



AFRICA INTERNATIONAL UNIVERSITY

Exploration of Strategies put in place by Private Universities in Kenya to
Address the Issue of Financial Sustainability and the Challenges
Encountered in Implementing the Strategies

BY
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ABSTRACT

The purpose of this study is to explore the strategies put in place by selected private universities in Kenya to address the issue of financial sustainability and the challenges encountered in implementing these strategies. Qualitative grounded theory design was used for collecting, analyzing, interpreting and reporting data. An interview guide was used to collect data for the two research questions that guided the study. The strategies being utilized by the studied universities to enhance their financial sustainability were students' recruitment strategies, internal and external funding strategies, program development, review and diversification strategies. The findings of this study showed that different universities were engaging various strategies without much success in terms of income generated. This was attributed to the many internal and external challenges being faced by these universities. The internal challenges found were inadequate finances and university leadership and structures while the external challenges were government funding, government regulations and donor support. Therefore this study proposed a financial sustainability system that is based on grounded theory which recommends the need to prioritize income generating strategies- developing, reviewing and diversifying revenue streams (input activities) that will generate adequate income to overcome the challenges in the system that are major impediments to implementation of activities (output) that would lead to establishment of a financially sustainable university. The findings of this study also show that there is need to establish proper leadership and organizational structures in order to manage the available funds in a prudent way, to oversee the implementation process of all the strategies as well as to plan and manage change. The final recommendation was to have a healthy consultative relationship with the policy makers, stakeholders and the university leadership (practitioners) so that they can dialogue on emerging issues and work together in a complimentary approach.