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The Role Of Governing Board On Growth Of Private Universities In Kenya

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***Abstract:** The predominant feature of the university sector in Kenya in the past 2 decades has been the explosive growth, not just in terms of numbers but also in the scope of their services and the demand from the stakeholders. How the universities strategize to cope with this growth is a responsibility assumed to fall principally to those who govern, manage and oversee the universities. Hypothetically, if the governing boards understood their roles and responsibilities, and acted constructively upon them, compliance with the array of statutes would be greatly improved, along with the quality of services culminating to balanced growth. Scholarly research linking governing board to university growth has undergone surprisingly little empirical scrutiny. In Kenya, the enormous diversity among private universities is reflected in their disparate governance structures and functions though all are bound by the Universities Act of 2012 (Amended in 2016) as well as the respective universities statutes. Using primary and secondary data this paper delved into describing the role of the governing board on the growth of the universities – particularly private universities. Data was collected from a sample of 8 private universities with 3 respondents from each institution. The findings indicated that the relationship between the role of the Board Governance and Growth of Private Universities was relatively strong with a coefficient correlation of r (15) =0.638, p-value=0.00<0.05. The result was confirmed by regressing Board governance roles on the Growth of private universities which recorded a coefficient of regression of β_1=0.585, p-value=0.025>0.05 at 5% level of significance. This informed the conclusion that governance board plays a significant role on the growth of private universities. To demonstrate board effectiveness and adherence to procedure, this paper recommends that the board must be seen to operate independent of the management; show competence in scrutinizing the activities of the managers; and for their impact to be felt in the organization they should focus on the 'softer' issues that distinguish between effective and ineffective boards. Further, private universities should be keen to establish effective board structures that would contribute to the university's success through its collective responsibility that entails; deciding the company's direction; monitoring and controlling the rest of the university management; as well as being accountable to stakeholders. This study recommends that the university board should rigorously assess all aspects of the institution's growth and sustainability, in the broadest sense, using an appropriate range of mechanisms and which include relevant key performance indicators (KPIs) not just for the financial sustainability of the institution but also for its broader impact to both internal and external stakeholders.*

***Keywords:** Governance, Board effectiveness, growth, private universities, stakeholders*

I. INTRODUCTION

Higher Education sector is globally acknowledged as a critical driver in the economic mobility of the society (Bjarnason, Cheng, Fielden, Lemaitre, & Levy, 2009). In meeting major societal challenges, which have both a global and local dimension, universities and other higher education institutions have a key role to play in knowledge creation and its translation into innovative products and public and private services (EURP, 2011). In the current climate of environmental change, managerial challenges and social fragmentation, private universities find themselves at crossroads (Bolden et al, 2009) as they are expected to deliver on an ever expanding range of often conflicting goals and priorities including intense industry competition, government control and regulation, highly dynamic environment, and more demanding stakeholders(Varghese et al., 2004). Given this scenario, the survival of private universities in Kenya has been shown to depend greatly upon the development of sustainable response strategies to remain viable and competitive, if not to achieve market leadership (Mathooko & Ogutu, 2014).

A. BACK GROUND OF HIGHER EDUCATION IN KENYA

Kenya has attached education to economic and social development since 1963 (Sifuna D. , 1998). Higher Education in Kenya has gone through a trajectory dating back in 1922 when the then Makerere College in Uganda was established as a small technical college which was then expanded to meet the needs of the three East African countries; that is, Kenya, Uganda and Tanganyika and Zanzibar, as well as Zambia and Malawi (Olel, 2011). In the 1940s and early 50s it is only this college that was providing university education in East Africa. This lasted until 1956 when the Royal Technical College was established in Nairobi. In 1963, the Royal Technical College became the University College, Nairobi, following the establishment of the University of East Africa with three constituent colleges in Nairobi, Dar es Salaam and Kampala (Makerere). The University of East Africa offered programmes and degrees of the University of London till 1966. In 1970, the University of East Africa was dissolved to create three autonomous universities of Nairobi, Dar es Salaam and Makerere. The University of Nairobi was thus established as the first university in Kenya (Mutula, 2002; Nyaigotti, 2004; Odhiambo, 2011; Sifuna D. , 2010). Four decades later, there are a total of seventy public and private universities (CUE, 2016). Private Higher Education in Kenya can also be traced to the colonial period when missionaries established Schools and colleges for their converts. The first private institution was St. Paul's United Theological College (1955) and Scott Theological College (1962). In 1970, United States International University (USIU) opened a campus in Nairobi. However, these early universities offered degrees in the name of parent universities abroad (Onsongo, 2007). Currently there are eighteen chartered private universities, five private constituent colleges and fourteen private universities operating with a letter of Interim Authority (Commission for University Education, 2016).

