

# Advancing the Quality of Higher Education through Internationalization

By Professor John Odhiambo  
Vice Chancellor  
Strathmore University

Email: [jodhiambo@strathmore.edu](mailto:jodhiambo@strathmore.edu)

## **1. Introduction**

In this paper, we focus on the university education segment of higher education. The paper will demonstrate that:

- a. Kenya has a large market of potential university students who can afford to pay tuition fees up to 6 times the GNI per capita of Kenya for quality university education
- b. The students and their sponsors are looking for world class university education at affordable local tuition fees. Over 50% enrolled in Kenyan universities are privately sponsored.
- c. Partnerships with international universities and business schools can advance the quality of education by strengthening the teaching and research capacity of the local faculty.

It is the considered view of the author that the quality of professional degree programs in business, engineering, and information technology at both undergraduate and graduate levels will have a very significant impact on growth of the private sector in Kenya and Africa in general. (In this paper, information technology will be used as an umbrella term that includes disciplines of computer science, information systems, software engineering, and other related disciplines.) The assumption is that international partnerships between institutions in developing and developed economies are of mutual benefit and in the long run advance the quality of higher education offered by both institutions. Unfortunately, Sub-Saharan Africa, outside South Africa, does not have many examples of successful international partnerships of the type Strathmore University is developing.

Strathmore University is a small private University that aims to provide quality business and IT education in an environment that promotes an entrepreneurial mindset and ethical practices. It is part of the Global Business School Network (GBSN), an initiative of the International Finance Corporation (IFC), the private sector arm of the World Bank (see <http://www.ifc.org/gbsn>). It has already established formal international links with the University of Navarre and IESE business school in Spain. It also has informal links with

Lagos Business School in Nigeria, Wharton Business School in the US, and MIT through alumni networks among others. These links and partnerships will initially support faculty development initiatives. In the long run, they will provide opportunities for faculty and student exchanges and joint research projects.

Section 2 of this paper first analyzes the local demand for some of the professional degree programs that are considered to be of significant economic value for Kenya. Since accurate data are not available for all the Universities (the data on the Ministry of Education Web site at <http://www.education.go.ke> is unfortunately dated), *unpublished* but accurate and current data from three universities in Kenya has been used to illustrate the trends in demand for university education in Kenya. Section 3 demonstrates that public Universities in Kenya are operating just like private Universities. We highlight the challenges of the regulatory and legal framework in Kenya that slows down the process of introducing new programs in private Universities and yet does not have quality assurance oversight to public Universities. In Section 4, we describe the faculty development challenges in Kenya and specifically for private Universities. Section 5 describes the particular approach to internationalization adopted by Strathmore University while Section 6 describes how the University hopes to leverage on its alumni network in Kenya, East Africa and outside Africa. Section 7 contains our conclusions.

## ***2. The demand for professional university education in Kenya***

At present, Kenya has 6 public Universities with an estimated student enrollment of 81,491 and 17 private Universities with a total student population of about 10,050 (Economic Survey 2005). This represents about 0.3% of the population. Although this appears to be a small percentage of the population, there has been a dramatic increase in university enrollment in the past 5 years. For example, there were only 59,193 university students in the fiscal year 2000/2001. During the same period, there has been no increase in the number of students sponsored by the Government. The large increase in enrollment during the period from 2000-2005 is therefore due to the increase in privately-sponsored students in Kenyan Universities.

The demand for university education is very high in Kenya. For example, in the year 2003, a total of 198,356 students graduated from high school. About 42,721 of the graduates had met the minimum requirements for admission into Kenyan Universities (public or private). But the public Universities only admitted 10,872 students, representing a mere 5% of the high school graduates and 25% of those admissible into Universities. It is these 25% of admissible students that the Government of Kenya is able to offer scholarships for university education. The rest must seek private admission into either private or public Universities.

Although it appears that the challenge for Kenya is to increase access to university education, especially for professional degree programs, there are serious concerns for the quality of university education in Kenya. There are two main reasons why the quality of

university education in Kenya has not been increasing, especially with increase in enrollment.

