# A STUDY ON THE POTENTIAL OF CORPORATE GOVERNANCE TO EXPLAIN INNOVATION STRATEGIES: THE CASE OF PRIVATE UNIVERSITIES IN MOGADISHU

(PhD THESIS)

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## **PhD THESIS**

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## FINAL APPROVAL FOR THESIS

This thesis titled "A Study on the Potential of Corporate Governance to Explain Innovation Strategies: The Case of Private Universities in Mogadishu" which has been prepared and submitted by Mohamud Ahmed MOHAMED in partial fulfillment of the requirements in "Anadolu University Directive on Graduate Education and Examination" for the Degree of Doctor of Philosophy (PhD) in Management and Organization at the Department of Business Administration has been examined and approved on 10/02/2020.

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## ÖZET

İNOVASYON STRATEJİLERİNİN KURUMSAL YÖNETİŞİMİ AÇIKLAMA POTANSİYELİ ÜZERİNE BİR ARAŞTIRMA: MOGADİŞU ÖZEL ÜNİVERSİTELER ÖRNEĞİ

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# Yönetim ve Organizasyon Bölümü Anadolu Üniversitesi, Sosyal Bilimler Enstitüsü, February 2020 Danısman: Prof. Dr. Hasan TUTAR

Bu araştırma, kurumsal yönetişim ilkelerinin Mogadişu'da özel üniversitelerin inovasyon ve yenilik stratejilerini ne ölçüde açıklama potansiyeline sahip olduğunu belirlemeyi amaçlamaktadır. Araştırmada konunun derinlemesine incelenmesi amacıyla nitel araştırma yöntemi (durum çalışması) tercih edilmiştir. Araştırmada amaçlı örnekleme teklerinden kritik örnekleme tekniğinden yararlanılmıştır. Araştırmada veri toplamak amacıyla yarı yapılandırılmış görüşme formu kullanılmıştır. Araştırmaya konu üzerinde bilgi ve tecrübesi olan ve özel üniversitelerde çalışan on üç uzman katılımcı ile yürütülmüstür. Katılımcılardan toplanan birincil verilerin yanında aynı zamanda bilimsel makaleler, dergiler, internet kaynakları ve kitaplar gibi ikincil verilerden yararlanılmıştır. Araştırmanın sonuçları, çalışma evreninde (özel üniversitelerde) inovasyon stratejileri ve kurumsal yönetişim ilkelerinin belli ölçülerde uygulandığını göstermektedir. Özel üniversitelerin Performans raporlarını yalnızca dahili amaçlar için yayınlamaları kurumsal yönetişim açısından yeterli olmamakla birlikte en azından bu konuda az da olsa duyarlılık sahibi oldukları anlaşılmaktadır. Örneklemi oluşturan üniversitelerde insan kaynaklarının "kilit performans göstergeleri"ne sahip tanımlamaların olması, kurumsal yönetisim açısından önemli bir gösterge olarak görülebilir. Bununla birlikte araştırma örneklemini oluşturan üniversitelerin çoğunluğunda kurumsal yönetişimin önemli göstergelerinden biri olan iş tanımları ya yok veya olanlar da yetersiz düzeydedir. Çalışanların iş güvencesi açık bir biçimde yasal prosedürlere bağlanmış değildir. Kurumsallaşmanın gereği olan çalışma koşullarını gösteren kural ve kaidelere ilişkin yazılı prosedürler yeterli değildir. Bunların dışında kurumsallaşmanın gereği olarak üniversiteler sosyal sorunluluk ve sosyal duyarlılık alanında finansal sorunlar nedeniyle rollerinin gereğini veterince verine getiremedikleri edilmiştir. Diğer taraftan üniversiteler ve federal hükümetler

kurumsallaşmanın gereği olan işbirliği yeterli düzeyde değildir. Bu durum işletmelerin topluma, sosyal ve ekonomik çevrelerine karşı gerekli sosyal sorumluluk duymadıklarını göstermektedir. Araştırmaya katılanların, üniversitelerin düşünsel odağında ve stratejik hedeflerinde pazarın tümü değil, büyük oranda öğrenciye odaklandıkları ortak kanaatini paylaştıkları görülmektedir. Bu durum, kurumların kurumsal yönetişimin ilkelerini, maliyet liderliğini ve odaklanma stratejilerini etkili bir şekilde uygulamaları gereğini göstermektedir. Araştırma, benzer çalışmaların, ülkenin diğer özel üniversitelerde ve Somali Ulusal Üniversitesinde de tekrarlanmasının yararlı olacağını önermektedir.

Anahtar kelimeler: İdari şeffaflık, Maliyet liderliği stratejileri

#### **ABSTRACT**

# A STUDY ON THE POTENTIAL OF CORPORATE GOVERNANCE TO EXPLAIN INNOVATION STRATEGIES: THE CASE OF PRIVATE UNIVERSITIES IN MOGADISHU

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## **Management and Organization**

Anadolu University, Graduate School of Social Science, February 2020

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This research aims to determine to what extent corporate governance principles have the potential to explain the innovation strategies of private universities in Mogadishu. Qualitative research method (case study) was preferred to examine the topic of the study in depth and purposive sampling was used. In the study, the semi-structured interview form used to collect data. The survey carried out with thirteen experts working in private universities who have knowledge and experience on the subject of the study. In addition to the primary data collected from the participants, secondary data such as scientific articles, journals, internet resources, and books also used. The results of the research show that innovation strategies and corporate governance principles applied to a certain extent in the private universities of Mogadishu. They publish their performance reports and policies only for internal purpose but not sufficient in terms of corporate governance. Also, this shows that there is a sensitive about this issue. The existence of identification with "key performance indicators" of human resources in universities seen as an essential indicator in terms of corporate governance. However, some of the private universities use job descriptions to identify the key performance indicators of each staff while others don't' have. When there is a deviation or gap relates to the organizational task,

apply disciplinary procedures. Still, when they want to dismiss an employee, they solve

through bylaw or culture.

Furthermore, the results show that there are aware of applying rules and regulations

relative to all staff, but the laws and regulations are not writing but instead oral. Also, the

results indicate that the role of the social responsibility of universities is not enough for the

local community because of the lack of financial budget. As well, there is no state or

national policy that guides how to reduce the unemployment rate of the local community.

There is a gap in collaboration among the universities and the federal government. The

findings of cost leadership strategies show that most interviewees are aware of this concept,

but most of them have no cost leadership strategies.

Moreover, results from respondents stated the reason behind to use differentiation

strategy is to achieve uniqueness and attracting students. Finally, most respondents

indicated that universities seek to target a massive amount of students, market division, and

not on specific segments of the market. The study recommends that institutions have to

implement the core principles of corporate governance and cost leadership and focused

strategies effectively. Finally, the research suggests similar studies have to conduct in other

private universities within different regions in the country for further research or study and

also Somali National University.

**Keywords:** Corporate Governance, Innovation Strategies, Administrative transparency,

Cost leadership strategies

**Keywords:** Adminstartive transaparency, Cost leadership strategies

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#### STATEMENT OF COMPLIANCE WITH ETHICAL PRINCIPLES AND RULES

I hereby truthfully declare that this thesis is an original work prepared by me; that I have behaved in accordance with the scientific ethical principles and rules throughout the stages of preparation, data collection, analysis and presentation of my work; that I have cited the sources of all the data and information that could be obtained within the scope of this study, and included these sources in the references section; and that this study has been scanned for plagiarism with "scientific plagiarism detection program" used by Anadolu University, and that "it does not have any plagiarism" whatsoever. I also declare that, if a case contrary to my declaration is detected in my work at any time, I hereby express my consent to all the ethical and legal consequences that are involved.

Mohamud Ahmed Mohamed

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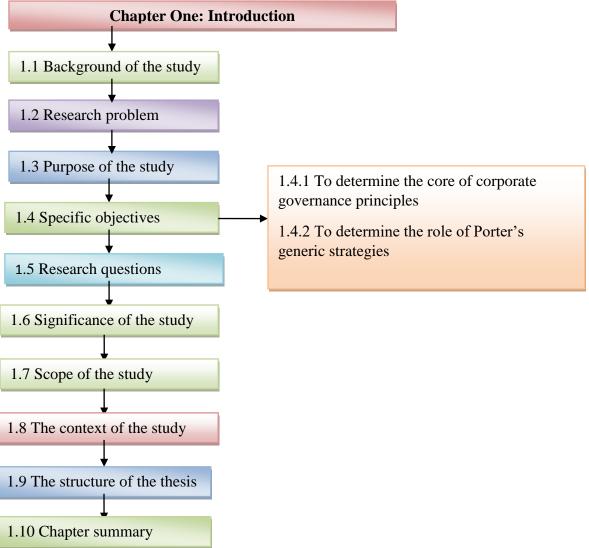
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## 1. INTRODUCTION

This research scrutinizes the principles of corporate governance and innovation strategies of private universities in Mogadishu. The analyzer's interest for the study arose out of his knowledge or experiences as former graduate in one of the private universities in Mogadishu and present as one of the administrative staff of these institutions. This chapter consists of ten sections and gives a basis and wide-ranging outline of the study.

Part 1.1 presents the background of the research highlights the essential of corporate governance principles and innovation strategies. Part 1.2 discuses the research problem of the research. Part 1.3 concentrates purpose of the study. Part 1.4 describes the specific objective of the study. Part 1.5 focuses on research question. Part 1.6 presents the implication of the research. Part 1.7 concentrates scope of the study. Part 1.8 describes and discuses the context of the study. Part 1.9 provides structure of the study. Part 1.10 outlines chapter one summary. Lastly, overall format or structure of the chapter is presented in Figure 1.1.

Figure 1.1 Structure of chapter 1



Source: developed for this study

## 1.1 Background of the Study

The concept of corporate governance was developed in America in 1970 and became famous globally, especially in academia, with regulators, government, and private organizations (Cheffins, 2011). Besides, this concept firstly implemented in America in the 1970s and 1980s, while other developed countries like England, Germany, and Japan executed in the 1990s. Also, in recent years the developing countries started the campaign of execution of corporate governance (Burak, Erdil & Altindağ, 2017).

This concept gained importance in 1980 and 1990 due to the stock market collapse and common corporate failures around the world (Mulili & Wong, 2011). These crises lead to the awareness that for all organizational managers to run efficiently and in the correct way to the organization (Ruparelia, 2016).

In 1990, most African countries started to implement the idea of corporate governance with the support of the Common Wealth Associations to give guidance or training and technical assistance (Kerandi, 2008). In 1990, East African countries started awareness campaigns and the promotion of regional cooperation of corporate governance (Ruparelia, 2016).

However, there is limited literature that explains the corporate governance practice adopted by organizations in developing countries, particularly those in Africa (Okehalam, 2004; Mulili, 2014). According to Eno, Mweseli, and Eno (2015), in their study, suggested that private universities in Mogadishu need a sound corporate governance system.

The central government of Somalia collapsed in 1991; a civil war started and destroyed higher education systems like any other institution in the country. In 1999, the higher education system was re-established by the local community, Diasporas, religious organizations, and international non-governmental organization (Heritage Institute for Policy Studies [HIPS], 2013).

In the capital city of Somalia, there is growth in the higher education sector; there is one national university in Mogadishu, with the rest being 20 private universities (HIPS, 2013). Besides, another report shows that there is one state-owned university located in Mogadishu, with the rest been 40 private universities (Abukar, Odowa, & Mosley, 2016). Finally, another statistical report shows that there are one state-owned university and 62 private universities located in Mogadishu (Iftin Foundation, 2019).

Although there is an increase of higher education in Mogadishu, a lack of detailed information on corporate governance and innovation is conspicuous in the area. The study, therefore, seeks to investigate the position of corporate governance on innovation strategies of private universities in Mogadishu.

This study guides by the theory of stewardship and founded by Donald and Davis between 1991 & 1993. Explains that the manager acts in the best interests of principals because they believe that by doing the best interest of the organization, they will give them more opportunities, for achievements and for meeting their self- actualization needs (Davis, Schoorman, & Donaldson, 1997).

This theory believes or describes the healthy and positive relationship between the success of the organization and the success of the manager (Shattock, 2006). This study adopts this theory because the stewardship theory is more applicable to non-profit organizations, especially in higher education (De Silva Lokuwaduge & Armstrong, 2015).

Agency Theory: Most researchers of corporate governance originally derive from agency theory, which proposes that corporate governance is essential to make sure that the principal-agent issues are alleviated (Shattock, 2006). Furthermore, agency theory explains that subordinates behave as individualistic, self-serving, and opportunistic. Opportunism means the agent maximizes his or her interests, to overcome this issue is very difficult to the organization; however, opportunism diminished through transparency reporting, observation and accountability or answerability (Davis et al., 1997).

The stakeholder theory traditionally was developed by Freeman and redefined Freidman (Htay & Salman, 2013). The theory attempts to incorporate aspects of agency and stewardship theories (Davis et al., 1997). The theory describes that organizations are not self-enough and depend on the internal and external groups in the environment (De Silva Lokuwaduge & Armstrong, 2015). Also, the theory that is an extension of the agency and stewardship theories that the duties of the governing body increased from shareholders to stakeholders (Shattock, 2013). The above methods are main corporate governance theories, and the following paragraphs give some brief on innovation strategies theories.

This study also guides by the theory of Porter's theory of competitors, and founded by Micheal Porter in 1979 and published in Harvard of business school. The theory explains that there are five power or forces that describes the competitive strength or power and attractiveness of the market. These five forces support to recognize whether power lies in organization situations, this theory is helpful or useful both in understanding the power of institutions' current competitive position or place and the power of an area that an institution may look to go into (Aydin, 2013).

This study guides by the theory of disruptive innovation theory, this theory was founded by American researcher Clayton M. Christensen and in 1997; the theory explains the effect of new technologies on organizational existence and describes that a smaller organization with smaller amount or fewer resources can be successful organization by focusing on more profitable areas or segments (Chege, Wanyembi & Nyamboga, 2019). Moreover, organizations can also get an advantage in various ways through sustaining and creating methods that are searching for disruptive innovation, employees and customer feedback can generate new ideas that increase efficiency and satisfaction (Bakhit, 2016). This study adopts this theory because the theory is more applicable to a small organization that has few resources.

This study guides by the theory of generic strategy. Michael Porter developed this theory in 1980, and it explains or analyses competitors and industries and finds the best position in the market (Nderitu, Edabu, & Mugwe, 2018. This theory is applicable, and the choice in this research motivated by the fact that organizations using this theory can choose to either achieve lower cost and high performance (Nderitu et al., 2018). Besides, this study adopted this theory because it informs or involves those institutions competing in a given environment that have to select to either attain lower cost and high performance (Manyeki, Ongeti, and Odiyo, 2019).

This study guides by the theory of resource-based theory. The method developed by Barney in 1919 and it explains that institutions have to maintain unique services or products and possess resources that enable them to attain competitive advantage; these resources must be rare and valuable to the organization (Nderitu et al., 2018). Furthermore, this theory describes the requirements for the agreement between the institution's internal capacities and the outside environment in which the institution works and also the dynamic capabilities states to an institutions power to incorporate the inside and outside competences to deal with the unstable situation (Habtoor, Arshad, & Hassan, 2019).

Finally, this theory is relevant to the study because institutions can find the best position for private institutions within higher education (Nderitu et al., 2018).

In the following paragraph, the researcher defines corporate governance with its literature sources: According to Mulili and Wong (2011), it refers to corporate governance as the procedures by which institutions are controlled and directed. According to Tseng, Wu, and Lin (2013), corporate governance is the managing of all stakeholders of the organization and achieving both organizational and individual goals. Similarly, corporate governance refers to the scheme governing the association among the principal and agency (Wagfi,2014). Gonzales-Bustos and Hernández-Lara (2016) alternatively define corporate governance as a system by which organizations are managed and evaluated adequately.

Besides, Hsiang (2017), however, refers to corporate governance as the system that supervises an organization, to ensure the organizational activities and social norms while considering the interested parties' goals. The above definitions of corporate governance adopt, as they support each other. In this study, corporate governance conceptualized by fairness, transparency, accountability, and social responsibility. The idea of corporate governance inspires transparency, accountability, justice, and social responsibility (Musa, Ismail, & Othman, 2008).

Respective researchers have defined innovation in different contexts, and it is essential to shortly investigate a special representative to find a better comprehending of the conception. In this study, innovation strategy the second variable of the research study.

Belloc (2011) defines innovation is the introduction of an effort or a suggestion for a novel process, product, structure, and method to stakeholders. According to Tseng, Wu, and Lin (2013) define innovation as a new capability produced from existing organizations and individual resources to achieve higher performance while Gonzales-Bustos and Hernández-Lara (2016) define change as an original method of making things cost-effective. The above definitions of innovation adopt, in this study, as the descriptions are supportive of one other.

Therefore, in this study, innovation conceptualized as two dimensions, specific product or service, and process innovations. In this study, innovations or change mean developing educational outcomes such as teaching materials, curricula, courses, and

research projects, and process innovation suggest excellent facilitation services such as using new technology (Al-husseini & Elbeltagi, 2013).

Innovation strategy refers to what level and in what method an organization tries to use innovation to implement its organizational strategy (Gilbert, 1994). Besides, innovations strategy defined to the organization's new service or product strategy as the familiar pattern of service or product introductions that came out from the organizations over time (Firth & Narayanan, 1996). Moreover, innovation strategy referred to as the new service or product and market growth plans of the organization (Dyer & Song, 1998).

By transparency, defines the accessibility or availability of information inside of an organization in terms of honesty and openness (Porumbescu, Lindeman, & Ceka, 2017). Transparency is an essential aspect of corporate governance because it increases the confidence of stakeholders such as faculty members, students, and the community. Similarly, Wehmeier and Raaz (2012) argue that transparency and information disclosure are very significant components and the core of good corporate governance. Transparency state how to attaining governance in management; transparency is the principle that provides information, facilitates decision-making policies, predicts changes, and determines the future direction (Al Shobaki1, Abu Naser & Ammar, 2017).

Purwanto (2015) investigated that transparency has a direct influence on organizational performance. Also, openness or clarity enhances corporate ethics, trust, honesty, and performance (Rawlins, 2008). It should, therefore, give sufficient attention. In private universities in Mogadishu, there is a call to study the issue of corporate governance, and particularly on organizational transparency (Eno, Mweseli & Eno., 2015). Besides, openness or clarity explains the degree of implementation of university governance in stakeholders, which facilitates individual's right to use to information and facts linked to university governance to take decisions and fairness means to achieve justice for all and make sure the regulation of law (Al Oleemat & Al Eiten, 2015). It's, therefore, necessary to determine the role of transparency on innovation strategies in private universities in Mogadishu.

By fairness, define fairness, where everybody should have equal rights, and everyone should have access to relevant information (Al Hila, Alshaer, Al Shobaki, & Abu Naser, 2017). Fairness is a crucial aspect of corporate governance because justice is

associated with motivation, commitment, and overall organizational performance (Mohamed, 2014). It should, therefore, give sufficient concentration. In private universities in Mogadishu, there is a need to study the issue of corporate governance, and particularly on fairness (Eno et al., 2015). It's, therefore, necessary to determine the role of justice on innovation strategies of private universities in Mogadishu.

Accountability refers to the decision-makers to any institutions that are held responsible to the community and institutional stakeholders (Graham, Amos, & Plumptre, 2003). Besides, accountability defined that controlling tasks and application of regulation and instruction carefully to all staff at the institutions (Al Oleemat & Al Eiten, 2015). Similarly, accountability is one of the key necessary for good organizational governance in public, private, government, and civil society institutions (Sabandar, Tawe & Musa, 2018). It's, therefore, necessary to determine the role of accountability on innovation strategies of private universities in Mogadishu.

Social responsibility defines as the duty of any institution for the effect of organizational decisions, activities, and objectives on community and the environment that give welfare and health of the local community, which takes to consider the expectation of all stakeholders and compliance with government and international laws (Purwanto, 2015). Similarly, implementing social responsibility improves the relationship with the community and encourages accountability, transparency, active participation, and ethical conduct and also promotes university competitive advantage and reputation (Al hilaa et al., 2017). It's, therefore, necessary to determine the role of accountability on innovation strategies of private universities in Mogadishu.

Since the human came into the world, people started or created innovations (Berkhout, Van der Duin, Hartmann, & Ortt, 2007). At the end of the nineteen century, individual and organizational innovation activities started, so the innovation became research and development of any organization (Silver, 1999). At the end of 1870, the first research organized in Germany, and it realized that science can create inventions and improves products.

Furthermore, in the first decades of the twenty century, research laboratories were organized in America by Dupont and General Electric (Berkhout et al., 2007). However, most of the African nations need to reform their national systems of innovation and also

require the role of universities to drive economic transformation; to attain this goal, they must focus on innovation (Juma, 2016). However, within the context of the higher education that universities should adapt product and process innovation to achieve educational performance (Al-husseini & Elbeltagi, 2013).

Early discussions on innovation strategies in Africa was effected by argument between the revisionist methods in favor of rules or policies of government involvement or interventions, against neoliberal agenda advocating for decreasing the role of government, in spite of the essential advances that taken place in certain African countries in the last thirty years and institutions seek to enable innovation are still developing and lastly, the challenges of execution, monitoring, evaluation, and studying still constitute the main obstacle for Africa's various innovation rules or policies, strategies and programs (Maharajh & Kraemer-Mbula, 2009).

Respective researchers have defined innovation in different contexts, and it is essential to shortly investigate a special representative to find a better comprehending of the conception. Belloc (2011) defines innovation is the introduction of an effort or an idea for a new process, product, structure, and method to stakeholders. Besides, innovation or change refers to the formation of product or service, process, and new idea (Al-husseini & Elbeltagi, 2013). According to Tseng, Wu, and Lin (2013) define innovation as a new capability produced from existing organizations and individual resources to achieve higher performance while Gonzales-Bustos and Hernández-Lara (2016) define innovation or change as an original method of making things cost-effective.

The above definitions of innovation adopt, in this study, as the descriptions are supportive of one other. Therefore, in this study, innovation conceptualized as innovation strategies. In this study, innovations or change mean developing educational products such as teaching materials, curricula, courses, and research projects, and process innovation suggest excellent facilitation services such as using new technology (Al-husseini & Elbeltagi, 2013).

Innovation strategy refers to what level and in what method an institution attempts to use innovation to implement its organizational strategy (Gilbert, 1994). Besides, innovations strategy defined to the organization's new service or product strategy as the familiar pattern of service of product introductions that came out from the organizations

over time (Firth & Narayanan, 1996). Moreover, innovation strategy referred to as the new service or product and market growth plans of the organization (Dyer & Song, 1998). Furthermore, innovation strategy refers to strategic goals, activities for the service or product, process, functional, market-entry, and timing strategy (Vahs, 2002).

Additionally, innovation strategy refers to the guide for an organization to choose vision, approaches ad ways to usefully and improvement of the innovation ability of the organization (Moraes, Melo, Oliveira, & Cabral, 2010). Moreover, innovation strategy defined as the degree to which an organization values and motivates innovation across the institution (Akhlagh, Moradi, Mehdizade, & Ahmadi, 2013).

The above definitions of innovation strategies adopt, in this study, as the descriptions are supportive of one other. Therefore, in this study, innovation strategies are conceptualized as three dimensions: cost leadership, differentiation, and focus strategies. In this study, innovations strategies mean developing educational products such as teaching materials, curricula, courses, and research projects, and process innovation means excellent facilitation services such as using new technology (Al-husseini & Elbeltagi, 2013).

