola campus of Business Studies was transformed into a public university called Copperbelt University (University Act of 1987).

After the introduction of the multi-party system of political governance in 1991, the University Acts Nos. 19 & 20 of 1987 were repealed and replaced by the University Act of 1992. This was also further repealed and replaced by the University Act No. 11 of 1999 which liberalised the higher education sector to allow other players.

In 2008, the Government of Zambia amended the country's University Act of 1987 to facilitate the transformation of the National College for Management and Development Studies in Kabwe into another university to be called Mulungushi University through a public-private partnership. Government partnered with Konkola Copper Mines, Zambia's largest mining and metals firm and a subsidiary of Vedanta Resources Plc, a London-listed company, to provide the needed funds to manage Mulungushi University through an independent board of trustees (Manyukwe, 2008).

Furthermore, in 2013, this Act was repealed and replaced by the Higher Education Act No. 4 of 2013 which has opened up the higher education sector in Zambia to allow for the establishment of more public and private universities in the country (The University of Zambia Strategic Plan 2013 – 2017, 2012).

This new liberalised higher education environment has posed serious challenges for public universities such as the University of Zambia, Copperbelt University and Mulungushi University with reference to competition in higher education service delivery and student enrolment.

Currently, the Government of the Republic of Zambia has already constructed and commissioned more public universities namely Kapasa Makasa University in Chinsali district, Mukuba University in Kitwe, Kwame Nkrumah University in Kabwe and Chalimbana University in Chongwe.

Recently, Government has made pronouncements of commitment to begin construction of two universities in Luapula and Western provinces. Kuyela (2016) reports that Nkrumah, Mukuba

and Chalimbana Colleges of Education have been upgraded into universities while Paul Mushindo University in Muchinga province, King Lewanika University at Namushakende in Western Province and Luapula University in Mansa are some of the higher learning institutions that are under construction.

As indicated earlier, the Higher Education Act of 2013 has provisions for the formation and establishment of private universities in Zambia. In 2016, there are over 60 private universities registered with the Higher Education Authority in Zambia, providing higher education in various disciplines such as health, education, law, business, etc. (Higher Education Authority, 2017).

From the foregoing, it is apparent that long-established, public universities have to develop strategic measures and make strategic choices that would ensure that they remain relevant in the face of competition and operate efficiently as well as financially viable with reference to financial resources.

In this respect, it is clear that the *Zambian Government* is more focused on providing easy access to higher education to its citizens through the construction of more public universities and providing an enabling environment for the mushrooming of private universities as well. This is in line with the Vision 2030 and Seventh National Development Plan. For instance, one of the aspirations of the Vision 2030 is to have:

“p. Diversified education curricula that are responsive to the knowledge, values, attitudes and practical skill needs of individuals and society at large;” (Vision 2030:9).

Under the Education and Skills Development section of the Seventh National Development Plan of 2017, Government’s focus is to increase access to university education and Technical Education, Vocational and Entrepreneurship Training. The sub-sector also focused on enhancing the quality of training and increasing its relevance to the needs of industry (Seventh National Development Plan, 2017).

This scenario entails that the oldest public universities, such as the University of Zambia, should begin to strategically position themselves through developing strategic directional approaches and making strategic choices so as to rise up to the new competition posed by liberalisation of the higher education sector.

Consequently, there has been an increasing need for public universities, especially those that have enjoyed government funding, to begin managing their costs and find alternative sources of funds in the wake of apparent dwindling state funding.

Therefore, this study would consider the importance of formulating key strategies and making strategic choices in managing a public university in view of the increasing competition brought about by liberalised higher education as well as the reduction in Government funding.

In addition, the research would emphasise on the urgent need to develop skills and knowledge in strategic formulation and strategic choices for managers of public universities in order to remain relevant and maintain high education standards.

## **1.2 Purpose of Study**

The research was carried out in order to establish the extent to which public universities make strategic choices in order to remain relevant and financially viable in a competitive liberalised higher education and reduced funding from the Government.

## **1.3 Statement of the Problem**

Thole (2012), observed that in the recent past, the term “University” was synonymous with “the University of Zambia” but the scenario had now changed as more players had come “in the field to play the game of providing higher education”. Simply stated, competition in providing higher education was now a reality. The major concern is: How would the competitive liberalised higher education environment affect the long-established public universities such as the University of Zambia in their formulation of strategies and making strategic choices on how to remain viable and efficient in the face of competition from private and new public universities?

## **1.4 General Objective of Study**

The general objective of this Study was to establish how strategic choices are made in public universities in a competitive liberalised higher education for them to remain relevant and financially viable.

### **1.4.1 Specific Objectives**

- (i) To establish the University of Zambia's strategic choices to cope with competition from other public and private universities.
- (ii) To identify the University's strategic measures to generate own financial resources to meet all operational costs.
- (iii) To assess the University's strategic responses to emerging higher education environmental challenges.

### **1.5 Scope of Study**

Although the research, generally, addressed the challenges brought about by liberalised higher education sector in Zambia, the focus was on the University of Zambia's strategic choices to deal with emerging competition. Moreover, with reducing funding from Government, emphasis was placed on how the University of Zambia would address the situation through formulations of strategies and strategic choices to find alternative sources of revenue. As the first public university established immediately after independence, the university has faced various challenges ranging from reduced funding to emerging competition from both new public and private universities.

Therefore, this study undertook an empirical approach of how the University of Zambia would formulate strategies which would enable it make strategic choices in addressing the challenges of competitive liberalised higher education and ebbing Government funding.

### **1.6 Significance of Study**

The findings of this research could assist managers of public universities to take strategic approaches in the delivery of quality higher education. In view of the competitive higher education, the long-established universities, such as the University of Zambia, could use the findings to strategically reposition themselves in order to develop a competitive advantage over new private and public universities through their economies of scale.

Besides, the findings of this study would stimulate readers and other researchers to conduct similar studies on a larger scale with more focus on private universities.

Additionally, the findings of this research could be used in policy reforms and development of legal framework in higher education sector in Zambia with a view to improving higher education quality and standards.

The study could provide a baseline for policy formulation on Government funding of public universities.

## **1.7 Theoretical Framework**

Strategic Management Process theories indicate that strategic management is a systematic approach to strategy formulation that is based on the mission, or purpose, of an institution (university) which tests the implementation of choices and actions of an organisation against that mission.

### **1.7.1 The Profit-Maximising & Competition-Based Theory**

Raduan (2009) states that strategic management is the process and approach of prescribing an institution's objectives, policies and plans so as to achieve and attain these objectives, as well as allocating resources in order to implement the policies and plans. Out of the six (6) common strategic management theories, the profit-maximizing and competition-based theory is more appropriate to this study as it deals making strategic choices in a competitive higher education sector in Zambia.

Otungu (2011) contends that the profit-maximising and competition-based theory (attributed to Marshall, 1897) is based on the notion that business organisation's main objective is to maximise long term profit and develop sustainable competitive advantage over rivals in the external market place. This theory views the positioning of an organisation in the external environment as a critical factor in achieving this objective and entails that it must be competitive in the market and be above its competitors.

### **1.7.2 Michael E. Porter's Five Competitive Forces**

According to Dälken (2014), the Michael Porter's Five Forces model (developed in the late 1970s) is a modest but powerful tool for the identifying where power lies in a certain business industry by using the outside-in approach. The model identifies five forces in the micro-environment that drive competition which threaten a business's ability to make profit. The derivation of the Five Forces framework of Porter is the industrial economics approach. The

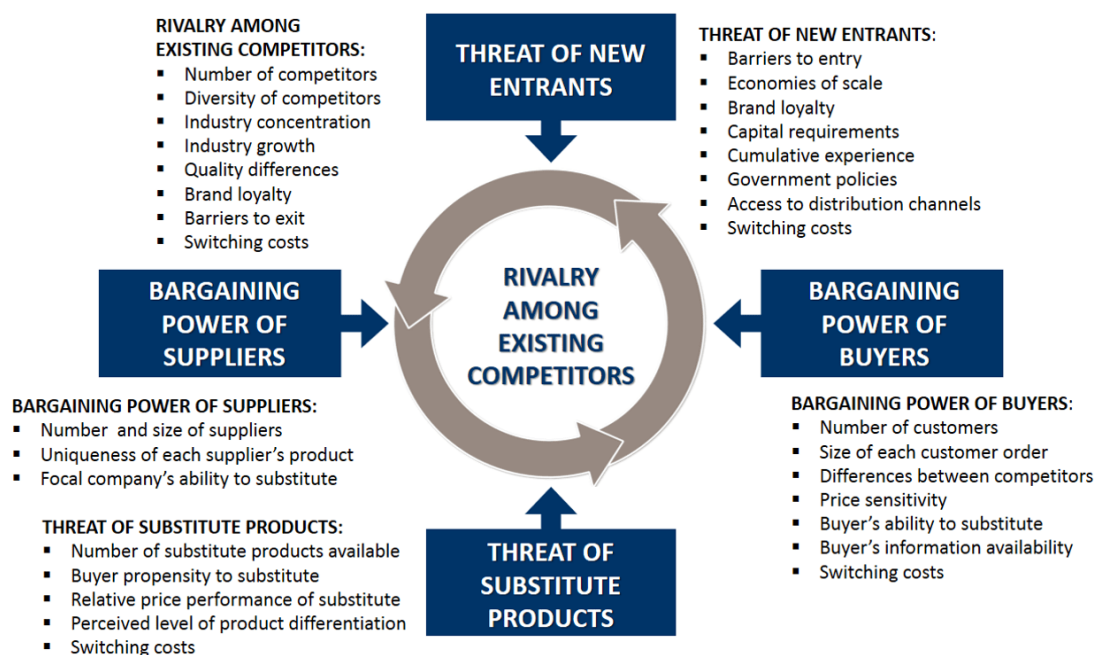
idea is that the attractiveness of market and its overall profitability can mainly be defined by the market structure.

It is contended that Porter’s five forces shape the structure of all industries and, generally, set the rules of competition and profitability within an industry (Dobbs, 2014). These five forces are identified as:

- (a) The threats posed by competitive rivalry,
- (b) Powerful buyers,
- (c) Powerful suppliers,
- (d) Potential new entrants, and
- (e) Substitute products.

It is argued that the combined strength of the five forces defines the ultimate profitability in a given industry. Ultimately, Porter’s five forces model is used to understand strategic implications for individual firms within an industry to develop competitive advantage over their competitors. In this regard, an organization’s success is indirectly dependent on the market structure. Thus, a clear understanding these five forces can help a company stake out a position in its industry that is less vulnerable to attack.

### Porter’s Five Competitive Forces



*A graphical representation of Porter's five forces*  
 Source: <https://www.google.com/>

### 1.7.3 Porter's Generic Strategies

Michael Porter also developed three generic approaches to mitigate the rivalry among existing competitors in a given industry. Collins (2010) states that three basic generic strategies are **cost leadership**, **differentiation**, and **focus**, which target either a broad or a narrow market segment.

Cost leadership dictates that costs are kept to a minimum, while differentiation depends on the development of unique features and attributes, which often requires increased development and production costs.

Furthermore, from the three generic approaches, Tanwar (2013) defines and explains three strategies as follows:

(i) **Cost leadership Strategy**- A firm which finds and exploits all sources of cost advantage and aims at becoming a lot cost producer in the industry is said to pursue a sustainable cost leadership strategy.

(ii) **Differentiation Strategy**- A firm seeking to be unique in its industry along some dimensions of its product or service that are widely valued by customers is said to have adopted differentiation strategy.

(iii) **Focus Strategy**- When a firm seeks a narrow competitive scope, selects a segment or a group of segments in the industry and tailors its strategy to serving them to the exclusion of others, the strategy is termed focus strategy.

These competitive strategies entail taking offensive or defensive actions to develop a defensible position in the industry. Generic strategies can assist a business to cope with the five competitive forces in the industry and develop a competitive advantage over others. Thus, do better than other business entities in the same industry.

However, critics of Porter's three generic strategies contend that these approaches are successful in short term but are hardly sustainable in the long term. They argue that if firms try to maintain cost leadership as well as differentiation at the same time, they might fail to achieve either. That is, business firms get "stuck in the middle".

Moreover, due to the inherent contradictions in these strategies, a business could over-extend its resources and fail to instil a seamless business philosophy consistent with one of the generic strategies if it pursues two or more of them. For instance, cost leadership contends that costs should be kept to a minimum, while differentiation relies on the development of unique features and attributes, which often requires increased development and production costs. This situation can make a business become “stuck in the middle”. Stuck in the middle is a business entity’s risk of losing its competitive advantage, and becoming unable to differentiate its product or service from a competitors, usually resulting in poor financial performance.

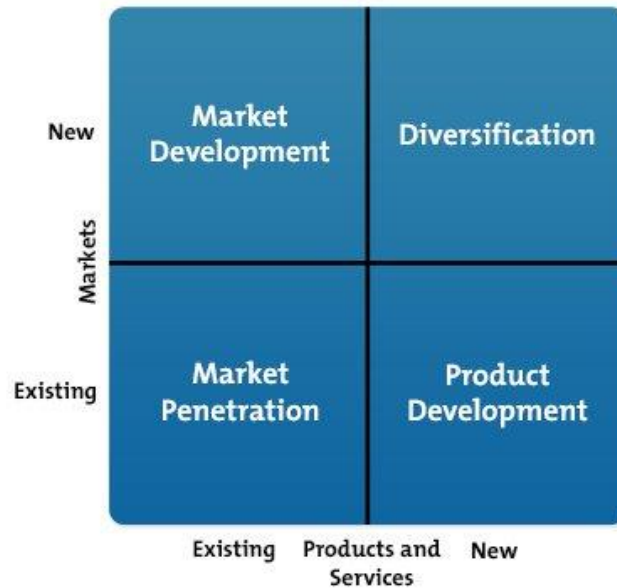


Source: [https://www.mindtools.com/pages/article/newSTR\\_82.htm](https://www.mindtools.com/pages/article/newSTR_82.htm)

#### 1.7.4 Ansoff Matrix

Meanwhile Furue (2017) says that Ansoff Matrix is a matrix of product-market strategies along the two axes of product line and customer, each of which is further divided into new and old. The Ansoff Matrix argues that companies should correctly use the four strategies in combinations made up of the axes: market penetration, market development, product development and product diversification. In terms of new products, two product marketing strategies are proposed: product development for old customers and product diversification for new customers.

### The Ansoff Matrix



Source: <https://www.mindtools.com>

The Ansoff Matrix (above) is a strategic planning tool that provides a framework to help executives, senior managers, and marketers devise strategies for future growth. It presents four strategies that could be employed by any organisation in order to remain competitive and financially viable in a competitive business environment, namely:

- i. Market penetration,
- ii. Market development,
- iii. Product development and
- iv. Product diversification.