Given the phenomenal expansion of public and private universities in Kenya, the Government mandates the Commission for University Education (CUE) to regulate university Education in the country. CUE was established under the universities Act, No. 42 of 2012 as the successor to the Commission for Higher Education. The commission has made great strides in ensuring the maintenance of standards, quality and relevance in all aspects of university education, training and research. The commission continues to mainstream quality assurance practices in university education by encouraging continuous improvement in the quality of universities and programmes (Sifuna, 2010).

B. GROWTH OF PRIVATE UNIVERSITIES

The significance of Higher Education is paramount as knowledge increasingly plays a key role in fostering economic and social development (Bloom et.al. 2005; Argandona, 2015). An analysis of the role of Higher Education in Sub-Saharan Africa countries by Varghese (2004) showed that growth of Higher Education Institutions promotes faster technological catch-up, improves country's ability to maximize output and decreases knowledge gap and poverty in the region.

The growth of private higher education is a global phenomenon. An international development climate that promotes market oriented provision of education and other social services has been a catalyst for governments to promote and entrepreneurs to invest in private higher education (Munene, 2009). Driven in large measure by the growing demand for education and the inability of the public sector to handle the surge, these new institutions now serve nearly a third of all students in postsecondary education around the world (Kinser, 2010). In Africa, Varghese (2004) postulates that the market–friendly reforms and deregulation policies initiated under the structural adjustment programmes, the privatization of public sector units and encouragement of private sector in the context of globalization process, all created a stimulating environment for the emergence of private Higher Education sector.

In the 1980's and before, expansion of Higher Education in Africa was possible only through the public universities (Munene, 2009). Presently, the landscape is fully transformed. Prior literature has evidenced growth of private universities in Africa (Thaver, 2008), Asia (Lin, 2005); (Tursunkulova, 2005); Central and Eastern Europe (Levy, 2005; Giesecke, 1999) and Latin America (Bernasconi, 2003). Since independence, University education in Kenya has steadily witnessed explosive progression topping the list in the African region besides South Africa (Oanda, Chege, & Wesonga, 2008). With seventeen (17) chartered private universities, five (5) private university constituent colleges and thirteen (13) others operating with letters of interim authority, Kenya is noted to be one of the few countries where private universities have a longer history co-existing with public universities since the early 90s.

Researchers have previously identified different strategic management practices that could be linked with institutional performance. Bolden *et al.*, (2009) reported disparate governance mechanisms, increased focus on accountability as the key challenges facing the universities and which drive or curtail their growth. As a result, universities have to address quite diverse agenda apart from the traditional ones of teaching and research (Brujac, 2013). In a similar vein, Jowi (2003) observed that higher education institutions globally require reforms in their management and governance styles to address the key challenges currently faced. Hilton (2012) argues that the cost of engaging in poor management practices in education institutions range from having disillusioned leadership which ultimately leads to reduced competitiveness and credibility of the institution.

According to Yizengaw (2008), challenges hindering growth of the universities are exacerbated by weak leadership and governance. Strategic management practices, therefore, remain an issue of global significance which has attracted worldwide attention because of its apparent importance for strategic health and performance of both public and private sector organizations. While these previous studies add immense knowledge to existing literature, they also suggest a need to examine the practices in diverse contexts. In a comparative study of public universities in Kenya, Mathooko and Ogutu (2014) observed that to remain competitive, public universities embarked on three key practices: formulation of competitive strategies, emphasis on distributed leadership and benchmarking on the best practices locally as well as internationally. However, given that the private and public universities have different structures, it is recommended that a similar study be conducted in private universities. Little is available in the literature though, on the role of board governance on growth of private universities and specifically in Kenya.