Cost leadership attempts for a low-cost position comparative to competitors, attained through to control fixed and overhead control and cost decreasing in functional areas such as service quality and marketing. This strategy emphasis on cost reduction throughout the whole institutions, then, a successful cost leader in an organization will be the lowest cost service or producer in the sector and offers the mass-market services of a quality similar by direct competitors. Lastly, this strategy needs a broad market supplied with standard service or products (Hodgkinson, 2012).

However, differentiation strategy builds uniqueness to the organization's services or goods. This distinguished from its competitors and organizations want to be unique with some areas that are valued by its customers, and quality selected has too dissimilar from its competitors or rivals (Nthiiri, Gachambi, and Kathuni, 2014).

Whereas, The focus or market strategy selects a specific division or a group of divisions in the industry, an organization that does not have in competitive advantage optimizes its plan to provide or serve the demands of the aim divisions and attain competitive advantage (Manyeki et al., 2019).

Therefore, be given adequate concentration. In private universities in Mogadishu, there is a need to study the issue of innovation strategies, and particularly on cost leadership, differentiation, and focus strategies. It's, therefore, necessary to determine the role of innovation strategies of private universities in Mogadishu.

### 1.2 Research Problem

In the past, good corporate governance practice has been supported over the centuries and gained importance in the nineteenth century, particularly in the 1980s after following a sequence of corporate collapses and sometimes relates to fraud (McNutt, 2010; Tricker, 2011). Furthermore, this concept is now becoming an international topic because of the failure of some organizations occurred in Europe, Asia, USA, and Africa, and it also plays a leading position in the management of all types of institutions in both developing and developed countries (Coward, 2010 & Mulili, 2014).

This concept describes and explains one of the essential approaches that improve organizational performance, and also without corporate governance, organizations face poor performance (Kombo, Chepkoech, Koech, & Shavulimo, 2014). For the last two decades, the problem of institutional management in public and private organizations has become such a popular debatable topic in academics-that the governments impose a legislative change to public and private organizations around the world to improve governance arrangements (De Silva Lokuwaduge & Armstrong, 2015). Universities are one of the organizations interested in adopting corporate governance (Dixon & Coy, 2007). The corporate governance practice in Africa is fragile, and there is a limited study did in this area (Mulili, 2014).

Corporate governance presents an essential idea for the understanding of innovation strategies in organizations, and it also shows its effects on innovations (Belloc, 2011). The analysis and facts of corporate governance and innovation or change with their relationship started decades ago, so there have been fewer research studies that show the connection between corporate governance, innovation, and organizational performance (Gonzales-Bustos & Hernández-Lara, 2016).

However, in Africa, there are only a few holistic works that portray how organizations in Africa adapt to change and innovations, and most of the literature

describes scientific lapses that retard the process of innovation in Africa (Egbetokun, Atta-ankomah, & Jegede, 2016).

Most university leaders focus on to increase student enrolment, expansion, improving student service, budget constraints, raising academic standards, however, without knowing that all these issues could be efficiently managed with rational strategic perceptions. Even though some top management has recognized the vital of developing realistic strategic plans on the foundation of a vision. Porter's idea of cost advantage, differentiation strategy, and focuses or niche strategy and rarely found in higher education. However, the absence of Porter's generic strategy idea in the literature review of more upper education management does not necessarily involve that most universities have not adopted any generic strategy (Butcher & Huo, 2011).

In Mogadishu, the performance of private universities suffers low capacity of teaching, administrative staff, shortage of learning material, and qualified academic staff. Lastly, there is a shortage of research and publication (HIPS, 2013; Eno, Mweseli, & Eno, 2015). Kim, Lee, and Yang (2013) found out that corporate governance principles affect firm performance.

The management of private universities in Mogadishu underestimates the critical role of corporate governance in contributing to innovation (Eno et al., 2015). Therefore, there is a need to research the part of corporate governance and innovation strategies. However, this shows that there is a gap in the role of corporate governance practice on innovation strategies; thus, the study seeks to fill this gap. The research aims to investigate corporate governance principles on innovation strategies of private universities of Mogadishu.

## 1.3 Purpose of the study

The purpose of this study is to determine and describe the nature of the role of corporate governance on innovation strategies of private universities in Mogadishu using a qualitative research design with a view of improving the efficiency and effectiveness of private universities. Corporate governance conceptualized by administrative transparency, accountability, responsibility, and fairness, or justice.

The study determines and describes the role of administration transparency, accountability, responsibility, and fairness or justice on innovation strategies. The study also aims to find out the part of corporate governance on innovation strategies. However, in

this study, innovation strategy conceptualized as three dimensions, namely cost leadership, differentiation, and focus strategies.

## 1.4 Objectives of the study

The objective of this study is to analyze and examine the nature of the role of corporate governance on innovation strategies of private universities in Mogadishu. However, the research needs to achieve the specific objectives related to the main aim of the study. The specific goals are as follows:

- To describe the role of corporate governance principles (transparency, accountability, fairness, and social responsibility) of private universities in Mogadishu.
- 2. To determine the role of Porter's generic strategies (cost leadership, differentiation, and focus strategies) of private universities in Mogadishu

## 1.5 Research Questions about the study

This study seeks to answer the following questions:

- 1. How to describe the role of corporate governance principles (transparency, accountability, fairness, and social responsibility) of private universities in Mogadishu?
- 2. What determines the role of Porter's generic strategies (cost leadership, differentiation, and focus strategies) of private universities in Mogadishu?

## 1.6 The significance of the study

The researcher wants to investigate the role of corporate governance principles and innovation strategies through Porter's generic strategies. The importance of this study contributes to understanding the concept of corporate governance principles and its role in innovation strategies. The literature and findings of this study expect to add to academics in different ways:

Firstly, management, this study is essential to the managers in private universities and capable of knowing for sure that organizational governance. And Porter's generic strategies play the leading role in shaping their operation and how they impact institutions' expansion and the time they would know which institutional governance and Porter's standard approach to using to reach completive advantage and performance. Besides, the

study helps policy-makers in preparing frameworks and self-regulating or mechanical standards of corporate governance.

Secondly, private universities as the aim population of the research would benefit from the results of this research as it enlightened on the different generic strategies and the principles of corporate governance of the universities may adopt to develop or improve their expansion or growth. The information collected through this research would support the private universities to formulate policies useful in the most excellent competitive strategies in the different universities.

Moreover, the findings and recommendations of the study should also be useful to the managers and administrators of private universities in Mogadishu. The research findings give information on current governance practices and their role in innovation strategies. In Somalia, there are no guidelines for corporate governance; for that reason, the study, therefore, helps the management of the university and the board of directors to set guidelines for corporate governance.

Thirdly, the findings of this research are necessary to scholars and researchers and shapes as a basis of additional research. The students and academicians utilize this research as a foundation for debate on principles of corporate governance and competitive strategies. This study also would be a source of reference materials for future researchers on other connected topics; it would also support other academicians who carry out the same problem in their studies.

Additionally, the study is essential to scholars in management and contributes absolutely to academic knowledge. The researcher hopes that the findings form a basis for future research and add experience in the field of corporate governance. Alongside this, the study is useful for academic researchers who are investigating the concept of corporate governance and innovation strategies. Importantly, it is one of the few that examines corporate governance in Somalia. Finally, the expected findings decrease or minimize the contradictions of previous studies.

## 1.7 Scope of the study

This study concerns with corporate governance and innovation strategies. It conducted in Mogadishu, Somalia, in 2019 using a qualitative research design and a sample size of 13 selects from 62 of the target population. The researcher collects data and uses an

interview of the study. This study specifically seeks to determine the role of principles of corporate governance on Porter's generic strategies of private universities in Mogadishu.

### 1.8 Context of the research

Somalia located or lies in the horn of Africa and got independent from the Italian and British colony and the southern and northern parties united in July 1960 (UNESCO, 2013). Historically, the education system in Somali was dependent on Islamic methodology; pre-colonial era; during the colonial period, British and Italians introduced their languages into the Somali education system (Eno & Dhabi, 2015). The Somalia educational system has four successive periodic transformations: the Islamic period, colonial period, independence period, and after the collapse of the central government 1991 (HIPS, 2013).

Islamic period: the system of education based on Islamic culture with the support of religious pilgrims, traders, and seamen, and the education system in Somali was dependent on Islamic methodology; Arabic knowledge was medium of instruction in the pre-colonial era (HIPS, 2013).

In the colonial period: They changed the system of education and imposed its system without considering the particular needs of Somalia people. However, there were a few primary, middle, and secondary schools. Unfortunately, the higher education sector was non-existent (HIPS, 2013). Besides, there were a few numbers of schools that produce little low-level administration workers as clerks that completed classroom for the Italian language in the south and central and English language in the North and Western regions studying schools but not going further than grade seven. Lastly, the number of schools has increased in the Italian Trust Ship period 1950-1960, and there have been 233 schools in the whole country (Eno & Dhabi, 2015).

Moreover, in 1954 the higher education system founded the Italian government with few departments. Like law, economics, and social studies and they linked to the University of Roma, and the order of the learning had two successive phases where the first two years students study in Somali and reaming years studies in Italia (Somali Development & Reconstruction Bank [SDRB], 2014).

The independence period: Developing an education system was merit or priority during the independence, in 1972 Somali language was written, and the number of

primaries, middle and secondary schools increased, lastly, in 1970's Somali National University were established and had eleven faculties (Eno & Dhabi, 2015).

Furthermore, Somali National University tuition fee was free and with the incentive of monthly pocket money. It also provided accommodation to the students, and there had been different specialized post-secondary schools that the government-sponsored (SDRB, 2014).

The last period: The central government of Somalia collapsed in 1991; a civil war started and destroyed higher education systems like any other institution in the country. In 1999, the higher education system was re-established by the local community, diasporas, religious organizations, and international non-governmental organization (HIPS, 2013).

Furthermore, the earliest founded higher education was Indian Ocean University in 1993, Mogadishu University in 1996, and SIMAD University in 1999, and other universities in Mogadishu established after 2000 (SDRB, 2014).

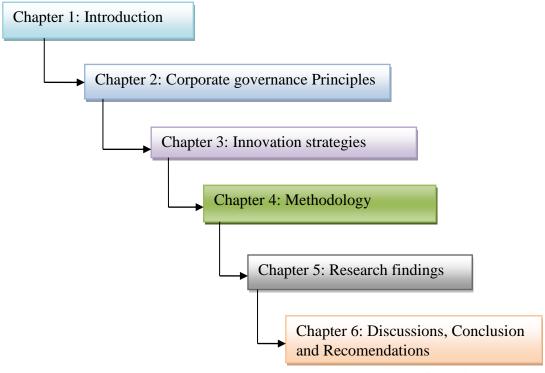
In Mogadishu, the capital city of Somalia, there is growth in the higher education sector; there is one state-owned university located in Mogadishu, with the rest being private universities (HIPS, 2013).

Lastly, another statistical report shows that there are one state-owned university and 62 private universities located in Mogadishu (Iftin Foundation, 2019). Moreover, these institutions established to generate income or profit rather than seen seeing education as vital for national economic growth and individuals to prosper, and also, the attitudes have shifted from quality to quantity (SDRB, 2014).

Although there is the growth of higher education in Mogadishu, a lack of detailed information on corporate governance and innovation strategies is conspicuous in the area. The study, therefore, seeks to investigate the role of corporate governance on innovation strategies of private universities in Mogadishu.

## 1.9 Structure of Thesis

This thesis focuses on six chapters or sections. Figure 1.2 summaries the outline of the thesis.



**Developed for this research** 

Chapter 1, introduction detailed the general context of the argument, indicating the reasons for selecting ethical corporate governance principles and innovation strategies as a topic and the private universities in Mogadishu as subjects for this research. Besides, chapter one consists of the introduction for the study and has subsection like the background of the review, problem statement, research objectives and questions, scope, the importance of the research, and the context of the study.

In chapter 2, the researcher provides a comprehensive theoretical debate on corporate governance and a relevant literature review to analyze the conceptual and background meanings of the term good corporate governance. The motivational behind the development of contemporary corporate governance discussions and the subject of the institutional in the context of good corporate governance are studied. Lastly, the literature

review enables the researcher or examiner to point out research gaps and research issues, and the researcher also developed a theoretical model that guides the research.

The researcher also analysis overall suggestions of corporate governance subject and sets the standpoint of this thesis concerning the related literature review, studying the gaps or deviation in the literature, which additionally gives the rational enough with regards to the difference mentioned in the research questions.

Moreover, this chapter provides the environment to investigate the private universities in the Mogadishu case and explains the appropriate research methodology. Lastly, the chapter focuses on more details of global issues related to good corporate governance, and also problems to be investigated in-deeply include the level of administration transparency, accountability, fairness, and social responsibility.

Chapter 3 reviews the related literature review in line with the purposes of the study. Also, this chapter discusses previous literature on generic strategies and the performance of institutions in line with the set questions and objectives of the research. This chapter shows that the importance and need for conducting a study on the topic of the study.

In chapter 4, the literature review also performs as a methodological tool that examines as a background for the qualitative research method adopted for this research. In this section, the research approach or process; research strategy, data collection; research instruments, data analysis, sample determination, limitation, reliability, and strength or validity of the study and related issues debated. The results or findings of this research presented from the raw data in a way that facilitated useful conclusions and ensured an obvious connection among existing related literature review with the research findings.

Chapter 5 consists of the results or findings from the study carried out in thirteen private universities that were the subject of this research. Also, there is an explanation about the execution of institutional governance in private universities in Mogadishu. This chapter analyzes the research findings or results from thirteen universities, with thirteen respondents interviewed use a semi-structured interview tool.

Chapter 6 focuses on discussions, conclusions, and recommendations of the findings. In the debate, the section compares the connection among the related literature review and the results of the research. Besides, this study provides a suggestion to contribute to the execution of good institutional governance and innovation strategies in

Mogadishu, Somalia. Moreover, this chapter concentrates on the contribution of this thesis to the knowledge of organizational governance. Finally, this study concludes to answer the study questions of the research and also suggested directions and opportunities for future research in the field of institutional governance and innovation strategies.

## 1.10 Chapter Summary

This chapter introduced a research issue or problem and described the significance of solving it. The researcher started by providing a background of the study before beginning the research problem, questions, and objectives. Besides, the researcher justified the research and described the methodology adopted the research issue. Also, in this chapter, the researcher discussed the scope, significance, context, and structure of the study.

### 2. CORPORATE GOVERNANCE

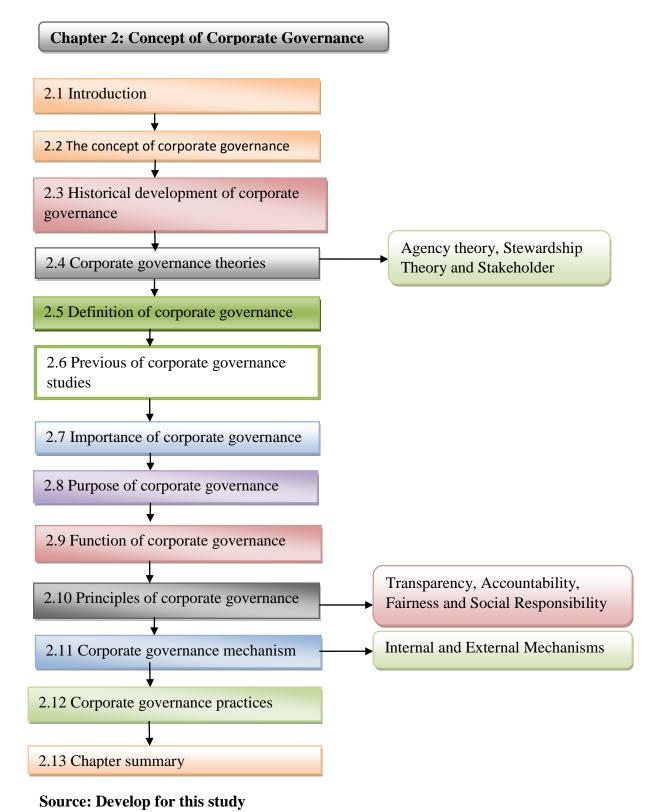
#### 2.1 Introduction

In section 1 the researcher presented wide overview of the thesis by given introduction the background of the study and discussed the study problem. This chapter discuses related literature review to the research issue and seeks to attain the first objective of the study. Also, it identifies and examines the study issues that are basically to the research. Moreover, it describes the direction of early research and shows how this study relates to the current body of knowledge. Furthermore, this chapter builds a theoretical framework that directs the examiner in this study. Finally, it indicates the current gaps existing in the present body of knowledge.

This section discusses the literature related to corporate governance principles. The review is conceptualized under the objectives of the study and focuses mainly on the principles of corporative governance such as transparency, accountability, fairness, and social responsibility. These are the main issues in this study.

This chapter consists of thirteen sections. Firstly, an introduction section and outline chart of the chapter presented. Secondly, the researcher discussed the concept of corporate governance. Thirdly, the study discussed the historical development of corporate governance. Fourthly, this chapter explains the main corporate governance theories. Fifth, the researcher defined the main definitions of corporate governance. Sixth, this chapter discussed previous studies of corporate governance. Seventh, the study described the importance of corporate governance. Eight, this chapter mentioned the purpose of corporate governance. Ninth, the researcher explained the functions of corporate governance. Tenth, this chapter focuses on discussion the core of corporate governance principles. Eleven, the examiner discussed corporate governance mechanism. Twelve, this chapter concentrated corporate governance practices. Thirteen, this chapter concluded chapter summary. Finally, Figure 2.1displays graphical outline of the chapter.

Figure 2.1: A graphical outline of the chapter 2.



## 2.2 The Concept of Corporate Governance

The idea or concept of corporate governance engages several inter-related and mutually essential elements; these elements focus on accountability, transparency, and to strengthen these features through suitable governance mechanisms (Shore & Wright, 2004). Besides, this intended result aimed at reducing principal and agent issues and motivates the long term welfare of all stakeholders (Gilardi, 2001).

Furthermore, corporate governance is a many-sided idea that focuses on organizational responsibility and accountability (Williamson, 2005). Also, the concept of governance or management involves organizational structure, whether formal or informal, and makes constraints on the behavior of a given member; this means that some members of the organization impose governance mechanisms of the organization (Gayle, Tewarie & White, 2003). Moreover, the corporate governance scheme requires formulation, monitoring, and implementation of organizational structures (Gilardi, 2001).

The problem of the corporate governance system has complicated issues related ideal organizational mechanisms, efficient monitoring and controlling or protecting the rightness of all stakeholders, besides, the concept became more complex and consists of regulation, laws, accountability, procedures, norms, and code of ethics (Williamson, 2005). Furthermore, the concept describes the board process and procedures and also explains the relationship between management, board, shareholders, employees, and community (OECD, 2004).

Lastly, the corporate governance structure encourages the effective use of resources and improves overall organizational performance, therefore, to achieve all these performances throughout shared agreements and active co-operation among the organization and all stakeholders (OECD, 2004).

# 2.3 Historical Development of Corporate Governance

The concept of organizational governance had started in classical times. The records show that regulatory governance or management has a long history. For example, tribal communes supervise or monitor the activities of the tribe as well as person members of the tribe to make sure traditional values with tribal norms. Also, the standard form later matured to the level of the agricultural society whereby the concept of the family came to

the fore with the activities of family members were monitored or supervised be family councils (Oso & Semiu, 2012).

Besides, the old Roman government had specific bodies to develop municipal authorities to manage public affairs with transparency for the common good. Furthermore, in the Middle East, the tribes had their councils to implement or ensure fairness and justice. Lastly, the evolution of Islam in the world placed the great responsibility of good governance on religious (Oso & Semiu, 2012).

Also, in the sixteen century, England formed a different regulation and regulatory authority such as joint-stock institutions and the Bank of England to manage or govern all organizational activities to achieve efficiency, effectiveness, accountability, and stakeholder satisfaction (Oso & Semiu, 2012).

The concept of corporate governance was developed in America in 1970 and became famous globally, especially in academia, with regulators, government, and private organizations (Cheffins, 2011). This concept gained importance in the 1980s and 1990s due to the stock market collapse and common corporate failures around the world (Mulili & Wong 2011). These crises lead to the awareness that for all organizational managers to run efficiently and in the right direction to the organization (Ruparelia, 2016).

In 1990, most African countries started to implement the idea of corporate governance with the support of the World Bank Group and Common Wealth Associations to give training and technical assistance (Kerandi, 2008). In 1990, East African countries started awareness campaigns and the promotion of regional cooperation of corporate governance (Ruparelia, 2016).

## **2.4 Corporate Governance Theories**

The subsequent section reviews the theoretical perspective that is relevant for this study, drawn on agency theory, stewardship theory, and stakeholder theory as main corporate governance theories.

### 2.4.1 Agency Theory

Most researchers of corporate governance originally derive from agency theory, which proposes that corporate governance is essential to make sure that the principal-agent issues are alleviated (Davis et al., 1997). The agency theory has a problem of asymmetric information; the agents know more details on how to administrate or manage and run the

organization compared to the principles (Htay & Salman, 2013). Moral hazard issues can arise as they may abuse the authority and act their interest (Cribb, 2006).

However, the issue arises from the principal-agent association may come in different factors such as hidden information means that the agent has a motivation to hide information from the principal. To overcome this issue, the institutions should have transparency and mechanism that motivates to explore the hidden information or knowledge (De Silva Lokuwaduge, & Armstrong, 2015).

Furthermore, the agency theory explains that subordinates or employees as individualistic, self-serving, and opportunist. Opportunism means the agent maximizes his or her interests; to overcome this issue is very difficult for the organization. However, opportunism can diminish through transparency reporting, observation, and accountability (Davis et al., 1997).

This theory used Oso and Semiu in 2012 in Nigeria and examined the practice and concept of corporate governance and used the qualitative research method. The results indicate that institutions have to implement the main elements of corporate governance. Besides, this theory used Vo and Nguyen in 2014 in Vietnam. It investigated the relationship between corporate governance and firm performance using a sample size of 177 firms, and the findings indicate the multiple effects of corporate governance and organizational performance.

Also, the theory was used by De Silva, Lokuwaduge, and Armstrong in 2015, in Australia and investigated the relationship between corporate governance and performance using a sample size of 39 universities and found there is a significant relationship between corporate governance and university performance. Moreover, this theory was used by Okeyo in 2017, in Kenya and examined the principles of governance or management and leadership among student leaders in thirty-five state universities with a sample size of 70 students and found no significant relationship between student leadership and principles of governance of direction, voice, legitimacy, and fairness.

Also, this theory was used by Sabandar et al., in 2018, in Indonesia and investigated the impact of the exception of good university governance on education quality in private universities and their findings show the implementation of organizational management significantly or directly impacts the education quality.

### 2.4.2 The stewardship theory

The stewardship theory founded by Donald and Davis between 1991 & 1993 and explains that the manager acts in the best interests of principals because they believe that by doing the best interest of the organization. They will give them more opportunities, for achievements and for meeting their self- actualization needs (De Silva, Lokuwaduge & Armstrong, 2015). This theory believes that there is a healthy and positive relationship between the success of the organization and the achievement of manager (Davis et al., 1997). In this theory, the manager wants to do an excellent job of managing useful organizational resources to achieve corporate strategic goals (Shattock, 2013). This study adopts this theory because the stewardship theory is more applicable to non- profit organizations, especially in higher education.