#### 1.7.4 Boston Consulting Group, the BCG matrix

The BCG Matrix, which was designed by the Boston Consulting Group, also known as the Boston or growth-share matrix, offers a model for analysing products according to growth and market share (Martin, 2017). The BCG matrix assists companies expand their insights on what products best help them capitalise on market-share growth opportunities.

It uses the four-quadrant chart to profile the an organisation portfolio which are designated "stars" (upper left), "question marks" (upper right), "cash cows" (lower left) and "dogs" (lower right).

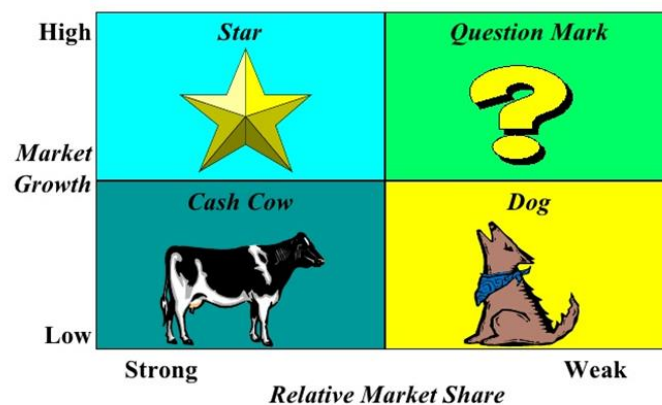
**Stars** are business units or products that have the best market share and generate the most cash.

**Cash cows** are the leaders in the marketplace and generate more cash than they consume. These are business units or products that have a high market share but low growth prospects.

**Dogs** are units or products that have both a low market share and a low growth rate, frequently break even. Thus, they neither earn nor consume a great deal of cash.

As the name implies, **question marks** are parts of a business which have high growth prospects but a low market share. They consume a lot of cash but bring little in return. However, if they have growth potentials, they are worthy investing in so that they can become stars. Otherwise, they are sold.

### BCG Growth-Share Matrix



Source: <https://www.google.com/>

#### 1.8 Study Contribution to Knowledge Base

The research has established the fact that managers of public universities should utilise principles of strategic management and planning by making strategic choices in running these institutions of higher learning. Strategic planning and strategic choices would make public universities remain relevant and financially viable in a competitive liberalised higher education and in view of reduced funding from the Government. Some of the strategic choices include managing costs and find alternative sources of funds, communication and marketing, adoption of ICT innovation in teaching and learning, and product differentiation.

Moreover, the research has provided insight in how managers of public universities could use tenets of strategic planning and strategic choices in sustaining operations of the higher learning institutions. Additionally, the study has provide baseline knowledge in managing public universities as business entities through astute development of business ventures. This research study has shown that there is critical need for a paradigm shift from the traditional way of running public universities to a more modern and strategic model in order to sustain operations.

## **1.9 Hypothesis**

### **Hypothesis 1**

**Null Hypothesis H<sub>0</sub>:** Competition as a result of liberalised higher education does not plays a critical role in influencing strategic choices through situational analysis so as to maintain a competitive advantage over others.

**Alternative Hypothesis H<sub>1</sub>:** Competition as a result of liberalised higher education plays a critical role in influencing strategic choices through situational analysis so as to maintain a competitive advantage over others.

### **Hypothesis 2**

**Null Hypothesis H<sub>0</sub>:** The University does not need strategic measures to generate own financial resources to meet all operational costs

**Alternative Hypothesis H<sub>1</sub>:** The University needs strategic measures to generate own financial resources to meet all operational costs.

### **Hypothesis 3**

**Null Hypothesis H<sub>0</sub>:** strategic responses are not important for UNZA to cope with emerging higher education environmental challenges.

**Alternative Hypothesis H<sub>1</sub>:** strategic responses are important for UNZA to cope with emerging higher education environmental challenges

## 1.9 Limitations of Study

The limitations of this study include the complexion of the study population and challenges of randomly sampling it. Its findings would not be generalised for private universities as its focus was on public universities funded by government.

## 1.10 Operational Definition

**Liberalised higher education** – is the situation where there are many players in the higher education sector both public and private universities

**Strategic choices** – Management decisions that will sustain the operations of the institution in the face of adversities such as stiff competition and financial challenges.

**Public universities** – universities owned and funded by Government.

**Private universities** – universities owned and operated by individual business men and women.

**Higher Education Act 2013** – the Act that governs the establishment and operation of both public and private universities in Zambia

**The University of Zambia Act 1965** – the Act that led to the established of the University of Zambia as the only national university after independence in 1965.

## 1.11 Summary

The introductory Chapter has given a rich background to the study. How the competitive liberalised higher education environment was affecting the long-established public universities such as the University of Zambia in their formulation of strategies and making strategic choices so as to remain viable and efficient in view of competition from private and new public universities was identified as the problem statement. Moreover, the study objectives haven been clearly developed to assist in guiding the development of the entire research. Additionally, the Profit-Maximising and Competition-Based theory, Michael E. Porter's Five Forces, Ansoff Matrix and Boston Consulting Group Matrix were considered and formed the theoretical framework of the study. Besides, there are three hypotheses outlined in this research. The next Chapter will review the literature relevant to this study.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

This chapter reviewed scholarly works relevant to the study guided by themes derived from research objectives. The global, regional and local perspective model of literature review was adopted.

#### **2.1 Global Perspective: Strategic Choices in Higher Education**

Higher education has seen major changes from its traditional style to new way of delivery. Zapp, (2017) contends that countries have seen outstanding higher education growth in the 20<sup>th</sup> century with reference to enrolments and the foundings of universities, with particularly strong growth in the immediate post-World War II period and since 1990. Countries with a more recent higher education system put more emphasis on technological development than those that look back on multiple centuries of higher education development with their canonical legacies. This situation entails that universities should engage in making strategic choices in order to cope with new trends and challenges in providing higher education services.

##### *Strategic Choice of Innovative University Library*

In this regard, Guo and Chen (2009) carried out a research whose purpose was to propose the strategic choice of innovative university library with reference to the construction practice and idea development of the innovative library in Shanghai Jiao Tong University in China.

This study was necessitated by the globe developing quickly into a world centring on knowledge, digitisation, network, and information. This situation presented to any university library, with both challenges and opportunities in this more complex and dynamic environment.

Moreover, Guo and Chen (2009) contended that the new information environment and changes in demand entailed that a university library had to make strategic choices to review its role and functions in order to carry out path selection, mode innovation, scientific management, and scenario planning. Additionally, they proposed that university libraries should work out and implement a strategic plan and choices on innovative development by bearing in mind the strategic needs for reform and innovation.

In terms of research methodology, Guo and Chen (2009) combined the methods of scenario analysis and theoretical explanation, modelling presentation and case study.

The findings indicated that a model of innovative university library and IC2@SJTUL, which is a kind of new mode adapting to it were highlighted in the study. It was proposed that these modes apply to university libraries, which needed innovation and support training of innovative users.

In conclusion, it was stated that by merging the original “Innovation Community, or IC2” concept into “Information Commons, or IC1”, a brand new mode for the innovative university library called IC2@SJTUL, was developed and introduced the necessary innovation support service plan.

### *Factors Affecting Higher Education in the Eastern Caribbean Region*

Nevertheless, there are various aspects of higher education where universities need to make strategic choices. For instance, Brown (2017) claimed that the factors affecting higher education in the Eastern Caribbean region were accessibility, location, quality of education, institutional costs and unemployment of graduates. However, he noted that due to a brittle economy and inadequate natural resources, the region faced numerous challenges in providing access to quality higher education to its people.

The paper aimed at investigating and comparing the challenges of low output of higher education and availability of higher education institution in the 21<sup>st</sup> Century in the Eastern Caribbean.

Their study raised the following three (3) questions:

- i. How has the higher education developed over the years?
- ii. What are the different challenges facing the Caribbean higher education?
- iii. What corrective measures have been taken by the Eastern Caribbean states to mitigate the different challenges?

Their research design was made of historical and comparative data on their investigation of challenges of cost sharing, tuition fees, country’s economy, types of university, and the access of higher education institution in the Caribbean. The data was mostly collected from UNESCO and World Bank such as charts, reports, reviews, and other documents. The

instruments used in their research were policy and document analysis, and secondary data with a sample comprising 10 countries constituting the Organisation of Eastern Caribbean States as well as 37 higher education institutions. In analysing data, the Microsoft Excel 2010 and XE currency convert were used.

The findings of the research indicated that higher education was adversely affected by insufficient funding and minimal resources. Four factors affecting higher education were identified as increasing unit of instruction, increasing enrolment, low level of government revenue coupled with the country's financial obligations, and increased privatisation in higher education. Moreover, attempts were made to answer the three questions raised.

#### *Hybrid Business Model for Public Universities in North America and Europe*

In the same vein, Fethke (2013) attempted to study how public universities in North America and Europe were forced by tightened government budget to make strategic choices by developing a framework for university leaders that could provide the foundation for the transformation that needed to happen as universities that were facing a permanent decline in public support. The primary goal of Fethke's paper was to point out differences between private business enterprises and public universities and then to suggest that various characteristics of private sector (private universities) excellence were applicable, often with modest alterations, to public higher education.

The main findings of his analysis was that a hybrid model of business and academic practices could provide a significant path for public universities to sustain excellence in a period of declining subsidy. In his conclusion, Fethke contended that public universities would need to make tough choices to move toward greater financial independence.

#### *Strategies to Promote Sustainability in Higher Education Institutions in Brazil*

Additionally, Berchin et al (2017) in his study entitled, 'Strategies to promote sustainability in higher education institutions: A case study of a federal institute of higher education in Brazil', attempted to examine strategies that promote sustainability in higher education institutions (HEIs) with a focus on the case study of a federal institute of higher education in Brazil.

This research was based on a scientific literature review on sustainability in HEIs to identify the recurrent actions for sustainability in these institutions so as to illustrate how these actions were being implemented by these institutions.

The findings of the study clearly highlighted that HEIs might go beyond the development of guidelines and plans to implement sustainability through encouraging activities and training to give environmental awareness to students, professors and other staff members, while also promoting a participative process of learning and decision-making. As a result, this could lead to a cultural change within the institution. Therefore, HEIs could create and disseminate knowledge, increase critical thinking and shape behaviour, which were critical aspects to bring about changes toward a more equitable, fair and sustainable society.

## **2.2 Regional Perspective: Strategic Choices and Funding of Higher Education in Africa.**

Wolhuter (2013) argues that, despite speedy growth in recent years, higher education in Africa is less developed as compared to the rest of the world. Higher education in Africa faces major challenges which include expanding participation in higher education, poor infrastructure, isolation from society and communities, internationalisation and globalisation, regional cooperation, and aligning the world of education with the world of work. These are cardinal areas of higher education where strategic choices should be made in order to keep pace with developing trends in sector.

### *State of Funding Higher Education in Sub-Saharan Africa*

In this regard, Teferra (2013), wrote a study article in *Journal of Higher Education in Africa*, in which he discussed and analysed the state of funding higher education in Sub-Saharan Africa. The article, which covered nine case study countries, examined the cost of higher education, current and potential funding sources and policy discourses that shaped funding trends in the region.

The study further examined policies, trends and factors that hindered, as well as promoted, funding to the sector in Sub-Saharan Africa and the role of external players in doing so. It also expressed poorly tapped and potential sources of funding for the higher education system. The study concluded by providing some policy recommendations, highlighting

mounting challenges of expansion which are pushing the cost of higher education to unsustainable levels.

In conclusion, Teferra (2013) argued that strategic and prudent choices, untainted by popular view and partisan interest, needed to be made in financing higher education to position it as a key instrument for the socio-economic growth of nations.

#### *Role of Tertiary Education in Promoting Poverty Alleviation*

Moreover, in their research, Bloom (2006) argued that tertiary education was critical to economic growth, especially in Sub-Saharan Africa. The paper intended to challenge beliefs that international development community had argued that tertiary education had little role in promoting poverty alleviation. The paper reviewed several evidence to prove that the impact of tertiary education on economic growth and poverty reduction, with a focus on the countries of Sub-Saharan Africa.

Bloom (2006) contended that, in a knowledge economy, tertiary education or higher education played a pivotal role in helping economies catch-up on more technologically advanced societies, since new graduates would be enlightened on and better placed to use new technologies.

He was keener to investigate two different ways by which tertiary education could improve economic growth namely (1) raising Gross Domestic Product (GDP) directly through a productivity effect and, (2) increasing the rate at which a country adopts technology as well as raises its total factor productivity.

The research was based on reviewing of quinquennial data from 1960 to 2000 from the World Bank, ILO and Barro-Lee. In analysing data, they used a Cobb-Douglas production function:

$$Y = AK^\alpha (Lv)^\beta;$$

where Y is GDP, A represents TFP (total factor of production), K is physical capital, and L is labour force. Furthermore, v is the level of human capital per worker, and V = Lv is the effective labour input.

The population of their study consisted of 103 countries with a sample size of 843 observations.

In conclusion, he contended that increased tertiary education might be vital in promoting faster technological catch-up and improving a country's ability to maximise its economic output. Bloom (2006) argued that increasing investment in tertiary education by one year would shift out Africa's production possibility frontier and increase the rate of convergence which would result in a 0.63 percentage point boost in income growth in the first year and an income gain of roughly three (3) percent after five (5) years.

### *Inequality in Accessing Higher Education*

In another research, Boit (2012) argued that despite the increased number of higher education institutions there was a marked inequality in accessing higher education by the underprivileged. The study contended that the institutions of higher learning tended to disproportionately benefit the rich rather than the poor in spite of any quantitative expansion in higher education.

The purpose of this paper was to examine the challenges of traditional university system face in equalising chances for access to university education through quantitative expansion and explored the opportunities offered by other options of higher education provision which include Open and Distance Education (ODE) in an effort to make higher education available to all, particularly, in Kenya.

To establish his argument, he reviewed government documents, policies, magazines and newspapers on higher education in Kenya as well as the World Bank reports. The study elaborately stated the importance of quantitative expansion of public universities in Kenya in order to meet the national demand for higher education.

On the other hand, in its review of these documents, the study identified six (6) challenges faced by increased number of public universities in Kenya as follows:

- a) Increased public expenditure
- b) Reduction in per student expenditure;
- c) Shortage of academic staff;
- d) Shortage of funds;

- e) Falling academic standards; and
- f) Misallocation of scarce resources

Despite the equity reasons for quantitatively expanding higher education institutions, Boit (2012) contended that there was a growing concern for disparities in accessing higher education. So, in view of resource constraint, the question of how to achieve social and educational objectives of equity, equality of educational opportunity in higher education still remained to be attained through traditional university set-up.