It is against this background that this research was undertaken to address the gap and provide a better understanding through empirical evidence on the role of governing board procedure on growth of private universities in Kenya.

D. SPECIFIC OBJECTIVE

The objectives of the study was to determine the role of the university Board of Governance on growth of private universities in Kenya.

E. RESEARCH HYPOTHESIS

To examine the influence of each of the independent variable on the dependent variable, the study sought to test the following hypothesis:

$H_0$1: Board procedure has no significant role on growth of private universities in Kenya.

F. CONCEPTUAL FRAMEWORK

Board procedure and effectiveness was conceptualised and explained in terms of articulation of Board purpose and responsibility, Board Membership, relevance and frequency of Board Meetings, Boards Strategic Planning and Boards' fiscal management.

II. LITERATURE REVIEW

A. STEWARDSHIP THEORY

Corporate governance refers to corporate decision making and control, particularly the structure of the board and its working procedures (Herman & Renz, 2000). Recent thinking about board governance for non-profit organizations such as universities is heavily informed by Stewardship theory. Stewardship theory has its roots in psychology and sociology and is designed to examine situations in which executives as stewards are motivated to act in the best interest of their principals (Davis, Schoorman, & Donaldson, 1997). Stewardship theory assumes that values are necessarily and explicitly a part of doing business. It asks managers to articulate the shared sense of the value they create, and what brings its core stakeholders together. It also pushes managers to be clear about how they want to do business, specifically what kinds of relationships they want and need to create with their stakeholders to deliver on their purpose (Freeman, Wick, & Parmar, 2004).

Stewardship theory is equally regarded as a special case within the broader conception of agency theory (Hough et al., 2005). The case where managers are motivated to act in the best interests of their principals. Hough further observes that whereas positivist agency theory assumes opportunistic managers, stewardship theory makes the reverse assumption, that is, managers are intrinsically motivated to be good stewards of the interests of the owners. Consistent with the observations of (Collinson, 2011) and (Hernandez, 2008) stewardship theory as an alternative to agency theory believe that managers can be self-actualizing rather than self-serving. Davis et al., (1997) propose that managers are more likely to be stewards when: they identify with the organization they serve, especially the organization's goals; use personal power, more than coercive power; are more involvement-oriented, rather than control-oriented, in their management philosophy; and operate in a collectivist culture, as opposed to an individualist culture.

Hough et al., (2005) argue that the purpose of the board in stewardship theory is to provide 'clear, consistent role expectations and authorize and empower senior management'. The recommendations for practice that flow from stewardship theory are that: the roles of board chair and CEO should be vested in one person, in order to maximize information, knowledge and commitment; there should be a high proportion of executive directors on the board; smaller board size promotes board effectiveness and organizational performance; the interests of board members and managers should be aligned; and boards should seek longer tenure. Davis et al., (1997) view stewardship theory to be more realistic than most economic theories such as agency theory especially in some areas of the non-profit sector such as higher education institutions.

B. BOARD GOVERNANCE

The role of top executives in any organization is increasingly looked upon with greater scrutiny by the stakeholders at large. Cadbury (2000) is considered to have provided an igniting spark to the discussion on governance which made a massive contribution to rising of board level standards globally. Essentially, governance addresses the leadership role in the institutional framework. The Kenya private sector initiative for Corporate governance in its 2002 publication on 'Principle of corporate governance in Kenya' gives a precise definition of Governance as comprising of 'processes, systems, practices and procedures that govern institutions, the manner in which these rules and regulations are applied and followed, the relationships that these rules and regulations determine or create, and the nature of those relationships'.

Governance has increasingly taken centre stage with the privatization and corporatization of the economies globally and encapsulates the blend of law, regulation and public and private-sector practice that enables companies to attract financial and human capital, to perform efficiently, and generate long-term economic value for their shareholders, whilst respecting the interests of stakeholders and society as a whole (Cata, 2015). While this is the role of the top management in any organization, they often need a team of people with very special qualities who can define the company's mission, monitor and motivate managers, oversee strategy and maintain the culture of the organization – the board of directors (Savoia, Hulme, & Sen, 2015). Expectations of boards change constantly especially in the highly dynamic, hypercompetitive and turbulent economic times. What was acceptable a decade ago is often now viewed very differently. Cata (2015) notes that whereas the strategic role of the board was rather blurred in the past, there's more emphasis on it presently, as board members spend more time on strategy and risk analysis. There is a global consensus that effective boards need to move beyond mere compliance to create flexible and dynamic governance (OECD, 2013). Dynamism in this context is based on the realization that leadership starts at board level and that it is a means of enabling organizational performance. Therefore, the Board to a very great extent set the standards for any organization. Islam (2007) defines the function of the board as a collective responsibility to determine the company's purpose; decide the company's direction; monitor and control managers and CEO; and to report and make recommendations to shareholders.