The stewardship theory describes the relationship between the success of the organization and the achievement of the manager (Shattock, 2006). This study adopts this theory because the stewardship theory is more applicable to non- profit organizations, especially in higher education (De Silva Lokuwaduge & Armstrong, 2015).

This theory used Vo and Nguyen in 2014 in Vietnam. It investigated the relationship between corporate governance and firm performance using a sample size of 177 firms, and the findings indicate the multiple effects of corporate governance and organizational performance. This theory further used Mulili and Wong in 2014 in Kenya and examined how this theory affects corporate governance practice and studied public universities in Kenya. The findings indicate that the corporate governance practices in developed countries are not applicable in developing countries due to technological, cultural, economic, and political differences. However, this means there is a necessitate to establish models of corporate governance appropriate to developing countries.

The theory also was used by De Silva, Lokuwaduge, and Armstrong in 2015, in Australia and investigated the relationship between corporate governance and performance using a sample size of 39 universities and found there is a significant relationship between corporate governance and university performance.

This theory was used by Okeyo in 2017, in Kenya and examined the principles of governance and leadership among student leaders in thirty-five state universities with a

sample size of 70 students and found no significant relationship between student leadership and principles of governance or management of direction, voice, legitimacy, and fairness.

This theory assumes that individuals who are motivated or intrinsic factors higher needs are more likely to become stewards, and it also explains that people who use personal power want to influence others are more likely to become stewards (Hernandez, 2012). The theory explains that the manager acts in the best interests of principals because they believe that by doing the best interest of the organization, they will give them more opportunities, for achievements and for meeting their self- actualization needs (Tricker, 2011& Mulili, 2014).

This theory believes that there is a positive relationship between the success of the organization and the achievement of the manager (De Silva, Lokuwaduge & Armstrong, 2015). This study adopts this theory because the stewardship theory is more applicable to non-profit organizations, especially in higher education. Some empirical studies found that the stewardship theory applies to the family business (Htay & Salman, 2013).

The stewardship theory is an alternative to agency theory. The agency theory explains that subordinates or employees as individualistic, self-serving, and opportunistic (Davis et al., 1997). The agency theory has a problem of asymmetric information; the agents know more details on how to administrate or manage and run the organization compared to the principles (Htay & Salman, 2013). Moral hazard issues can arise as they may abuse the authority and act their interest (Cribb, 2006).

However, in adopting the stewardship theory of organizations for this study, the researcher is not ignorant of its shortcomings. This theory does not provide that agents always be motivated only by organizational goals; in addition to, when recruiting a manager, it cannot be known for sure whether he or she will act as a steward (Schillemans, 2013). It's hard to differentiate those who will work or perform opportunistically and those that will not (Davis et al., 1997). This theory focuses on intrinsic rewards that are not easily quantified. The stewardship theory has been criticized for its lack of details about board activities and does not determine how board directors make the decision process (Ovidiu-Niculae, 2000).

## 2.4.3 Stakeholder's Theory

The stakeholder is a general term that defines any person or group that can influence the attainment of the institution's vision (Htay & Salman, 2013). Nevertheless, stakeholders have to be parties that have an indirect and direct interest in the activities and output of an organization, and the members of stakeholders are employees, community, shareholders, governments, investors, and so on (De Silva Lokuwaduge & Armstrong, 2015).

The stakeholder theory traditionally was developed by Freeman and redefined Freidman (Htay & Salman, 2013). The theory attempts to incorporate aspects of agency and stewardship theories (Davis et al., 1997). The theory describes that organizations are not self-sufficient and depend on the internal and external groups in the environment (De Silva Lokuwaduge & Armstrong, 2015). Also, the theory seen is an extension of the agency and stewardship theories that the duties of the governing body increased from shareholders to stakeholders (Shattock, 2013).

The importance of the stakeholder theory is that it determines that institutions are not only controlled the principal and agent because the old conventional approach of institutions, in both legal and managerial forms, has failed for the sake of self-serving of managerial behavior (Htay & Salman, 2013). Besides, the fundamental of stakeholder theory motivates the interest or rights of all stakeholders in the organization and multifaceted method, which provides intellectual rigor and reply to the benefit or rights of all stakeholders (Davis et al., 1991). However, the major criticism of the stakeholder theory is to achieve the wellbeing of stakeholders, which may lead to corruption and allows chance agents to divert wealth away from shareholders to other members of the institutions (Davis et al., 1997).

In the context of university governance, the stakeholders consist of the following; students, teaching staff, corporate partners, alumni, government, and community (De Silva Lokuwaduge & Armstrong, 2015). This study adopts this theory because it provides for full participation in internal and external stakeholder decision making.

This theory was used by Ezekiel, Ruth, and Emmanuel, in 2013, in Nigeria and examined social responsibility and university performance with a sample size of ten public relations directors, the study used a qualitative research method. The interview used to collect the data from interviewees. The main result of the study shows that social

responsibility improves the image, goodwill, and trust of the university. Besides, this theory used by Kombo et al., in 2014, in Kenya and investigated the effect of corporate governance on the performance of private institutions using a correlation survey design with a sample of nine organizations and found out that there is a connection among corporate governance practice and performance.

The theory also was used by De Silva, Lokuwaduge, and Armstrong in 2015, in Australia and investigated the relationship between corporate governance and performance using a sample size of 39 universities and found there is a significant relationship between corporate governance and university performance.

In conclusion, corporate governance has three essential theories: agency, stewardship, and stakeholder theories. And involves several inter-related and mutually support elements while differences exist among methods, it's evident that all three focuses on the need for corporate governance to essential on creating responsibility, transparency, and accountability (Davis et al.,1997). However, all these theories are mostly concerned with ensuring that corporate governance motivates the long term capability of institutions through the implementation of best practice methods (De Silva Lokuwaduge & Armstrong, 2015).

## 2.5 Definitions of corporate governance

Corporate governance referred to in different ways and varied according to their context, and also it's tough to define corporate governance because of the continually expanding boundaries of the subject. However, it has no single accepted definition (Wagfi,2014).

According to Mulili and Wong (2011), refers to corporate governance as the procedures by which institutions are controlled and directed. Besides, according to Tseng, Wu, and Lin (2013), corporate governance is the managing of all stakeholders of the organization and achieving both organizational and individual goals. Besides, corporate governance refers to the whole relationship between an institution and the stakeholders (Marioara & Cristina-Petrina, 2013).

Similarly, corporate governance refers to the scheme governing the relationship between the principal and agency (Wagfi,2014). Moreover, Gonzales-Bustos and Hernández-Lara (2016), on the other hand, define corporate governance as a system by

which organizations are managed and evaluated adequately. Furthermore, corporate governance means the procedure, policy, and process that govern organizations (Ruparelia, 2016).

Besides, Hsiang (2017), however, refers to corporate governance as the system that supervises an organization, to ensure the organizational activities and social norms while considering the interested parties' goals. Besides, corporate governance is a concept that seeks to protect the right of all inside or outside stakeholders (Burak, Erdil & Altindağ, 2017). Finally, corporate governance defines the system under which organizations are administrated, controlled, and monitored (Zatar, 2019).

The above definitions of corporate governance adopt, as they support each other. In this study, corporate governance conceptualized by transparency, accountability, fairness, and social responsibility. The idea of corporate governance inspires transparency and integrity or honesty (Musa, Ismail, & Othman, 2008).

## 2.6 Previous of organizational governance studies

Muktiyanto, Rosita, and Hermawan (2014) examined the relationship between good university governance and the performance of higher education in Indonesia with a sample of 231 respondents and found out that transparency produces superior performance. The findings of this study show that excellent university governance associated with performance in higher education. Besides, Kombo et al. (2014) investigated the relationship between corporate governance (board characteristics, top management characteristics and stakeholder communication characteristics) and performance in Kenya -using a correlation survey design with a sample of nine organizations and found out that there is a relationship between corporate governance practice and performance.

Meanwhile, De Silva Lokuwaduge and Armstrong (2015) conducted a similar study in Australia and investigated the relationship between governance and performance. Using a sample size of 39 universities and found that board size did not relate to finances, study and, teaching performance and also that the board of independence has less influence on teaching and research performance. Also, the board of autonomy did not affect financial performance. While the board committee positively influenced financial and research performance. However, the board committee showed a negative relationship with teaching performance. This result suggests that excessive monitoring negatively affects teaching

quality. This study concludes that there is no statistically significant relationship between governance and university performance.

Burak et al., (2017) examined corporate governance and performance in Turkey, particular in the Marmara Region, with the sample size of 304 respondents. The authors found that there is a relationship between the principles of corporate governance and performance. Moreover, Okeyo (2017) investigated the principles of governance or management and leadership among student leaders in thirty-five state universities in Kenya with a sample size of 70 students' president and deputies. The author found no significant relationship between student leadership and principles of governance of direction, voice, legitimacy, and fairness.

Similarly, Hamzah, Haryono, and Mustafa (2018) studied the effect of a good university of lecturer performance in Indonesia with a sample of 240 respondents. The conclusions of the study show that there were significant positive relationships between good university governance and lecturer performance. Meanwhile, Castner and Kavadis (2013) conducted a similar study in France from 2000- 2006 and concluded that there was a negative relationship between corporate governance and performance. However, both studies found a negative correlation between corporate governance and firm performance, even though there are different social, economic, and regulatory conditions in developed and developing countries. Furthermore, Al hilaa et al., (2018), studied the role of university governance and partnership with local community institutions in Palestine with the sample of 280 respondents from public and private universities. The study findings showed the association between university governance dimensions and partnership.

Also, Hartati, Hadiwidjaja, & Muktiyanto (2018) studied the impact of good university governance on human capital in Indonesia with a sample size of 585 academic staff. This study found that good university governance has a positive sign in human capital. The result of this research verifies the general view that good university governance can enhance the human capital of universities. Moreover, Moloi and Adelowotan (2019) examined corporate governance principles and disclosing annual reports in South Africa of nine regions with 50 colleges. The authors found that most of the examined institutions did not reveal the essential corporate governance practices in their yearly reports. Finally, Zatar (2019) investigated the impact of the implementation of university governance on the

performance of academic staff in Saudi Arabia with a sample of 120 participants. The primary result of the study shows that there is a significant effect on university governance on the performance of academic staff at the University of Jeddah.

### 2.7 Importance of Corporate Governance

The practice of corporate governance has increased significantly due to institutions have the motivation to lie about the effectiveness of their governance structures, and it's only through the improvement and implementing institutions governance that organization failure and scandals avoided (Mulili & Wong, 2011). Furthermore, corporate governance, one of its importances, is to protect the rights of all stakeholders and their interests (Tseng, Wu, & Lin, 2013).

Furthermore, good corporate governance focuses on detailed rules, regulation, applicable to the organization, management, and administration, and approaches that generate or increases the value of the institution (Marioara & Cristina-Petrina, 2013). Moreover, in the education sector of corporate governance has increased its importance due to political and economic pressures; similarly, organizational governance approaches have been essential to encourage investment in the higher education (De Silva Lokuwaduge & Armstrong, 2015).

Corporate governance is an important concept that improves the performance of all institutions, whether private or public organizations, and formulates efficient corporate administration and individual or private regulatory policies Gonzales-Bustos and Hernández-Lara (2016). Besides, Hsiang (2017), the concept is considered as increases the consistency and quality of public or private financial information and enhances efficiency and integrity. Lastly, the idea of corporate governance in recent years moved to the higher education section because universities are an essential part of the general community in the environment (Zatar, 2019).

## 2.8 Purpose of Corporate Governance

The primary purpose of the implementation of corporate governance to build a capable team, communication, delegation, and to reduce unnecessary dependence; however, corporate governance is vital. It develops all aspects of organizations that include decision making, prioritization, resource allocation, administration system of service delivery to the organization (Purwanto, 2015).

The reason behind corporate governance is to assist practical innovation and careful management that can deliver the long term achievement of any institution (Gonzales-Bustos and Hernández-Lara, 2016). Although the concept of corporate governance is unique to any institution and controls the external and internal actions of employees, managers, and external stakeholders, this framework outlines the responsibilities or duties and roles of the board of directors to protect the organization's resources and shareholders rights (Purwanto, 2015).

Furthermore, corporate governance always outlines the vision, goals, and objectives of each institution's contract, individuals who approve contracts and other obligations regularly included in the organizational governance structure, and also creates a system that governs internal and external organizations (De Silva Lokuwaduge & Armstrong, 2015). The primary purpose of corporate governance is to ensure the complete and correct information about the actual situation of an institution (Burak et al., 2017).

# 2.9 Functions of Corporate Governance

The function of corporate governance started with institutions' shareholders and passed to the elected board of directors, who are responsible for developing governance strategies for the institutions. Besides, the organization's board of directors sets procedures and policies to meet the institution's short and long term goals effectively and also to protect and managing risks. Also, another function of corporate governance is to make accountability within the board of directors as well as the organization's management structure; this provides a system of checks and balances to do specific organizational procedures, and creativity appropriately implemented (Lister, 2019).

Successful corporate governance needs shareholders informed of the organization's performance and innovation activities. The organization's board of directors is required to inform shareholders about the performance of the organization, strategies achievement, and issues in the organization; however, this will lead the shareholders to trust the board and remain the institution (De Silva Lokuwaduge & Armstrong, 2015). Lastly, one of the elements of corporate governance is to ensure institutions transparency about government regulations, these regulations or rules involve a different of required policies and procedures such as ethical treatment of staff, financial reporting and to protect environmental issues of dangerous materials (Lister, 2019).

## **2.10 Principles of Corporate Governance**

The concept of good corporate governance is growing around the globe for the last past ten years, the implementation of this concept in universities is more appropriate to increase the trust of all stakeholders, and the idea of corporate governance derived from the concept of governance or management (Sabandar et al., 2018). Besides, the application of good corporate governance in higher education, particularly on university institutions, leads to a positive change and impacts everything within institutions and thus ensures its excellence and increases the satisfaction and trust of all stakeholders in higher education (Abdeldayem & Aldulaimi, 2018).

United Nations Development Program principles of good governance include responsiveness, participation, strategic vision, effectiveness and efficiency, accountability, transparency, equity, and the rule of law (Graham et al., 2003). Oso and Semiu (2012) discussed the idea and application of organization governance and its underlying principles; these principles include rights and equitable treatment of shareholders, the interest of stakeholders, the role and responsibility of the board of directors, disclosure, and transparency and integrity and ethical behavior. Furthermore, the principles of good institutions' governance focus on the following elements: accountability, transparency, integrity, and responsibility. The application of these four principles needs collaboration between the institution, government, and organizational associations. Lastly, these four principles develop and improve the program of the excellent quality governance system and facilitate with tangible results (Wagfi, 2014).

Also, there are several elements of useful governance concepts, including participation, transparency, integrity, clarity, and compliance with laws, regulations and instruction and accountability, fairness to ensure the development and progress of the community (Al Oleemat & Al Eiten, 2015). Similarly, there are four principles of organizational governance, namely: transparency, accountability, social responsibility, and fairness (Purwanto, 2015).

On the other hand, the concept of governance related to the behavior of different categories. Therefore, there is a principle that needs to apply to the context of universities. And these principles constitute the essential pillars of governance and the most important are as follows: transparency and disclosure, compliance with laws and

regulations, accountability and responsibility, clarity, independence, equity, equitable treatment of shareholders, role of stakeholders and lastly, responsibility of the board of directors (Al hilaa et al., 2017).

Besides, good corporate governance is essential to maintain the capability of the institutions through a management scheme based on five principles: accountability, transparency, responsibility, fairness, and independence (Sabandar et al., 2018). Also, good organizational governance is the application of the fundamental principles of the concept of good governance and the process of governance or management in higher education institutions and the most important are as follows: academic ethics, accountability, transparency, fairness, and responsiveness (Hartati et al., 2018).

Furthermore, good organizational governance generally considered to be the primary means for attaining sustainable human development and organizational change. Also, this concept encourages the developing countries to build up their views of good corporate governance, and there are three principles of good regulatory governance or management: transparency, participation, and accountability (Abdeldayem & Aldulaimi, 2018).

Finally, the central core of corporate governance principles that fundamentally consists of four basic principles: transparency, accountability, fairness, and social responsibility (Burak et al., 2017). This study adapts these four elements of good organizational governance: transparency, accountability, fairness, and social responsibility to evaluate the application of leadership and good governance or management of private universities in Mogadishu.

### 2.10.1Transparency

Transparency is one of the most important issues that occupy the minds of any discipline. For example: accounting, economics, laws, finance, and administration. To achieve growth, stability, and ensure the achievement of organizational goals; besides, the topic of administrative transparency has got importance in different fields to provide practices that stand up in organizations to achieve the objectives that all stakeholders seek (Al Shobaki et al., 2017). Furthermore, the awareness of managerial transparency in higher education rose since the starting of this century, with the increase in the official educational reformation globally and the technological revolution age (Badah, 2013).

Besides, managerial transparency in the universities includes the freedom of the flow of information; their input means operation and outputs. All levels and structures with clarity have an open communication system in all directions (Al- Kilani, 2017). Similarly, the objective of higher education is to implement administrative transparency to improve the quality of teaching and keeping the interest of all stakeholders (Al hilaa et al., 2017). Besides, the principle of openness states that universities should exposure their actions or activities to facilitate the ability of the decision making the process of the stakeholders (Marioara, & Cristina-Petrina, 2013).

However, the main issues experienced by higher education of the developing countries are the confidentiality or secrecy of the managerial task style. As management views that there are confidential or secret issues that not disclosed to others, this minimizes the trust of all educational stakeholders (Badah, 2013). Finally, universities participate in the leading role in establishing the principles of transparency because it addresses many administrative problems such as ambiguity in the rules and regulations and tries to find methods to make simple procedures to fight managerial corruption (Al Shobaki et al., 2017).

Transparency in academics is a tool that assists in the decision-making process of stakeholders (Marioara & Cristina-Petrina, 2013). Moreover, transparency is complementary to the element of organizational accountability, and also, no achievement attained without corporate transparency and public disclosure (Burak et al., 2017). Furthermore, transparency becomes a requirement for all institutions, whether private or public, and improves development, qualitative performance, quality results, decision making and facilitates the access of organizational information, and enhances openness, confidence, and autonomy, of the stakeholders. Finally, transparency is the foundation of good governance (Ammar, Al Shobaki, & Naser, 2018).

All private universities have to use the transparency standard and present the performance of the institution to keep the trust of stakeholders. And also transparency gives information or accurate picture of what all happens in the institution (Al hilaa et al., 2018), Besides, In higher education universities have to promote transparency in decision making and emphasis clarity and participation of all parts in the institutions (Zatar, 2019).

Several researchers have discussed and defined transparency in various contexts, and it is necessary to shortly explore the different definitions to get a better understanding or comprehending the concept.

In the area of accounting, transparency refers to the community distribution of information about organizational transactions (Bushman, Piotroski, & Smith, 2004). Besides, in the context of higher education, transparency refers to the information about tuition fees and features of services to offer (Soh, Markus, Goh, & Markus, 2006). Moreover, in the area of data transparency, Nicolaou and Mcknight (2006) define transparency as the ease of use of sufficient information to evaluate data.

Also, in the context of communication (Potosky, 2008), transparency defines the degree of interaction that assists in information exchange. Furthermore, in the area of public relations, clarity refers to make all organizational information should be accurate, timely, fair, and transparent (Rawlins, 2008). As well, in the area of finance, transparency defines fiscal or financial information (Guillamón, Bastida, & Benito, 2011).

Moreover, in the area of global, transparency refers to the clarity of the regulations and processes within the institution. However, this means open procedures, goals, and targets in the task of the organization (Serhan, 2016). Besides, in the area of business, transparency refers to the commitment to clarifying in making business with control and accountability (Serhan, 2016). Also, in the governmental context, transparency defines the decision making procedure, public services, budgets, policy content, policy outcome, and its effect (Park & Blenkinsopp, 2017). Additionally, in the managerial or administrative context, transparency refers to the sharing of information or the free flow of information related to truths and the capability to share in to make a decision (Al- Kilani, 2017). Transparency is not only providing information but consists of sharing, creating policies and rules, responsibility, and procedures (Balkin, 1999).

Transparency defines the obligation to exposure university actions and information to the public (Marioara & Cristina-Petrina, 2013). Furthermore, clarity refers to information about the service and decision-making process (Moreno & Molina, 2014). According to Schnackenberg and Tomlinson (2014) defines organizational transparency as information disclosure, clarity, and accuracy. Information disclosure is an essential component of organizational transparent. The relevant information should be received promptly; clarity is

the second dimension of transparency and refers to the information an organization conveys to stakeholders; the last aspect is accuracy, which applies to the data regarded to be correct. Transparency also implies the accessibility or availability of information inside of an organization in terms of honesty and openness (Porumbescu et al., 2017).

Furthermore, (Gagalyuk, 2017) defines transparency as the accessibility of the organization's detailed information to the stakeholders. Also, transparency establishes the fact that the access of institutional information not prevented by the stakeholders and also defined the declaration of non-financial and financial information about the institution (Burak et al., 2017).

Besides, transparency defines free information within or out of the organization to enable the interested parties to understand the performance of the institution (Okeyo, 2017). Moreover, transparency refers to sharing all information precisely and, facts, easy access, effective communication, and not hiding the information (Zatar, 2019). These definitions agree that transparency is availability, reliability, accuracy, accessibility, relevance, timeliness, completeness, and understandability.

However, the definition of transparency and its characteristics in the literature, there is an inconsistency (Christensen & Cornelissen, 2015). Within similar studies of openness, different studies have adopted different definitions. For example, according to Vaccaro and Madsen (2006), organizational transparency refers to the degree of completeness of information, while transparency also implies the accessibility or availability of information inside of an organization in terms of honesty and openness (Porumbescu et al., 2017). This situation shows that it's challenging to construct a unified body of research around the concept.

The uniqueness or characteristics of transparency are frequently confused with the features of information system quality (Schnackenberg & Tomlinson, 2014). For example, clarity refers to the degree of completeness of the information (Vaccaro & Madsen, 2006). Transparency defines as access, relevance, excellence, and reliability of the information in the areas of higher education (Vishwanath & Kaufmann, 2001). On the other hand, transparency refers to accessibility, openness, and visibility of organizational information (Bhaduri & Ha-Brookshire, 2011).

However, this inconsistency in the description can inhibit the researcher's investigation of the determinants and consequences of transparency (Schnackenberg & Tomlinson, 2014). In conclusion, when defining the concept of openness, there are limitations and inconsistencies in the literature, and it's also complicated theory (Lourenço & Serra, 2014).

In the view of the discrepancies in the definitions above, the definition of transparency adopted for the study derived from Bushman, Piotroski, and Smith (2004) and Nicolaou and McKnight (2006). In this study, the researcher takes these definitions because they focus on the organizational governance concept. In this study, transparency conceptualized by information disclosure, clarity, and accuracy.

Numerous researchers have discussed the importance of transparency in various contexts, and it is imperative to shortly explore the different representations to get a better understanding of the concept.

Transparency has received increasing interest and importance from researchers of different disciplines or institutions (Oliver, 2004). Also, in the management discipline, clarity is considered to be the central point for the success of an organization (Baum, 2005), and transparency in leadership enhances stakeholder satisfaction and provides long term success and sustainability (Jahansoozi, 2006). Besides, according to Dubbink et al. (2008), organization transparency enhances effectiveness and also improves innovation. Furthermore, university stakeholders demand that organizations become more transparent and not only in figures have they released but also in how they run to the organization (Rawlins, 2008).