In their conclusion, they suggested that quality higher education for all could be attained through ODE by adopting innovations of modern technology at low costs to universities and students. The researcher contended that quantitative expansion of conventional public higher education systems alone is not a viable option in solving equity and equality of opportunities concerns. Therefore, ODE learning initiative seemed to be an ideal way to offer hope of making quality education in the efforts to liberalise higher education in cost effective way.

#### *Funding, Governance, Leadership and Management in SADC Higher Education*

Besides, in his paper presentation to the Extraordinary Meeting of Ministers of Higher Education and Training in June 2012, Kotecha (2012) recognised the fact that in the 1970s governments in the Southern African Development Community (SADC) region, had invested so much in primary and secondary education and less in higher education infrastructure. This has led to a challenge where the demand for higher education has outstripped the capacity to provide it.

The paper also highlighted the fact that the increased demand for higher education had not been matched by increased levels of funding which had resulted into deteriorating higher education quality in the SADC region and dwindling number of academic staff.

The paper called for an establishment of funding system which could include governments, private sector and donor funding to meet the costs of managing universities. Additionally, he stressed the need for strengthening governance, leadership and management in SADC higher education as a key to the development of the higher education sector.

### **2.3 Local Perspective: Funding Higher Education in Zambia**

#### *Cost Sharing: Improving Financial Vitality, Accountability and Cost Effectiveness*

Masaiti (2013), attempted to explore strategic choice of the concept of '*cost sharing*' in Zambia which was developed to respond to the ever diminishing tax revenues through the Education Policy of 1996. The policy allowed higher education institutions including public universities to introduce cost sharing as a way of improving financial vitality, accountability and cost effectiveness. This paper explored underlying factors which could make cost sharing more effective and sustainable.

As a strategic choice, cost sharing in university education refers to a shift in the burden of university education costs from being borne solely or predominately by government, or taxpayers, to being shared with parents and students.

The policy of 1996 on higher education finance in Zambia was guided by the national policy on education, code-named, '*Educating Our Future*' 1996. This document stipulated the provision of education through cost sharing in higher education, especially, at public universities.

This paper by Masaiti (2013) was focused on probing student perspectives on the cost sharing policy in public universities, and then identified as well as deduced the underlying factors which could improve its viability and effectiveness.

It attempted to address the following questions:

- a) Does the perception of male and female respondents differ on the effectiveness of cost sharing policy of public universities?
- b) What challenges is the current cost sharing policy facing in public universities finance?
- c) What underlying factors can influence the current cost sharing policy to make public universities viable and sustainable?

The study used a convenient sample comprising female and male students pursuing both bachelor and master degree programmes and who were either government-sponsored or self-sponsored. These students were sampled from Zambia's leading public universities namely the University of Zambia, Copperbelt University and Mulungushi University. And

a self-developed questionnaire was used as the primary technique for collecting data, which contained self-assessment items, measured on the 5-point Likert type, and open-ended questions.

Moreover, the Analysis of Variance (ANOVA) was used in data analysis to find the mean differences of each scenario for the male and female respondents. Furthermore, a sample t-test was performed to compare the mean differences of two sets of respondents to check the level of significance of each. In addition, Exploratory Factor Analysis was used to analyse the components of the policy based on views collected.

Using the sample t-test, the findings of the research showed that mean differences of the two sets of respondents showed that nine (9) items were statistically significant at the confidence level of 0.05 while other 13 other items were not statistically significant. It was shown that cost sharing was a good policy option and the current policy of cost sharing had been effective.

In discussion, Masaiti (2013) argued that the current cost sharing policy was not meeting and reflecting the requisite needs of public university education due to reliance on state financing by the public universities, with the exception of Mulungushi University, and Government interference in their (public universities) operations.

They contended that cost sharing, as a strategic choice, would not be effective because the public universities were not given the real autonomy needed for them to operate cost sharing arrangements. Further, they argued the universities were still reliant on government for financing different aspects of their budgets, including capital projects and staff emoluments.

### **Research Gaps**

From the literature review, it was established that many researchers had done some study on higher education on financial sustainability and declining government funding. Most of the research or studies done focused on reduced government funding, cost sharing concept of tuition fees, inadequate infrastructure, innovative university library, equal access to university education, etc. None of them addressed the issue of making strategic choices in a competitive, liberalised higher education sector with reference to keeping pace with new trends in higher education service delivery and remain financially viable in the face of

dwindling government funding. This study focused on public universities because they were the most affected by new entrants (private universities) and dwindling financial support from governments in the higher education sector.

For instance, although Guo and Chen (2009) considered the concept of strategic choice in innovative university library, they did not cover the area of higher education in a competitive, liberalised environment. The focus of this study was on how strategic choices could be made in university library innovations in Shanghai Jiao Tong University in China.

Meanwhile, Brown (2017) focused on factors affecting higher education in Eastern Caribbean region such as insufficient funding by governments and minimal resource. Others included increasing unit of instruction, increasing enrolment, low level of government revenue, and increased privatisation in higher education. And Fethke (2013) pointed out differences between private business enterprises and public universities and then suggested that various characteristics of private sector excellence could be applicable to public higher education in what was called hybrid business model.

From the regional perspective, Teferra (2013) discussed and analysed the state of funding higher education in Sub-Saharan Africa. It was contended that funding to higher education in Sub-Saharan Africa was relatively low and needed support from internal and external stakeholders. In the same vein, Bloom (2006) zeroed in on how increased tertiary education might be vital factor in promoting faster technological catch-up and improving a country's ability to maximise its economic output. Bloom (2006) argued that increasing investment in tertiary education by one year would shift out Africa's production possibility frontier.

On the local scene, Masaiti (2013), discussed the concept of '*cost sharing*' in Zambia under the Education Policy of 1996 as a way of improving financial vitality, accountability and cost effectiveness of higher education institutions in the country.

From the foregoing, it was crystal clear that the gap existed which this study intended to address. Researchers focused on other vital study areas but none considered the aspect of making strategic choices by public universities in competitive liberalised higher education sector and how they could overcome the ebbing funding from governments. So this research is the first attempt to study this critical area of research whose findings could be of great assistance to managers and policy makers of public universities.

## **2.4 Summary**

From the foregoing, it is clear that universities, world over, are faced with challenges of strategic management which are compounded with ebbing government funding and the increasing number of enrolments. Matters of strategic choices in public universities need serious attention by all stakeholders in maintaining quality education standards, equity and equality in accessing higher education by all.

The above writers and researchers have elaborated on the challenges of liberalised higher education and what should be done in order to address them. Nevertheless, they have not addressed the strategic role managers of public universities should play in ensuring that these institutions of higher learning operate effectively and viably through making strategic choices.

In the light of the enlisted challenges, it is cardinal that university administrators employ strategic measures as they make strategic choices in generating revenues, improving quality education standards, dealing with enrolment issues, infrastructure development and expansion. To this end, this study would attempt to show the importance of making strategic choices by public universities so that they remain financially viable while having strong competitive edge through economies of scale and strategic decisions.

This research will explore how strategy formulation skills and business acumen can assist university managers turn around their situations in terms of revenue generation and strategic management in view of emerging competition and financial challenges.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.0 Overview**

The chapter presents research design, target population, sample size and sampling technique, instruments for data collection and analysis and ethical considerations

#### **3.1 Research Design**

This research used the descriptive and qualitative design or approach in an attempt to identify variables that exist in the situation under study and describe the relationships that exist between/among them.

#### **3.2 Study Population**

The study population was the University of Zambia community which consisted of the Great East Road and Ridgeway campuses. This study population included principal officers (except Vice-Chancellor and Deputy Vice-Chancellor), deans, directors, assistant deans, heads of departments, staff from Bursar's office, senior administrative officers and representatives of the four (4) unions. The study populations was estimated to be 300 staff.

#### **3.3 Study Sample**

The study sample was from the University of Zambia which included four (4) principal officers (except Vice-Chancellor and Deputy Vice-Chancellor), 12 deans, 12 assistant deans, seven (7) directors, 12 heads of departments, 10 bursar's department, 10 senior administrative officers, and 8 stakeholders (unions representatives). Therefore, the sample size was estimated to be 75 respondents.

The numbers of principal officers, deans, assistant deans and directors were taken as it was because they were very critical in developing and implementing the strategic formulation process and implementation of strategic choices. This would bring the numbers to 35 respondents.

The other above-mentioned groups were stratified according to their categories and then used random sampling to obtain 40 respondents. This brought the total number of respondents to 75 from the study population of 300 staff.

### 3.4 Sampling Techniques

In this research, both the stratified random sampling and simple random sampling were used due to the nature of the study population of the University of Zambia. The sampling frame was as follows: principal officers (Registrar, Bursar, University Librarian, Dean of Student Affairs), deans and assistant deans of 12 schools, directors, heads of departments, staff from Bursar's department, senior administrative officers and the four unions' representatives.

S/N	CATEGORY/STRATUM	ACTUAL NUMBER	SAMPLED NUMBERS
01	Principal Officers	6	4
02	Deans	12	12
03	Assistant Deans	12	12
04	Directors	7	7
05	Heads of Departments	80	12
06	Bursar's Department (Accounting staff)	80	10
07	Senior Administrative Officers	55	10
08	Representatives of four unions	48	8
<b>TOTAL</b>		<b>300</b>	<b>75</b>

**Table 1: Study population and sample size**

Simplified Formula of Proportions was used to arrive at the study sample of 75 respondents, using Glenn Israel formula as indicated below:

$$n = \frac{N}{1+N(e)^2}$$

N = study population

n = study sample

e = level of precision (sampling error) =  $\pm 10\%$

Level of confidence at 90%

$$n = \frac{N}{1+N(e)^2} = \frac{300}{1+300(0.1)^2} = \frac{300}{4} = 75$$

With 90% confidence level selected, it meant that 90 out of 100 samples would have the true population value within the range of precision specified (+/-10%) (Singh, 2014).

### **3.5 Data Collection Instruments**

In collecting data, both a structured questionnaires and interviews were used. The questionnaires was hand-delivered and the interviews was conducted when collecting the questionnaires. Additionally, data was also collected from a detailed literature review in order to obtain a trend or pattern on the research topic. This type data was both quantitative and qualitative in nature.

### **3.6 Data Collection Procedure**

The researcher first had the proposal approved by the supervisor. Thereafter, the questionnaires and interview questions were developed and approved by the supervisor. Then an introductory letter from the Institute of Distance Education was obtained to start collecting data. Additionally, Ethical clearance was obtained from the UNZA Ethics Clearance Committee. Since the respondents were the University of Zambia staff, permission was sought from the Office of Registrar. Then the questionnaires were personally delivered to selected respondents by hand while the interviews were done when collecting answered questionnaires.

### **3.7 Data Analysis**

In data analysis, Statistical Package for Social Sciences (SPSS) software was employed as it is useful in analysing small samples, predicting trends, and develop forecasts quickly and easily. Moreover, SPSS easily finds relationships between any missing values in data and other variables (Paura, 2015). The SPSS was used to produce descriptive analysis and frequencies as well as cross tabulations of various variables.

### **3.8 Ethical Considerations**

In Biomedical ethics, the ethical principles of autonomy, beneficence and justice are considered and adhered to. Besides, ethical rules of veracity and privacy followed in dealing with participants in the study (Adams, 2013).

### **3.8.1 Ethical Principles**

#### **Autonomy.**

The respondents were made to understand the matter at hand and given free choice to either participate in the study or not without coercion.

#### **Beneficence**

The participants were well informed of the benefits that will accrue to them when they participate in the study. The study gave them an in-depth understanding of matter under study. Moreover, they knew that this study would assist their management in strategically applying some findings and recommendations for their good. In the process, the researcher ensured that no participant was exposed to any risks.

#### **Non-maleficence**

The researcher ensured that whatever activity the participant was asked to undertake did not bring him/her in harm's way.

#### **Justice**

There was equitable selection of participants by using the scientific methods such as stratified and random sampling. And all participants were treated fairly and equally during their participation in the research.

### **3.8.2 Ethical Rules**

#### **Veracity**

The purpose of this study was clearly disclosed to the participants as partial fulfilment of the requirements for the degree of Master of Business Administration.

#### **Privacy**

In the course of collecting data, the privacy of all respondents were strictly respected. Wiles (2006) contends that individuals matter and that individuals have the right for their affairs to be private. They were approached during normal working hours and from their offices

### **3.8.3 Informed Consent**

The respondents involved in this research were adequately informed about the purpose of the study and their consent was obtained in writing before answering the questionnaires and interviews.

### **3.8.4 Confidentiality and Anonymity**

All the participant were assured of confidentiality and anonymity so as to protect them. This was done by not collecting personal details such as names, national registration numbers, addresses, telephone number etc.

### **3.8.5 Reliability and Validity of Data**

The Pearson Chi-Square Test of Goodness of Fit (is a statistical test applied to sets of categorical or nominal data) was found useful to determine whether the distribution of data was by chance or it followed an observed and expected distribution. In this case, the Pearson Chi-Square test of goodness of fit was carried out to determine whether the distribution of data followed an observed and expected distribution. After the test, the Chi-Square statistic of less than 0.01 level of significance was found which indicated that the distribution of data of this study was not by chance. This entails that there was 0.01% chance of finding a discrepancy between the observed and expected distribution.

## **3.9 Summary**

This Chapter explained that the research design used was descriptive in nature. The study population was drawn from the University of Zambia Senior and Middle Management from the Ridgeway and Great East Road campuses. The sampling techniques used were stratified and simple random sampling. The Simplified Formula for Proportions was used in determining the sample size. And the data collection instruments used were the questionnaires and structured interviews. The collected data would be analysed using the Statistical Package for Social Sciences software. Besides, ethical principles and rules were applied reviewed. The following Chapter Four focuses on the presentations of the Research findings.

## CHAPTER FOUR

### RESEARCH FINDINGS AND DISCUSSIONS

#### 4.0 Overview

This Chapter presents and interprets the findings and discussions of this study. In total, 75 questionnaires were administered and evenly distributed to the selected respondents at the Great East Road and Ridgeway campuses of the University of Zambia. From these questionnaires, 73 were collected and two were not. This represents a collection efficiency of 97%. The similar number of respondents were also interviewed as the questionnaires were collected.