In the university sector, the ultimate responsibility for governance of the institution (or system) rests in its governing board. Boards are accountable for the mission and heritage of their institutions and the transcendent values that guide and shape higher education (Legon, 2010). According to Mwiria (2007), governance is 'the most critically needed area of reform' for universities in Kenya especially with the huge increase in the number of universities within a relatively short period. While the increase is seen as a positive move towards the enhancement of a strong socio-economic platform, some observers have raised concern about the quality of the programmes and products of these dynamics. Kerre, Kitima, & Mwawaza (2014) noted that the EAC region witnessed a rapid growth of the numbers of universities in just one year from 134 to 164 which is (21 percent), and that the afore-mentioned growth of universities is being looked at with scepticism with regards to their quality of graduates (Bailey, 2014). Several reasons may be attributed to this phenomenon. Of significance is the consistent concern about many of the governance structures (Kerre et al., 2014; Bailey, 2014) and trusteeships (Knott & Payne, (2004) setup to strategically guide, mentor and direct the mushrooming training providers.

University board is expected to influence how objectives of a university are set and achieved, how risk is monitored and assessed and how performance is optimized (Mwalili, 2011; Odhiambo, 2014). The university board should establish effective ways to govern while respecting the culture of decision making in the institution. Universities have many of the characteristics of business enterprises (Legon, 2010), and their boards are accountable for ensuring that their institutions are managed in accordance with commonly accepted business standards. At the same time, universities differ from businesses in many respects given that they do not operate with a profit motive (Legon, 2010) and the "bottom line" of a college or university has more to do with human development and the creation and sharing of knowledge as measured in student learning outcomes, graduation trends, degrees conferred, quality of campus life, and the level of excellence attained by faculty in teaching and scholarly pursuits than with simply balancing the budget, as important as that annual goal is (Kennedy, 2003). By virtue of their special mission and purpose, there is unanimity in existing literature that universities have a tradition of both academic freedom and constituent participation commonly called "shared governance" that is strikingly different from that of business.

C. GROWTH

Growth is a recurrent theme in management literature and a subject of interest to both scholars and practicing managers. However, literature indicates that it is a concept perceived differently by authors (Venkatraman & Ramanujam, 1986).The narrowest conception of organizational growth centers on the use of simple outcome based financial indicators that are assumed to reflect the fulfilment of the economic goals of the firm and is referred to as the financial growth (Kopf, 2007; Venkatraman & Ramanujam, 1986). This approach typically examines indicators such as sales growth, profitability and earnings per share, an assumption that makes its focus quite narrow.

This study looks at a broader conceptualization of university's growth which emphasizes on indicators of operational growth (non-financial) in addition to financial growth. Under this framework, the non-financial indicators include: Improvement in the global ranking; establishment new and innovative programmes, increased students' enrolment, increased research output, technological efficiency and over all service quality.

III. STUDY METHODOLOGY

This study employed a convergent parallel mixed methods design, a type of design in which qualitative and quantitative data are collected in parallel, analysed separately, and then merged. Primary data was collected using interviews and questionnaires. Secondary data was also obtained from the respective institutions existing records and websites. This study targeted all the 36 private universities in Kenya as provided by the Commission for University Education (CUE, 2016) during the time of data collection. To represent the target population, a representative sample comprising of 8 universities. The sample size was determined through proportionate stratified random sampling method, where the 36 private universities were classified into three strata based on their year of establishment. A sampling fraction of 1/4 was used to determine the proportion of the population to be included in the sample. This was important as it provided room for adequate representation of universities. Convenience sampling method was also used to identify 3 (three) board members from each of the 8 universities to fill the questionnaire. Out of the 24 questionnaires sent out to the board members 15 were duly filled and returned.