Transparency has been recognized as a significant part of the organizational strategy and improves organizational performance (Ozcelik & Ozdemir, 2011). Also, all stakeholders should have the right to access the information on the university, and that information has to available for them to access (Héritier, 2011). As well, Bichsel (2012) in academics, transparency is regarded as improves student retention and also increases graduation rates. Moreover, today, the slide is often linked with and becomes the most effective means of attaining success in corporate governance (Danker, 2013).

Hence, good corporate governance depends on numerous factors in the primary consideration is transparency and also transparency is one of the variables that describe the importance of corporate governance; therefore, transparency increases the confidence of stakeholders such as faculty members, students, and community (Kurdi, 2016)

Furthermore, greater transparency in universities will lead to a better understanding of what universities deliver, and a more transparent report interpreted as a higher level of confidence regarding the university's commitment to sustainability (Dando & Swift, 2003). According to Rawlins (2008), lack of transparency can lead to an increase of misinformation or propaganda about organizational activities, and it can be damaged its reputation and stakeholder engagement. Consequently, universities should be the most transparent institutions in the world, and academic transparency will play an important role in university performance (Coates, 2017).

Besides, web pages strongly suggested to guarantee appropriate and accessible information to all stakeholders efficiently and cost-effectively (Ojino, Mich, Ogao, & Karume, 2013). Moreover, organizational transparency is a new way to create long term loyalty and good faith to the stakeholders (Dardiri et al., 2017). Besides university transparency is a constructive factor because it encourages and helps to strengthen loyalty to staff and increases productivity, also, raises the values of institutions, reduces and eliminates institutional ambiguity, corruptions, time and costs, and lastly, facilitates the procedures of evaluating institutional performance (Al hilaa et al., 2017).

Lastly, nowadays, the demand for university transparency is increasing in higher education. Because it's a fundamental part of their legitimacy as professional entities that serve society and avoids lousy management practice; furthermore, internet and web pages are an effective medium for improving the transparency of universities (Saraite-sariene, Gálvez, & Rosario, 2017).

Several researchers have researched transparency in various contexts, and it is essential to shortly explore the different findings to get a better understanding of the concept.

Brown (2014) examined the relationship between financial disclosure, corporate transparency, and innovation in developed and developing countries over the period between 1990 and 2006 using a sample of 25 manufacturing companies. The author found that a more transparent disclosure environment decreases the cost and raises the accessibility of external equity finance.

Besides, Zhong (2018) investigated transparency and firm innovation of 29 countries in the world using a sample of 88,687 organizations. The author found out that clarity improves innovation efforts and managerial career concerns. Transparency also promotes or increases innovation and efficiency through its governance position in facilitating the efficient distribution of research and development. These findings show the specific roles and methods of transparency in motivating innovation outcomes and incentives.

Furthermore, Olokundun et al. (2018), investigated the relationship between work transparency and innovation in Nigeria using a sample size 89 academic staff. The authors found that workplace transparency has a positive impact on innovation or change. Lastly, Brown and Martinsson (2018) investigated corporate openness and innovation. The sample size of the study consist of 25 industries in 20 countries of developed and developing countries, and the authors came to the same conclusions as for the previous studies. Besides these outcomes, the current research suggests that transparency may improve innovation in universities. It's, therefore, necessary to determine the role of openness on innovation or change in Mogadishu universities.

Burak et al., (2017) examined transparency and performance in Turkey, particular in the Marmara Region, with the sample size of 304 respondents. The authors found that there is a relationship between the principles of transparency and performance.

Al hilaa et al., (2018), studied the role of transparency and partnership with local community institutions in Palestine with the sample of 280 respondents from public and private universities. The study findings showed the application of transparency and disclose in universities increase partnership.

Finally, Zatar (2019) investigated the impact on the execution of transparency on the performance of academic staff in Saudi Arabia with a sample of 120 participants. The result of the study shows and indicates there is a significant relationship between transparencies on the performance of academic staff at the University of Jeddah.

## 2.10.2. Accountability

An excellent organizational governance system ensures that directors and managers of institutions implement their responsibilities and duties within a structure of accountability or liability (Oso and Semiu, 2012). Besides, to build accountability systems

at the institution level improves the public image, university education, and organizational competitive advantage (Al Oleemat & Al Eiten, 2015). Furthermore, the concept of corporate governance focuses on accountability in the management of resources about the interest of persons or individuals, institutions, and societies. Responsibility or liability describes the rules and regulation of institution that covers job descriptions, job target, strategic plan, and code of ethics and determination of compensation (Purwanto, 2015).

Accountability is a good idea and deals with the responsibilities of institutions and individuals for their acts towards other agencies and people and examines the governance system practices in higher education (Okeyo, 2017). Besides, accountability is essential in higher education because the society wants to get information to trust the organization, so this golden concept becomes an image for good governance in the private and public sector and increases efficiency, effectiveness staff motivation in the organization (Dea and Zeleke, 2017).

Accountability is a system that evaluates institutional performance and motivates trust between the university administration and stakeholders. And increases competitive position between universities locally or internationally and also; some researchers believe that the accountability system is one of the mainly significant pillars of institutional governance (Alshaer et al., 2017).

Also, this concept of the essential aim is to make an effective teaching and learning environment and also seeks to raise the students' daily performance and maintain students on path or tack (Dea and Zeleke, 2017). Moreover, accountability explained as the final defender of organizational transparency (Burak et al., 2017).

Similarly, Accountability is one of the keys necessary for good organizational governance in public, private, government, and civil society institutions (Sabandar et al., 2018). Accountability is a tool that measures or shows whether public or private service activities undertaken by a public or private organization conforms with norms and values shared by the society has been accommodating the need of real citizens or customers (Sabandar et al., 2018). However, the accountability system is very significant for effective organizational operations (Hartati, Hadiwidjaja, & Muktiyanto, 2018). Moreover, accountability participates and motivates transparency, ethics, and trust among the inside or outside stakeholders of the university (Al hilaa et al., 2018). Besides, accountability is the

right of university beneficiaries to get the essential information about the task administration and also relates the performance of duties comes from the management delegated to the university staff as well as recognition of responsibilities for policies, action, decision, and bearing consequences (Zatar, 2019).

Accountability refers to the decision-makers to any institutions that are accountable to the community and institutional stakeholders (Graham et al., 2003). Besides, accountability defined that controlling tasks and application of regulation and instruction carefully to all staff at the institutions (Al Oleemat & Al Eiten, 2015). Furthermore, accountability refers to the clarity of purpose, execution, and management of the organization to run effectively (Purwanto, 2015).

Accountability refers to the process by which different exciting parts such as private, government, community are accountable to the organizational stakeholders (Okeyo, 2017). Besides, accountability defines to the real practice of efficiency and effectiveness of what a university does (Dea & Zeleke, 2017). Furthermore, accountability or liability refers to the responsibility of an individual to evaluate his or her task (Al-Hasan & Othman, 2017). Moreover, accountably refers to the governance of regulation, rules, responsibilities, and the protection of institutional management and stakeholder's interest (Burak et al., 2017).

Besides, accountability means implementing rules of accounting for decision-makers and the results of decisions and actions towards shareholders and stakeholders (Al hilaa et al., 2017). Similarly, accountability refers to the process involved two parties in the contract whose terms have met regarding the type, quality of measures, and timing (Al-Kilani, 2017). Besides, accountability refers to the obligation for public or private servants to act as the individual responsible for all actions and policies set forth (Sabandar et al., 2018).

Besides, accountability is a regulation that facilitates decision making and also the results of actions towards institutional owners (Al hilaa et al., 2018). Furthermore, accountability defines the right of all stakeholders or beneficiaries to get the essential information about the task of management and the responsibilities in managing institutional resources (Zatar, 2019).

Several researchers have researched accountability in various contexts, and it is essential to shortly explore the different findings to get a better understanding of the concept.

Al Oleemat and Al Eiten (2015) studied the association between accountability, performance, and quality of education in Jordan with a sample size of 50 academic staff. The authors found that accountability or liability is significant impacts and improves organizational performance and quality of education. Besides, Purwanto (2015), examined the association between responsibility or liability and lecturer commitment and performance. This study implemented two universities in Jakarta, Indonesia, and or obligation with a sample of 120 staff. The results show that accountability has a significant positive effect on employee commitment and performance.

Okeyo (2017) investigated accountability and student leadership in thirty-five state universities in Kenya with a sample size of 70 students' president and deputies. The author found a significant relationship between responsibility and student leadership. Moreover, Dea and Zeleke (2017), studied the accountability system of public universities in Ethiopia with the sample size of 352 staff and used quantitative and qualitative methods and. The study found that the order of accountability in the sampled universities was the development stage.

Furthermore, Al-Hasan and Othman (2017), examined the perception of university management on the fundamental accountability principle of educational leadership in higher education in Malaysia with a sample size of 70 respondents from the faculty of Economics and Management Science. The results revealed that the principle of accountability supports or helps excellence in higher education institutions.

Burak et al., (2017) examined accountability and performance in Turkey, particular in the Marmara Region, with the sample size of 304 respondents. The authors found that there is a relationship between the principles of accountability and performance. Also, according to Al hilaa et al., (2017) investigated the association between accountability and organizational partnership in philistine with a sample size of 57 academic staff and the results shows that responsibility or liability has a significant role to play in promoting and fostering confidence among persons within or out organization or community.

Furthermore, Hartati et al., (2018) studied the impact of accountability on human capital and quality in Indonesia with a sample size of 585 academic staff. This study accountability shows a significant and positive effect on human capital and quality. Moreover, Sabandar et al., (2018) conducted a similar study in Indonesia and investigated the relationship between accountability and performance using a sample size of 200 respondents. The results show that there is a moderate to the long relationship between accountability and performance. It's, therefore, necessary to determine the role of responsibility or liability or accountability on innovation in Mogadishu private universities.

Al hilaa et al., (2018), studied the role of accountability and partnership with local community institutions in Palestine with a sample of 280 respondents from public and private universities. The study results indicated that the application on liability or accountability responsibility in the institutions enhance partnership. Moreover, Zatar (2019) investigated the impact on the execution of responsibility or accountability on the performance of academic staff in Saudi Arabia with a sample of 120 participants. The result of the study shows there are relationship accountability and performance of academic staff at the University of Jeddah.

### **2.10.3. Fairness**

The following paragraphs explain the definitions of fairness and its findings. Some researchers have defined justice in various contexts, and it is vital to shortly discover the different representations to get a better understanding or comprehending the concept.

The study of fairness or justice originally came from the work of Plato and Socrates (Ryan, 1993). Previous studies of justice focused on fairness principles in general social interaction, not organizations specifically (Greenberg, 1990). In 1970, research started to focus on fairness in organizations that explains the function of justice in the workplace (Greenberg, 1990). In this study, the researcher focuses on justice.

Justice or fairness means that every person was entitled to all rights, dignity, and freedom without discrimination in terms of color, race, sex, religion, language, political part, and its mechanism for developing and sharing the management decision-making process (Graham et al., 2003).

Besides, justice refers to equality for all in terms of the salary scale, promotions, and scholarship (Wagfi 2014). Moreover, fairness or justice refers to the fair procedure for all and to ensure the regulation, rules, and law through legal frameworks and laws, (Al Oleemat & Al Eiten, 2015). Also, justice or fairness defines as the equal treatment of stakeholders such as owners, employees, customers, associates, suppliers, creditors, and the community (Purwanto, 2015).

Fairness refers to the equity and the rule of law (Okeyo, 2017). Moreover, honesty defines equality between leaders and subordinators (Al-Hasan & Othman, 2017). Also, justice represents to the facts that the institutional governance treats all stakeholders equally in all tasks (Burak et al., 2017).

Besides, fairness refers to the structure of governance practices that have to protect the whole rights of stakeholders of the institution (Al hilaa et al., 2018). Lastly, fairness defines the rights of different groups in the university have to respect and preserved (Zatar, 2019).

However, the definitions above mentioned agreed that fair just is a fair process that leads to a fair outcome. The researcher adopts all the meanings of the study from the descriptions above, which considered appropriate as they encourage fairness procedures and give rise to procedural issues not only in the current situation but also in the future.

Fairness is a vital stimulant for staff, and when a human being feels in truth or justice, his or her morale, performance (Colquitt et al., 2011). Besides, Fairness is a crucial aspect of corporate governance because fairness is associated with motivation, commitment, and overall organizational performance (Mohamed, 2014).

Also, the perception of university fairness has a significant effect on academician behavior by preventing the expression of symptoms of stress and commitment with the negative influence of organizational innovation (Gracia et al., 2015). Similarly, fairness is an important variable and effects in the administration, operation, promotion, and considered as a potential variable of staff performance and loyalty in the organization (Diab, 2015).

Fairness is a central issue among institutional leaders and subordinators; university leaders must ensure honesty or integrity between the followers and educational leaders and the leaders of the institutions can deal with various group staff because the success of the

institution depends on the understanding of multiple groups of employees and being just with no discrimination (Al-Hasani, & Othman 2017),

Moreover, the principle of fairness allows for the management to be central from all the divisions to be affected by the decisions to be taken and not protecting only the rights of a particular division but also they keep the rights of all division necessary for the sustainability of the institution (Burak et al., 2017).

Moreover, the application of justice in higher education has to based on competence, skills, track record, and procedures when an employee is recruiting and leaders. However, the recruitment system and methods must have a clear standard and criteria (Sabandar et al., 2018).

Furthermore, fairness is one of the variables that describe the importance of corporate governance; therefore, justice increases the self-confidence of all stakeholders in higher education (Colquitt et al., 2011). Thus, fairness considered necessary within the context of innovation. Several studies have found a positive relationship between organizational justice and innovation or change in organizations (Hsu & Wang, 2015). Additionally, this concept has implications for individuals' and organizations' processes and results, and also scientists have interested in studying (Cropanzano *et al.*, 2007).

Moreover, the principle of fairness let the institutional management to be equidistant all division to be influenced by the decisions to be taken and protects the right or all beneficiaries or stakeholders (Burak et al., 2017). Also, in higher education fairness is very important in dealing with various groups of employees in the organization and the achievement dependents on understanding the dissimilar employees and without doing discrimination and finally, leaders have to execute the rules of fairness and system of values within their institutions (Al-Hasan & Othman, 2017). Besides, justice is essential to any university. The university leaders must not use bias and discrimination among employees and have to execute the principles of fairness for all (Zatar, 2019).

Wagfi (2014) studied the connection between justice and performance in Jordan using a sample of 250 respondents representing five private universities, and the results show that there is a significant and positive of justice or truth and performance. Additionally, Al Oleemat and Al Eiten (2015) studied the association between fairness,

performance, and quality of education in Jordan with a sample size of 50 academic staff. The authors found that justice is significant impacts and improves organizational performance and quality of education.

Besides, Purwanto (2015), examined the association between social justice and lecturer commitment and performance. This study was implemented in Indonesia and using a sample of 120 staff. The results show that truth has a positive effect on employee commitment and performance. Besides, Okeyo (2017) investigated fairness and student leadership in thirty-five state universities in Kenya with a sample size of 70 students' president and deputies. The author found no significant relationship between justice and student leadership.

Furthermore, Al-Hasan and Othman (2017), examined the perception of university management on the fundamental fairness principle of educational leadership in higher education in Malaysia with a sample size of 70 respondents from the faculty of Economics and Management Science. The results revealed that the principle of fairness helps the quality of higher education institutions. Furthermore, Burak et al., (2017) examined justice and performance in Turkey, particular in the Marmara Region, with the sample size of 304 respondents. The authors found that there is a relationship between the principles of fairness and performance.

Moreover, Hartati et al., (2018) studied the impact of fairness on human capital and quality in Indonesia with a sample size of 585 academic staff. This study fairness shows a significant and positive effect on human capital and quality. Finally, Zatar (2019) investigated the impact on the execution of justice on the performance of academic staff in Saudi Arabia with a sample of 120 participants. The findings of the study showed that there are relationship fairness and achievement of academic staff at the University of Jeddah.

## 2.10.4. Social Responsibility

Social responsibility gets importance in private and public universities and these institutions have to involve social projects and, those students involved in university social responsibility gets to experience, confidence and enhances employment opportunities in the labor market and also increase university image in the environment (Marinescu et al., 2010).

Moreover, social responsibilities its importance is increasing and universities have to initiate social responsibility programs its immediate local community and also implementing social responsibility activities both societies and universities can achieve mutual benefits (Mehta, 2011). Besides, social responsibility becomes one of the extremely chosen strategies in public and private universities for obtaining a competitive advantage, goodwill, trust, and a good reputation (Dahan & Senol, 2012).

It's believed that organizational governance cannot be successful without social responsibility. However, this concept focuses that organizations have a responsibility to seek the interest of staff, customers, community, shareholders, and consideration in all aspects of their organizational operations. Lastly, the existence of proper corporate governance joined to the effective implementation of social responsibility (Oso & Semiu, 2012). Furthermore, the execution of university responsibility strategies in public and private universities leads the universities to achieve reputation, competitive advantage, goodwill, and wins of their stakeholders (Ezekiel et al., 2013).

Besides, social responsibility is significant to any community. Also, it's one of the considerable demands of any society to any institution and becomes one of the elements and functions of a manager (Wagfi, 2014). Also, social responsibility involves all members of the organization, and the concept encourages friendly, love, teamwork inside or outside the organization to improve organizational performance and social concern (Purwanto, 2015).

Similarly, implementing social responsibility improves the relationship with the community and encourages accountability, transparency, active participation, and ethical conduct and also promotes university competitive advantage and reputation (Al hilaa et al., 2017). Furthermore, social responsibility is an essential principle in higher education; the educational leaders have to provide proper services to the lectures, students, administrative employees, and community (Al-Hasan & Othman, 2017). Lastly, social responsibility is the obligation that institutions have to exhibit the expectation and social acceptance of society (Burak et al., 2017).

Social responsibility refers to the commitment to develop social welfare, sustainable economic development, quality of life, and working with staff and society at large (Marinescu et al., 2010). Also, social responsibility refers to the terms of commitment and

ethics of the institution (Mehta, 2011). Besides, social responsibility means that institutions have to ethical, charitable, moral, values, and responsiveness responsibilities (Ezekiel et al., 2013).

Social responsibility defines as the responsibility of any institution for the effect of organizational decisions, activities, and objectives on community and the environment that gives welfare and health of society, which takes to consider the expectation of all stakeholders and compliance with government and international laws (Purwanto, 2015). Additionally, social responsibility defined to the agreement of educational institutions to do activities with the expectation of community and its responsiveness to its environmental, ethical, and legal requirements (Al hilaa et al., 2017).

Besides, social responsibility refers to the implementation and gives responses to community expectations to increase the link among institutions and communities (Burak et al., 2017). Also, Social responsibility is a duty that a university has to serve the stakeholders, particular to the local community in the environment (Al-Hasan & Othman, 2017).

Besides, social responsibility means to the institutional actions, practices, and policies that seek and engages programs with society, and it's based honest and ethical (Severo, Guimarães, & Dorion, 2018). Moreover, social responsibility refers to the consideration of the importance of the local community (Al hilaa et al, 2018). Also, social responsibility is defined transparency, the legal and ethical relationship of the institution with all beneficiaries as well with the foundation of institution goals that applicable with sustainability development of community and motivating the reduction of social issues (Zatar, 2019).

Marinescu et al., (2010) studied social responsibility in academics in Romania, and the study used a qualitative research method. The primary result of the study states that universities create a high level of awareness about the need to engage members of the community and solving community issues. Besides, Moreover, Mehta (2011) investigated the association between social responsibility and university in Oman, and the study used a qualitative research method. The finding indicates that volunteerism and activism in universities can contribute to the nourishment and development of local societies.

Moreover, Dahan and Senol (2012) investigated corporate social responsibility in higher education at Bilgi University in Turkey. The results of the research indicate that universities have to implement social responsibility programs to be successful in the environment. Also, Ezekiel et al., (2013) examined social responsibility and university performance in Nigeria with a sample size of ten public relations; the study used a qualitative research method, and the interview used to collect the data from interviewees. The main result of the study shows that social responsibility improves the image, goodwill, and trust of the university.

Wagfi (2014) studied the connection between social responsibility and performance in Jordan using a sample of 250 respondents representing five private universities, and the results show that there was a significant and positive of social responsibility and achievement. Besides, Purwanto (2015), examined the association between social responsibility and lecturer commitment and performance. This study implemented two universities in Jakarta, Indonesia, and using a sample of 120 staff. The results show that social responsibility has a significant and positive effect on employee commitment and performance.

Furthermore, Al hilaa et al. (2017) studied the effect of academic freedom in enhancing the social responsibility in Palestinian using a sample of 250 respondents representing five private universities, and the results show there is a significant and positive of social responsibility and performance. Al-Hasan and Othman (2017) studded the perception of university administration on the primary responsibility principle of educational leadership in higher education in Malaysia with a sample size of 70 respondents from the faculty of Economics and Management Science. The results revealed that the principle of responsibility assists the value in higher education institutions.

Also, Burak et al., (2017) social responsibility and performance in Turkey, particular in the Marmara Region, with the sample size of 304 respondents. The authors found that there is a relationship between the principles of social responsibility and performance. Moreover, Severo et al. (2018), examined the association between social responsibility and environmental awareness. This study was implemented in Brazil and using a sample of 1123 participants. The results show that social responsibility has a significant and positive effect on environmental awareness.

# 2.11. Corporate Governance Mechanism

The organizational governance mechanisms that have most widely studied in America can generally be either internal or external to the organization. The internal tools of primary interest are the board of directors or trustee and equity ownership structure of the organization, and the main benefit of external mechanisms are market for organizational control (takeover market) and legal or law system (Denis, & McConnell, 2019).

Besides, there are three corporate governance mechanisms: board, disclosures, and ownership structure and however, there is no agreement among the researchers about the effect of organizational governance mechanisms on organizational performance (Gill, Vijay & Jha, 2009). Moreover, the corporate governance system consists of all tools designed to control managers or administrators and to reduce disagreement or conflict of interest among principal and agent; in general, there two types of organizational governance mechanisms: internal and external mechanisms or tools (Damak, 2013). Finally, there are two corporate governance mechanisms: internal and external mechanisms or tools (Kombo et al., 2014).

#### 2.11.1. Internal mechanism

Internal mechanisms mean of the institutions that motivate managers to maximize the organizational value, this mechanism consists of the following: board of directors, auditor, ownership structure, audit committee, mutual monitoring and supervisory board (Damak, 2013). Furthermore, the internal mechanisms of the main interest are the board of directors or the trustee and equity ownership structure of the organization (Denis, & McConnell, 2019). Lastly, the internal governance mechanism involves shareholders' interest, functions on the board of directors to organize or monitor top management (Kombo et al., 2014).

#### 2.11.1.1. The Board of directors

Board of directors is one of the most vital mechanisms uses by the stakeholders to control or monitor management (Gill et al., 2009). Also, the board of trustees is one of the mechanisms that monitors and controls institutions. However, this discussed in research on organizational governance, and its importance has debated in the last decade. Board of directors is responsible for the interest of shareholders and controlling managers of the organizations. Lastly, the board of directors or trustees manages the information or affairs of the organization to attain the following objective: confirmation of financial reliability and observance or compliance with laws and regulation (Damak, 2013).

Besides, governance researchers discussed the role of various instruments in implementing organizational governance. These instruments consist of a board of directors, the board size, independent directors, Chief executive officers (CEO), and further discussed that board of directors, independent directors, CEO, and managers could improve organizational performance (De Silva Lokuwaduge, & Armstrong, 2015).