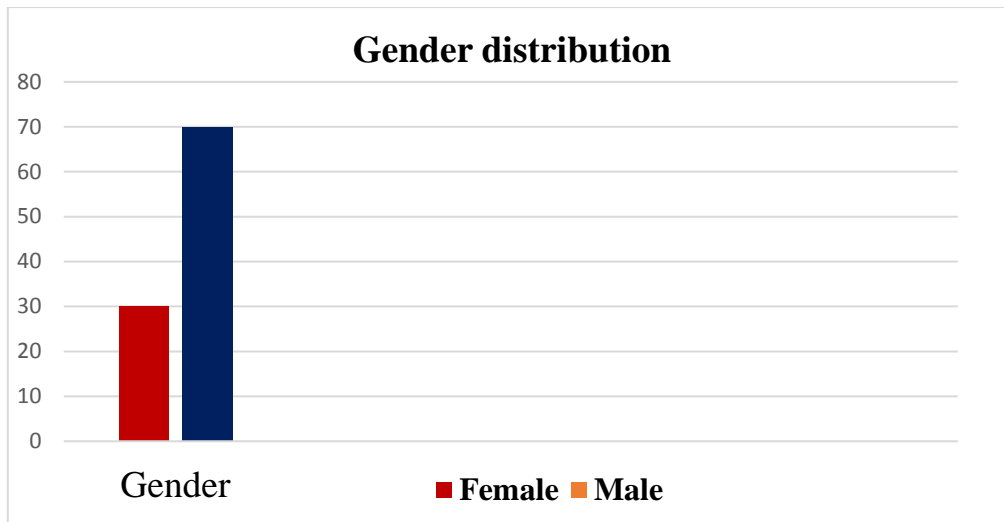
#### 4.1 Characteristics and Background Information

##### 4.1.1 Gender Aspects

Gender				
	Frequency	Percent	Valid Percent	Cumulative Percent
Female	22	30.1	30.1	30.1
Valid Male	51	69.9	69.9	100.0
Total	73	100.0	100.0	

**Table 2: Gender distribution of the Study Sample**

*Source: Field Data 2018*



**Clustered Column Chart 1: Gender distribution of the Study Sample**

*Source: Field Data 2018*

**Table 2** and **Clustered Column Chart 1** indicate that the study sample had more male respondents represented by 70% while female respondents were only 30%.

This confirms the findings of the Gender Status Report of 2012-14 which asserted that women’s unemployment rate was generally higher than that of men even though women might have the education and skills needed in the labour market. Report attributed this scenario to socio-cultural and traditional patriarchal societies which still exist in most developing countries. The report states that in cases where women are employed, they are likely to be engaged in low-skill and low-wage types of jobs (Gender Status Report 2014 – 2018). To some extent, this explains why we have fewer women in management positions.

#### **4.1.2 Position Statistics**

This section gives the statistical outlook of respondents according to their positions in the University of Zambia.

**Table 3** and **Clustered Column Chart 2** (below) clearly indicates that most respondents were familiar with the issues of Strategic Management, Strategic Choices and liberalised higher education challenges because the majority held management and middle management positions. In fact, 43.8% were in senior management positions and 42.5% were in middle management levels. These are the people who are involved in developing strategic direction and strategic choices for the University of Zambia. This can be seen by the production of

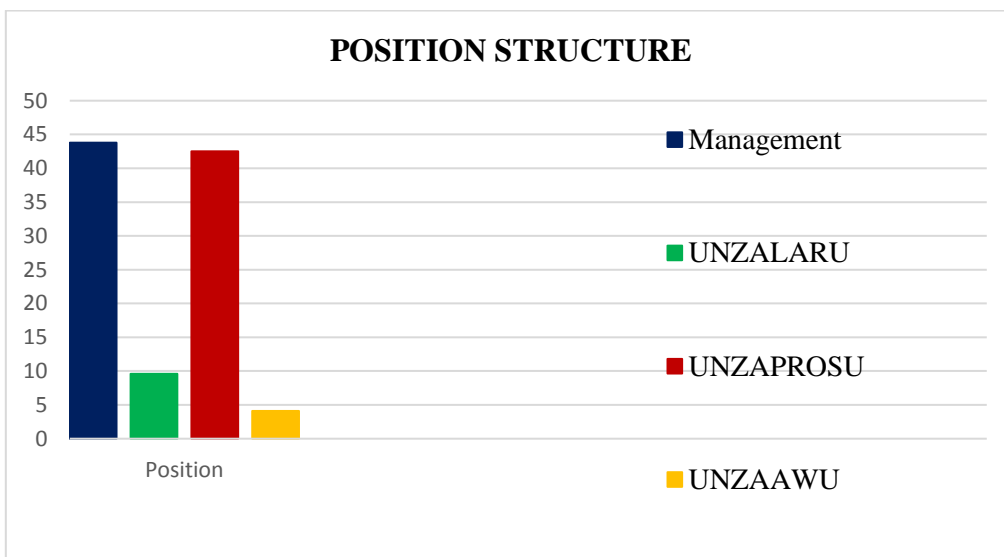
Strategic Plans to guide the operations of the institution according to its vision and mission statements.

Germano (2012) highlights strategy and planning are viewed extremely important to managers and considered vital exercises in promoting organisational longevity as well as short-term business success. This is so because strategic planning begins with a leader’s vision and outlines the steps and measurable goals needed to reach that destination.

		Position			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Management	32	43.8	43.8	43.8
	UNZALARU	7	9.6	9.6	53.4
	UNZAPROSU	31	42.5	42.5	95.9
	UNZAAWU	3	4.1	4.1	100.0
	Total	73	100.0	100.0	

**Table 3: Shows the position of respondents**

*Source: Field Data 2018*



**Clustered Column Chart 2: Shows positions of respondents**

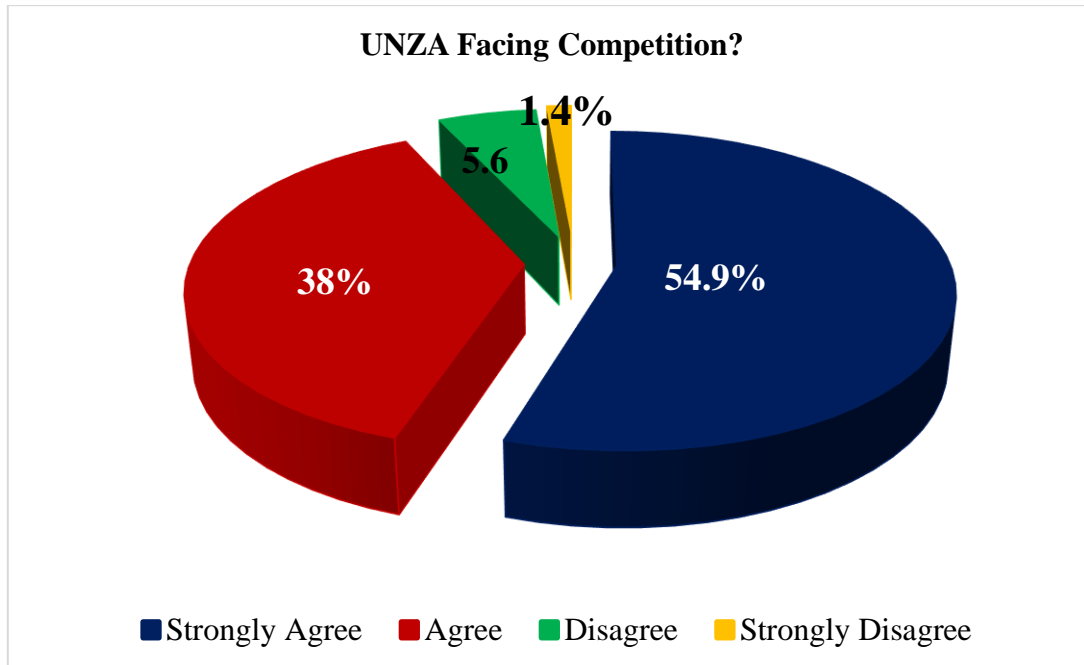
*Source: Field Data 2018*

### 4.1.3 UNZA Facing Competition

		UNZA facing competition			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	39	53.4	54.9	54.9
	Agree	27	37.0	38.0	93.0
	Disagree	4	5.5	5.6	98.6
	Strongly disagree	1	1.4	1.4	100.0
	Total	71	97.3	100.0	
Missing	System	2	2.7		
Total		73	100.0		

**Table 4: Answers the question, “UNZA Facing Competition?”**

*Source: Field Data 2018*



**Pie Chart 1: Answers the question, “UNZA Facing Competition?”**

*Source: Field Data 2018*

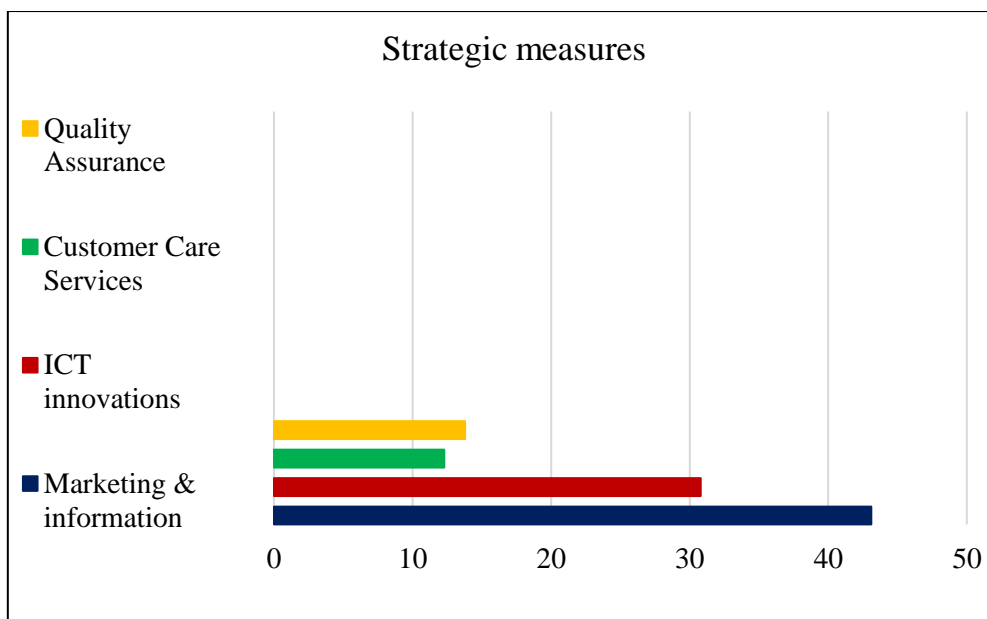
It is vividly clearly that the respondents appreciated the fact that the University of Zambia is facing competition as a result of the liberalised higher education sector in Zambia. The combined percentage of 92.9% (strongly agree, 54.9% and agree, 38%) shows that the respondents understand the competitive nature of the liberalised higher education sector in the country as indicated by **Table 4** and **Pie Chart 1**. This point has been highlighted by Taatila (2017) who noted that increased competition through enhanced globalisation has transformed the field of higher education deeply. It concurrently faces demands to produce a higher level of competence, shorten implementation periods and with an increasing number of participants with fewer resources. This scenario calls for effective strategic planning and making strategic choices to deal with competition.

#### 4.1.4 Strategic Measures

Strategic measures				
	Frequency	Percent	Valid Percent	Cumulative Percent
institution marketing and information dissemination	28	38.4	43.1	43.1
use of ICT innovations in higher education delivery	20	27.4	30.8	73.8
improve customer care services	8	11.0	12.3	86.2
improve quality assurance	9	12.3	13.8	100.0
Total	65	89.0	100.0	
Missing System	8	11.0		
Total	73	100.0		

**Table 5: Strategic measure to address issues of competition**

*Source: Field Data 2018*



**Bar Chart 1: Strategic measures to address issues of competition**

*Source: Field Data 2018*

**Table 5** and **Bar Chart 1** show four (4) strategic measures that the University can employ in order to overcome the challenges brought about by competitive liberalised higher education. From the findings displayed in both **Table 5** and **Bar Chart 1**, majority respondents felt that institution marketing and information dissemination (4.1%) and followed by the use of information communication technology (ICT) innovation in higher education delivery (30.8%) as vital strategic measures the University could use to address competition issues.

Akonkwa (2009) contends that market orientation is actually an appropriate strategy which could assist higher educational institutions face and overcome changes that are taking place in their set-ups. There are an array of sufficient reasons for the market orientation strategy to be effectively applied to higher education. These changes include massification and change in the quantitative and qualitative nature of the demand for higher education, professionalisation, budget cuts and constraints, need to diversify resources, rise of stakeholders' requirements in terms of quality control and accountability and technological changes. These are likely to impact the implementation of marketing in higher education institutions.

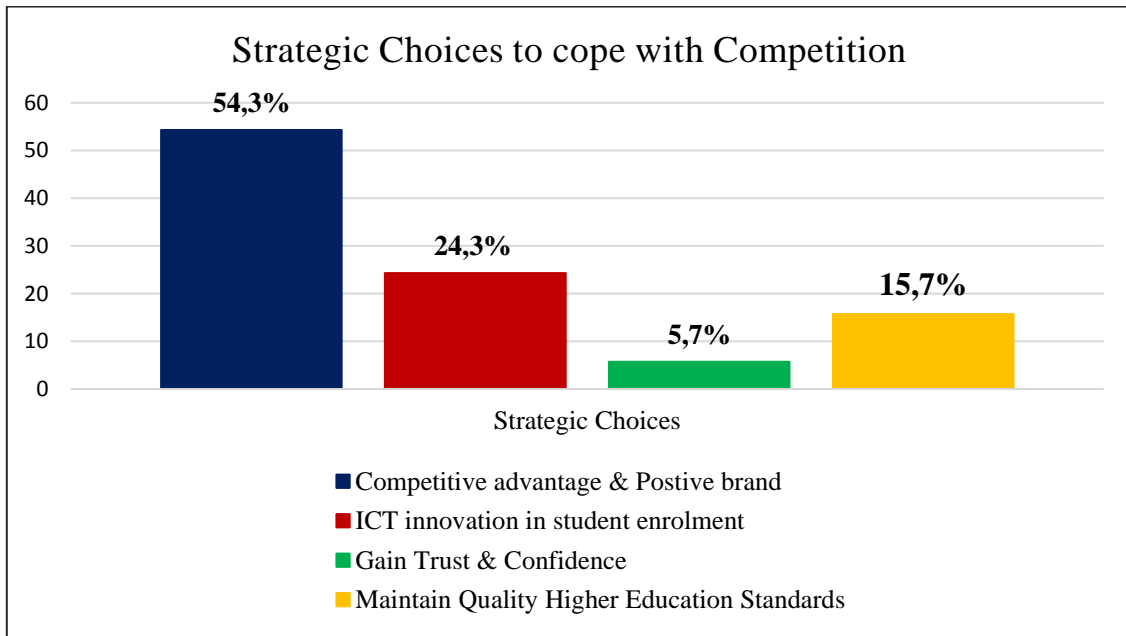
#### 4.1.5 Strategic Choices to Cope with Competition

**UNZA Strategic Choices to cope with competition**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid				
develop competitive advantage and a positive brand	38	52.1	54.3	54.3
ICT innovations will enable UNZA enrol more students and increase revenue base	17	23.3	24.3	78.6
gain trust and confidence	4	5.5	5.7	84.3
maintain quality higher education standards	11	15.1	15.7	100.0
Total	70	95.9	100.0	
Missing System	3	4.1		
Total	73	100.0		

**Table 6: Strategic choices to cope with competition**

*Source: Field Data 2018*



**Clustered Column Chart 3: Strategic choices to cope with competition**

*Source: Field Data 2018*

**Table 6** and **Clustered Column Chart 3** shows how participants in this study felt on what strategic choices the University of Zambia should take in order to cope with a competitive liberalised higher education sector in Zambia. It indicates that 54.3% respondents contended that developing a competitive advantage and a positive brand would assist the University cope well with competition. These were followed by 24.3% participants of the study who felt that the use of ICT innovations in student enrolment would significantly enhance the position of the University in the higher education sector in the county. And maintaining quality higher education standards following in third position.