IV. FINDINGS

A. RESPONDENTS DEMOGRAPHIC CHARACTERISTICS

The sections below discuss the characteristics of the members of the board in terms of their gender, age, level of education and their serving duration.

All the sampled board members were aged 36 years and above. 53% of the board members were within the age group of 36 to 50 years while an almost similar percentage of 46.7 % were aged 50 years and above. While this indicates that the board majorly comprises of a relatively young team, the fact that a fair majority had 50 years and above showed that the universities took advantage of the experience and wisdom that might have come with age. The findings further indicated that majority (46.7%) of the board members had a Doctorate Degree, followed by Masters' qualification (40%) while very few (13.3%) had a Bachelor's Degree. Majority (67%) of the board members were male while 33% were female. The figures confirm the disparity in female representation in leadership of various organisations despite the emphasis made in various forums on the need to ensure equitable gender representation. The Kenya constitution of 2010 specifically stipulates that organisations should ensure that a third gender rule is maintained and complied with.

The study established that all the sampled members had served in the board for less than 6 years. 66.7% of the respondents indicated that they had served in the board for less than two years, while 33.3% indicated that they had served as Board Members for between 3 to 5 years. The findings raises a question on possible contribution by members given that the boards' tenure was observed to be relatively short.

B. BOARD PROCEDURE AND EFFECTIVENESS

Effective governance and management are vital to every institution as they largely impact on the Institutions direction and growth. This section describes the findings on the roles played by the Board and specifically the board's contribution, purpose, membership, meetings, strategic and fiscal planning.

Parameter	Value
Mean	4
Median	4
Mode	4
Standard Deviation	0.75
Minimum	3
Maximum	6

Table 1: Annual Board Meetings

The findings indicated that majority of the universities board meetings were held at least on quarterly basis whereas some met as often as 6 times or even more per year depending on the need.

a. BOARD'S GENERAL CONTRIBUTION TO UNIVERSITY SUCCESS

The researcher sought to establish what the respondents felt about the extent of contribution of the board to the Universities' success. The contribution was categorized as low, moderate and high and the results established that the university board contributes highly to the universities' success as indicated by 86.7% of the respondents. 13.3% of the respondents however felt that the boards' contribution to university's success was minimal. This implied that while the results were largely positive, there were minimal concerns of boards' failure to measure up to their assigned tasks.

b. BOARDS' PURPOSE AND RESPONSIBILITIES

Slightly above half of the respondents (58.2%) indicated that the purpose and role of the Board of Governors were effectively defined. 55.2% were of the opinion that the Board understands and fulfils its stewardship role while (43%) of the board members pointed out that the board focuses sufficient attention on significant governance issues rather than on day-to-day administrative matters. An alarming 35% were however of the opinion that that the board did not focus on governance issues as expected but rather digressed to administrative issues which was deemed as an interference by the university management board.

With regard to the board fulfilling its role of accountability, only 48% of the respondents indicated that this was delivered to a large extent while an alarming 42 % were of the opinion the mandate of accountability was only moderate. 65.7% of the respondents indicated that the board generally provided strategic leadership. According to 56.3% of the board, the Board ensures, through the Vice Chancellor, that the appointment of staff is in accordance with established policies and procedures.51.3% indicated that the institutions risk management process provides the board with a full understanding of the high risk issues that could impact the institution according to. The above findings were corroborated by the themes that emerged from the interviews indicating that though the roles and the purpose of the board were clearly defined in the respective private the university statutes, the board's collective responsibility and impact was not maximally felt .

58.8% of the respondents were of the opinion that the Board was given the opportunity and information to understand the University's issues that impact the University's viability according to while 58.2% of the board member indicated that they understood the university fundraising expectations. The information was corroborated by additional information obtained at the end of the questionnaire where some respondents spoke of discord within the board, lack of proper communication, issues related to hiring and transition, and a misaligned relationship between board chair and the vice chancellor that affected the running and therefore growth of some universities.