Moreover, board structure there is no globally accepted set organizational governance principles that can be applied to board structure because of the structure dependent on institutional practice, legal, economic and political (De Silva Lokuwaduge, & Armstrong, 2015).

Numerous studies conducted on the characteristics of the board can monitor or control management and thus improve organizational performance. However, there are no consistent results that show the association between board characteristics and performance (Gill et al., 2009).

#### 2.11.1.1.1 Board Characteristics

In the general board, the structure consists of board size, board independence, and board committee (De Silva Lokuwaduge, & Armstrong, 2015).

Board size is an essential feature relating to board structure is the number of trustees or directors serving on the board. Some researchers suggested that the commission should be smaller members because to get each other and participate in better decision making. The large board has a problem with informational asymmetric between CEO and board due to communication issues (De Silva Lokuwaduge, & Armstrong, 2015).

Board independence usually consists of the mixture of executive (inside) and nonexecutive (outside) directors. The expectation is that insiders provide the board with valuable internal information. Besides, outsiders involve in strategic activities, policy-making, and planning. Some researchers suggested that at least one-third of the board has to be outside directors to attain effectiveness in higher education, the board should have a majority of external members (De Silva Lokuwaduge, & Armstrong, 2015).

### 2.11.1.1.2. Board Responsibilities

The organizational board has many responsibilities and duties. The committee makes decisions that affect their customers, employees, shareholders, communities, suppliers. Their primary responsibilities or role is oversight and planning, and also boar

hires, fires, monitors, and compensates management and maximizes shareholder values (Denis, & McConnell, 2019). Moreover, the board often is responsible for reviewing organizational management and firing individuals who don't improve the organization's financial performance (Kombo et al. 2014). Additionally, the board has a responsibility to ensure resource allocation based on the priority that shapes organizational innovation (Musa et al., 2008).

## 2.11.1.1.3. Strengthen the right of Shareholders

There are fundamental rights of the shareholders which institutions should respect. All shareholders should regularly be allowed to work out their rights without fear or favor, and institutions are responsible for giving a clear explanation of these rights for better understanding by the shareholders and participation in the decision making of the institution through the general meeting (Oso & Semiu, 2012).

Besides, the right of stakeholders means the right to transfer ownership of the stock into preferred stock and selecting the board of directors; the right to participate in the annual meeting of the general assemblies and votes in the public power (Wagfi, 2014). Also, the structure on organizational governance most protects shareholders rights such as to protect property registration methods, the right to elect board of directors and corporate information in a timely, the right to vote in the general meeting of shareholders, and the rights to transfer ownership shares from stock to bond (Al hilaa et al., 2017).

There is one of the principles of corporate governance-related the rights of shareholders as the internal system of any institution. The main aim of rules and regulation of governance to achieve the protection of shareholders' rights. And lastly, the rights of shareholders are one of the mainly vital obstacles to governance or management in the event of violating by the application (Wagfi, 2014). To adopt good organizational governance practice improves performance and protects the rights of shareholders (Hamzah et al., 2018).

### 2.11.1.2.4. Committees

Committees are supplementary to the board of trustees and perform particular duties that are delegated by the trustees of the organization. According to the laws, committees are either recommended or mandatory; in general, the number of committees is different from country to country, and lastly, committees usually approved in two: remuneration and audit

committees (Damak, 2013). Besides, the board committee is a fundamental element in the board structure, and the existence of audit, nomination and remuneration committee leads to better monitoring and performance (De Silva Lokuwaduge, & Armstrong, 2015).

#### 2.11.1.2.5. The Auditor

The auditor controls the management of the institution, and the objective of the auditor is to provide shareholders with more developed and more relevant information (Damak, 2013). There are two audit committees of the corporate structure: external and internal auditors; external auditor's exposure on financial transactions to enhance the confidence of all stakeholders while internal auditors monitor anti-fraud, ethics, and compliance system (Kombo et al., 2014).

## 2.11.1.2.6 Structure-Property

Structure-property defines of controlling connection among shareholders and managers. The ownership structure is a useful means of control management executives and the basis for efficient monitoring or controlling, namely, and incentive controllers to carry out, as well as cost control. Lastly, there are two elements of ownership structure: concentration of capital and the nature of an organization (Damak, 2013).

### 2.11.2. External Mechanism

There is another category of control that contributes to the rules and regulations of possible conflicts that may occur among share managers and shareholders; this control is consists of the following: market goods and services, financial market, and stock market (Damak, 2013). Additionally, the main interest of external mechanisms is the market for organizational control (takeover market) and legal or law system (Denis, & McConnell, 2019). Finally, external governance mechanism controls and monitors managers' behavior by way of external regulation and force such as debtors, lawyers, suppliers, and accountants (Kombo et al., 2014).

#### 2.11.2.1 The financial market

The control of financial market is more critical, and there is a relationship between competence, efficiency of managers and market value of the organization if the manager's strategy is to harm or damage the interest of shareholders, so this decreases the amount of the organization, and this will lead or cause takeover (Damak, 2013).

# 2.11.2.2. The market for goods and services

This mechanism describes that there is competition in the market of products and services that can discourage the manager or leader of the organization who manages the harm or detriment of shareholders. Any competitive market pushes the leader or manager to optimize the management and to play a defensive position against the end or termination of the organization (Damak, 2013).

### 2.11.2.3. The labor market for managers

Managers are always faced with the pressure of the labor market and offer a selection of the most efficient managers through a competition that exists among internal and external managers (Damak, 2013).

## **2.12 Corporate Governance Practices**

The problem of good organizational governance is increasing rapidly around the globe over the last ten years. Good organizational governance practices in higher education have not widely applied. Lastly, there are many cases in which conflicts between shareholders and leaders in the private universities have caused in high costs that can decrease the capability of the private universities in improving the quality or innovations of higher education (Sabandar et al., 2018). Also, organizational governance practice most provides strategic guidelines. It ensures follow up to the top management by the board of managers and make sure that the board of directors is responsible to all shareholders (Al hilaa et al., 2017).

The idea of university governance got importance due to the imbalance in the educational results or outcomes of graduates. Also, the procedures and methods used in the process of education in most countries of the world, recommendations came by the highest bodies like the World Bank, UNESCO, and others. Lastly, this concept explains that there is a crisis, and a real issue plagues the universities and more top education sector. These issues or dilemmas produce executive power, which holds the selection of university management without regard to faculty, employees, students, and limits of their capabilities and ambitions (Wagfi, 2014). Besides, previous studies suggested that institutions are encouraged to adopt good organizational governance practices to improve institutions' performance (Hamzah et al, 2018).

The regulatory frame of organizational governance is a world phenomenon, and there are worldwide codes for regulating the practice of corporate governance or management. Also, there are national codes based on local needs and the unique features of each country. Finally, the regulatory framework of organizational governance viewed from two broad perspectives: mandatory and voluntary; most developed countries of the principles of organizational governance or management have combined with voluntary and compulsory methods (Oso & Semiu, 2012).

# 2.12 .1 Corporate Governance Practices in the Member States of the European Union

The concept of organizational governance rapidly adopted in various parts of the globe. Still, with some primary differences, because of situations different from country to country, therefore a separate organizational governance frameworks were developed. However, there are two significant approaches to corporate governance identified with different arising from dissimilar legal structures in a variety of countries (Mulili & Wong, 2010).

Countries that apply civil law like Germany, Italy, France, and Netherland developed an organizational governance framework that focused on all stakeholders; the objective is to balance or equilibrium the interests of all stakeholders. This method was known as the internal model of organizational control. In contrast, countries that use common law like United Kingdom, Australia, America, Canada, and New Zealand developed a regulatory governance framework that focused on shareholders' interests, and this method called the external model of institutional control (Mulili & Wong, 2010).

The two methods had a few similarities. For example, they held that the management boards of organizations were to be elected by shareholders to set policies and procedures and then delegate to management the authority to manage the institutions, however, most countries adopted organizational governance systems that were combined the two approaches (Mulili & Wong, 2010).

The adaptation of organizational governance ideas does not necessarily prevent corporate failures and scandals. Examples of failed organizations include WorldCom, Enron, and others in America; as a result, there has been a debate about what needs in overall organizational governance structure, and lastly, some scholars suggested that institutions should have independent directors (Mulili & Wong, 2010).

Besides, organizational governance is now an international topic due to the globalization of business. However, corporate governance practice does not uniform across nations; as a result, each country adopts a single organizational governance process that based on issues like the country's financial systems, legal, regulatory ownership framework, culture economic conditions (Abdeldayem & Aldulaimi, 2018).

In the last thirty years, higher education reforms took place approximately everywhere the global; today, higher education institutions have to respond to an increasing number of societal and economic demands. Lastly, the issue of governance of higher education sector arouses across most of the European countries (Nasereddin, & Sharabati, 2016). Besides, in America, most studies show that institutional good governance practice leads to shareholder performance (Mulili & Wong, 2010).

Moreover, in the United Kingdom, the governance problems have regularly been focused around questions of internal academic and student representation in decision making. As well as the OECD and World Bank recommended or encouraged the European states to adopt and implementation code of conduct and institution governance principles to minimize risk, increase performance, professional management, give demonstrating transparency and social responsibility (Nasereddin, & Sharabati, 2016).

Besides, in Europe the higher education systems at present are undergoing a profound transformation; the university's internal structures of institutional governance and overall operation of higher education have been passed throughout several of processes of change to actively respond to the new economic and political realities (Nasereddin, & Sharabati, 2016).

Moreover, organizational or university governance is essential to the development of universities, and expectations from the community have enlarged the university vision, and to attain these vision, the university needs new governance processes both institutional and state stage (Abdeldayem & Aldulaimi, 2018). However, university governance has become an essential international problem in the higher education system and as well responsible on how to manage scarce resources and focuses coordination instead of control (Nasereddin, & Sharabati, 2016).

Most European higher education institutions reported facing many internal issues. Consequently, institutional governance arrangements have become the main instruments

for improving quality in all areas of higher education (Nasereddin, & Sharabati, 2016). Moreover, a lot of European governments transformed their more top education systems; the critical vision of the reformation was to modernize university governance to set up universities for a more difficult or complicated, regional, international, and extremely competitive environment at different stages (Nasereddin, & Sharabati, 2016).

## 2.12 .2 Corporate Governance Practices in Africa and Somalia

Most literature reviews indicate that developing countries have adopted corporate governance since the 1980s; the developing countries vary from developed countries in broad different ways. Thus there is a necessitate for developing countries to build up their institution's governance models that consider the political, technological, economic, and cultural conditions found in every state (Mulili & Wong, 2010).

Organizational sound governance systems have evolved in African countries. However, this concept is not the only best solution for developing countries. Still, in Africa, there are number problems that exist in content such as unstable economics, political regimes, weak legal control, low income, limited human resource capabilities, and inadequate protection of investors. These issues need more complicated resolutions than just adopting organizational useful governance concepts (Okeahalam, 2004).

Besides, there is a shortage of research in organizational governance practices in the African continent (Mulili & Wong, 2010). Furthermore, good corporate governance in Africa continent, particularly the Sub-Saharan region, has limited research done in this area (Mulili, 2014).

The functional organizational governance in Somalia is still in a developing stage. However, this indicates that there are not up till now well-developed structures in terms of principles of good corporate governance, and there are several cases that show of organizational good governance or management implemented in profit organizations. Generally, Somali governance practice is yet complicated (Sofe, & Miruts, 2017).

The majority of international voluntary organizations working in Somalia expose the use of organizational governance principles in their institutions, but they mostly European, America and other registered organizations, these institutions implement corporate governance systems in fulfilling the objective of their abroad obligations (Kawira, 2012).

However, there is limited literature that explains the corporate governance practice adopted by organizations in developing countries, particularly those in Africa (Okehalam, 2004 and Mulili, 2014). According to Eno et al., (2015), in their study, suggested that private universities in Mogadishu need a sound corporate governance system.

## 2.13 Chapter Summary

This chapter discussed the literature related to corporate governance principles. The review is conceptualized under the objectives of the study and focuses mainly on the principles of corporative governance such as transparency, accountability, fairness, and social responsibility. In conclusion, all reviewed previous studies have presented a specific agreement that shows the existence of the positive relationship between corporate governance and performance. However, some studies disagreed on the effect of corporate governance on performance due to different social, economic, and regulatory conditions in developed and developing countries. These contradicting findings motivated the researcher to find out further research assessment to support or reject the above arguments.

### 3. INNOVATION STRATEGIES

#### 3.1 Introduction

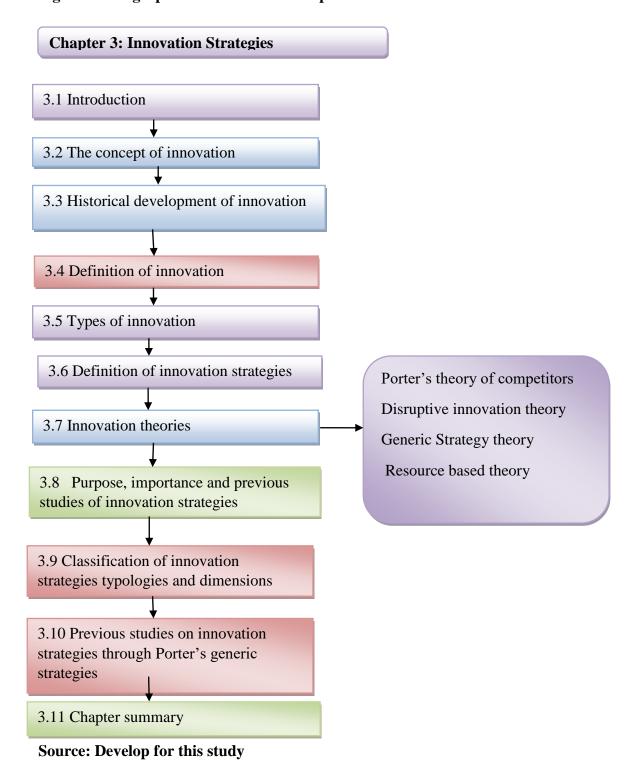
This chapter explains related literature review to the research problem and aims to reach the second objective of the study. Also, it analyses and scrutinizes the study issues that are essentially to the research. Moreover, it expresses the way of early research and shows how this study relates to the present body of knowledge. Still, this chapter put together a theoretical framework that directs the researcher in this study. Finally, it point to the present gaps existing in the current body of knowledge.

This section describes the literature related to innovation strategies. The review is conceptualized under the objectives of the study and focuses mostly on the Porter's generic strategies: cost leadership strategies, differentiation strategies and focus strategies. These are the main issues in this study.

This chapter consists of eleven sections. Firstly, an introduction section and outline chart of the chapter presented. Secondly, the researcher discussed the concept of innovation. Thirdly, discussed the historical development of innovation the study discussed. Fourthly, this examiner defined the main definitions of innovation. Fifth, this section discussed the types of innovation. Sixth, the researcher defined the main definitions of innovation strategies. Seventh, the study described innovation theories.

Eight, this section mentioned purpose, importance and previous studies of innovation strategies. Ninth, the researcher discussed classification of innovation strategies typologies and dimensions. Tenth, the examiner discussed previous studies on innovation strategies through Porter's generic strategies. Eleven, this chapter concluded chapter summary. Finally, Figure 3.1displays graphical outline of the chapter.

Figure 3.1: A graphical outline of the chapter.



## 3.2 The Concept of innovation

In developing countries, higher education is facing changing challenges that need innovation strategies, educational markets are becoming increasingly global, and this depends on to make changes in the following areas: methods, systems, curriculum, and approaches (Al-husseini & Elbeltagi, 2013). Moreover, the management of higher education institutions suggested the research universities introduce a recognition and reward system that motivates innovation (Iqbal, Latif, Marimon, Sahibzada, & Hussain, 2019).

Institutional innovations are the main strategic options, which can extensively increase institutions' ability to respond to fickle customer requirements and changing technologies successfully. However, maintaining their competitive advantage or performance in today's unstable organizational environment (Al-Sa'dim, Abdallah & Dahiyat, 2017). Besides, today's organizations are facing new challenges with Globalization, technologies, and rapidly changing the environment. These fast changes and increased demand influence higher education institutions. However, these external pressures are forcing higher education institutions to develop their teaching, research, and also their innovation strategies (Al-husseini & Elbeltagi, 2013).

Besides, institutions are concentrating innovation as the critical factor in competitive advantage and success; innovation institutions can improve organizational and individual performance, create competitive advantage and solve regulatory issues (Al-husseini & Elbeltagi, 2013). Moreover, innovations are necessary conditions for improving performance and increasing organizational value. Thus innovative institutions show a higher point of economic increase, operations, and financial performance; besides, different studies showed a strong positive association among organizational innovation and performance (Al-Sa'dim et al., 2017).

The environment in higher education that universities must adopt the product and process innovation to increase educational performance and educational quality (Alhusseini & Elbeltagi, 2013). Moreover, researchers advocated that innovation or change as a process that increases value and level of novelty to institutions; it's all stakeholders through the improvement of new solutions, new procedures, service, and products (Kasim, & Nuh, 2012).

The current institutions become the innovative central players, given their higher ability to develop well-equipped research and development and suitable the returns from successful innovations (Belloc,2011). Besides, innovations or change is one of the significant institutional elements that have an impact on the results of institutions. It describes organizational propensity to apply new inventions and ideas that result in the development of new service or products, procedures, work methods, technology, and managerial strategy (Iqbal et al., 2019).

Innovation has become a central part of the creation and development of competitive advantage in the long term. Still, there is not enough research to completely understand why organizations with similar external situations show dissimilar behavior towards innovation (Belloc,2011). Besides, earlier research studies have been focused on research development as a necessary condition to innovate, since research and development increase the ability of organizations and become one of the main applicable inputs for innovation (Gonzales-Bustos & Hernández-Lara 2016).

Moreover, the connection of entrepreneur activities to institutional innovativeness may encourage the private universities to compete to survival, so the private universities have to strategize for constant improvement and innovation to strengthen the university competitive advantage (Kasim, & Nuh, 2012)

## 3.3 Historical Development of innovation

Since the human came into the world, people started or created innovations (Berkhout et al.,2007). At the end of the 19th century, individual and organizational innovation activities started, so the innovation became research and development of any organization (Silver, 1999). At the end of 1870, the first research organized in Germany, and it realized that science can create inventions and improves products. Besides, in 1989-1992 organizational innovation activity in Germany was focused on chemical and motor vehicles, while the USA concentrated more innovative in Pharmaceuticals (Belloc,2011).

Previous innovation theories focused on more advanced industrialized economies, technology, and radical innovation. This assumption of change has derived in a stream of policy suggestions directed to the motivation of scientific and technological results like scientific research and development, scientific publication, technical workforce, and patents. However, institutions in developed and developing countries mostly emphasized

on sponsoring official research development and improving the mechanisms for transferring the outcome of public and private institutions (Freeman, & Soete, 1997).

Nevertheless, theoretical developments based on evolutionary economics recommend that innovations not originated linearly, other than sooner the outcome of severe and multiple interactions with a variety of actors and their environment, recognized as the innovation system. These developments of innovation have been increased through the incorporation of the experience of developing countries and increased the accessibility of data that emphasize the influence of relationship or network, collaboration, and learning between the several actors of the innovation system (Maharajh & Kraemer-Mbula, 2009).

In the 1980s and 1990s of economic achievement of East Asian countries triggered a broad interest in overall the technological outcome and innovation policies in the environment of developing regions. Besides, professional learning and imitation emphasized systems for technology transfer, integration, and purchasing of foreign technologies. Lastly, together, research concentration was also focused on the role of local efforts to successfully incorporate external knowledge and techniques in addition to purchase local innovative capabilities (Kim, & Nelson, 2000).

The views of innovation strategies in Latin America were impacted by a general discussion about industrial policy or rule powerfully marked by the structural programs following economic reforms. On the other hand, with the emergence of new models of production, trade, and specialization of innovation strategies got particular concentration to the diffusion of innovation, information, and knowledge, examining the local institutional clusters and the advantages of collaboration (Maharajh & Kraemer-Mbula, 2009).

Early discussions on innovation strategies in Africa was effected by argument between the revisionist methods in favor of rules or policies of government involvement or interventions, against neoliberal agenda advocating for decreasing the role of government, in spite of the critical advances that taken place in certain African countries in the last thirty years and institutions seek to enable innovation are still developing and lastly, the challenges of execution, monitoring, evaluation, and studying still constitute the main obstacle for Africa's various innovation rules or policies, strategies and programs (Frances, 2001).

As a consequence of various views on this problem, the current discussion on innovation strategies in developing countries remains critical, and it reflects the history of different in the comprehending of innovative approaches in both developing and developed countries. In addition, the recognition of innovation policies or rules that depend on technology transfers has failed. Finally, various views on innovation strategies and effective technology transfer influence the allocation and utilization of resources in developing countries (Maharajh & Kraemer-Mbula, 2009).

### 3.4 Definitions of innovation

Respective researchers have defined innovation or change in different contexts, and it is essential to shortly investigate a special representative to find a better comprehending of the conception.

Innovation refers to something new to the organization (Gopalakrishnan & Damanpour, 1997). On the other hand, innovation or change defined as the performance of procedures involved in results (Haner, 2002). Besides, Belloc (2011) defines innovation is the introduction of an effort or an idea for a new process, product, structure, and method to stakeholders. Innovation or change refers to the creation of a product, process, and new idea (Al-husseini & Elbeltagi, 2013).

Similarly, according to Tseng, Wu, and Lin (2013) define innovation as a new capability produced by existing organizations and individual resources to achieve higher performance. Innovation or change refers to creating a unique combination; emphasize newness and successful application of originality in economics (Momeni, Ebrahimpour, & Ajirloo, 2014). Lastly, Hsu and Wang's (2015) innovation refers to the idea or practice that perceives as a new method by an individual or other division of adoption.

However, innovation defines the intentional generation, encouragement, and understanding of new ideas that are helpful for organizational continued existence (Akram, Haider, & Feng, 2015). Moreover, innovation refers to the original design, practice, product, and process by an individual or group in an organization (Kohler, Boissonnade & Giglio, 2015). As well, Gonzales-Bustos and Hernández-Lara (2016) define innovation as a new method of making things cost-effective. Finally, innovation or change refers to the organizational capability to accelerate the improvement and commercialization of products

or services for achieving competitive advantage (Iqbal et al., 2019). These definitions agree that innovation defined as an idea generation (Jong & Hartog, 2010; Akram et al., 2015).

Different researchers defined innovation and classified differently (Akram et al., 2015). For example, Damanpour (1992), represents innovation in six elements: technical, radical, incremental, product, process, and administrative. Also, innovation or change means to market, merchandise, and organizational innovations (Johne, 1999). Nevertheless, recent literature focuses on innovation in areas of management practice, administrative procedure, and technology (Drejer, 2000). Furthermore, innovation or change means team, organization, climate, and individual innovations (Subramaniam, 2005). For instance, innovation refers to technological, market, and administrative innovations (Popadiuk & Cho, 2006). Besides, innovation or change defines user and organizational innovations (Desouza, Awazu & Ramaprasad, 2007).

Therefore, according to Hamid, Wahab, & Abdullah (2013), innovation defined or classified into two divisions: technological innovation (product or service and process) and administrative innovation (structure, process, and programs). Similarly, in this study, innovations or changes mean developing educational products such as teaching materials, curricula, courses, and research projects, and process innovation means service delivery such as using new technology (Al-husseini & Elbeltagi, 2013). Moreover, in higher education or university context, innovation or change defines the ability to initiate new academic programs, research projects, core curriculums, teaching techniques, educational services, and well-integrated with community, economic, and worldwide needs (Haner, 2002; Iqbal et al., 2019).