1. Heavy teaching loads and limited faculty development opportunities for faculty in Kenyan universities. For example, departments offering professional degree programs in business and IT have limited number of doctoral faculty and are not engaged in any meaningful research or consulting work.
2. Lack of modern teaching and learning environments (e.g., well-equipped libraries and IT resources to support learning)

Although the Government sponsors only about 10,000 new students per year who are admitted into the public Universities, many of the students do not pursue professional degree programs that the labor market (and private sector) actually needs. Most of the degree programs in the public Universities were established without a clear market analysis or regard to the needs of the country of the private and/or public sectors of the economy. In contrast private Universities can only offer degree programs that prepare graduates for careers and are therefore employable. The private universities still do not rely on any published market data but instead rely on feedback from students and local companies and organizations. Similarly, public Universities that have been increasing the number of privately sponsored students have discovered that some of the degree programs are not in high demand by the students. Enrollment data in private and public Universities suggests that professional degree programs in medicine, law, IT (as an umbrella term), and business are in very high demand.

Almost all the private Universities offer business and IT degree at the undergraduate levels. This is due to the fact that these degree programs are considered to require lower investments in the learning infrastructure compared to science, engineering or medical degree programs. It is also a fact that the expanding services sector of the economy needs the business or IT professionals. However, there is still a high demand for medical doctors for the public sector hospital system.

Table 1 summarizes the trends in demand for the different professional degree programs offered by three Universities in Kenya. The University of Nairobi is the oldest and largest public University in Kenya while USIU is the oldest and largest private University in Kenya. Strathmore University is new but has had a presence as a college since 1961, offering accounting and other professional certification training. We make one assumption – that privately sponsored students are more likely to pay for professional degree programs that prepare graduates for careers. The data in Table 1 supports that assumption. We believe that Kenya as an economy needs more graduates of these professional degree programs.

*Table 1: Student enrollment in selected professional degree programs in year 2005*

<b>Degree Program</b>	<b>Strathmore</b>	<b>USIU</b>	<b>University of Nairobi</b>	
Commerce/Business (UG)	550	1800	2514	
Information Systems (UG)	390	350	0	
Computer Science (UG)	0	0	195	
Engineering (UG)	0	0	1485	
Medicine (UG)	0	0	1772	
Law (UG)	0	0	1113	
Information Systems (GR)	0	0	135	
MBA	0	300	1364	
<b>TOTAL</b>	<b>940</b>	<b>2450</b>	<b>8578</b>	
<b>Percentage of total students</b>	<b>100%</b>	<b>80%</b>	<b>30%</b>	

*Source: Strathmore University internal planning data 2005*

Note that at the University of Nairobi, enrollment in the professional degree programs represents only 30% of the students. Other students are enrolled in humanities and education programs. This is typical of most of the public Universities, including Moi University in Western Kenya, which was originally established as a University of technology.

Another fact illustrated in Table 2 is the large fraction of privately sponsored students in the professional degree programs. In particular, commerce, law and medicine have more privately sponsored students than the government-sponsored students. This is an indicator of the high demand for these programs.

*Table 2: Percentage of students without Government Scholarships*

<b>Degree Program</b>	<b>Strathmore</b>	<b>USIU</b>	<b>University of Nairobi</b>	
	Private	Private	Private	Public
Commerce/Business (UG)	100%	100%	54%	46%
Information Systems	100%	100%	N/a	N/a
Computer Science (UG)	N/a	N/a	39%	61%
Medicine (UG)	N/a	N/a	61%	39%
Engineering (UG)	N/a	N/a	26%	74%
Law (UG)			58%	42%
Information Systems (GR)	N/a	N/a	100%	0
MBA	N/a	100%	100%	0

*Source: Strathmore University internal planning data 2005*

All the other public Universities in Kenya have also been increasing the enrollment of the privately sponsored students as a response to the demand and to increase their revenues. According to the Economic Survey of 2005, only 55% of the total student enrollment of

81,491 in the public Universities is sponsored by the Government. The rest are privately sponsored and are pursuing professional degree programs.

Apart from the additional private students admitted into the professional degree programs offered by Kenyan public Universities, there are still many Kenyan students who are admitted into Ugandan, South African, Indian, American, and British universities. Again, it is the business, IT, and engineering programs that attract most of the Kenyan students. Although we do not have published data, we know that Kampala International University, a private University in Uganda has about 3,000 Kenyan students out of a total student population of 4,500 students. Other Ugandan public and private Universities have large number Kenyan students who are pursuing professional degree programs.