c. BOARD MEMBERSHIP

Majority (47%) of the respondents were of the opinion that to a large extent the board had an appropriate range of expertise, experience/background, skills set, and gender balance while 46 % felt that the constitution of the board met the right criteria only to a moderate extent. Regarding recruitment of new members' 52.6% of the board members strongly opined that that their institutions had an effective process of identifying and assessing new members, while 59.6% indicated that the newly recruited board members were given an appropriate induction programme making them well versed with their new roles, terms of reference and the university's objectives. The findings indicated that still a fair majority were of the opinion that to a large extent, the board did not have a composite of varied but necessary skills which affected their delivery. The board to a large extent did not get proper induction which ultimately affected their overall contribution to the team.

d. BOARD MEETINGS

Respondents were on average satisfied by the objectives and process of the meetings. 55.9% of the respondents considered the board meetings to be productive while 36.6% were of the opinion that the productivity was only moderate. 50.5% opined that they were accorded sufficient time in the board meetings for presentation, full discussion, and debate of viewpoints of the subjects while 46.7% stated that the annual work plans of Board standing committees were understandable. 57.8% of the members were positive that they received adequate follow-up on matters raised at board meetings.

The study found out, as stated by 54.4% of the members, that the Board adopts appropriate Board structures and reviews the Terms of Reference of each standing committee on an annual basis during their meetings ensuring that the mandate of each Board standing committee is understandable according to 56.9%. The results as stated by 47.8% indicated that committees had sufficient expertise to perform their responsibilities and facilitating the appropriateness of the committee reports in terms of adequate amount of information to the board as pointed out by 50.8% of the respondents. The findings therefore indicate that to a large extent the board did not have productive meetings and this was as a result of failure to give them adequate time to understand and examine the agenda items at length. Effectiveness of subcommittees was also rated poorly and hence was their output.

e. BOARD'S STRATEGIC PLANNING

Half (50.6%) of the board members stated that the Board largely participates effectively and appropriately in establishing the University's direction and strategic plan while 20% felt that the board's participation was moderate. 60.8% of the respondents considered the Board to have an adequate understanding of external factors that have an effect on the University and its strategic plan. Considering the critical role that the board is mandated with, the findings implied that there was need for improvement by the board to embrace their strategic roles. This corroborated with the responses from the interviews that board members did not spend adequate time on strategy and risk analysis of their respective institutions, a characteristic that trickled down to the positions below them.

f. FISCAL MANAGEMENT BY THE BOARD

Majority of the board members (66.6%) stated that the Board understood the annual operating budget of the University before approving it. The Board (through the Audit and Finance Committee) received financial reports that were understandable according to 1.4% of the respondents. In addition 62.0% of the board members stated that they received timely financial reports that were sufficient to allow them make informed and credible decisions. The findings implied that the respective boards did not fully undertake their fiduciary responsibility as far fiscal management is concerned

C. DIAGNOSTIC TESTS FOR STUDY VARIABLES

The researcher sought to test the normality of the study variables by performing a Kolmogorov-Smirnov test at 5% significance level. The results are indicated in Table 2.

		Role of the Board
Normal Parameters[a,b]	N	15
	Mean	3.71
	Standard Deviation	0.633
Most Extreme Differences	Absolute	0.377
	Positive	0.272
	Negative	-0.377
Kolmogorov-Smirnov Z		3.657
***p*-Value**		0

Table 2: Kolmogorov-Smirnov Test Results for the Board's Role

The Kolmogorov-Smirnov Z-value for the role of Board of Governance was 3.657 with a ***p***-value of 0.000 < 0.05 which signifies that the data was normally distributed, hence it could be subjected to further statistical analysis.

D. CORRELATION ANALYSIS RESULTS

The researcher used Karl Pearson Correlation analysis to determine the relationships between Strategic Management Practices and Growth of Private Universities. The nature of the relationship is determined by the coefficient of correlation while the significance of the relationship at 5% levels of significance is explained by the ***p***-value as presented in Table 3 below.

		Growth	Role of the Board
Karl Pearson Correlation	Growth	1	0.638
	Role of the Board	0.638	1
***p*-value**	Growth	.	0
	Role of the Board	0	.
N = 15, $\alpha = 0.05$			

Table 3: Correlation Results

The results yielded a correlation coefficient of r (15) =0.638 and *p*-value=0.00<0.05 indicating that at 5% level of significance, the null hypothesis was rejected thus implying that the there existed a relationship between board governance and university growth.