The current study adopts Haner (2002), Al-husseini & Elbeltagi (2013), and Iqbal et al. (2019), in this study, innovation will be conceptualized as two dimensions namely product and process innovations.

Therefore, in this study, innovation conceptualized as two dimensions, namely services or product and process innovations. In this study, innovations or changes mean developing educational products such as teaching materials, curricula, courses, and research projects, and process innovation means service delivery such as using new technology (Alhusseini & Elbeltagi, 2013).

Service or product innovation defines as a new service or product which is different from the old service or product (Herrmann, Tomczak & Befurt,2006). Product innovation is an essential factor in innovation or change because it connects with both introducing new service and products and develops existing ones (Al-Sa'dim et al., 2017). Kafetzopoulos and Psomas (2015), investigated that service or product innovation directly impacts on organizational performance. It has to, therefore, given adequate concentration. In private universities in Mogadishu, there is a need to study the issue of innovation, and particularly on product innovation. It's, therefore, necessary to determine the effect of product innovation on the university performance in private universities in Mogadishu.

Process innovation refers to the application of new service or product improvement, which consists of an essential change in practice (Al-Sa'dim et al., 2017). Process innovation is a crucial aspect of innovation because it enhances the efficiency and quality of services and also decreases the cost of assistance (Kafetzopoulos & Psomas, 2015). Process innovation improves organization operations, methods, and performance (Kafetzopoulos & Psomas, 2015). It must, therefore, give sufficient concentration. In private universities in Mogadishu, there is a need to study the issue of innovation, and particularly on process innovation. It's, therefore, necessary to determine the effect of process innovation on performance in private universities in Mogadishu.

Earlier literature review discussed that process, and product innovations are necessary for universities and often determining a university's failure and success (Alhusseini & Elbeltagi, 2013). This circumstance points to the need to find out the view of innovation and university performance. It raises the question of the recommendable innovation strategies, particular services or product and process innovations of the private universities in Mogadishu.

### 3.5 Types of innovation or changes

Innovation or novelty consists of incremental, radical, technological, and administrative modernization. Conversely, previous researchers identify that innovation speed and innovation quality are more vital for institutions in a challenging and often changing organizational environment (Iqbal et al., 2019). Also, there are two types of innovations approach: exploratory and exploitative innovation. Exploratory innovation

means proposing and creating new services and products. Exploitative innovation means improving the exits service or product (Kasim, & Nuh, 2012).

Innovation speed and quality are keys to institutional innovation performance. Innovation speed is a group work that facilitates institutions to respond to customers rapidly; nevertheless, in the higher education context, innovation speed as the ability to introduce new programs focuses on the process and output of the innovation (Haner, 2002). Conversely, quality of change or changeable to be measured throughout worth to the customer, flexibility of the service, product, and efficiency of processes; however, in the context of universities, organizational innovation quality describes as the capability to present innovative higher educational services that better than our competitors (Iqbal et al., 2019).

There are several types of innovation, such as innovation, process, service or product, organization, technological, known-technological, radical, incremental, and other innovations(Gonzales-Bustos & Hernández-Lara 2016). Moreover, Innovation categorized into radical or liberal and progressive, technical, and administrative change (Iqbal et al., 2019). Additionally, technological innovation is essential for long term economic growth (Belloc,2011).

Also, innovation generally studied in terms of process, product, radical, incremental, structural, and competence innovation (Iqbal et al., 2019). Besides, the innovation categorized or focuses on into five dimensions: openness to a new idea, creativity, intention to innovate, willingness to risk-taking, and technological capability to innovate (Kasim, & Nuh, 2012).

### 3.6 Definitions of innovation strategies

There is a shortage or rare the definitions of innovation strategies, and always the term are used without previous definition. Innovation strategy refers to what level and in what method an organization tries to use innovation to implement its organizational strategy (Gilbert, 1994). Besides, innovations strategy defined to the organization's new service or product strategy as the typical pattern of service of product introductions that came out from the organizations over time (Firth & Narayanan, 1996). Moreover, innovation strategy referred to as the new service or product and market growth plans of the organization (Dyer & Song, 1998).

Furthermore, innovation strategy refers to strategic goals, activities for the service or product, process, functional, market-entry, and timing strategy (Vahs, 2002). Similarly, innovation strategy defined to cooperation with others, permanent work, and core tasks of the organization (Haushildt, 2004). Lastly, innovation strategy defines as a time series of inside consistency and conditional resource allocation decisions intended to complete an institutional vision (Adams, Bessant, & Phelps, 2006).

Additionally, innovation strategy refers to the guide for an organization to choose vision, approaches ad ways to usefully and improvement of the innovation ability of the organization (Moraes et al., 2010). Moreover, innovation strategy defined as the degree to which an organization values and motivates innovation across the institution (Akhlagh et al., 2013). Furthermore, innovation strategy defined to the plan made by institutions to motivate advancements in service or technology (Chege et al., 2019).

Gilbert, Vohs, Hauschildt's definition describes details on means like the degree of innovativeness, separate innovation or cooperation, besides Vohs focused on goal innovation in his description, in contrast with the rest of the authors focus their definition on decision making, organization goals, plan and using advanced technology. In summary, there is no consistent definition or comprehensive innovation strategy that exists, and the observation strengthened when looking at innovation strategy typologies and dimensions.

#### 3.7 Innovation theories

The subsequent section reviews the theoretical perspective that is relevant for this study, drawing on Porter's theory of competition, the disruptive innovation theory, generic or general strategy theory, and resource-based theory as the leading innovation theory.

### 3.7.1. Porter's Theory of Competitors

This study guides by the method of Porter's theory of competitors. This theory was founded by Micheal Porter in 1979 and published by Harvard of business school. The theory explains the idea that there are five power or forces that describes the competitive strength or power and attractiveness of the market. These five forces support to recognize whether power lies in organization situations; this theory is helpful or useful both in understanding the power of institutions' current competitive position or place and the power of an area that an institution may look to go into the future (Aydin, 2013).

Besides, the five forces model developed by Michel Porter is a powerful tool that identifies the microenvironment that drives rivalry, which threatens an organization's capability to make excellent performance (Chibale, & Phiri, 2018). Moreover, this theory assumes that the five forces analysis and supports institutions to comprehensive factors impact organizational performance in a specific industry and can help to inform decisions relates to whether to enter or increase capacity in a particular sector and to develop competitive strategies (Aydin, 2013).

This theory seeks to search for a favorable competitive position in an industry (Bisungo, Chege & Musiega, 2014). Besides, this theory explains that institutions are always involved in dynamic interaction to achieve and to build a successful competitive edge over competitors (Nderitu et al., 2018). As well, this theory explains an institution's position in the market or industry, which determines whether an institution's success or performance is above or below the industry average. Also, this theory linked to Porter's five model forces model explains techniques for analyzing industries and rivals (Mutindi, & Anaya, 2018).

The five forces of Porter's competition extensively utilized a critical tool to examine the intense competition and to recognize the degree of the institutional performance of an industry. And also, this model is used to find out the approaches for defending some strategies against the competitive forces. Finally, the results of the five forces evaluate the degree of competition of an industry and the capacity of organizations in an enterprise to make excellent performance (Aydin, 2013).

However, in adopting this theory, the researcher is not ignoring its weakness. The application this theory requires and designed for utilization on an industry basis, not using the method for an individual organization (Nthiiri et al., 2014). While the author does not define well the meaning of competitive advantage and the secret of the success and does not explain how to manage the quality of that brings about success (Bisungo et al., 2014). Finally, in this study adopted this theory because it describes how management in private universities in Mogadishu implements their competition strategies to overcome their rivals.

In the context of higher education, universities compete for students, faculty members, research funds, financial support, and reputation. However, the primary competition is for students who describe the expansion and sustainability of the university.

This struggle is becoming rising aggressively in the world; this notes that the number or numerical of universities and competition in the world increases, and more sport leads to higher quality, innovation, differentiation, and more selection to customers (Nthiiri et al., 2014).

This theory used Parnell (2011), who conducted a study that examined the relationship between competitive strategy orientation and institutional performance in Egypt and Peru and used a quantitative method through the sample of 399 respondents. The findings of the study of cost advantage or leadership, differentiation, or substitute strategy and focus or niche approach either country no single best plan or strategy can be general.

This theory also used Aydin (2013), who conducted a study that examines location as a competitive advantage to attract students in Turkey and applied quantitative methods through a sample of 100 students. The results of the survey stated that location impacts the students' university choice decision making, and also, the site has an essential influence to attract the students to universities.

Besides, this theory was used by Bisungo et al., (2014), in Kenya investigated generic strategies strategy and organizational performance; the study used a descriptive survey research design with the sample size of 35 employees. The results of the study show that the generic strategies impact organizational performance.

Furthermore, this theory used by Nderitu et al., (2018) in Kenya and they studied the effect of cost leadership strategies on the competitive of private universities. The study applied quantitative and qualitative research designs, and qualitative data were analyzed thematically along with the research questions of the research and with a sample size of 90 staff. The results of the study showed that many private universities have not fully adopted cost leadership strategies to increase their competitiveness in the environment. Besides, the findings indicate there is a significant association between cost leadership strategy and the performance of private universities.

Furthermore, this theory used by Nderitu et al., (2018), in Kenya, and they studied the effect of cost leadership strategies on the competitive of private universities. The study applied quantitative and qualitative research designs, and qualitative data were analyzed thematically along with the research questions of the research and with a sample size of 90 staff. The results of the study showed that many private universities have not fully adopted

cost leadership strategies to increase their competitiveness in the environment. Besides, the findings indicate there is a significant association between cost leadership strategy and the performance of private universities.

Furthermore, this theory was used by Chibale and Phiri in 2018 in Zambia studied the execution of strategic options of public universities in a competitive liberalized higher education, and the study used qualitative and quantitative methods through the sample size of 75 responses. The results of the survey indicated that competition among higher education institutions played an important role in effecting strategic options of public universities to obtain competitive benefits over others.

The theory used by Nthiiri, Gachambi, and Kathuni in 2014, in Kenya using a sample size of 27 board members respondents and findings obtained implied that there was a connection among strategies executed by universities, student enrollment and retained qualified employees.

## 3.7.2. Disruptive Innovation Theory

This study guides by the theory of disruptive innovation theory. This theory founded by American researcher Clayton M. Christensen and in 1997. The theory explains the effect of new technologies on organizational existence. It describes that a smaller organization with a smaller amount or fewer resources can be a thriving organization by focusing on more profitable areas or segments (Chege et al., 2019).

This theory describes the significance of differences among innovative clients or customers, and it also explains that organizations have to respect the ideas of their present customers regarding new services or products. Finally, the theory argues that those institutions which implement the plan or innovation of customers can sustain in the environment (Reinhardt & Gurtner, 2015).

This theory used Reinhardt and Gurtner (2015) in Germany and investigated the differences and similarities among premature executers of disruptive and encouraging innovations and used a quantitative method with a sample size of 849. The results or findings show that those organizations that adopt disruptive innovation at the starting time are better informed or knowledgeable of the services or product domain.

This theory used Bakhit in Lebanon and investigated the impact of disruptive innovations on the mobile telecom industry in Lebanon. Using a sample size of 220

customers and employees and the case of telecom organizations in Lebanon shows that there is a lack of competition, higher tariffs, and reduced connection. Also, there are only two organizations that provide telecommunication in the country (Bakhit, 2016). The theory also was used by Chege et al., (2019), in Kenya using a sample of seven organizations and suggested that organizations should innovate more and quickly.

This theory assumes that competitors and customers can benefit through better or cheaper service or product and more accessible service, the theory explains that smaller or new organizations can compute with organizational enterprises by founding or establishing or growing new market segments of their own (Chege et al., 2019). Moreover, organizations can also get an advantage in various ways through sustaining and creating methods that are searching for disruptive innovation, employees and customer feedback can generate new ideas that increase efficiency and satisfaction (Bakhit, 2016). This study adopts this theory because the theory is more applicable to a small organization that has few resources.

However, in adopting the disruptive innovation theory on organizations for this study, the researcher is not ignoring its weakness. The application of this theory requires a separate strategy process; this process should be emergent and concentrated on unanticipated issues, opportunities, and success, and also this theory cannot achieve excellent performance very fast due to their nature (Chege et al., 2019).

### 3.7.3. Generic Strategy theory

This theory developed by Michael Porter in 1980, and it explains or analyses competitors and industries and finds the best position in the market (Nderitu et al., 2018). Besides, this theory explains that institutions in a highly aggressive environment suggested finding a competitive edge to survive (Manyeki et al., 2019).

This theory is applicable, and the choice in this research motivated by the fact that organizations using this theory can choose to either achieve lower cost and high performance (Nderitu et al., 2018). Besides, this study adopted this theory because it informs or involves those institutions competing in a given environment that have to select to either attain lower cost and high performance (Manyeki et al., 2019).

This theory used by Douglas, Douglas, and Davies (2010) studied differentiation for competitive benefits in a small family business in the UK and used mixed methods to

collect data. The results of the study stated that the organization has attracted between 1500 and 2000 students per week in 2005.

Furthermore, this theory used by Nderitu et al., (2018), in Kenya and they studied the effect of cost leadership strategies on the competitive of private universities. The study applied quantitative and qualitative research designs, and qualitative data were analyzed thematically along with the research questions of the research and with a sample size of 90 staff. The results of the study showed that many private universities have not fully adopted cost leadership strategies to increase their competitiveness in the environment. Besides, the findings indicate there is a significant association between cost leadership strategy and the performance of private universities.

Similarly, this theory used by Manyeki et al., (2019), in Kenya and examined the impact of Porter's generic strategies on organizational performance in private universities. And employed descriptive survey research design, to collect the primary data, questionnaires were used with a Likert scale and using a sample size of 164 respondents of 13 universities in Nairobi. The study used correlation and regression to connect the association between the variables; the findings showed the generic strategies elements were significantly and positively related to university performance.

This theory used by Mutindi, and Anaya in 2018 in Kenya studied the impact of generic strategies on the performance of private institutions in Kenya; the study used both qualitative and quantitative research methods with a sample size of 90 staff. The findings show that the generic strategies affect the performance of private organizations.

### 3.7.4. Resource-Based Theory

The resource-based theory developed by Barney in 1919, and it explains that institutions have to maintain unique services or products and possess resources that enable them to attain competitive advantage; these resources must be rare and valuable to the organization (Nderitu et al., 2018). Besides, this theory is complementary to Porter's theory of aggressive benefit, and it's also an alternative view of the institution for competitive advantages; the subject on the institution abilities as one basis of competitive benefits and specific resources of the institution can be essential to attain competitive benefits (Aydin, 2013).

The present leading view of organization strategy is resource-based theory or resource-based opinion of the organization. This theory explains that organization has unique resources and capabilities that provide the basis for its approach and the unique resources and skills lead that competitors difficult to imitate institutional services or products (Douglas et al., 2010).

Also, the differentiation strategy associated with resource-based view theory, emphasize on the internal capabilities of the institution. The foundation of this theory describes that two institutions have no the same resources in terms of abilities, experience, skills, and culture. So the institutions have to support that characterized rare, valuable, not substitutable, and costly to copy; these unique resources may lead institutions to attain competitive advantage, survival over other rivals (Mutindi & Anaya, 2018).

Furthermore, this theory describes the requirements for the agreement between the institution's internal capacities and the outside environment in which the institution works and also the dynamic capabilities states to an institutions power to incorporate the inside and outside competences to deal with the unstable situation (Habtoor et al., 2019). Finally, this theory is relevant to the study because institutions can find the best position for private institutions within higher education (Nderitu et al., 2018).

This theory used by Douglas et al., Douglas, (2010) studied differentiation for competitive benefits in a small family business in the UK and used mixed methods to collect data. The results of the study stated that the organization has attracted between 1500 and 2000 students per week in 2005.

This theory used Aydin (2013), who conducted a study that examined location as a competitive advantage to attract students in Turkey and used a quantitative method through a sample of 100 students. The results of the survey stated that location impacts the students' university choice decision making, and also, the site has an essential influence to attract the students to universities.

Furthermore, this theory used by Nderitu et al., (2018), in Kenya and they studied the effect of cost leadership strategies on the competitive of private universities. The study applied quantitative and qualitative research designs, and qualitative data were analyzed thematically along with the research questions of the research and with a sample size of 90 staff. The results of the study showed that many private universities have not fully adopted

cost leadership strategies to increase their competitiveness in the environment. Besides, the findings indicate there is a significant association between cost leadership strategy and the performance of private universities.

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## 3.8 Purpose, importance and previous studies of innovation

University innovation is essential and plays a critical role in developing value and sustains a competitive advantage and also received and viewed attention among scholars (Kasim & Nuh, 2012). Meanwhile, organizations can evaluate their performance according to the competence and success of goal attainment (Kasim & Nuh, 2012). Similarly, Yeşil and Dereli (2013) explained that if the organization lacks innovation capacity, it cannot increase its growth and competitiveness. On the other hand, nowadays, organizations must compete for their survival through constant development to attain a competitive advantage (Hui et al., 2013).

Similarly, innovation is essential for those organizations that need to develop and gain competitive advantage (Lin, & Chen, 2007; Momeni et al., 2014). Lastly, organizational must implement innovations to achieve and contribute competitive advantage and organizational performance (Chege et al., 2019). Besides, innovation strategy is an essential element of any innovation strategy is getting staff to broaden their skills and quality improvement or development strategy is used in increasing the programs or service (Kisaka, & Okibo, 2014). Moreover, innovation strategies seek to harvest the best levels linked with creation and customer acceptance of new service or product. The importance of sustainable competitive advantage in institutions to adopt updated technologies that universities use video and web conferencing, education television, websites, and high-speed internet (Nthiiri et al., 2014).

Furthermore, innovation is one of the vital organizational elements that have a substantial impact on results or outcomes on the organization. Also, organizational change needs to develop new services, strategies, procedures, work methods, and technology to achieve corporate performance (Chahal & Baakshi, 2015). Furthermore, innovation is an

assurance and improves competitiveness and can cultivate through education (Narayanan, 2017). Moreover, change can enhance and impact the performance of universities (Iqbal et al., 2019). Lastly, Innovation affects the performance of the organization's quality of the task, the capability of learning, information sharing, and the use of new technology. It involves the implementation of new techniques of organization and procedures of carrying the tasks (Zaied, Louati, and Affes, 2015).

Lin and Chen (2007) conducted a study in Taiwan and concluded that innovation has a weak relationship with sales performance. Simiraly, Damijan, Kosteve, and Rojec (2008) empirically examined the relationship between innovation and a firm's productivity growth in Slovenia firms for the period 1996-2002. The authors found a negative correlation between innovation and productivity growth. However, this result is in contradiction with the findings uncovered by Lee (2011) conducted a study in Taiwan and investigated the relationship between teaching innovation and satisfaction using a sample of 200 staff. The author found out that teaching innovation has a positive and significant impact on learning satisfaction.

Furthermore, Kasim, Nor, Selam and Nik (2012) investigated the relationship between innovation and performance of private universities in Malaysia uses a sample of 32 faculties from four private universities like Taylor University, Monash University, Nottingham, and Sunway University. The findings of the study that innovation has a high effect on university performance. In the context of higher education, innovation activities show to be a basis for competitive advantage.

Lilly and Juma (2014), examined the relationship between innovation and organizational performance in Kenya using a sample of 119 respondents. The researchers found in their study that innovation strategies influence organizational performance. Similary, Hui et al. (2013) investigated the relationship between innovation and organizational performance in Malaysia, China, and Taiwan using a sample of 172 food manufacturing companies. The authors found that there is a positive association between corporate innovation and performance. Similarly, Hassan, Shaukat, Nawaz, and Naz (2013), studied the effects of innovation or change, and organizational performance in Pakistan uses a sample size of 150 respondents. The results show that there is a positive impact of innovation dimensions on organizational performance. However, this result is in

contradiction with the findings found by Zaied, Louati, and Affes (2015), which conducted a study in Tunisian and investigated the relationship between innovation and organizational performance and uses a sample size of 435 organizations. The results show that there is no association between innovation and organizational performance.

Lastly, Narayanan (2017), examined the association between innovation and academic performance in Malaysia using a sample size of 233 staff. The findings show that there is a significant association between innovation and academic achievement.

Innovation extensively contributes to the organizational performance and improves of new services or goods and therefore increases corporate growth. The majority of empirical studies found a positive relationship between innovation and organizational performance, while some studies indicate that innovation or change has no impact on organizational performance. In contrast, others found negative implications on organizational innovation performance (Zaied et al., 2015).

There are shortages of studies that determine innovation strategies in Somalia, according to the researcher's best knowledge, no other similar research conducted. Thus, this research seems to have the merit of filling this gap. The findings of this study are useful for policymakers wishing to increase the efficiency of innovation within private universities in Mogadishu.

## 3.9. Classification of innovation strategies typologies and dimensions

The objective of this part is to give a general idea of the study on innovation strategy until today; the review provides the dimensions features on innovation strategy in this study. This section also describes all research, conceptual, or empirical in which innovation strategy an essential part.

Innovation strategy describes and explains how an organization creates a winning service or products, which means service or products that are in an attractive market, address the precise needs, and support customers to get better service or products (Chege et al., 2019).

Innovation strategy describes and explains how an organization to use innovation to implement its organizational strategy and improves organizational performance (Akhlagh et al., 2013). According to Moraes et al., (2010), innovation strategies encourage to uses of new technologies, services, or products. This method that is aimed to decrease the

organizational costs and improves the effectiveness in the usage of corporate resources, and finally, some authors categorized innovation strategy as follows:

# 3.9.1 Ansoff and Swewart's Classification on innovation strategies

In 1967s, Ansoff and Stewart presented a typology that describes the organizational strategy. These strategies based on the time when the service or product enters the market and also consist of the following elements: first, on the market, follow the leader or second, engineering application and market segmentation and lastly, Me Too or minimizing of costs (Moraes et al., 2010).

The first element is first on the market: this needs a strong organizational commitment for research and development and the founding of technical, organizational leadership so that the organization will benefit or leads a competitive advantage (Manu & Sriram, 1996). The second element is following the leader on the market: this describes fast entry increasing market based on the simulation of the introduction innovation strategies of direct competitors; the implementation of this strategy needs high development capacity (Moraes, et al., 2010).

The third element is engineering application or marketing segmentation that concentrates on specific niches, and it needs strong capability in engineering like excellent flexibility in the service or production area (Moraes et al., 2010). The last element is Me Too or decreasing cost. This element assumes the ability to attain relative benefits of cost through economies of level, cost decreasing, from changes in process or service by reducing fixed and overhead costs, and lastly, this needs capability in service or products or process engineering (Manu & Sriram, 1996).

### 3.9.2 Miles and Snow's Classification on innovation strategies

This typology was formulated in 1978 by Miles and Snow and based on the strategic position of the organization about its environment, this typology was initially aimed to describe generally organizational and institutional strategy types and continues to be utilized and examined in this sense (Manu & Sriram, 1996).

To be successful in any competition needs a strategy, it does not mainly matter where you are competing or what you are competing in you are going to need a plan. However, Miles and Snow suggested that institutions level strategies generally categorize in four elements: defender, prospector, analytical and reactive; below, we will look at each of these four (Moraes et al., 2010).