In Section 3, we briefly describe the regulatory regime that has been established in Kenya mostly for accreditation of Kenyan and foreign Universities and for quality assurance.

### ***3. The regulatory framework for quality assurance in Kenyan Universities***

The public Universities in Kenya have been established under their respective Acts of parliament, giving them autonomy in governance and quality assurance. That is, there is no external body that accredits or monitors the quality of the public Universities. However, all the public Universities inherited the external examiner system from UK universities, and that provides some quality assurance of the different degree programs.

Private Universities on the other hand are established under the Universities Act 1986 and the associated University rules of 1989. The University Act established the Kenya Commission for Higher Education (CHE) that accredits private Universities. Under the University Act, all private Universities are established as not-for-profit Trusts and are therefore governed by a Board of Trustees. No private University can operate in Kenya without a charter (a Trust) granted by Kenya government.

New private Universities are first granted an Interim Letter of Authority allowing them to operate as Universities for about three years before they are granted a full charter. Once a charter is awarded to a private University, it becomes a Kenyan University that operates under Kenyan law. All the Trustees (Kenyan or foreign) must be incorporated in Kenya.

A private University that either has an interim letter of authority or charter still needs to get approval to introduce new programs. This is a good peer-reviewed quality assurance process but unfortunately is relatively slower than it could be due to the lack of expert reviewers willing to work with CHE.

In contrast, public Universities can launch new degree programs in less than 6 months. In addition, it is possible for public Universities to enter into partnership agreements with private colleges to offer their degrees.

At Strathmore we hold the view that enhancing the quality of higher education in Kenya will depend on an enhanced internal quality assurance process as well as oversight from CHE. We believe that collaboration with top-quality Universities strengthens the internal quality assurance processes. Such collaborations could lead to internal professional accreditation of local degree programs (e.g., by AACSB or EFMD for business programs).

## 4. Financing University Education in Kenya

### 4.1 Trends in Financing of Public Universities in Kenya

Public Universities were originally fully financed by the Government. The Government therefore provided all the funding for both development (classrooms, labs, libraries) as well as recurrent expenditures (mostly staff salaries). In addition, the Government also sponsored or subsidized the tuition fees of most of the students. That is why the public Universities still only admit 10,000 Government-sponsored students per year.

Table 3 shows the funding levels of public Universities in absolute terms and as a percentage of the total respective Ministry of Education expenditures (i.e., recurrent and development expenditures). We note that the total recurrent expenditure of the Ministry of Education during the fiscal year 2004/2005 was about Ksh 80 billion (or about \$1 billion) with 75% of that amount being used for general administration and planning by the ministry. Note that the six public Universities received a total amount of Ksh 9.735 billion (\$ 129 million) during the fiscal year 2004/2005. This was not enough even to pay for faculty salaries and represents only about 50-60% of the operational budgets of the Universities.

Table 3: Public University (Higher Education) Expenditure

Ksh million

Type of Expenditure	2000/2001		2001/2002		2002/2003		2003/2004		2004/2005	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
Recurrent	5,849.8	12.0	6,369.1	11.8	6,795.7	11.0	7,470.1	10.3	9,735	12.0
Development	68.4	9.0	117.6	11.9	372.0	11.0	471.4	10.9	602.1	10.2

Source: Economic Survey 2005

Although the percentage of the University expenditure over the period 2000-2004 continued to increase, all of the public Universities remained in debt with incomplete expansion capital projects started in the late 1980s. In addition, there is pressure to increase the faculty salaries from the University staff union (the salary range is now \$1,000 for an entry level lecturer and to about \$3,000 for a full professor). Public Universities therefore increasingly depend on tuition revenue of privately sponsored students. It explains why 45% of the public university students are privately sponsored.

At the University of Nairobi located in Nairobi which offers diverse and popular professional degree programs, 54% of the students are privately-sponsored students (Economic Survey 2005). The additional revenue is being used to pay salaries, invest and maintain the ICT infrastructure and even to finalize incomplete building projects started in the late 1980s.

## 4.2 Financing of Private Universities in Kenya

There are two main categories of private Universities in Kenya

1. Non-religious private Universities (e.g., Strathmore University and USIU)
2. Religious sponsored Universities (e.g., Daystar University, Catholic University of Eastern Africa, and the Africa Nazarene University)

The church or some other religious body sponsors five of the six fully chartered private Universities in Kenya. Four of the 5 universities sponsored by a religious body also have some links with churches or religious bodies in the US. The churches or religious bodies are fund-raising vehicles for capital development of these Universities.