E. REGRESSION ANALYSIS RESULTS

The researcher sought to perform a confirmatory inferential test by conducting regression analysis so as explain the influence of role of the board on Growth of Private Universities.

Variables	Unstandardized Coefficients (**B**)	Std. Error	Standardized Coefficients (**β**)	t	***p*-** Value
(Constant)	0.186	0.431		0.431	0.669
Role of the Board	0.585	0.144	0.053	0.592	0.025
a Dependent Variable: Growth of Private Universities					

Table 4: Regression Coefficients

The regression coefficients as displayed in Table 4 above were used to construct the regression model below.

y = 0.186 + 0.585 x

Where;

y = Growth of Universities

x= Board governance roles.

The governing Board roles and Growth of Universities recorded a coefficient of regression of $\boldsymbol{\beta}_1$=0.585, p-value=0.025>0.05. This implies that Board governance influences the Growth of Private Universities positively and significantly at 5% level of significance.

The β_0 (constant) addresses any bias that may not be accounted for by the terms in regression model. In this study, the β_0 value of 0.186 indicates that in the absence of governing board, the university growth of about 18.6% would still be experienced.

F. SUMMARY OF FINDINGS

The relationship between the role of the Board Governance and Growth of Private Universities recorded a coefficient of correlation of r (15) =0.638, p-value=0.00<0.05 which implies a strong positive relationship. The result was confirmed by the regression analysis on the Board governance effect on the Growth of Universities which recorded a coefficient of regression of $\boldsymbol{\beta}_1$=0.585, p-value=0.025>0.05 at 5% levels of significance. This informed the rejection of the null hypothesis that ‘Board governance has no significant role on growth of private universities in Kenya’ hence acceptance of the alternative hypothesis and conclusion that the board governance plays a significant role on the growth of private universities. Critical in the running of the board was the need for clear board procedure that would then drive board effectiveness and ultimate support towards universities growth. The study findings agree with Mwiria (2007) who considers governance to be the most critically needed area of reform for universities in Kenya especially with the exponential expansion of the sector.

V. CONCLUSION

University governance is a key policy issue of the 21st century (Kennedy, 2003). While universities are trying to address the enormous and dramatic challenges such as the rapid expansion, diversification of provision, more heterogeneous student bodies, research and innovation as well as pressure to diversify revenues, one of the critical governance challenge is how to provide supportive leadership and effective governance structures inspite of the constantly increasing demands and expectations of the stakeholders.

The primary statutory responsibility of the board is to ensure that an organization fulfils the wishes and purposes of the ‘owners’ and the rest of the stakeholders (Johnson, Scholes, & Whittington, 2005). This research study considered Governance as the highest level of authority, accountability and decision making such as those exercised by the board or the trustees (Amini, Fremeley, & Wesseler, 2009) and in this case the council members of the universities. In the university sector, the need for the board/council to be more clearly engaged in, and influencing the strategic management of their institutions has been a subject of discussion in many academic fora. Johnson et al., (2005) notes that for purposes of effectiveness, the board must be seen to be operating independently of the management; they must be competent to scrutinize the activities of the managers; they must have time to do their job; and for their impact to be felt in the organization, and should focus on the ‘softer’ issues that distinguish between effective and ineffective boards. The study results showed that private universities were all keen to establish internal structures that provided better management, responsible for all decisions taken for and on behalf of the university. The Board largely contributes to the university’s success through its collective responsibility that entails; deciding the company’s direction; monitoring and controlling the rest of the university management; as well as being accountable to stakeholders. This is in line with the findings by Islam, (2007) that an effective board is solely responsible for reporting and making recommendations to shareholders. The study further established that the board impacts on an institution’s growth when its purpose and role is clearly defined as it is able to give sufficient attention on significant governance issues rather than on day to day administrative issues.

The study further observed that the universities embraced an institutional risk management process which provides the board with a full understanding of the high risk issues that largely impacts on the institution’s growth. The Board was found to be aware of the needs of its internal and external constituents that include students, academic and non-academic staff, alumni, the industry as well as the donors. As the supreme governing body of an institution, its constitution is similarly very critical. The Universities Act No.42 of 2012 provides that the principal mandate of the board/council is to oversee the activities and operations of the institution on behalf of the Government. In this, the Council is concerned with the setting of broad policy directions for the institution and to follow up on how such policies are being executed by management. As the reporting agency to Government, the Council is responsible for the approval of the budget and the performance contract. The Council is also considered as the employer on behalf of the Government and the management thus only employs staff on behalf of the Council. The Council is responsible for ensuring that there are adequate structures in place for the efficient and effective management of the institution.