The first type is defender Strategy: It's a competitive strategy in which an organization focuses on existing service or products and tries to defend its market share by offering better quality, customer satisfaction, and low prices (Manu & Sriram, 1996). Besides, this strategy defines protective behavior and describes the organizational need to protect its current position in the marketplace; this strategy applies to those organizations which have limited service or product market domains (Akhlagh et al., 2013)

The second type is prospector strategy: It's a competitive strategy that focuses on service or product innovation and searches for new market opportunities; such an approach needs creativity and institutional flexibility (Manu & Sriram, 1996). The third type is analytical strategy: Its strategy that its main aims to retain its market share and to be defensive against the threats and must minimize organizational risks (Moraes et al., 2010). Also, this strategy concentrates on or traits overall issues and provides managers with information about trends or changes in the environment that facilities opportunity identification (Akhlagh et al., 2013).

The fourth type is reactive strategy: Reactive strategies are those methods used crisis, and in an emergency to achieve manage of dangerous and out of control behavior, responsive organizations are slowly changing and unwilling to alter their fields of service or product and market (Moraes et al., 2010).

## 3.9.3 Arthur Dehon little's Classification on innovation strategies

This typology developed by Arthur Dehon Little in 1981 and has four elements: leader, follower, and niche, and rational. These four elements we can summarize in two dimensions: scope and leadership, decisions on the range defined to the way organizations answer the question: which technologies must explore? , the second dimension is concerning technological or scientific leadership that connected to the organizational commitment of the institution to pro-activity (Moraes et al., 2010).

The first category is a leader: the organizations that are leading in technology can maintain a competitive advantage throughout the development and use of all techniques; however, the technology is an essential factor for creating and keeping the competitive edge in these organizations (Butler, & Collins, 1996). The second category is a follower:

follower organizations have employee experts in a broad range of technologies. Their strategy based on the investigation, avoiding the risks involved in based research; for these organizations, technology is not a primary tool or instrument in the explore for competitive advantage, and their goal is acquiring skills that help their organizational strategy (Moraes et al., 2010).

The third category is niche strategy: this strategy focuses on a small number of vital technologies to seed the leadership, and it adopts the introduction actions to get the market position of the leader and create a pioneer reputation (Butler, & Collins, 1996).

The fourth category is rational: rational organizations understand those who possess information or knowledge in the chosen collection of technologies, these organizations and the technology deficit remunerated by other competitive forces (Moraes et al. 2010).

## 3.9.4 Freeman and Soete's Classification on innovation strategies

There is a classification or range of innovation strategies observed by Freeman and Soete in 1997. In their book titled the economics of industrial innovation and identified six options of technological innovation strategies that must take as a range of possibilities. The six options as follows: offensive, defensive, imitator, dependent, traditional, and opportunities; these innovation strategies based on how institutions deal with technology in their innovation policy (Manu & Sriram, 1996).

Institutions may choose single or more strategies in various segments of their activities and change to overcome — the selection of approaches connected to the vision of their managerial and shareholders. The institutions may choose to use technical, financial, and administrative ability to look for options that increase organizational values or performance, besides institutions may select alliance with various partners or act independently, such decisions dependent on human and financial available resources (Moraes et al., 2010).

Offensive strategy: The offensive or aggressive innovation strategy has the features of attuning marketing leadership and technological by introducing new services or products. Usually, it's concentrated in doing research and development and involves basic research (Karakaya & Genç, 2016). Defensive Strategy: This innovation strategy is a marketing tool that supports institutions to keep value customers that can be taken away by organizational competitors. However, this means that this strategy closely follows the

leader and technological change, and lastly, it's a management approach that reduces the risk of loss (Moraes et al., 2010).

Imitator Strategy: This strategy used by organizations, which don't have their private, areas, and they are gaining leading competitive advantage by mimicking the technology, service, or production and policy of organizational leaders on the market. However, this strategy based on the acceptance of a small market share, frequently limited to the new market segments, lastly these organizations that use this strategy don't use more advertisement measures, and also their service or products have a good quality (Moraes et al., 2010).

Dependent Strategy: Organizations with this strategy adopts a reactive position and motivates changes in service or products and process only when requested by the customer, and no expenses feature it with research and development (Karakaya & Genç, 2016).

Traditional Strategy: The conventional strategy describes how to achieve competitive advantages and a good position in the market place. This strategy used when organizations are under force or pressure to alter their service or products and procedures. Thus market and competition don't need any adjustment in their service or products and systems, and lastly, this strategy is applicable when a stable or predictable environment exists (Moraes et al., 2010).

Opportunities Strategy: Opportunities Strategy is always searching for opportunities in a new market while maintaining strict manage over existing operations, the key to the achievement of this strategy is the monitoring and controlling of marketing innovation and costs (Karakaya & Genç, 2016).

### 3.9.5. Gilbert's Classification of innovation strategies

There is a categorization on innovation strategies observed by Gilbert in 1994 in his book titled choosing an innovation strategy: theory and practice and identified four alternatives of innovation strategies, the four options as follows: proactive and reactive innovation strategies (Akhlagh et al., 2013).

Proactive innovation strategies: Organizations with dynamic innovations strategies have active research and development orientation to attain a competitive market advantage. They access information or knowledge from various sources and take high risks, and the

kinds of technological innovations used in a proactive strategy are: radical and incremental (Chege et al., 2019).

Reactive innovation strategies: Reactive innovators don't expect the need to change and leave innovation to chance it's something that must respond, instead of, they wait for the evidence of the market disrupted by competitors to tell them where they need to adapt (Chege et al., 2019).

## 3.9.6. Porter's Classification of innovation strategies

This typology was developed by Porter in 1980 and had three elements: cost, focus, and differentiation because these three essential strategies and has applied by organizations seeking to attain competitive advantage and this needs an origination to do options about the type and scope of its competitive advantage (Karabulut, 2015). Besides, Porter's typology has provided a strategic response for institutions, and these strategies are not only applied at the profit organization but also can apply not to profit institutions (Mathooko, & Ogutu, 2014).

Concluding, in general, the studies on innovation strategy are limited and little up to date, all studies identified that innovation strategy plays an essential position and innovation strategy typologies some conceptually developed but the common based on empirical studies. The literature review on innovation strategy exposes a lack of an agreement concerning theoretical ideas, measurement, and little research exists, which also considers new growth or development in innovation strategy practice or research. This study seeks into this research gap by recommending an understanding, various dimensional ideas for innovation strategy along three dimensions, which derived from Porter's Classification on innovation strategies.

## 3.9.6.1. Innovation Strategy Dimension of this study

In the 1980s, Porter introduced successful competitive strategies; these generic strategies consist of cost leadership, differentiation and market focus and these strategies provide deep foundations for the strategic management of subunits in higher education institutions, and the adaptation of these strategies leads high organizational performance (Manyeki et al., 2019). Besides, in looking to a clear understanding of what constitutes innovation strategies and competitive advantage and what strategic considerations on the organizational field level directs to the question: what is the basis on which organizations

attain their innovation strategies and competitive?. And this is a foundation of Porter's three generic strategies an organization can have: cost leadership, differentiation, and focus strategies (Mathooko, & Ogutu, 2014). Besides, the concept of generic strategy consists of three elements that could utilize either individual strategy or combination strategies to break competitors, and these strategies are cost leadership, differentiation and focus strategies (Douglas et al., 2010).

Also, the generic strategies explain that an organization can able to create a defensible position in the environment or industry, and it determines the success that leads outperform to its rivals. And finally, these strategies are cost leadership, differentiation, and focus strategies; if an organization uses these strategies achieves significant competitive benefits over its competitors (Yamin, Gunasekaran, & Mavondo, 1999).

The generic strategies broadly used by researchers to research the world competition of industrial institutions for almost half-century, although scholars generally agree that Porter's paradigm is equally suitable or applicable for both for-profit and non-profit institutions. Studies of higher learning institutions that implemented Porter's idea of generic strategies to strategic management limited, this lack of research is alarming in the industry of higher education (Butcher & Huo, 2011).

An over expressed demand for higher education and limited financial resources in organizations of higher teaching or learning may have needed the dawn of growth of new or reviewed academic programs. Growth innovation strategies allow or facilitate institutions to have sustainable expansion increase the ability to deliver and improve market share (Kisaka, & Okibo, 2014).

This century has brought opportunities and issues for high education in the world; the institutions need to understand their capabilities, resources, and core competencies or skills which have a direct connection to the institution's ability to attain their strategic competitiveness (Kisaka, & Okibo, 2014). Moreover, private universities face competitive, and they must respond to complicated factors making an influence on the demand for education and their strategies planned in an environment that is a mixture of commercial and constituents. Lastly, the strategic methods to management allow the private institutions to improve their institutions and integrate employee, curriculum, finance, and external relations (Manyeki et al., 2019).

These are the basic concepts about how organizations can best compete in the environment and many researchers believe that a great strategy must derive from an organization's competitive benefit based on a single of the three generic strategies. Determining low-cost leadership strategy in the industry, motivated to create and market unique service or products for a various client or customer groups through differentiation, and lastly, determined to have individual customers focusing on their cost or differentiation concerns (Nthiiri et al., 2014).

Most university leaders tend to concentrate their attention on enrolment expansion, improving student service, budget constraints, increasing academic standards without knowing that all these issues or challenges could efficiently manageable with rational strategic perceptions. Even though some top management has recognized the vital of developing realistic strategic plans on the foundation of a vision, Porter's idea of cost advantage or leadership strategy, differentiation strategy, and focus or niche strategy rarely found in higher education. However, the absence of Porter's generic strategy idea in the literature review of more upper education management does not necessarily involve that most universities have not adopted any generic strategy (Butcher & Huo, 2011).

Furthermore, the elements of generic strategies present different routes to competitive advantage, integrating the features of these strategies to seek and facilitate the way that we can achieve competitive advantage (Bisungo et al., 2014). Besides, differentiation and cost leadership strategies intend to obtain a competitive advantage in a wide range of industry sections. In contrast, focus strategies aim to achieve the target in a narrow part. Finally, these generic strategies can produce above average for an institutional in the industry; they are successful for various reasons (Bisungo et al., 2014).

Also, generic strategies are essential in increasing the competitiveness of private universities, which supports private universities to find the best posting within higher education institutions (Nderitu et al., 2018). Besides, the three genetic strategies that institutions can select one of the generic approaches, but different authors suggested using the three strategies together to achieve higher performance of the institution (Omari et al., 2017). Similarly, many studies recommended that these three strategies combine to attain competitive advantage (Manyeki et al., 2019). Moreover, some studies suggest that institutions have to connect the three generics strategies (Yamin et al., 1999).

Generic strategies are valuable because they describe strategic position at the easiest and overall level and lead to achieving a competitive advantage in the environment (Bisungo et al., 2014). Finally, the following sections focus on Porter's common strategies that include market focus, differentiation and cost leadership to describe the goal of the institutions and the plans and actions to attain institutions' performance (Mathooko, & Ogutu, 2014).

# 3.9.6.1.1. Cost Leadership Strategy

Cost leadership strategy refers to the institution struggle to have the lowest charges in the industry and broad market at the lowest prices (Omari et al., 2017). Besides, cost leadership strategy is an approach used by institutions to generate a low cost of operations within the niche of attaining benefit over rivals (Ikatwa, & Okello, 2016). Besides, Cost leadership strategy involves being the most economical cost of service or products for a given quality level through tight control of cost, decreasing operational and labor costs, and offering cheapest services (Douglas et al., 2010).

Cost leadership attempts for a low-cost position comparative to competitors, attained through to control fixed and overhead control and cost decreasing in functional areas such as service quality and marketing. This strategy emphasis on cost reduction throughout the whole institutions, then, a successful cost leader in an organization will be the lowest cost service or producer in the sector and offers the mass-market services of a quality similar by direct competitors. Lastly, this strategy needs a broad market supplied with standard service or products (Hodgkinson, 2012).

The concept of cost leadership expected to support competitor orientation and institutional performance. This strategy describes organizing and managing organizational activities to attain low-cost services or producers in the entire industry, but this does not indicate that the organization ignores the quality and value as well (Kaliappen, Hilman, & Abdullah, 2013).

Cost leadership strategy that organizations attempt to attain a competitive advantage by being the lowest cost service or producer. However, there is a need to establish a cost leadership strategy for various programs at university and should offer a program at a lower cost than its competitors (Kisaka, & Okibo, 2014). Besides, cost leadership strategy aims to get at a competitive advantage in a wide range of industry sections; this strategy can

produce above average for an institutional in industry and leads successfully for various reasons (Bisungo et al., 2014).

To follow a low-cost leadership strategy always needs the organization to seek an economy of scale to decrease costs through advanced technology, cheap labor, and efficient training approaches. However, this strategy deemed unsuitable for the education industry as up to date contemporary facilities, technology, and attractive basis is the standard hallmarks for an excellence institution, and these make low-cost strategy unattainable at best (Nthiiri et al., 2014). Besides, Also, the concept of cost leadership strategy depends on unique capabilities to attain sustainability, market share position, and effectiveness (Bisungo et al., 2014).

Cost leadership strategy expects to impact institutional performance in terms of growth, satisfaction, competitive advantage, value, and reputation (Bisungo et al., 2014). Beside, Cost leadership strategy frequently needs that an institution is the cost leader, and this depends on that the institutions use advanced technology and high service standards to achieve this cost position (Bisungo et al., 2014). Moreover, institutions that execute a cost leadership strategy can achieve high marker share, sustainability, market dominance, gaining a competitive advantage over rivals and winning the price war (Ikatwa, & Okello, 2016).

Cost leadership strategy protects the institution because a price reduction uses to defend from new entrants, and this strategy improves process effectiveness, unique access and provides some defense against the competition (Omari et al., 2017). Furthermore, cost leadership strategy engages decreasing costs by offering value to clients or customers to achieve a competitive strategy, sustainability, and market dominance (Ikatwa, & Okello, 2016).

Cost leadership strategy is achieved through functional policies and adopting modern technology, needs constructions of enough facilities, and also provides a defensive against cost increase (Bisungo et al., 2014; Manyeki et al., 2019). Besides, in the context of higher education, this strategy works well when the services or products are compatible and more effective than its competitors (Nderitu et al., 2018).

On the other hand, this strategy had significant and positive impacts on competitive orientation and organizational performance (Nderitu et al., 2018). Furthermore, Besides, Cost leadership strategy enables private universities to decrease costs, outsourcing services,

and enhancing market share, a sound delivery system to compete efficiently with other competitors (Nderitu et al., 2018).

Cost leadership strategy is a set of functional policies, goals. It requires the construction of efficient scale facilities and energetic pursuit of decreasing costs in areas like research and development, marketing and service, to achieve cost efficiency. However, this provides substantial entry barrier in terms of cost advantages or scale of economic and defends the institutions against influential buyers, this strategy also provides a defense against input cost increase and lastly achieving this strategy often requires favorable access to input (Manyeki et al., 2019).

Moreover, the main goal of cost leadership is to counter rivals by providing excellent service or products and adding new programs that attract or based student needs (Kimando, Njogu & Sakwa, 2012). Besides, Cost leadership strategy strengths the institution's competitiveness position, competitive advantage and also improves institutional performance by providing service with the least low cost compared to rivals (Habtoor et al., 2019).

Finally, a cost leadership strategy is used by institutions to make a hidden cost or price of operation within their specific market or niche. The primary goal of using this strategy to achieve competitive advantage over rivals, and lastly, there are several cost leadership factors in higher education particular universities such as discounted tuition fees, cheaper rates for services or products and provide accommodation more students (Manyeki et al., 2019).

Several researchers researched cost leadership strategies in various contexts, and it is essential to shortly explore the different findings to get a better understanding of the concept. However, these findings show that some of them get a similar conclusion, but others get different results.

Yamin et al., (1999) studied the link of generic strategies, competitive benefits, and institutional performance in Australia and used a quantitative method with a sample size of 214 respondents. The findings stated that high-cost leadership strategies seem to place extensively more essential on all facets of institutional performance.

Kimando et al., (2012) studied the competitive strategies of private universities in Kenya; the study used qualitative and quantitative research designs with a sample size of 50 participants. The findings show that private universities use a cost leadership strategy to achieve competitive advantage through student preferences and increasing enrolment. Besides, Kaliappen et al., (2013) examined the cost leadership approach and rivalry orientation on institutional performance in Malaysia. The study used a quantitative research design with a sample size of 114 participants. The results indicated that the cost leadership approach has extensively influenced on institutional performance and rivalry orientation.

Besides, Bisungo et al., (2014) examined cost leadership strategy and organizational performance in Kenya; the study used a descriptive survey research design with a sample size of 35 employees. The results of the study show that this strategy affects organizational performance.

Moreover, Wicker, Soebbing, Feiler, and Breuer (2015), studied the influence of generic strategies on the institutional issues of non-profit organizations in Germany, and the study utilized the quantitative method, data collected in two years from 2009 to 2011and the sample size was 41,343 respondents. The findings of the study stated that clubs executed cost leadership strategy has small organizational issues such as the recruitment and retention of members of the club.

Ikatwa and Okello (2016) studied the influence of cost leadership policies on university performance in Kenya, the descriptive research design used for the study with a sample size of 87 participants. The study found price policy and scale policy and institutional policy effects university performance. Furthermore, Omari et al., (2017) investigated the competitive strategies implemented for performance by private institutions in Kenya; the study used a survey research design with a sample size of 426 participants. The authors used stratified and simple random sample techniques, and the study revealed that there is a positive association between cost leadership strategy and performance of private hospitals.

Besides, Nderitu et al., (2018) studied the effect of cost leadership strategies on competitive of private universities in Kenya; the study applied quantitative and qualitative research designs, and qualitative data were analyzed thematically along with the research questions of the research and with a sample size of 90 staff. The results of the study showed that many private universities have not fully adopted cost leadership strategies to increase their competitiveness in the environment. Besides, the findings indicate there is a

significant association between cost leadership strategy and the performance of private universities.

Mutindi and Anaya (2018) studied the impact of cost leadership strategies on the performance of private institutions in Kenya; the study used both qualitative and quantitative research methods with a sample size of 90 staff. The findings show that the cost leadership strategies affect the performance of private organizations.

Moreover, Habtoor et al., (2019), studied the impact of competitive strategies of generic strategies in the association between learning organization and institutional performance in Yemen of higher education institutions, the study used cross-sectional method; with the sample size of 184 respondents. The findings show that cost leadership strategy positively moderates the association between learning organization and performance.

Abu Bakar, Hashim, Ahmad, Dzakaria and Isa, (2019), investigated intuitional competence and strategic options in higher education institutions of private universities in Malaysia and used both qualitative and quantitative methods to collect the primary data and used with a sample size of 450 institutions. The findings stated that cost strategy was not associated with the university performance.

Manyeki et al., (2019) examined the impact of cost leadership strategies on organizational performance in private universities in Kenya. They used a descriptive survey research design to collect the primary data; questionnaires were used with a Likert scale and using a sample size of 164 respondents of 13 universities in Nairobi. The study used correlation and regression to connect the association between the variables; the findings showed the cost advantage or leadership strategy was significantly and positively related to university performance.

# **3.9.6.1.2. Differentiation Strategy**

Differentiation strategy defines to the institutions offers unique services or products that competitor can't offer (Omari et al., 2017). Besides, differentiation strategy refers to the management practice method where an institution makes to develop a unique service or products that customers make them satisfaction (Manyeki et al., 2019). Moreover, Differentiation strategy involves services or products professed as sole or unique all through the industry and this uniqueness may allow the institution to exist in the

environment; the possible plan to attain this strategy includes a brand image, excellent service, values, and quality (Douglas et al., 2010).

The primary purpose of using differentiation strategy is to counter rivals by utilizing different services or products and unique from competitors such as different admission criteria, various requirements in credit transfer, and quality lectures (Kimando et al., 2012). Besides, Differentiation strategy expected to impact institutional performance in terms of growth, satisfaction, competitive advantage, value and reputation, and also its powerful option that raises the chances of improving the value of the institution (Bisungo et al., 2014).

Differentiation strategy is appropriate for the higher education industry in a competitive environment; this strategy adds values to the service or products. It can provide a sustainable competitive advantage. Lastly, the fundamental approaches for attaining differentiation is through using active brand names, marketing skills, innovation features, organizational reputation for quality, strong coordination corporate activities, full range of programs or courses offered, extensive distribution coverage and capability to attract creative persons (Nthiiri et al., 2014).

Moreover, differentiation strategy proposes to gain a competitive advantage in a wide range of industry section, this strategy can produce above average for an institutional in an industry, and raises successful for various reasons (Bisungo et al., 2014). Besides, a differentiation strategy calls for the improvement or development of a service or products that offer unique qualities that are valued by the customer, so a university should be able to manage at the speed of change, and that takes innovation and creativity (Kisaka, & Okibo, 2014).

The main concentration of a differentiation strategy is creating the uniqueness that an organization's services or goods clearly distinguished from its competitors. And organizations want to be unique with some areas that are valued by their customers and quality selected has too dissimilar from its competitors or rivals (Nthiiri et al., 2014). Besides, this strategy needs universities to expand and execute academic programs perceived as unique throughout the industry. The application or plan shows that they have attractive features not commonly found in competing for service or products, therefore this

research its goals to find out the effect of differentiation strategy; one of Porter's broad strategies on the expansion of academic programs (Kisaka, & Okibo, 2014).

Besides, Differentiation strategy enables private universities to decrease costs, outsourcing services, and enhancing market share, a sound delivery system to compete efficiently with other competitors (Nderitu et al., 2018). Furthermore, this strategy is vital to institutional policy and concentrates unique services or products that provide customer loyalty. Finally, the institution can be capable of charging the best price to capture market share (Manyeki et al., 2019).

Finally, differentiation strategy is the critical organizational strategies when using this strategy; an organization concentrates its efforts on providing a unique service or product. And market since the services or products is individual; this approach provides high client or customer loyalty or satisfaction; this strategy fulfills a client or customer demands. It engages tailoring the services or products to the client or customer, and finally, this strategy allows institutions to charge the best price to capture organizational market share (Manyeki et al., 2019).

Numerous researchers have made a study about differentiation strategies in various contexts, and it is very significant to shortly explore the dissimilar findings to get a better understanding of the concept. However, this result shows that some of them get a similar effect, but others get disparate outcomes.

Yamin et al., (1999) studied the link of generic strategies, competitive benefits, and institutional performance in Australia and used a quantitative method with a sample size of 214 respondents. The findings stated that high differentiation strategies seem to place extensively more essential on all facets of institutional performance.

Kimando et al., (2012) studied the competitive strategies of private universities in Kenya; the study used qualitative and quantitative research designs with a sample size of 50 participants. The findings show that private universities use a differentiation strategy to achieve competitive advantage through quality, price or cost, location, duration, and customer base to differentiate their service or products from others.

Bisungo et al., (2014) investigated differentiation strategy and organizational performance in Kenya, the study used a descriptive survey research design with a sample

size of 35 employees. The results of the study show that this strategy influences organizational performance.

Wicker et al., (2015), studied the influence of generic strategies on the institutional issues of non-profit organizations in Germany, and the study utilized the quantitative method, data collected in two years from 2009 to 2011and the sample size was 41,343 respondents. The results of the survey stated that a differentiation strategy has effects on organizational performance.