However, even the religious Universities are still required to be autonomous in their operations both administratively and financially. The biggest challenge of these Church sponsored Universities is that they support some degree programs that are not market-based and therefore have a low enrollment. Many are not able to pay faculty salaries that match the public University pay and are therefore unable to attract quality faculty.

Strathmore University and USIU are a different class of private Universities that run almost wholly using tuition revenue. The tuition revenue is used to purchase land, build, and to support all the faculty and staff salaries.

Table 4 shows that there is no significant difference in the fee structure either for the private students in Public Universities or at any of the Private Universities.

*Table 4: Sample fee structure*

*GNI (PPP) per capita = \$1050*

<b>Degree Program</b>	<b>Strathmore \$ / GNI ratio</b>	<b>University of Nairobi (Private) \$/GNI ratio</b>	<b>USIU \$ / GNI ratio</b>
Commerce/Business (UG)	\$9,300 / 8.9	\$8,000 / 7.6	\$9,000 / 8.6
Information Systems (UG)	\$9,300 / 8.9	N/A	\$9,000 / GNI 8.6
Computer Science (UG)	N/A	\$18,000 / 17.0	N/A
Engineering (UG)	N/A	800,000	N/A
Medicine (UG)	N/A	\$26,000 / 24	N/A
Law (UG)	N/A	9,200 / 8.7	N/A

Information Systems (GR)	N/A	\$5,500 / 5.2	N/A
MBA	\$9,600 / 9.1	\$4,600 / 4.4	\$4,000 / 3.8

The fees have been expressed in US dollars. The fees are relatively low in absolute terms by international standards (e.g., the IESE MBA costs \$69,600 compared to about \$4,000 at USIU business school. However, when expressed as a ratio of the GNI per capita (PPP), it is clear the fees are still very high at up to 9 times for an undergraduate business degree. Yet the private and public Universities are still under pressure to increase the fees further in order to maintain international standard of faculty load, compensation, and facilities. The solution might be a private loan scheme for students as we suggest in a later section.

The private Universities that are not supported by religious bodies or churches are starting to attract support from donor agencies. USIU has recently received a USAID grant to support a library building. Strathmore University has in the past received a European Union grant that was used for capital development and to establish a scholarship endowment fund.

Apart from the tuition revenue, established private Universities are starting to attract research funds from foundations or from IFC. This is expected to increase as the Universities shift from being predominantly teaching Universities to applied research Universities. This is the case for Strathmore and USIU that have received support from IFC through the Global Business School Network (GBSN) initiative. But as we see in the next section, Universities in Kenya have neglected faculty development and this is going to limit their growth in the years to come. Apart from faculty development, the management capacity of both private and public Universities has been very weak and that will also limit their growth. These are the two areas where international partnerships and links could have a significant impact on the quality of education. This is because the internationalization will help to build an international faculty and management capacity.

## 4.2 Financing student tuition fees

So far, our focus has been on financing of the Universities as institutions. We notice that both public and private Universities have greatly benefited from the tuition revenue that is now essential for their operations and survival as institutions of higher learning. Although the fees are high by Kenyan economic standards (24 times the GNI per capita for Medicine), it is clear that there is a large pool of students who can afford the fees charged by the Universities. This might become an equity problem for Kenya. How is it that students still afford to pay the relatively high fees? Internal University data shows that the following are the sources of tuition fees for the students:

1. Parents pay the tuition fees using a variety of sources of finance including, savings and salaries, community fund-raising, or personal education loans offered by the local banks and co-operative societies. The majority of students fall into

- this category although there is no published data about it. In fact, most private Universities organize orientation programs for parents of new university students to explain different methods they could use to pay the fees.
2. Bursaries from the Government and some non-governmental organizations. This usually constitutes just about 25% of the tuition in a private University. A parent or guardian still needs to pay the fees.
  3. Scholarships granted through the Universities that often pay the full fees. Only a very small fraction of students benefit from such scholarships. For example, some students at Strathmore University benefit from the Guinness Scholarships offered by the largest brewer in East Africa (East African Breweries Ltd.).
  4. Financial aid programs in local Universities allow students to work and then get a tuition waiver. A limited number of students can pay up to 25% of their tuition using this method.
  5. Students in any of the fully chartered private Universities and public Universities benefit from student loans granted by the Higher Education Loans Board (<http://www.helb.or.ke>). Using these loans, students can pay only about 25% of the tuition in a private University because the awards were designed to cater for the low fees of the government- sponsored students in public Universities.