In fact, Durkin (2012) argues that the concept of marketing has gained significant attention in universities across the world from the 1980s onwards. The remarkable increase in higher education competition stressed a need for universities to develop more distinct brand identities. This situation has led universities to strategically begin employing marketing principles in a bid to attract and retain students both in the local and international markets.

With the advent of Information Communication Technology innovations, many universities have started utilising them in delivering higher education services, especially in open distance education and online learning.

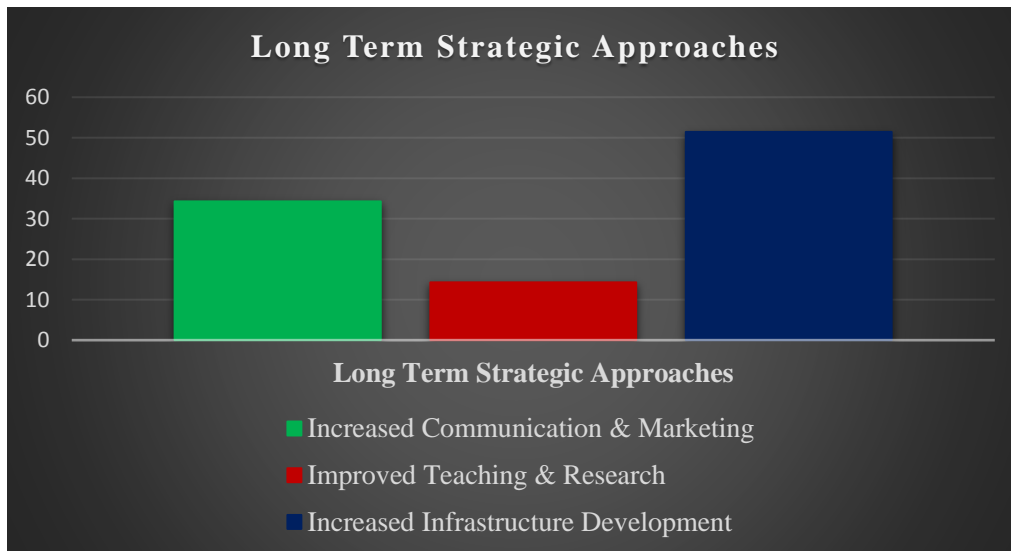
#### 4.1.6 Long term Strategic Approaches

**Long Term Strategic Approaches to Address Challenges**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid increased communication and marketing	24	32.9	34.3	34.3
Valid improved teaching and research	10	13.7	14.3	48.6
Valid increased infrastructure development	36	49.3	51.4	100.0
Total	70	95.9	100.0	
Missing System	3	4.1		
Total	73	100.0		

**Table 7: Long Term Strategic Approaches to Address Challenges**

*Source: Field Data 2018*



**Clustered Column Chart 4: Long Term Strategic Approaches to Address Challenges**

*Source: Field Data 2018*

In terms of long term strategic approaches to address challenges brought about by a competitive liberalised higher education, respondents put emphasis on increased infrastructure development (51.4%). Infrastructure development include the construction of lecture rooms, laboratories, research facilities, lecturers' offices, students' accommodation and virtual internet infrastructure. This is in order to meet the increasing demand for higher education in Zambia through onsite studies and open distance education as well as online learning.

This is followed by increased communication with 34.3% of respondents recommending that as one of the key long term strategic approaches. This scenario is highlighted in **Table 7** and **Clustered Column Chart 4** above.

These study findings are well documented in the University of Zambia Strategic Plan 2018 – 2022, (2017) as two of the seven (7) key Strategic Directions. These are:

**(a) Strategic Direction No. 5: Invest in and maintaining physical and virtual infrastructure**

**(b) Strategic Direction No. 4: Enhance the University Corporate Brand**

This also shows that the respondents were aware of these strategic directions in the 2018 -2022 Strategic Plan of the University of Zambia. At least, there is indication of the University's commitment to the long term strategic approaches to addressing the challenges in higher education such as competition, high university education demand and inadequate funding.

#### 4.1.7 Analysis by Category and Gender

**Gender \* Long Term Strategic Approaches to Address Challenges (Cross tabulation)**

Count		LT strategic approaches to address challenges			Total
		increased communication and marketing	improved teaching and research	increased infrastructure development	
Gender	Female	8	2	10	20
	Male	16	8	26	50
	Total	24	10	36	70

**Table 8: Gender Vs Long Term Strategic Approaches to Address Challenges**

*Source: Field Data 2018*

From Table 8 shows that there were not significant differences in the selecting long term strategic approaches in addressing challenges between female and male respondents. Both female and male participants in this study felt that increased infrastructure development was of paramount importance and then followed by increased communication and marketing.

**Position \* Long Term Strategic Approaches to Address Challenges (Cross tabulation)**

Count		LT strategic approaches to address challenges			Total
		Increased communication and marketing	Improved teaching and research	Increased infrastructure development	
Position	Management	9	6	16	31
	UNZALARU	2	1	4	7
	UNZAPROSU	12	3	14	29
	UNZAAWU	1	0	2	3
	Total	24	10	36	70

**Table 9: Position Vs Long Term Strategic Approaches to Address Challenges**

*Source: Field Data 2018*

**Table 9** indicates that all respondents by position (Management, UNZALARUS, UNZAPROSU and UNZAAWU) felt that increased infrastructure development followed by increased communication and marketing are vital long term strategic approaches to addressing challenges in a liberalised higher education sector. Therefore, by gender and position, there is a unanimous acknowledgement that infrastructure and communication as well as marketing are key to addressing various challenges in a competitive higher education. Then improved teaching and research comes in third place.

This does not mean teaching and research are not critical to the university. The respondents might have been considering addressing the real challenges of competition and ebbing funding from Government and how to address that. Moreover, this affirms that the respondents were fully aware of strategic issues UNZA is facing with the advent of a liberalised higher education sector in Zambia and increased demand for university education. So increased infrastructure development would help ease the challenges of inadequate lecture rooms, laboratories, research facilities, lecturers’ offices, and students’ accommodation.

#### 4.1.8 The University of Zambia Strategic Plan

**Do you agree that UNZA has a strategic plan in place?**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid yes	73	100.0	100.0	100.0

**Table 10: Responses to Affirm UNZA has a Strategic Plan**

*Source: Field Data 2018*

**Table 10** gives a 100% response to a question; ‘Do you agree that UNZA has a strategic plan in place?’ This response affirmed the assumption that the selected participants of this study adequately understand issues of strategic management and financial management. This is because most of the respondents were in Management, UNZALARU and UNZAPROSU categories. This is the team that drive the strategic management processes in the University.

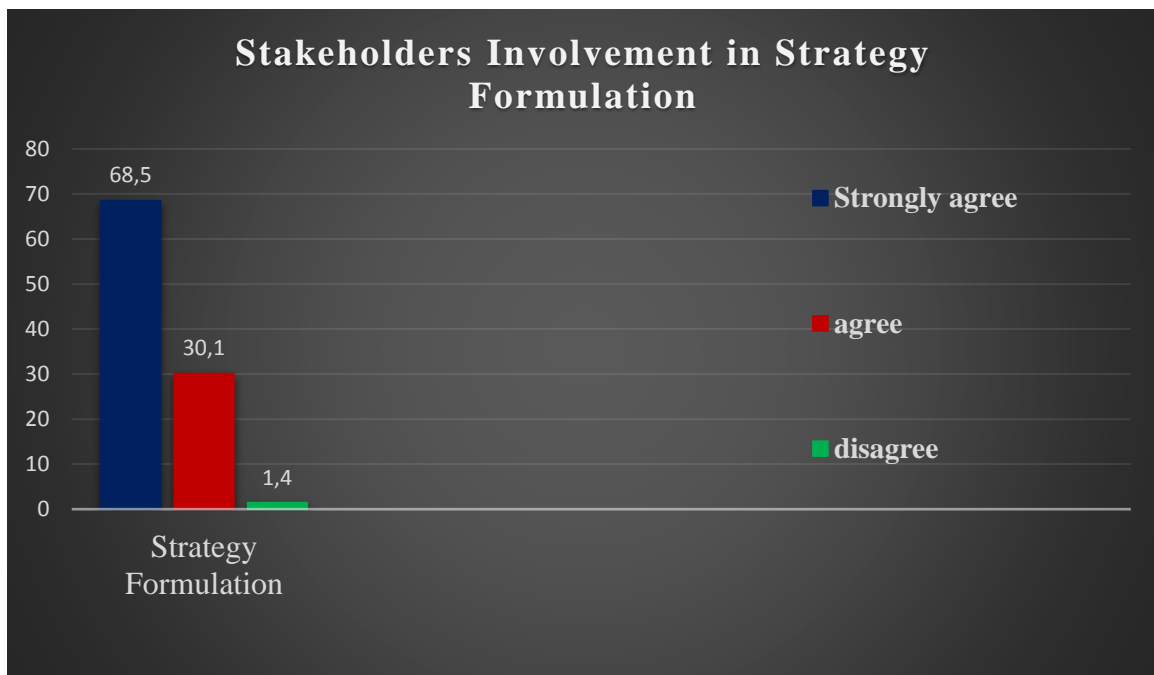
#### 4.1.9 Stakeholder Involvement in Strategy Formulation

**Should all stakeholders be involved in strategy formulation at UNZA?**

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	50	68.5	68.5	68.5
agree	22	30.1	30.1	98.6
Valid disagree	1	1.4	1.4	100.0
Total	73	100.0	100.0	

**Table 11: Stakeholders Involvement in strategy formulation at UNZA**

*Source: Field Data 2018*



**Clustered Column Chart 5: Stakeholders Involvement in strategy formulation at UNZA**

*Source: Field Data 2018*

**Table 11** and **Column Chart 5** reveal that 60.5% of respondents strongly agreed that stakeholders should be involved in the formulation of strategies. These were followed by 30.1% of participants of the study who agreed that stakeholder involvement in formulation of strategies was vital.

This is well reflected by The University of Zambia Vice-Chancellor, Prof. Luke Mumba in his Acknowledgement in the 2018 -2022 Strategic Plan when he said, “I am, therefore, grateful to both our external and internal stakeholders for their candid and valuable feedback on performance of the University. I also express gratitude to the various categories of the University Community as well as external stakeholders who provided further input during the actual development of the Strategic Plan,” (University of Zambia Strategic Plan 2018 – 2022, 2017:i).

This tallies well with what Dandira, (2011) who said that it was always a challenge for top managers to understand reasons why implementers should be involved in strategy. However, it was a fact that employees contribute better when they were involved in the planning stage.

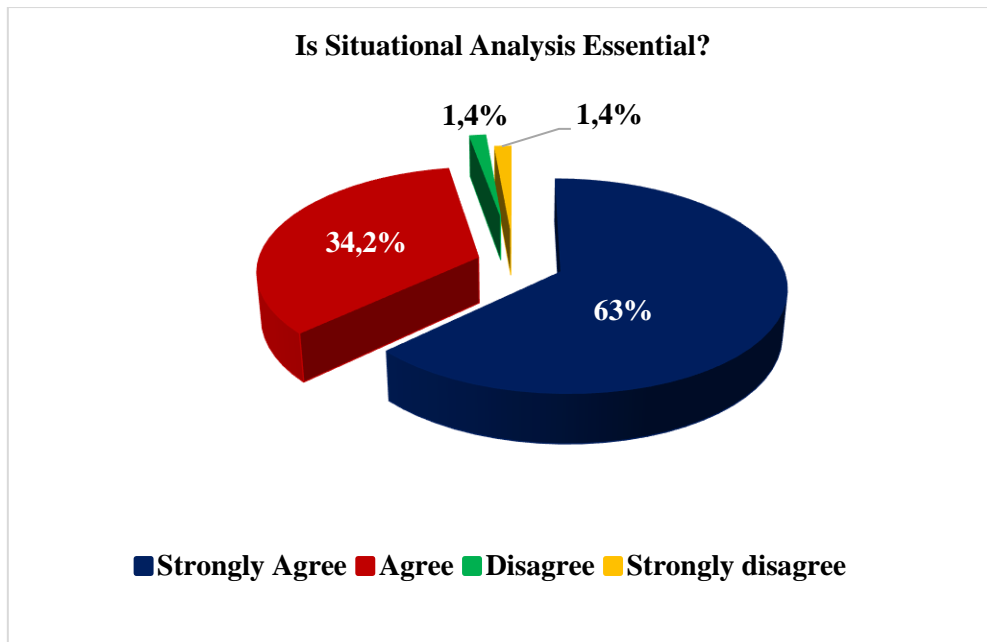
#### 4.1.10 Essence of Situational Analysis

##### Do you agree that situational analysis is essential for UNZA?

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	46	63.0	63.0	63.0
agree	25	34.2	34.2	97.3
disagree	1	1.4	1.4	98.6
strongly disagree	1	1.4	1.4	100.0
Total	73	100.0	100.0	

**Table 12: Situational Analysis Essential for Strategy formulation**

*Source: Field Data 2018*



**Pie Chart 2: Situational Analysis Essential for Strategy formulation**

*Source: Field Data 2018*

**From Table 12 and Pie Chart 2**, the respondents (63% strongly agree and 34.2% agree) agreed that situational analysis is vital in the formulations of strategies, especially in the case of the University of Zambia. It has been contended that in most organisations, strategy development follows a considerable analysis of the firm's current situation and its future prospects during the strategic planning process. This is undertaken so that accurate and pertinent facts, along with identified options are presented to senior management decision makers in an orderly and logical way, before adopting or modifying a corporate strategy (Davies, 2014).