The study findings indicated that majority of the universities ensured that the board was comprehensively constituted with an appropriate range of expertise, experience/background, skills set, and gender balance to make it an effective governing body. As for new members' recruitment, it was found out that the board follows an effective process for vetting as stipulated in their respective charters and ensured that there was an effective induction programme covering issues like the role of directors, Terms of Reference and institutions objectives. The results were consistent with the findings of Bailey (2014) that effective boards comprised of a team with special qualities who could define the company's mission, monitor and motivate managers, oversee strategy and maintain the culture of the organization. The governing board should manifest a commitment to accountability and transparency and should exemplify the behavior it expects of other participants in the governance process. From time to time, boards should examine their membership, structure, policies, and performance. Boards and their individual members should engage in periodic evaluations of their effectiveness and commitment to the institution or public system that they serve. In the spirit of transparency and accountability, the board should be prepared to set forth the reasons for its decisions.

The study established that a progressive board participates effectively and appropriately in establishing the University's direction and strategic plan ensuring an adequate understanding of external factors that could have an effect on the University and its strategic plan. While they cannot delegate their ultimate fiduciary responsibility for the academic quality and fiscal integrity of the institution, boards depend upon the vice chancellor for institutional leadership, vision, and strategic planning, and they delegate to the vice chancellor abundant authority to manage the operations of the institution

In concurrence with Mwalili's(2011) an effective board is charged with a collective responsibility to determine manage, supervise and administer the assets of the university. In addition, the findings observed that the board played a critical role in making decisions on universities capital and recurrent expenditure, receiving of grants, donations or endowments, and ensuring that institutions enter into credible associations, collaborations or linkages with other local and international bodies. Governing boards have the ultimate responsibility to appoint and assess the performance of the Vice Chancellor. Indeed, the selection, assessment, and support of the VC are the most important exercises of strategic responsibility by the board. The process for selecting a new VC should provide for participation of constituents, particularly faculty; however, the decision on appointment should be made by the board.

VI. RECOMMENDATIONS

A. TO THE MANAGEMENT

The role of the board in steering an institutions growth cannot be gain said. Most critical in enhancing board effectiveness is having an operational board charter that clarifies roles and responsibilities with regard to strategic leadership, and sets out delegation and reporting arrangements. There is growing evidence as supported by the findings of this study that ensuring proper board constitution which is appointed in accordance with the university statutes and in compliance with the stipulated universities standard and guidelines and conducting comprehensive induction of new board members facilitates the fulfilment of the board stewardship and accountability roles.

It is imperative for the management to review the operations of the various committees of the board to ensure that their contribution adds value to the governance of the University. Further Universities should enhance institutional risk management processes that provide the management with a full understanding of the high risk issues that could have an impact on institutions sustainability and growth.

B. POLICY RECOMMENDATION

The importance of aligning strategic management practices to achieve institutional growth is greatly recognized by leaders. Governance, leadership and management are increasingly considered critical in strategically steering of the institutions towards the growth path. This study provides policy makers with compelling evidence that the university board should rigorously assess all aspects of the institution's growth and sustainability, in the broadest sense, using an appropriate range of mechanisms and which include relevant key performance indicators (KPIs) not just for the financial sustainability of the institution but also for its broader impact to both internal and external stakeholders.

C. CONTRIBUTION TO THEORY

Based on the findings of this study, board governance plays a critical role in driving the growth of private universities. The variables converged to the hypothesized model and in concurrence with European Observatory on good practices in Strategic University Management (EUSUM, 2014) underscored the need for the university managers to strive towards enhanced board engagement, by ensuring clarity of purpose, proper formation of the team, productive meetings, active involvement in strategy and risk analysis as well critical understanding and involvement in university's fiscal management. Therefore, though the stated practices were largely informed by literature and theoretical contexts from developed countries, the practices are readily applicable in the Kenyan context.

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