This means that the majority of students enrolled in the private Universities or who are privately-sponsored in Public Universities are from the middle class social group. The GNI ratios in Table 4 show that the fees are high by Kenyan standards but low by international standards. It is possible many Kenyan students from poor families do not have access to the private education offered by Kenyan private or public Universities. There have been three responses from private Universities to the dilemma of “expensive” university education.

1. Private Universities have been very aggressive in fund-raising to make sure that there would be no need to increase the tuition fees. In fact, most private Universities have a position of deputy vice-chancellor in charge of institutional development. The fund-raising is for infrastructure development and other capital expenditure. Consequently, the pressure to increase tuition fees has been somewhat reduced.
2. Some Private Universities plan to establish scholarship endowment funds sponsored by the alumni and other well wishers as a way of increasing the number of scholarships available to needy students. For example, Strathmore University has established a Scholarship Endowment Fund using a grant from the European Union.
3. In order to harness international support from alumni and friends, the University has established the *Strathmore University Foundation* (<http://www.strathmorefoundation.org>), a 501(c) 3 organization incorporated in the US to serve as a fund-raising vehicle, as well as facilitating connections for Strathmore with leading institutions in the US.
4. Private Universities have plans to increase enrollment as a way of achieving economies of scale. In the long run, this will have the effect of reducing the tuition fees.

Unfortunately, none of the above solutions address the challenge of increasing salaries of the faculty. As discussed in the next section, this is a big challenge because the quality of University education is related to the compensation levels of the faculty. The reality is that a private University that pays low salaries will not attract quality faculty. Already Kenya is suffering from massive brain drain due to low salaries of University lecturers.

The tension is between the quality of education and keeping the tuition fees low for the majority of Kenyans. Although the quality of students is high because of competition, the best students still choose to go to public Universities due to subsidized tuition fees. Each University must therefore make decisions about the profile of students they intend to serve and the overall quality of education that it intends to offer. These decisions will have a direct influence on the tuition fee structure.

One possible solution is the establishment of a private student loan system in Kenya. Local banks, with the support of IFC, could establish such a scheme.

### **4.3 Leveraging Alumni Networks for Fund-raising**

Most of the Universities in Kenya do not yet have a strong and deep alumni network with active associations. Private Universities attempt to track their students but they have not yet been successful in fund-raising from the alumni. In most cases, the database of past students is not current and this is a challenge.

The University of Nairobi, the largest and oldest university in Kenya launched an alumni association in 2005 and it is expected that in the future it will use it to raise funds for different capital projects or bursary schemes.

Strathmore College and now Strathmore University has had a history of maintaining current databases of their alumni. In 2005, the Strathmore University Alumni Association was formally launched. In the future, it is expected that the association will endow academic chairs, provide scholarships or help the University in different capital development projects.

## **5. Faculty development**

In this paper, the term faculty development is used to include methods Universities use to attract new faculty, retain faculty, and the institutional support mechanisms used to ensure that faculty remain current in their respective academic fields. Faculty development is therefore closely related to the reward system, which includes faculty compensation as well as other non-financial rewards adopted by a University. We believe that the reward system must be aligned to the quality outcomes desired by the University.

To attract and retain quality faculty, besides a competitive international salary, they need good facilities: library, offices, health care, computers, full internet connectivity. They are attracted by the challenge of teaching quality students.

## **5.1 Faculty development vs. faculty performance and productivity**

In order to analyze issues associated with faculty development, we shall limit ourselves to business and IT faculty. The issues for other academic fields might be similar but Strathmore University is at present concentrating on these two academic areas.