There are various tools used in situational analysis. Downey (2007) identifies the following as appropriate tools that could be used in situational analysis in developing strategies:

- a) Strengths Weaknesses Opportunities Threats (SWOT) analysis
- b) PEST analysis
- c) Porter's Five Forces analysis
- d) Four Corners analysis
- e) Value Chain analysis
- f) Early Warning scans and
- g) War Gaming

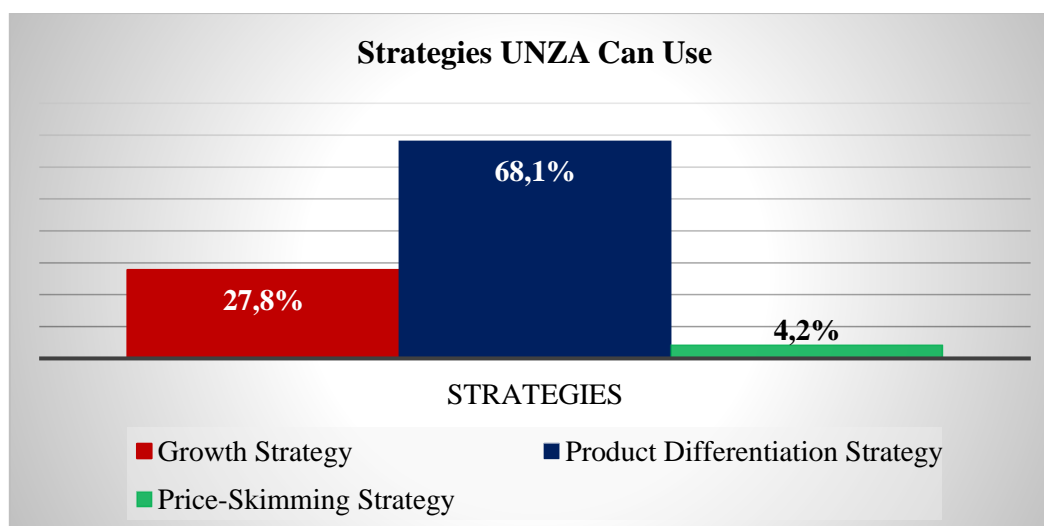
The University Zambia used the SWOT analysis in during the development of its 2018 – 2022 Strategic Plan (The University of Zambia Strategic Plan 2018 – 2022: 19).

#### 4.1.11 Possible Strategies

	Frequency	Percent	Valid Percent	Cumulative Percent
growth strategy	20	27.4	27.8	27.8
product differentiation strategy	49	67.1	68.1	95.8
price-skimming strategy	3	4.1	4.2	100.0
Total	72	98.6	100.0	
Missing System	1	1.4		
Total	73	100.0		

**Table 13: Strategies UNZA can use to address emerging challenges**

*Source: Field Data 2018*



**Column Chart 6: Strategies UNZA can use to address emerging challenges**

*Source: Field Data 2018*

**Table 13** and **Column Chart 6**. Among the three strategies presented to them, 68.1% of respondents favoured the Product Differentiation strategy as more applicable to the competitive liberalised higher education environment. This is due to the fact that all the players in the higher

education sector are, generally, offering the same degree programmes. To set themselves apart from other competitors, respondents felt that the University of Zambia should utilise the product differentiation strategy.

According to Kelchner (2018), product differentiation is a marketing strategy that many organisations are using to distinguish a product/service from similar offerings on the market. Product differentiation strategy can afford a firm a competitive advantage in a market over others. In product differentiation strategy, an organisation targets a particular segment(s) of the market and delivers the message that the product is positively different from all other similar products available to their benefit. The main objective of this strategy is, primarily, aimed at altering customer perspective/perceptions on one product/service when compared to another, even if the actual differences are minute or entirely aesthetic such as packaging, branding, etc.

Now considering the number of public universities (6) and private universities (60), respondents felt the product differentiation strategy would assist the University of Zambia to be perceived as unique.

**Position \* Strategies UNZA can use to address emerging challenges  
(Cross tabulation)**

Count		Strategies UNZA can use to address emerging challenges			Total
		Growth strategy	Product differentiation strategy	Price-skimming strategy	
Position	Management	10	21	1	32
	UNZALARU	3	3	0	6
	UNZAPROSU	7	23	1	31
	UNZAAWU	0	2	1	3
Total		20	49	3	72

**Table 14: Views of respondents on Strategies Can Use by Category**

*Source: Field Data 2018*

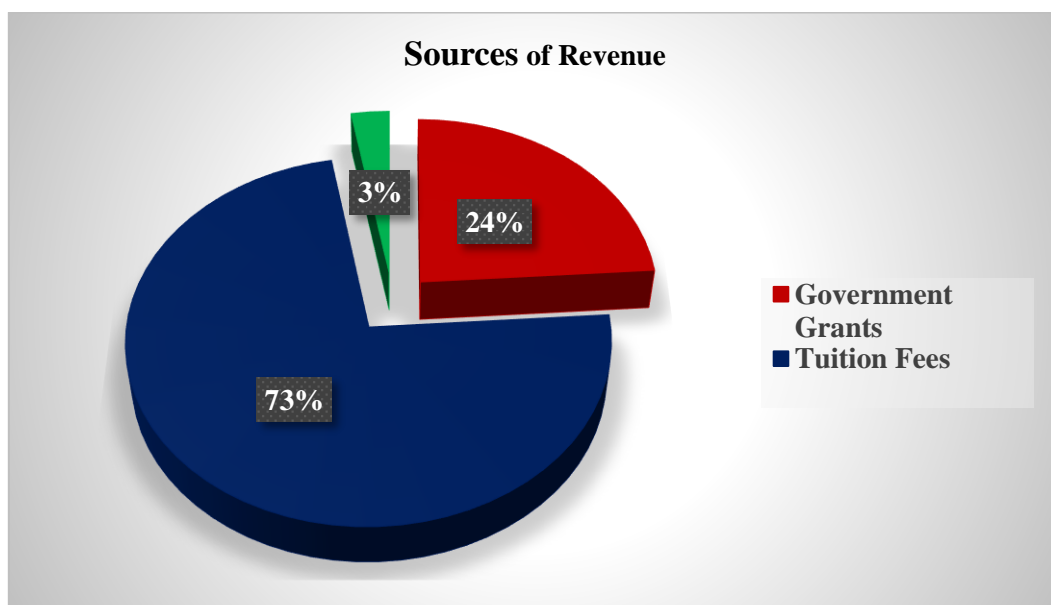
The cross-tabulation of respondents by their positions with what strategies the University of Zambia can use, as shown in **Table 14** points to the fact that participants of this study felt that product differentiation strategy would be a perfect fit to use in this competitive liberalised higher education.

#### 4.1.12 Sources of Financial Resources

UNZA Sources of Revenue				
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid government grants	17	23.3	23.9	23.9
tuition fees	52	71.2	73.2	97.2
business ventures	2	2.7	2.8	100.0
Total	71	97.3	100.0	
Missing System	2	2.7		
Total	73	100.0		

**Table 15: UNZA sources of Revenue**

*Source: Field Data 2018*



**Pie Chart 3: UNZA sources of Revenue**

*Source: Field Data 2018*

From **Table 15** and **Pie Chart 3** respondent indicated that the main source of revenue for the University of Zambia was tuition fees and then followed by Government grants. This scenario was highlighted in the University of Zambia Strategic Plan 2018 – 2022 (2018:5) where it was confirmed that the University obtained 59% of its revenues from tuition fees, then followed by 33% from Government grants and 8% from internal business ventures.

#### 4.1.13 Costs and Debt Burden

**Do you know that UNZA has huge costs and debt burden?**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid yes	73	100.0	100.0	100.0

**Table 16: UNZA has huge costs and debt burden**

*Source: Field Data 2018*

**Table 16** shows a unanimous “yes” response from the participants of the study when asked as to whether UNZA had a huge costs and debt burden. It shows that the respondents were aware of the financial situation of the university due to the fact that they were involved in managing the affairs of the institution.

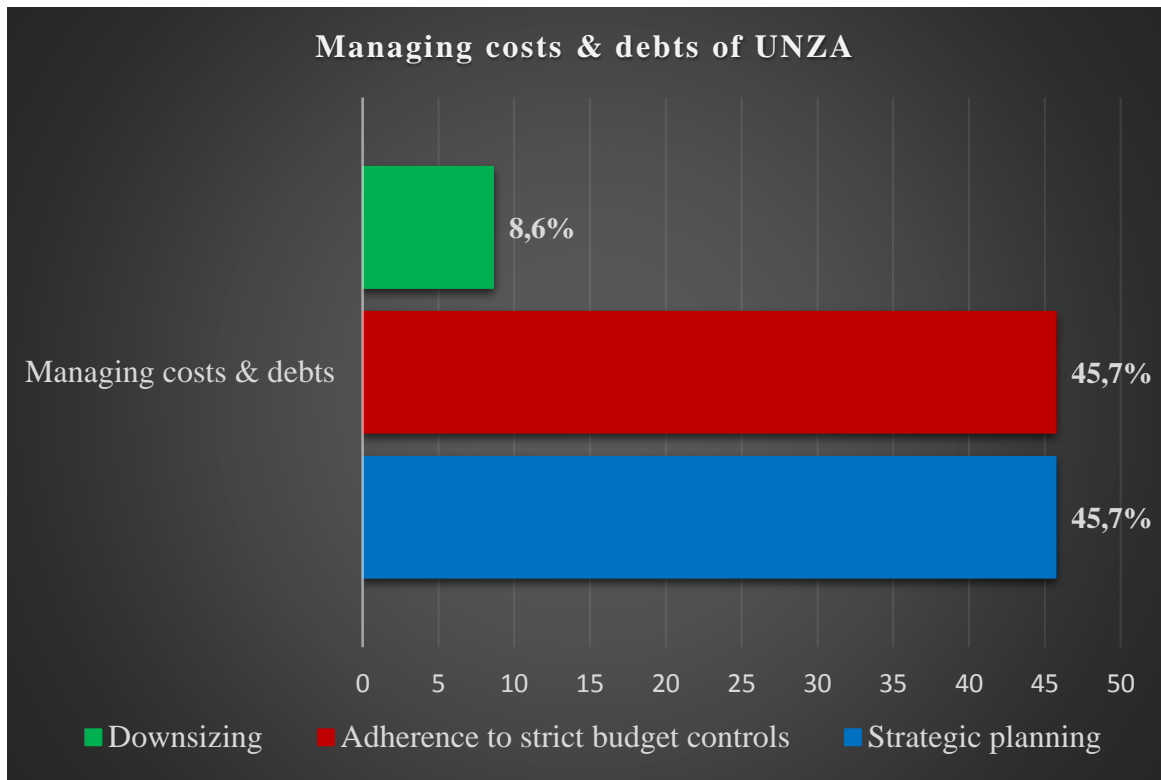
#### 4.1.14 Managing Costs and Debts

**How can the costs and debts be managed?**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strategic planning	32	43.8	45.7	45.7
Valid Adherence to strict budget controls	32	43.8	45.7	91.4
Valid Downsizing	6	8.2	8.6	100.0
Total	70	95.9	100.0	
Missing System	3	4.1		
Total	73	100.0		

**Table 17: Managing costs and debts of UNZA**

*Source: Field Data 2018*



**Bar Chart 2: Managing costs and debts of UNZA**

*Source: Field Data 2018*

The views of the respondents were clearly highlighted by **Table 17** and **Bar Chart 2**. The participants of the study selected Strategic planning and adherence to strict budget controls as means to manage the costs and debts of the University of Zambia. The scores were weighted equally at 45.7% each. The aspect of downsizing was viewed as the last option with only 8.6%. This is due to the fact that downsizing has adverse effects on both the company and employees.

However, many authors have argued against downsizing, especially employee unions. For instance, Martin (2013) contends that organisational downsizing does not achieve its major goals which are increases in effectiveness and efficiency. As a result, alternatives have been explored to achieve these two goals without resorting to organisational downsizing.

#### 4.1.15 Possible Sources of Revenue for UNZA

Sources of Funds				
		Responses		Percent of Cases
		N	Percent	
Possible sources of funds	Grants from Government	51	22.9%	71.8%
	Private public partnership	64	28.7%	90.1%
	Alumni relations	54	24.2%	76.1%
	Partnerships	40	17.9%	56.3%
	Loans and mortgages	14	6.3%	19.7%
Total		223	100.0%	314.1%

**Table 18: Possible Sources of Funds for UNZA.**

*Source: Field Data 2018*

In Table 18, respondents showed that the University could source for funds for investment from Private Public Partnerships (28.7%) which was followed by Alumni Relations when strategically managed. In the third place, was Government grants which stood at 22.9%. The views of the respondents was candidly shown that loans and mortgages were not the best sources of funds for the University of Zambia.

#### 4.1.16 Strategic Measures to Generate own Revenue

From **Table 19** below, respondents felt that investment in infrastructure development (**24.9%**) such as teaching, research and accommodation facilities would be a more strategic measure for the University of Zambia to generate its own revenues. With increased infrastructure, the university would be able to enrol more students and introduce new degree programmes. Thus, the University would be able to meet the increasing demand for university education in the country and the region.

In second place, the participants in the study also viewed that charging cost reflective tuition fees (**21%**) would assist in offsetting operational costs and meet other legal obligations. In third place, is developing business ventures such as subsidiary business entities (**18.8%**) of the University of Zambia. In fourth place, the respondents argued that increased student enrolment (**17.9%**) would assist in generating revenue through increased collection of tuition fees. The fifth strategic measure to generate revenue, was introduction of new degree programmes

(17.5%). This is due to the fact that society and industry have developed special needs which could be met by new skills and knowledge. This has been brought about by technological breakthroughs, globalisation and information communication technology innovations. Universities are better placed to train such skilled and knowledgeable human capital.

According to Shahidi (2012) globalisation is a multi-dimensional phenomenon and a multi-faceted process with economic, social, political and cultural implications for higher education. It has challenged monopoly in higher education field which was dominated by government-run universities as there are new providers of university education. Additionally, it has presented universities with a major test of maintaining educational quality which affect the quality of professional human capital needed for development in many countries.

<b>Strategic measures to generate revenue</b>				
		Responses		Percent of Cases
		N	Percent	
Measures to generate adequate revenue	Increase enrolment of students	41	17.9%	56.9%
	Introduce new degree programmes	40	17.5%	55.6%
	Charge cost reflective tuition fees	48	21.0%	66.7%
	Invest in infrastructure development (teaching, research and accommodation facilities)	57	24.9%	79.2%
	develop business ventures through subsidiary business entities	43	18.8%	59.7%
Total		229	100.0%	318.1%

**Table 19: Strategic measures to generate UNZA revenue**

*Source: Field Data 2018*

#### **4.1.17 Study Data Distribution**

Pearson Chi-Square Test of Goodness of Fit is useful for categorical or nominal data where there is one independent variable, and want to see whether the distribution of data is similar or

different to the expected (i.e. to compare the observed distribution of the categories to a theoretical expected distribution). Wikipedia (2018) states that Pearson's Chi-Squared Test of Goodness of Fit is a statistical test applied to sets of categorical data to evaluate how likely it is that any observed difference between the sets (observed and expected distribution) arose by chance.

