Influence of Geographical and Concentric Diversification Strategies on Performance of Kenyan Universities

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ABSTRACT
The general objective of this study was to investigate the effect of geographical and concentric diversification on performance of Kenyan universities. The study adopted a survey design and ten accredited universities were purposefully sampled. Data was collected using questionnaires and interview guides. The reliability and validity of the instruments was confirmed to be satisfactory through a pilot study and use of Cronbach’s alpha coefficient. A full study targeting 116 respondents was then conducted and a response rate of 84.5% was achieved. Data was first analyzed using descriptive and inferential statistics and discussed under various themes. Normality test was conducted on the dependent variable using Q-Q test. Scatter plots were used to check for systematic pattern of the scatter points. Line of best fit was drawn for further establishment of the goodness of fit. Variables were subjected to Analysis of Variance and multiple correlations between the independent variables and dependent variable. From the findings, the study revealed that concentric diversification has a significant influence on the performance of Universities in Kenya compared to geographical diversification which has a very small influence on the performance of universities. Findings of this study will benefit policy makers and stakeholders in Kenya’s higher Education sector especially in informing formulation of policies that regulate and guide the various management practices and strategies adopted by the management of the said institutions towards enhancing performance of these important institutions in social economic development. The study recommends that as universities in Kenya seek to expand and find ways to financially sustain themselves, it is necessary that they interrogate potential and actual effects of the two forms of diversification on the performance of their primary mandate which is to conduct research and offer quality education. Considering that concentric diversification was found to have a strong positive effect on performance of universities, universities are encouraged to focus more on diversifying concentrically and strengthening their academic and research programs. Universities should focus less on geographical expansion through establishing branches and campuses in several geographical regions as this may not necessarily add significant value in performing their primary roles.

Key Words; Geographical Diversification, Concentric Diversification, University Performance, Strategy