Several facts are well known concerning business and IT faculty in Kenya, namely:

1. There is a diminishing pool of business and IT faculty because each private or public University in Kenya is increasing enrollment in these areas.
2. The private sector and international NGOs in Kenya are also competing with Universities for the limited pool of business and IT faculty with advanced degrees. In many cases, they seem to win because they can pay international salaries.
3. There is no local University with a structured and successful doctoral program in Kenya. The Faculty of Commerce at the University of Nairobi started a PhD program in business in 1999 but is yet to graduate even one candidate mostly due of lack of capacity for doctoral training. No private University has the capacity at present to offer doctoral programs in business and/or IT.
4. Doctoral students who go to the US, UK, Australia or South Africa in general do not return. Many of those who return end up migrating after a short while. This is the issue of brain drain.
5. The few IT and business faculty in Kenya have very heavy teaching loads of up to 4 semester courses per term. (Compare with 2 semester courses at AACSB accredited Universities.) This is either because a University needs to minimize the cost of teaching or because faculty members carry both a regular teaching load and an adjunct teaching load at other Universities and parallel degree programs. This means IT and business faculty have very low research or consulting outputs.
6. A majority of the IT and business faculty do not have current professional experience. They are not spending enough time in industry. This is one of the problems being addressed by the IFC's Global Business School Network (<http://www.ifc.org/gbsn>).
7. Many IT and business faculty are not comfortable with the use of innovative teaching methods such as case-based teaching and learning and the use of IT to supplement classroom instruction. That is, they are disconnected from the professional teaching methods at leading business and IT schools in the other parts of the world.
8. A majority of faculty are not attending any local or international conferences to learn about advances in their fields or to present papers. In fact, there are many that only rely on textbooks as a source of knowledge and do not regularly read professional or research journals in their fields.

The above list is not exhaustive. A Vice Chancellor with cash-flow problems or other capital development challenges will probably not pay enough attention to the above issues. At this time, very few Universities compile data on faculty performance and productivity. Private Universities are required by CHE to compile faculty productivity data but since the top priority is to recruit faculty, faculty productivity issues are usually not fully addressed. We note that public Universities are not required to compile data on faculty performance and productivity by any external body. In most cases, these issues are therefore never addressed by managements or even recognized as a challenge.

## **5.2. The Strathmore University Approach to Faculty development**

Strathmore University has recently developed a comprehensive policy of the management of academic staff and also a research policy. The faculty policy stipulates that a faculty member is assessed both for his/her teaching performance and research productivity. An annual assessment system has been put in place. The faculty reward system will be aligned to the performance.

The University has established a “seed” research fund that will be used to support initial research work of a faculty member. The University budget also includes a vote for sponsoring faculty to local and international conferences to present papers as well as paying their subscriptions to professional bodies.

The new Strathmore Business School (SBS) has developed additional policies aimed at encouraging and rewarding applied research as well as writing IT and business teaching cases. This will ensure that faculty are in touch with local business community and can therefore be effective professional business educators.

Although SU initially aims to attract doctoral level faculty, it has been sponsoring a limited number of faculty for doctoral studies in IT and business. The new Masters level degree programs in IT and business are also expected to attract doctoral faculty from the public University system and from the private sector.

SU considers the local internal faculty capacity to be crucial for the success of the degree programs it is offering. Since building an internal capacity is a slow process, SU has signed some collaborative agreements with top business schools and Universities. These include IESE business school, University of Navarre, Lagos Business School, and even Wharton Business School in the US.

## **5.3 Faculty Development and International Partnerships**

As we have explained above, it is not possible to benefit from international partnerships without first having adequate internal faculty capacity. That is, it is the internal capacity of a University that makes it hard or easy to absorb the help from the international higher education community. This has been the experience of SU as it has participated in the

Entrepreneurship Case Development project sponsored by the World Bank through the Ministry of Trade and Industry and managed by the Global Business School Network. The professor from IESE business school is a mentor to the business faculty writing the cases. If the University did not have the faculty who could be mentored, it would not be possible to benefit from the experience of the IESE professor. IESE is also committed to training other faculty of Strathmore Business School in the practice of teaching management. The director of Strathmore Business School has already attended some of the short faculty development workshops offered at IESE.

SU faculty are also being trained on how to write and teach with cases through the “Teaching the Practice of Management” (TPM) organized by GBSN and offered jointly by Gordon Business School (see <http://www.gibs.ac.za>) and Lagos Business School (<http://www.lbs.edu.ng>). It is only the African business schools with internal faculty capacity that are benefiting from the TPM program. The Universities must also be ready to start using the participant-centered methods of teaching and learning. Introducing such innovations does not depend on the international partners but rather on the internal capacity.