It is also used to determine whether the distribution of data is by chance or it followed an observed and expected distribution. In this case, the Pearson Chi-Square test of goodness of fit was carried out to determine whether the distribution of data followed an observed and expected distribution.

**Chi-Square Test of Goodness of fit**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.710 <sup>a</sup>	6	.191
Likelihood Ratio	9.361	6	.154
Linear-by-Linear Association	2.651	1	.104
N of Valid Cases	73		

a. 8 cells (66.7%) have expected count less than 5. The minimum expected count is .01.

**Table 20: Pearson Chi-Square Test of Goodness of Fit**

*Source: Field Data 2018*

From **Tables 19 and 20**, the Chi-square statistic of 0.01 is less than 0.05 level of significance. This showed that the distribution of data of this study was not by chance. There is 0.01% chance of finding a discrepancy between the observed and expected distributions. This helps to understand that the attributes of the study sample were reflective of the study population.

#### **4.1.18 Hypothesis Testing: Pearson Chi-Square Test of Independence**

The Pearson Chi-square Test of Independence is a non-parametric statistical test to determine if two or more classifications of the samples are independent or not (Kostalova, 2010). According to McHugh (2013), this tool is designed to analyse group differences when the

dependent variable is measured at a nominal level. Like all non-parametric statistics, the Chi-square is robust with respect to the distribution of the data.

### **Main Hypothesis 1**

**Null Hypothesis  $H_0$ :** Competition as a result of liberalised higher education does not play a critical role in influencing strategic choices through situational analysis so as to maintain a competitive advantage over others.

**Alternative Hypothesis  $H_1$ :** Competition as a result of liberalised higher education plays a critical role in influencing strategic choices through situational analysis so as to maintain a competitive advantage over others.

The main hypothesis was tested using the Pearson Chi-Square Test of Independence to find significant evidence to either reject or fail to reject the Null Hypothesis and accept the Alternative hypothesis. Tables below display critical information needed for testing the hypothesis.

**UNZA facing competition \* Do you agree that situational analysis is essential for UNZA? Cross tabulation**

		Do you agree that situational analysis is essential for UNZA?				Total	
		strongly agree	agree	disagree	strongly disagree		
UNZA facing competition	Count	31	8	0	0	39	
	% within UNZA facing competition	79.5%	20.5%	0.0%	0.0%	100.0%	
	Strongly agree	% within Do you agree that situational analysis is essential for UNZA?	70.5%	32.0%	0.0%	0.0%	54.9%
	% of Total	43.7%	11.3%	0.0%	0.0%	54.9%	
	Count	11	15	1	0	27	
	% within UNZA facing competition	40.7%	55.6%	3.7%	0.0%	100.0%	
	Agree	% within Do you agree that situational analysis is essential for UNZA?	25.0%	60.0%	100.0%	0.0%	38.0%
	% of Total	15.5%	21.1%	1.4%	0.0%	38.0%	
	Count	1	2	0	1	4	
	% within UNZA facing competition	25.0%	50.0%	0.0%	25.0%	100.0%	
	Disagree	% within Do you agree that situational analysis is essential for UNZA?	2.3%	8.0%	0.0%	100.0%	5.6%
	% of Total	1.4%	2.8%	0.0%	1.4%	5.6%	
Strongly disagree	Count	1	0	0	0	1	
	% within UNZA facing competition	100.0%	0.0%	0.0%	0.0%	100.0%	
	% within Do you agree that situational analysis is essential for UNZA?	2.3%	0.0%	0.0%	0.0%	1.4%	
	% of Total	1.4%	0.0%	0.0%	0.0%	1.4%	
Total	Count	44	25	1	1	71	
	% within UNZA facing competition	62.0%	35.2%	1.4%	1.4%	100.0%	
	% within Do you agree that situational analysis is essential for UNZA?	100.0%	100.0%	100.0%	100.0%	100.0%	
% of Total	62.0%	35.2%	1.4%	1.4%	100.0%		

**Table 21: SPSS Analysed Data. Source: Field Data 2018**

**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	29.557 <sup>a</sup>	9	.001
Likelihood Ratio	19.471	9	.021
Linear-by-Linear Association	10.456	1	.001
N of Valid Cases	71		

a. 12 cells (75,0%) have expected count less than 5. The minimum expected count is ,01.

**Table 22: Results of the Pearson Chi-Square Test of Independence**

*Source: Field Data 2018*

From **Tables 21 and 22**, it evident that the Chi-square statistic (p-value) is **0.01**, which is less than **0.05** level of significance (alpha level). It showed that there was significant evidence to reject the Null Hypothesis and support the Alternative hypothesis.

Conclusion: There is significant evidence that competition in liberalised higher education influence strategic choices made through situational analysis so as to maintain a competitive advantage over other universities.

**Hypothesis 2**

**Null Hypothesis H<sub>0</sub>**: The University does not need strategic measures to generate own financial resources to meet all operational costs.

**Alternative Hypothesis H<sub>1</sub>**: The University needs strategic measures to generate own financial resources to meet all operational costs.

Analysis of **Table 19** apparently shows significant evidence to reject the Null Hypothesis and favourably consider the Alternative Hypothesis. The SPSS analysis of data indicates that respondents felt that the University of Zambia need strategic measures to generate its own revenues.

These strategic measures were highlighted as follows:

- (a) Increase enrolment of students
- (b) Introduce new degree programmes
- (c) Charge cost reflective tuition fees
- (d) Invest in infrastructure development (teaching, research and accommodation facilities)
- (e) Develop business ventures through subsidiary business entities

<b>Strategic measures to generate revenue</b>				
		Responses		Percent of Cases
		N	Percent	
Measures to generate adequate revenue	Increase enrolment of students	41	17.9%	56.9%
	Introduce new degree programmes	40	17.5%	55.6%
	Charge cost reflective tuition fees	48	21.0%	66.7%
	Invest in infrastructure development (teaching, research and accommodation facilities)	57	24.9%	79.2%
	develop business ventures through subsidiary business entities	43	18.8%	59.7%
Total		229	100.0%	318.1%

**Table 19: Strategic measures to generate UNZA revenue**

*Source: Field Data 2018*

### **Hypothesis 3**

**Null Hypothesis H<sub>0</sub>:** strategic responses are not important for UNZA to cope with emerging higher education environmental challenges.

**Alternative Hypothesis H<sub>1</sub>:** strategic responses are important for UNZA to cope with emerging higher education environmental challenges.

**Strategic Responses UNZA can use to address emerging education environmental challenges**

	Frequency	Percent	Valid Percent	Cumulative Percent
Growth strategy	20	27.4	27.8	27.8
Product differentiation strategy	49	67.1	68.1	95.8
Price-skimming strategy	3	4.1	4.2	100.0
Total	72	98.6	100.0	
Missing System	1	1.4		
Total	73	100.0		

**Table 23: Strategic Responses UNZA can use to address emerging challenges**

*Source: Field Data 2018*

The views of respondents were that UNZA could use various strategic responses to address the emerging education environmental challenges brought about by a liberalised higher education in Zambia. Some of the strategic responses were as follows:

- (a) Growth strategy
- (b) Product differentiation strategy
- (c) Price-skimming strategy

From **Table 23**, there is evidence to reject the Null hypothesis and accept the Alternative hypothesis. Evidence shows that it is important for the University to develop strategic responses to emerging challenges so as to remain relevant and viable in view of the changing higher education terrain.

**4.1.19 Summary**

This chapter has presented the research findings to give a total picture of the analysed nominal data. From the findings, it is clear that the respondents fully agreed that the liberalised higher education has brought about competition which calls for making strategic choices. It was also found that the University of Zambia was facing high costs and debt burden which might be addressed by undertaking strict financial controls and strategic planning.

Additionally, findings show that the University of Zambia need to invest in communication and marketing in order to develop a competitive advantage and build a positive brand. This strategic choices would assist the institution to cope with competition in the higher education sector. It was discovered that to meet increasing demand for university education, the University of Zambia would need to invest in physical and virtual infrastructure development.

The findings highlighted that the strategic measures that the University of Zambia should employ in order to remain financially viable and long term strategies to live up to its mandate.

Moreover, the overwhelming evidence proved that the three Null Hypotheses be rejected and the alternative ones be accepted by using the Pearson Chi-Square Test of Independence and quantitative data analysis displayed in forms of tables and charts. For instance, the Pearson Chi-Square Test of Independence produced the Chi-square statistic (p-value) of 0.01, which was less than 0.05 level of significance (alpha level). It showed that there was significant evidence to reject the Null Hypothesis and support the Alternative hypothesis. Finally, the findings also revealed that the distribution of data followed an observed and expected pattern and not by chance. The Pearson Chi-Square Test of Goodness of Fit revealed a Chi-square statistic of 0.01 was less than 0.05 level of significance. This showed that the distribution of data of this study was not by chance. This clearly indicated that the attributes of the study sample were reflective of the study population.

## CHAPTER FIVE

### DISCUSSION OF FINDINGS

#### 5.0 Overview

In this Chapter, the researcher discusses the key study findings in relations to other authors as elaborated in Chapter Two on Literature Review, and deduces lessons that will provide insight in strategic planning and making strategic choices for public universities operating in a competitive higher education environment.

#### 5.1 Discussions

The study on what strategic choices that the University of Zambia should take in order to cope with a competitive liberalised higher education sector in Zambia showed that 54.3% respondents contended that developing a competitive advantage and a positive brand would assist the University cope well with competition. And that 24.3% participants of the study felt that the use of ICT innovations in student enrolment would significantly enhance the position of the University in the higher education sector in the county. Meanwhile, 15.7% respondents contended that maintaining quality higher education standards was critical in higher education.

This scenario reflect what Fethke (2013) who pointed out differences between private business enterprises and public universities and then to suggest that various characteristics of private sector excellence are applicable, often with modest alterations, to public higher education. This entails that private business enterprise spend efforts in developing competitive advantage and a positive brand in order to cope with competition.

It is argued that competitive advantage and a positive brand are a product of marketing and communication. This tallies well with what Durkin (2012) argued that the concept of marketing had gained significant attention in universities across the world from the 1980s onwards. This has been necessitated by significant increase in higher education competition. As a result, universities have developed more distinct brand identities by employing marketing principles to attract and retain students both in the local and international markets.

This point was also emphasised by Otungu (2011) who contended that the profit-maximising and competition-based theory explained that business organisation's main objective was to maximise long term profit and develop sustainable competitive advantage over rivals in the

external market place. This theory argues that the positioning of an organisation in the external environment was a critical factor in achieving business objectives and remain competitive in the market and be above its competitors.

Moreover the use of ICT innovations has been employed by both private businesses and some public universities with remarkable results as can be shown by 24.3% respondents. Zapp (2017) echoed the same argument by stating that countries with a more recent higher education system has put more emphasis on technological development than those that look back on multiple centuries of higher education development with their canonical legacies. This was supported by Bloom (2006) who contended that, in a knowledge economy, tertiary education or higher education played a pivotal role in helping economies catch-up on more technologically advanced societies, since new graduates would be enlightened on and better placed to use new technologies. This show that use of ICT innovations in higher education is gaining more attention than ever before and can increase efficiency and effectiveness in delivering university education.

From the findings, maintaining quality higher education standards was ranked number three (3) at 15.7% by respondents. This is reasonable percentage and portrays significant importance of quality higher education standards. Brown (2017) claimed that one of the factors affecting higher education in the Eastern Caribbean region was quality of education. In view of a brittle economy and inadequate natural resources, the region faced numerous challenges in providing access to quality higher education to its people. This entails that managing and maintaining high quality higher education standards is of paramount importance for universities to survive in a competitive environment.

On long term strategic approaches to address challenges of a competitive liberalised higher education, 51.4% respondents put emphasis on increased infrastructure development. In this study, infrastructure include lecture rooms, laboratories, research facilities, lecturers' offices, students' accommodation and virtual internet facilities. This was echoed by Kotecha (2012) who recognised that in the 1970s governments in the Southern African Development Community region invested less in higher education infrastructure which has led to a situation where demand for higher education has outstripped the capacity to provide it. This situation has created a fertile environment for the rapid growth of private universities because demand for university education has outstripped the capacities of long-established universities. In addition, Wolhuter (2013) agreed with this argument by stating that higher education in Africa

was facing major challenges which include poor infrastructure. So infrastructure is one of the major challenges that public universities should embark on addressing through strategic investment.

The other aspect of this study findings was the sources of revenue for the University of Zambia. The responses of respondents indicated that 73% of revenues came from tuition fees, then 24% from Government and 3% from business ventures of the University. This situation conforms to the highlights in the University of Zambia Strategic Plan 2018 – 2022 (2018:5) where it was stated that the University obtained 59% of its revenues from tuition fees, then followed by 33% from Government grants and 8% from internal business ventures. And Fethke (2013) indicated that this situation was common to other public universities in around the world such as North America and Europe where tightened government budgets forced university leaders to develop frameworks to provide the foundation for the transformation that needed to happen as universities face a permanent decline in public support. In this regard, public universities, like the University of Zambia, need to develop strategic approaches to address this real challenge of financial resources.

Despite the above scenario, Masaiti (2013) still argued public universities were still reliant on government for financing different aspects of their budgets, including capital projects and staff emoluments.

On data analysis using the Statistical Package for Social Sciences (SPSS) software, the Pearson Chi-Square Test of Goodness of Fit was carried out to verify whether the data collected from the field followed observed and expected distribution. The result showed that the distribution of data of this study was not by chance and that the attributes of the study sample were reflective of the study population.

The Pearson Chi-Square Test of Independence, it showed that there was significant evidence to reject the main Null Hypothesis and support the Alternative hypothesis. In conclusion, the test revealed that there is significant evidence that competition in liberalised higher education influence strategic choices made through situational analysis so as to maintain a competitive advantage over other universities.

## **5.2 Summary**

This Chapter covered the discussion on the key findings of the study with reference to what other authors have asserted on the subject of strategic choices in public universities in a competitive liberalised higher education sector. The Chapter discussed key issues revealed in the study such as use of ICT innovations, quality of higher education, business models for public universities, infrastructure development, costs and financing of public universities. The discussions were concluded by considering the hypotheses.

## **CHAPTER SIX**

### **CONCLUSIONS AND RECOMMENDATIONS**

#### **6.0 Overview**

This Chapter sums up the study and provides recommendation that might inspire further research in this vital field of study. It would be of interest to research on how the liberalised higher education is impacting the private universities in Zambia by looking at the various business models. This is due to the fact that private universities, generally, operate as business entities.

#### **6.1 CONCLUSIONS**

This research has highlighted some of the issues that public universities are facing following the liberalisation of higher education in the Zambia. The study has shown that this situation has brought about a competitive higher education environment which calls for utilisation of various strategic responses.

From the analysed data, public universities should develop strategic choices in order to operate in the competitive liberalised higher education sector in Zambia. These include developing a competitive advantage and a positive brand (54.3%), use of ICT innovations in student enrolment (24.3) and maintaining quality higher education standards (5.7%).

Additionally, for long term strategic approaches, increased infrastructure development was significantly stressed. This means that public universities should invest in construction of lecture rooms, laboratories, research facilities, lecturers' offices, students' accommodation and virtual internet facilities. This is to build capacities to meet the increasing demand in university education and competition from other universities. For instance, the University of Zambia is currently facing inadequate infrastructure to accommodate students, lecturers and insufficient lecture rooms, laboratories and research facilities as indicated in the University of Zambia Strategic Plan 2018 – 2018. The strategic choice is to invest in infrastructure through private public partnerships and others such as government financial support.

In this study has established that the University of Zambia's source of revenue was student tuition fees which was followed by grants from Government. This findings are reflected in the University of Zambia Strategic Plan 2018 – 2022 where tuition fees form the major source of

revenue than Government grants and internal business ventures. However, it has been argued that public universities still depend on Government for financing for staff emoluments and capital projects.

Using the Statistical Package for Social Sciences (SPSS) software, appropriate tests of the Pearson Chi-Square Test of Goodness of Fit establish that data collected from the field followed observed and expected distribution. Moreover, the distribution of data of this study reflected the attributes of the study population.

In the same vein, the Pearson Chi-Square Test of Independence was used to reject the main Null Hypothesis and support the Alternative hypothesis which confirmed that there was significant evidence that competition in liberalised higher education influence strategic choices made through situational analysis so as to maintain a competitive advantage over other universities.

In the case of the University of Zambia, the study has clearly shown that the institution is facing competition from both private and other public universities. Then strategic measures and responses which could be used to address these challenges have been presented. It has also been shown that in strategies formulation, key stakeholders should be involved from the very beginning so as to avoid loss of confidence in management and employees not buy-in in management style.

And from the University of Zambia Strategic Plan 2018 – 2022, it clear that the University Management is striving to ensure that everyone is brought on board in strategic planning and vision of the institution.

The study has indicated that University of Zambia is facing significant costs and debts which hamper the smoothing operation of the organisation. To a larger extent, this study has belaboured to show that strategic measures that could be utilised to turn around the current situation by charging cost-reflective tuition fees, strict budget controls and increased infrastructure development.

The study also discussed the long term strategies that the University could implement both to meet the demand for higher education and address the emerging challenges brought about by a competitive liberalised higher education. Of these, the product differentiation strategy was highlighted as the more appropriate one for the University of Zambia.

## 6.2 RECOMMENDATIONS

From the study's findings, the following recommendations are made:

- (a) To operate in a competitive liberalised higher education sector, the University of Zambia Management should:
  - i. Invest in Communication and Marketing
  - ii. Use ICT innovations in higher education service delivery
  - iii. Invest in physical and virtual infrastructure.
- (b) The University of Zambia Management should use the product differentiation strategy to address the emerging challenges in the higher education environment.
- (c) To remain financially viable, the University Management, particularly the Bursar's office, should employ;
  - i. Strategic planning
  - ii. Strict budget controls.
- (d) The University of Zambia Management to source funds for investments. The Business Development Directorate could source for funding through the Private Public Partnerships and Alumni Relations.
- (e) The University of Zambia Management should continue to engage all stakeholders its strategy formulation from the very beginning of the process.

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## APPENDICES

### APPENDIX I

#### 2.1 Letter of Consent

Introduction

Dear Respondent,

My full names are Damaseke Kuyumba Chibale, a student at Institute of Distance Education of the University of Zambia. I am conducting a research study on: *“Liberalised Higher Education and Strategic Choice in Public Universities. A Case of the University of Zambia”* as part of my academic requirement for my Masters Degree in Business Administration.

I am glad to indicate that you have been identified to participate in this research on a voluntary basis. Your views are very cardinal in providing the needed information on how public universities can develop skills and utilise the principles of effective strategic management in order to remain competitive and generate their revenue to meet their operational and maintenance costs.

Whatever information you will provide, will not be shown to any other person. It will be kept strictly confidential.

If you need any clarifications, please contact my supervisor, Dr. William Phiri, Institute of Distance Education, The University of Zambia. P. O Box 32379, Lusaka.

As you answer the questions, please to do not indicate your name.

I would like to sincerely thank you for your cooperation in advance.

Interviewee.....(signature) Date.....

Interviewer.....(signature) Date.....

**Damaseke K. Chibale, Student No. 715807401**

## APPENDIX II

### 2.2 Questionnaire

**The University of Zambia**  
**Institute of Distance Education**  
**Questionnaire**

Dear esteemed respondents,

You have been randomly selected to participate in this research entitled: *“Liberalised Higher Education and Strategic Choice in Public Universities. A Case of the University of Zambia”* by answering questions in this research study. The exercise is purely for academic purposes. You are kindly requested to freely answer all the questions in this paper for your responses will be treated highly confidential and anonymous. In this case, you do not need to indicate your name.

#### **Instructions:**

1. Do not write your name on this questionnaire
2. You are free to answer all the questions by ticking  or
3. Explain in the spaces provided

#### **A. DEMOGRAPHIC DETAILS:**

##### **Personal Details:**

1. What is your gender?

(i) Female

(ii) Male

2. Which is your position?

- (i) Management
- (ii) UNZALARU
- (iii) UNZAPROSU
- (iv) UNZAAWU

3. How long have you been working at UNZA?

- (i) 0 – 5 years
- (ii) 6 – 10 years
- (iii) 11 – 15 years
- (iv) 16 – 20 years
- (v) 21 – 25 years
- (vi) 26 – 30 years

**Academic/Education Details:**

4. What is Secondary education level?

- (i) Grade 9
- (ii) Grade 12

5. What is your professional qualification?

- (i) College Certificate
- (ii) College Diploma
- (iii) University Degree

6. What is your postgraduate qualifications?

(i) Master's degree

(ii) Doctor of Philosophy (PhD)

## B. STRATEGIC MEASURES

7. Do you agree UNZA is facing competition from other public and private universities as a result of liberalisation of higher education in Zambia?

(a) Strongly agree

(b) Agree

(c) Disagree

(d) Strongly disagree

(e) Not sure

8. If your answer is (a) or (b), select one strategic measures which should be put in place?

(a) Institution marketing and information dissemination

(b) Use of ICT innovations higher education delivery

(c) Improve customer care services

(d) Improve quality assurance

9. To what extent can these measures help UNZA cope with competition from competitors and its challenges? Select one.

(a) Develop competitive advantage and a positive brand

(b) ICT innovations will enable UNZA enrol more students and increase revenue base

(c) Gain trust and confidence

(d) Maintain quality higher education standards

10. What one measure would you suggest to UNZA Management to address challenges of competition?

- (a) Increased communication and marketing
- (b) Improved teaching and research
- (c) Increased infrastructure development

**C. GENERATION OF FINANCIAL RESOURCES**

11. What is UNZA's main source of revenue?

- (a) Government grants
- (b) Tuition fees
- (c) Business ventures

12. What can UNZA do to adequately generate revenue? (*Tick as many as you think necessary*)

- (a) increase enrolment of students
- (b) introduce new degree programmes
- (c) Charge cost reflective tuition fees
- (d) Invest in infrastructure development (teaching, research and accommodation facilities)
- (e) develop business ventures through subsidiary business entities

13. Where can UNZA obtain funds to undertake the above-mentioned revenue generating ventures? (*Tick as many as you think necessary*)

- (a) Grants from Government
- (b) Private public partnership
- (c) Alumni relations
- (d) Partnerships
- (e) Loans and mortgages

14. Do you know that UNZA has huge costs and debt burden?

- (a) Yes
- (b) No
- (c) Not sure

15. If your answer “Yes”, how can the costs and debt be managed? Select one option.

- (a) Strategic planning
- (b) Adherence to strict budget controls
- (c) Downsizing

#### **D. STRATEGIC RESPONSES**

16. Do you agree that UNZA should have a strategic plan in place?

- (a) Yes
- (b) No
- (c) Not sure

17. Should all stakeholders be involved in strategy formulation at UNZA?

- (a) strongly agree
- (b) agree
- (c) disagree
- (d) strongly disagree

18. What are disadvantages of not involving stakeholders in strategy formulation risks do you think UNZA will encounter if stakeholders are not involved? (*Tick as many as you think necessary*)

- (a) employees will not buy in
- (b) loss of confidence in management style
- (c) reduced productivity
- (d) labour disputes

19. Why do you think UNZA should have a strategic plan? Select one option.

- (a) To provide direction and vision for the university
- (b) As a special document for display
- (c) To show intelligence level

20. In view of new emerging challenges in management of higher education institutions, what strategic approach can UNZA use to address them? Select one option.

(a) Growth strategy

(b) Product differentiation strategy

(c) Price-skimming strategy

(d) Acquisition strategy

21. Do you agree that situational analysis is essential for UNZA to remain relevant in modern higher education environment?

(a) strongly agree

(b) agree

(c) disagree

(d) strongly disagree

**Thank you for taking some time off your busy schedule to answer the questions in this research question.**

## APPENDIX III

### 2.3 Interview Questions

**The University of Zambia**  
**Institute of Distance Education**  
**Questionnaire**

Dear esteemed respondents,

My full names are, Damaseke Kuyumba Chibale, a student at Institute of Distance Education of the University of Zambia. I am conducting a research study on: *“Liberalised Higher Education and Strategic Choice in Public Universities. A Case of the University of Zambia”* as part of my academic requirement for my Masters Degree in Business Administration.

You have been randomly selected to participate in this research by answering Interview questions in this research study. The exercise is purely for academic purposes. You are kindly requested to freely answer all the questions in this paper for your responses will be treated highly confidential and anonymous. In this case, you do not need to indicate your name.

It will take you less than 10 minutes to complete.

Thanking you in advance.

Interviewee.....(signature) Date.....

Interviewer.....(signature) Date.....

**Damaseke K. Chibale, Student No. 715807401**

**Competition in higher education institutions**

2.3.1 In view of competition in the higher education sector, what strategic choices should public universities take?

.....  
.....  
.....  
.....

**Revenues generation by public universities**

2.3.2 How can public universities generate their own financial resources to sustain their operations?

.....  
.....  
.....  
.....

2.3.3 How can UNZA strategically respond to emerging higher education environmental challenges?

.....  
.....  
.....  
.....

**Thank you for taking some time off your busy schedule to answer the questions in this research question.**



**UNIVERSITY OF ZAMBIA – ZIMBABWE OPEN UNIVERSITY  
(UNZA-ZOU)**

Telephone: 26021-1-291777-78 Ext. 3500 0978772249  
Telegrams: UNZA LUSAKA  
Telex: UNZALU ZA 44370  
Fax: 26021-1-290719  
Your Ref:  
Our Ref:

P.O. Box 32379  
LUSAKA, ZAMBIA

Date:.....

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**RE: CONFIRMATION OF STUDY**

Reference is made to the above subject.

This serves to confirm that DAMASEKE K CHIBALE of NRC Number 292340/33/1 and computer number 715807401 is a bonafide student of the University of Zambia in collaboration with the Zimbabwe Open University (UNZA-ZOU).

The student is pursuing a Master degree of Business Administration programme and that he/she will be carrying out a research on LIBERALISED HIGHER EDUCATION AND STRATEGIC CHOICE IN PUBLIC UNIVERSITIES: A CASE OF THE UNIVERSITY OF ZAMBIA.

Any assistance rendered to him/her will be greatly appreciated.

Dr. Daniel Ndhlovu  
**ASSISTANT DIRECTOR (PG)  
INSTITUTE OF DISTANCE EDUCATION**



# THE UNIVERSITY OF ZAMBIA

Email: registrar@unza.zm  
Tel/Fax +260 211 253952  
Telex: ZA 44370

Registrar's Office  
P.O. BOX 3237  
Lusaka, Zambia

15<sup>th</sup> February, 2018

Mr. Damaseke K. Chibale  
C/o Public Relations Unit  
University of Zambia  
P.O. Box 32379  
**UNZA**

Dear Mr. Chibale,

**RE: PERMISSION TO CONDUCT RESEARCH**

Reference is made to your letter dated 7<sup>th</sup> February, 2018 with regard to the matter captioned above.

This serves to inform you that your request to collect data from the University of Zambia, for your research work on "**Liberalised Higher Education and Strategic Choice in Public Universities: A Case of the University of Zambia**" has been granted. This is to enable you complete your Masters Degree in Business Administration at the University of Zambia.

By copy of this letter, the Deputy Registrar (Academic Affairs) and other relevant officers are hereby notified of the approval.

Yours sincerely

  
Sitali Wamundila (Mr.)  
**REGISTRAR**

c.c. Vice-Chancellor  
Deputy Vice-Chancellor  
Deputy Registrar (Academic Affairs)



# THE UNIVERSITY OF ZAMBIA

## DIRECTORATE OF RESEARCH AND GRADUATE STUDIES

Great East Road | P.O. Box 32379 | Lusaka 10101 | **Tel:** +260-211-290 258/291 777  
**Fax:** +260-1-290 258/253 952 | **Email:** director@drgs.unza.zm | **Website:** www.unza.zm

### Approval of Study

9<sup>th</sup> August, 2018

**REF. NO. HSSEREC: 2018-JUNE-028**

Mr. Damaseke Kayumba Chibale  
The University of Zambia  
Great East Road Campus  
P.O Box 32379  
**LUSAKA**

Dear Mr. Chibale,

**RE: "LIBERALISED HIGHER EDUCATION AND STRATEGIC CHOICE IN PUBLIC UNIVERSITIES. A CASE OF THE UNIVERSITY OF ZAMBIA"**

Reference is made to your request for waiver of ethical approval of the study. The University of Zambia Humanities and Social Sciences Research Ethics Committee IRB has approved the study noting that there are no ethical concerns.

On behalf of The University of Zambia Humanities and Social Sciences Research Ethics Committee IRB, we would like to wish you all the success as you carry out your study. In future ensure that you submit an application for ethical approval early enough.

Yours faithfully,

*Dr. Jason Mwanza*

BA, MSoc, Sc., PhD

**CHAIRPERSON**

**THE UNIVERSITY OF ZAMBIA HUMANITIES AND SOCIAL SCIENCES  
RESEARCH ETHICS COMMITTEE IRB**

cc: Director (Research), Directorate of Research and Graduate Studies  
Assistant Director (Research), Directorate of Research and Graduate Studies  
Assistant Registrar (Research), Directorate of Research and Graduate Studies



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## *Publication Certificate*

This certificate confirms that "**Damaseke Kuyumba Chibale**" has published manuscript titled "**Strategic choices of public universities in a competitive liberalised higher education. A case of the University of Zambia**".

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Yours Sincerely,



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