Wharton business school has also offered SU 4 faculty development slots per academic year for free in their executive education programs.

Apart from mentoring SU faculty in writing and teaching with cases and co-teaching with the local faculty, the international partner business schools (IESE and Lagos Business Schools) are also willing to share their teaching resources at a reduced price or in some cases for free. Lagos Business School has offered Strathmore Business School the free use of their teaching cases (cases developed by LBS faculty). IESE will also provide SBS with teaching cases at a subsidized price of about \$1.00 per case instead of the regular price of \$3.00 or more from the Harvard Business School Publishing database.

In summary, international partner Universities and business schools are helping raise quality of education offered by SU by mentoring the faculty on case writing and teaching, training faculty through their executive faculty development workshops for free, and making available some of the teaching resources for free or at a subsidized price. In future, the international partnerships will provide faculty and student exchange opportunities. The University will also learn from other reward systems that have been successful at the partner Universities and that could be adapted for local use by SU. Strathmore Business School is already studying the faculty reward system used at LBS and could benefit from some of their innovations.

International partnerships also have value in branding. For example, the association between Strathmore Business School and IESE business school is expected to strengthen the brand of Strathmore Business School MBA and Executive Management Programs in a very short time. In that case, the partnerships are a competitive advantage for SU within the East African business community.

#### **5.4 Sustaining International Partnerships**

Strathmore views its approach to internationalization as a two-way enduring relationship to assist in achieving academic, educational, social and economic benefit both ways. For example the collaboration of IESE and SBS will yield a number of two-way benefits such as:

1. IESE and SBS both share a Christian outlook on social and economic problems of Africa and this partnership provides both institutions with an opportunity to make a contribution
2. The superior learning outcomes that will result from the SBS model of internationalization will lead to expansion of people's capabilities and enhancing opportunities for economic, social, and political empowerment
3. The joint research programs will enrich both IESE and SBS
4. Faculty and student exchange between the two institutions will afford the IESE MBA students and faculty to understand emerging markets and African business, and to benefit from Strathmore's strong institutional business culture
5. The collaboration will provide both institutions with new revenue streams.

## **6. Conclusions**

The enrollment data at both private and public Universities shows that Kenya has a large pool of prospective students who can afford to pay tuition fees of about \$9000 for a 4-year business or IT degree and up to \$36,000 for a medical degree. It is also true that the private students have a preference for professional degree programs in business, IT, engineering, law and medicine.

One of the challenges in Kenya is the lack of reliable data on the current and future labor market needs. Although the Government has recognized the need to support entrepreneurs, there is little link between business, IT, engineering, science education and entrepreneurship. The Information and Communications Technology (ICT) policy of Kenya has also recognized the potential for a large software industry in Kenya.

This means that University managers rely on their own analysis and assumptions about the job market and the demand for different degree programs. One of the assumptions made by Strathmore University is that there is a significant demand for business and information systems degree programs at both undergraduate and graduate levels. Strathmore Business School will also start offering an international MBA degree and the Advanced Management Program in collaboration with IESE business school. In order to support faculty development needs of such international quality programs, SU has determined that a higher tuition fees would be necessary, especially for graduate courses such as MBA, AMP and even the MSc in Information System programs. Although initially IESE business school will be engaged in developing the local Kenyan faculty, the collaboration will finally include faculty and student exchanges as well as

joint research projects. This collaboration is designed to build a two-way enduring relationship capable of benefiting both institutions in tangible ways.

Both public and private Universities increasingly rely on tuition revenue to support their operational budgets and some of their capital budgets. The exception is only church-sponsored private Universities that raise some funds for capital development from the US. Strathmore University has in the past received a grant from the European Union for building projects. The author is not aware of any Kenyan Universities in Kenya that have had successes in fund-raising from their Alumni. However, the more established Universities, including Strathmore University, have started to engage their alumni with the expectation for fund-raising opportunities, especially to establish scholarship endowment funds.

The limited financial resources of both private and public Universities means that the Universities cannot modernize their learning environments or attract and retain high quality faculty members. Most of the Universities do not have a meaningful research budget and the faculty members are therefore not active by international standards. Fortunately, private Universities can focus on high demand programs and establish international links that could support faculty development and research agendas of the Universities. This is the expectation of Strathmore University as it establishes links with international business schools and Universities.

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