Besides, Omari et al., (2017) investigated the competitive strategies implemented for performance by private institutions in Kenya; the study used a survey research design with a sample size of 426 participants. The authors used stratified and simple random sample techniques, and the study revealed that there is a positive association between differentiation strategy and the performance of private hospitals.

Moreover, Mutindi and Anaya (2018) studied the impact of differentiation strategies on the performance of private institutions in Kenya; the study used both qualitative and quantitative research methods with a sample size of 90 staff. The findings show that differentiation strategies affect the performance of private organizations.

Abu Bakar et al., (2019), investigated intuitional competence and strategic options in higher education institutions of private universities in Malaysia and used both qualitative and quantitative methods to collect the primary data and used with a sample size of 450 institutions. The findings stated that a differentiation strategy was incredibly associated with university performance.

Also, Habtoor et al., (2019), studied the impact of competitive strategies of generic strategies in the association between learning organization and institutional performance in Yemen of higher education institutions, the study used cross-sectional method; with the sample size of 184 respondents. The findings show that the differentiation strategy doesn't moderate the association between learning organization and performance.

Manyeki et al., (2019) examined the impact of differentiation strategies on organizational performance in private universities in Kenya. They used a descriptive survey research design, to collect the primary data, questionnaires were used with a Likert scale and using a sample size of 164 respondents of 13 universities in Nairobi. The study used correlation and regression to connect the association between the variables; the findings

showed the differentiation strategy was significantly and positively related to university performance.

# **3.9.6.1.3. Focus Strategy**

Focus strategy refers to the involves targeting a particular market section, this means focusing one segment needs more efficiently and successfully than competitors; this strategy achieves through combining cost leader and differentiation strategies (Omari et al., 2017). Besides, the focus strategy defines the management practice where an institution focuses on specific segments or markets (Manyeki et al., 2019).

Focus strategy means focusing on a particular market niche and involves focusing on specific services or product segments. However, this allows the institution to achieve cost benefits within a limited market, and finally, this strategy applies to situations where customers have unique preferences or particular needs (Douglas et al., 2010).

The focus strategy serves a particular target segment or market better than competitors and the organization is competent to help the specific target or market division more successfully than competitors. This strategy is a method to out-performing rivals, and also, this strategy created about moral obligations to stakeholders (Hodgkinson, 2012). Besides, focus strategy aims to achieve the target in a narrow section, this strategy can generate above average for an institutional in an industry, and increases successful for various reasons (Bisungo et al., 2014).

Focus strategy expects to affect institutional performance in terms of growth, satisfaction, competitive advantage, value, and reputation (Bisungo et al., 2014). Furthermore, applying focus strategy in universities means concentrating on a narrow program segment and managing and developing the best offer and capture student's interest (Mathooko, & Ogutu, 2014).

A focus strategy describes a particular student, program, course, and geographical area. However, this means that the core base of this strategy that a university is capable of serving a limited or specific segment more professionally than competitors. And universities that use this strategy may attain customer needs b developing and expanding academic programs that tailored to meet a given division or segment of the market (Kisaka, & Okibo, 2014).

Similarly, the application of focus strategy in universities concentrates on students, programs, or segments. Within this strategy offers unique service or products that are generally the value of any customers or develops or implement the most excellent offer and captures student's interest and discourages other competitors directly (Mathooko, & Ogutu, 2014).

Focus or niche strategy gives attention to the needs of a particular customer or market segment, and this strategy seeks completion in a broad range of industry segments and needs to achieve cost advantage. Finally, this strategy depends on sections with customers with unusual demands, and the delivery system needs to serve these clients or a customer is different from those in other institutions (Nthiiri et al., 2014). Besides, the focus strategy in higher education involves a particular program or course to provide limited segment more efficiently those competitors (Kisaka, & Okibo, 2014),

As well, the focus strategy always enjoys a high level of client trust and loyalty and protects from new entrants (Omari et al., 2017). Besides, the focus or market strategy selects a specific division or a group of divisions in the industry, an organization that does not have in competitive advantage optimizes its plan to provide or serve the demands of the aim divisions and attain competitive advantage (Manyeki et al., 2019).

Previous studies have made a study about focus strategies in a variety of contexts, and it is incredibly significant to shortly explore the different findings to get a better understanding of the concept. However, this result shows that some of them get a parallel effect, but others get different outcomes.

Yamin et al., (1999) studied the link of generic strategies, competitive benefits, and institutional performance in Australia and used a quantitative method with a sample size of 214 respondents. The findings stated that high focused strategies seem to place extensively more essential on all facets of institutional performance. Besides, Bisungo et al., (2014), investigated focus strategy and organizational performance in Kenya, the study used a descriptive survey research design with the sample size of 35 employees. The results of the study show that the focus strategy impacts on organizational performance.

Wicker et al., (2015), studied the influence of generic strategies on the institutional issues of non-profit organizations in Germany, and the study utilized the quantitative method, data collected in two years from 2009 to 2011and the sample size was 41,343

respondents. The results of the survey stated that clubs executed focus strategy has small organizational issues in all areas.

Besides, Omari et al., (2017), investigated the competitive strategies implemented for performance by private institutions in Kenya; the study used a survey research design with sample size 426 participants. The authors used stratified and simple random sample techniques, and the study revealed that there is a positive association between focus strategy and the performance of private hospitals. Finally, the focus strategy has the most significant influence on the performance of private hospitals.

Mutindi and Anaya (2018) studied the impact of focus strategy on the performance of private institutions in Kenya; the study used both qualitative and quantitative research methods with a sample size of 90 staff. The findings show that the focus strategy affects the performance of private organizations.

Furthermore, Habtoor et al., (2019), studied the impact of competitive strategies of generic strategies in the association between learning organization and institutional performance in Yemen of higher education institutions, the study used cross-sectional method; with the sample size of 184 respondents. The findings show that the focus strategy doesn't moderate the association between learning organization and performance.

Manyeki et al., (2019) examined the impact of focus strategies on organizational performance in private universities in Kenya. They used a descriptive survey research design, to collect the primary data, questionnaires were used with a Likert scale and using a sample size of 164 respondents of 13 universities in Nairobi. The study used correlation and regression to connect the association between the variables; the findings showed the focus or niche strategy was significantly and positively related to university performance.

Abu Bakar et al., (2019), investigated intuitional competence and strategic options in higher education institutions of private universities in Malaysia and used both qualitative and quantitative methods to collect the primary data and used with a sample size of 450 institutions. The findings stated that a focus strategy was not associated with the university performance.

## 3.10. Previous Studies on innovation strategies through Porter's generic strategies

Haq and Jackson (2007) conducted a study to develop strategies for the efficient marketing of spiritual tourism and explored the significance of Porter's generic strategies in

Pakistan; the semi-structured interview used with chosen tourism operators and officials of the government with the sample size of 41 respondents. The findings of the study showed that the cost leadership strategy and differentiation strategy seem to be more applicable to the private and public tourism operators in Pakistan.

Butcher and Huo (2011) investigated a case study of Porter's generic strategies executed by the University of Puget Sound in the USA. Researchers examined historical documents between 1973 and 2003 associated with the expansion of the university and long term changes in terms of student enrolment, new programs added, and old applications closed, and the researchers used face to face meetings with employee and administration of the university. The researchers interviewed the two rectors who led the university from 1973 to 2003; also, the authors interviewed two university registrars and have been an essential person as university strategy implementers for 30 years. Lastly, the findings noted that critical achievements factors for the execution of a focus or niche strategy that seeks to make different a university from its competitors.

Parnell (2011) conducted a study that examined the relationship between competitive strategy orientation and institutional performance in Egypt and Peru and used a quantitative method through a sample of 399 respondents. The findings of the study of cost advantage or leadership, differentiation, or substitute strategy and focus or niche approach either country no single best plan or strategy can be general.

Hodgkinson (2012) conducted a study of the applicability of generic strategies in the public service context in England. It used a positivist research philosophy, which was considered applicable for testing for the exploratory research design, with a target population of 1060 local government managers. The findings showed that there is a negative link between hidden cost and price based strategies and performance, while the hybrid approach has a significant definite connection with performance.

Kisaka and Okibo (2014) examined the effect of Porter's generic strategies on the growth of academic programs for competitive advantages in Kenya. The respondents were senior managers, lecturers, policymakers, and developers of educational programs, and descriptive research design and case study method used, and also the study used quantitative and qualitative approaches and using a sample size of 103 respondents. The author found that both differentiation strategy and focus strategy has a positive correlation

with the growth of academic programs and also the findings from the study expose that implementation of differentiation strategy by the university has given way or direction of competitive advantage and excellent performance.

Mathooko and Ogutu (2014) investigated strategies implemented by public universities in Kenya to reply changes in the environment. The respondents were top managers, middle managers, and lectures, and the researchers used a descriptive survey design, and the study used mixed methods and using a sample size of 91 respondents. The author found that universities used Porter's competitive strategy model, and Porter's three strategies, cost advantage or leadership strategy, differentiation strategy, and focus strategy, were adopted by public institutions, particularly public universities in Kenya.

Nthiiri et al., (2014) studied the effectiveness of the competitive strategies that have adopted to raise enrolment and employee attraction and retention in Kenya and used descriptive survey research design and using a sample size of 27 board members respondents. Data collection was used questionnaire and findings obtained implied that there was a connection among strategies executed by universities, student enrollment, and retain qualified employees.

Bisungo et al., (2014) investigated generic strategies and organizational performance in Kenya; the study used a descriptive survey research design with a sample size of 35 employees. The results of the study show that the generic strategies impact organizational performance. Besides, Omari et al., (2017), investigated the competitive strategies implemented for performance by private institutions in Kenya; the study used a survey research design with sample size 426 participants. The authors used stratified and simple random sample techniques, and the study revealed that there is a positive association between competitive strategies and the performance of private hospitals.

Mundi and Anaya (2018) studied the impact of competitive strategies on the performance of private institutions in Kenya; the study used both qualitative and quantitative research methods with a sample size of 90 staff. The findings show that the elements of generic strategies affect the performance of private organizations.

Manyeki et al., (2019) examined the impact of Porter's generic strategies on organizational performance in private universities in Kenya. They used a descriptive survey

research design, to collect the primary data, questionnaires were used with a Likert scale and using a sample size of 164 respondents of 13 universities in Nairobi. The study used correlation and regression to connect the association between the variables; the findings showed the generic strategies elements were significantly and positively related to university performance.

## 3.11 Chapter Summary

In conclusion, the literature review shows the significance and need for researching the topic of the study. All reviewed previous studies have presented a specific agreement that proves the existence of the positive relationship between innovation strategies and performance. However, some studies disagreed on the effect of innovation strategies on performance due to differ*ent* social, economic, and regulatory conditions in developed and developing countries. These contradicting findings motivated the researcher to find out further research assessment to support or reject the above arguments. Besides, these mixed findings done in various geographical areas place a form of a research gap and basis for undertaking this research. Therefore this research will be conducted to link the difference of the impacts of Porter's common strategies on the performance of private universities in Mogadishu, Somalia.

#### 4. METHODOLOGY

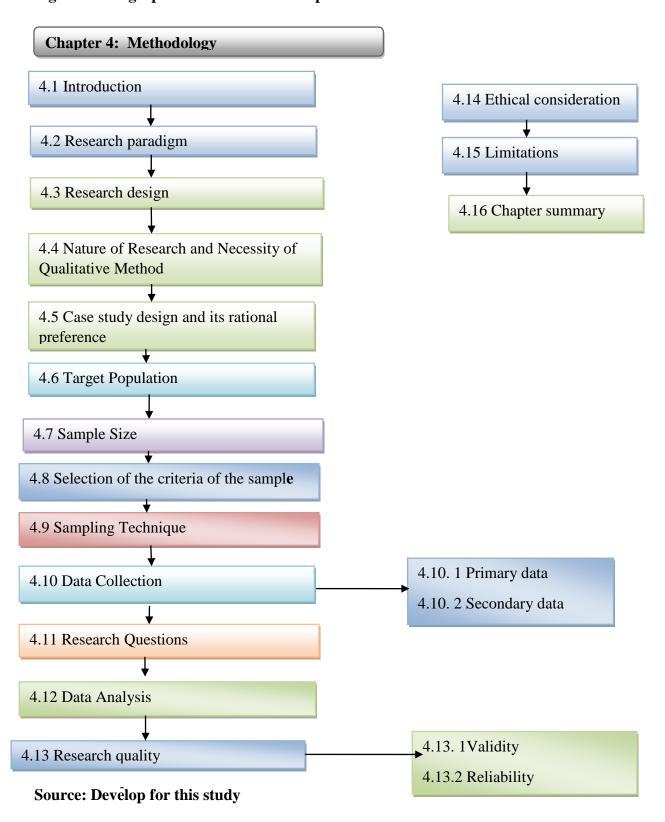
#### 4.1 Introduction

The earlier chapters reviewed related literature review to the principles of corporate governance and innovation strategies for this study and leads to identification of the study issues and arranging of the two research questions. The current chapter discusses and justifies the suitableness of the case study design to investigate the core principles of corporate governance and innovation practices of private universities in Mogadishu.

Designing suitable research design forms the foundation of successful research designs. The design forms by various levels of procedures, approaches, or methods and philosophies. The research methodology is the roadmap that describes how information or data will be collected, analyzed, and interpreted based on the objective of the study (Gill, Vijay & Jha, 2009). This section deals with the methodological of the study; therefore, the chapter explains the research design.

The chapter presented fifteen sections. Section 4.1 introduces the chapter and detailed outline of its contents. Section 4.2 provides research paradigms. Section 4.3 discussed the research design of the study. Section 4.4 identifies the case study of the study. Section 4.5 explains the selection of target population. Section 4.6 describes choosing the sample size of the study. Section 4.7 identifies the criteria of the study sample. Section 4.8 focuses on sample techniques. Section 4.9 concentrates data collection procedures. Section 4.10 highlights data analysis. Section 4.10 explains research quality. Section 4.12 addresses ethical consideration. Section 4.13 describes limitation of the study. Section 4.14 concludes the chapter. Lastly, Figure 4.1 exhibits a diagram that summaries of the current chapter.

Figure 4.1: A graphical outline of the chapter.



## 4.2 Research Paradigm

Researchers need to determine their research paradigm before constructing the research design (Bogdan & Biklen, 1998). Alternatively, a research paradigm is an essential method for understanding and explaining social phenomena (Saunders, Lewis, & Thornhill, 2009). Lastly, a research paradigm is a standard set of theoretical assumptions that describe the nature of potential research (Mingers & Gill, 1998).

Selecting the most appropriate research paradigm is the most vital initial research design step. This section reviews or analyses and evaluates the research paradigm to identify the most suitable model for this research.

Researchers have defined the concept of a research paradigm in various ways and contexts. According to Bogdan and Biklen (1998), the research paradigm refers to the collection of rationally related assumptions or concepts that orient thinking and research. Alternatively, the research paradigm defined as how we know global or gain knowledge or information (Denzin & Lincoln, 2000).

On the other hand, the research paradigm defines the theoretical motivation to carry out research (Cohen & Manion, 2007). On the other hand, the research paradigm represents the belief about the natural world of knowledge or information, methodology, and criteria for validity and reliability (Lincoln, Lynham, & Guba, 2011).

Besides, the research paradigm, it's a concept that comes from Thomas Kuhn in 1970 and defines the essential orientation to research and theory (Neuman, 2014). A model or standard is a set of principles and fundamentals in a particular area of research that impacts what have explored and how the findings should be interpreted (Bryman, 2016). Lastly, some researchers prefer to argue the interpretive framework in terms of knowledge (Creswell, 2014).

There are many paradigms available to direct research. Parkhe (1993) suggested inductive and deductive standards or models. On the other hand, Guba and Lincoln (1994) identified four main paradigms that combine different paradigms. Moreover, for example: positivism, constructivism, critical theory, and realism. Each of these paradigms has three categories relating to reality (ontology), the association between reality and the researcher (epistemology), and the techniques (methodology).

Besides, Lincoln et al., (2011); Creswell, (2014) proposed five alternative research paradigms in social science research. For example: positivism, post-positivism, constructivism, critical theory, and participatory. Each term presents in terms of ontology (means nature of reality), epistemology (how to gain knowledge), and methodology (the method of the research process). These five approaches focus on such issues, such as the nature of experience, knowledge accumulation, and excellent or quality criteria.

Moreover, according to Easterby-Smith, Thorpe, and Jackson (2015), recommends two research paradigms. For example: a positivist and phenomenological. Furthermore, Denzin and Lincoln (2008) proposed qualitative and quantitative models. Lastly, the research paradigm, in general, can be classified as either positivism or interpretive paradigms (Henn et al., Weinstein & Foard, 2006). Therefore, this study adopted the classification suggested by Henn et al., (2006) and discussed below:

## 4.2.1 Positivism Paradigm

Positivism refers to scientific method or science research and its goal to test the theory through observation and measurement to control and predict forces that surround us (Mackenzie & Knipe, 2006). Besides, most research methods trace their roots and focuses on positivism and also emphasize facts and causes of behavior (Bogdan & Biklen, 2007). Further, quantitative research bases on the theory of positivism, which assumes that the phenomenon should be directly observable and measurable terms to gain knowledge (Oso, 2013).

Also, positivism is the most broadly used method, the oldest one, and has been the dominant paradigm in social science (Creswell, 2014). Alternatively, positivism researchers prefer quantitative data and regularly use surveys, experiments, and statistics. They seek out exact measures and objective research to generalize the results to a large population, and most researchers in many fields rely on positivist (Neuman, 2014).

Also, passivism researchers clearly understand the objects by empirical tests through research methods, measurement, questionnaire, and have a high-quality standard of validity and reliability. Researchers can save time and investment for using the findings of the specific study for future quantitative prediction and also the results of research, or the outcomes can be consistent and sustain researchers to make scientific assumptions (Pham, 2018). Lastly, the positivist paradigm belief that the scientific method is the only way to

find out the right knowledge and offer the best framework for studying the social world (Chilisa, & Kawulich, 2012).

The procedure for the positivist method is to research the literature to found a related theory and develop the hypothesis which can test for a relationship by deducting logical results that tested alongside empirical evidence (Smith, 2003). However, this study not bases on a positivist paradigm. The positivist paradigm seeks facts or causes and effects of social phenomena (Creswell, 2014).

The deductive approach is related to quantitative research that follows objectivism, epistemological, and ontological positivism. The reasoning is a deductive method; therefore, the hypothesis derived first, and data will be collected later to confirm or reject propositions (Bryman, 2012). As a result, quantitative data not uses because the researcher does not require testing the hypothesis in this study.

## 4.2.2 Interpretative/ Constructivism/ Paradigm

The goal of the constructivism paradigm is to understand people's experience, and research questions not prepared before the study begins but somewhat may evolve as the research progresses; the research questions are generally open, non-directional, and descriptive (Ryan, 1993). Besides, in the constructivism focuses on, ethnography, phenomenology, biography, case study, and grounded theory. And data gathering techniques depend on the choice of research, the personality of the participants or respondents, and the research issue; data gathering techniques include interviews, observations, visual aid, official documents photographs and drawings (Creswell, 2014).

Furthermore, the constructivism paradigm in the process of data collection depends mainly on the interaction between the researcher and interviewee's view so that the researcher should be a passionate person during the study (Guba & Lincoln, 1994). As this study examines the role of corporate governance principles on innovation strategies, it's possible to rely on the interview. Therefore, this paradigm is applicable or suitable for this study because most researchers suggested using an inductive approach (Saunders et al., 2009).

## 4.3. Research Design

It's very significant that a researcher chooses suitable research design for an issue or problem under study and also provides a framework of action for the research (Oso, 2013).

Besides, the research design is required since it makes accessible the level of the following of the different research processes, thus researching as well-organized as potential, yielding maximum information with minimum costs, money, and time (Creswell, 2014).

A research design is a strategy that carries out research. It refers to approaches used by a researcher to explore the variables of the study and to form subjects into groups or teams and to analyze data and to ensure the research process in systematic and the findings attained must be applicable in real life (Oso, 2013). Besides, the research design is an overall plan or road map for undertaking a methodical or systematic investigation of the facts of interest (Neuman, 2014).

A research design is a master plan or map that determines the approaches and procedures for collecting and analyzing the required information (Creswell, 2014). Similarly, a research design is a proposal or plan for the measurement, collection, and study of data and to answer research questions and to attain the conclusion of the study (Saunders et al., 2009).

Saunders et al., (2009) indicated that are two methodological designs, namely, quantitative and qualitative research design. Also, there are two general research methodologies or models: qualitative and quantitative research designs. Quantitative research design is characteristics by research results or findings expressed in numerical forms and uses statistical for analysis research data. Qualitative research design is characteristic by research results or outcomes shown or described verbally or non-numerically (Oso, 2013).

The general purpose of the study is to provide more in-depth information on the study questions; the qualitative research design is arguably mainly applicable (Neuman, 2014). Also, carrying out a qualitative research approach, it's more suggested to utilize the inductive method (Saunders et al., 2009). Besides, the interview is the primary data collection approach; qualitative research is the most excellent way fitting for analyzing interviews. Therefore, this study is qualitative research (Oso, 2013).

To attain the primary objective of this study, which provides in-depth corporate governance principles and innovation strategies of research questions, as a lot of scholars suggested; this study uses or adopts a qualitative research design. Besides, the qualitative

research design is more appropriate for this research because it used the in-depth interview method and explored the phenomena in greater depth than is possible quantitatively.

## 4.4 Nature of Research and Necessity of Qualitative Method

Qualitative researchers started qualitative methods after Second World War (Keegan, 2009). So, qualitative investigators are interested and concentrated in understanding how society describes their life experiences and how they build their globe. Moreover, qualitative researchers use word of data, collects and analysis in all kinds of ways (Merriam & Tisdel, 2016).

According to Patton (2014), pointed out there seven ways qualitative research contributes to our understanding of the globe. The first contribution is illuminating meaning: this describes how individuals understand and build and connect meaning to their experience. Second contribution is researching how things work: this states that qualitative research clarify how an individual phenomena works and understand such as political groups, religious groups, society events, social media and so on. Third contribution is taking narratives to recognize society's perspectives and experience: If we an example of case study describe the story of an individual, organization, group or community. The fourth contribution is interpreting how function and their live experience scheme.

Fifth contribution relates understanding the context; this explains what is going on around us, individuals, group, institutions, and communities. In qualitative research context is very important and essential. Sixth, recognizing unexpected consequences: this means that qualitative approach documents both planned and unplanned results of transformation process. Finally, making case contrasts to find out significant outline and themes across case: these indicate that contrast engages analyzing together similarities and differences.

Also, According to Merriam and Tisdel (2016) discuses the nature of qualitative method and mentioned following aspects: the first aspect concentrates the research process, understanding and meaning; the second aspect focuses on data collection and analysis; the third aspects relates the inductive process and finally, the results of the study have to interpret in descriptive.

#### 4.5 Case study design and its rational preference

There are two kinds of case studies, multiple and single-case studies (Yin, 2014). Besides, case studies explain in-depth one and a small number of institutions, events, or

individuals, usually over time (Easterby-Smith et al., 2015). Also, case studies engage indepth, contextual or background analysis of similar situations in other institutions or organizations, where the natural world and definition of issues happen to be the same as experienced in the present case (Sekaran & Bougie, 2009).

Furthermore, case studies concentrate on an individual or group of actors and seek to understand their insight or perceptions of events (Cohen et al., 2007). Also, case study research is a qualitative method in which the examiner discovers a single case or multiple cases over time throughout full in-depth information collection engages various sources of information such as observation, interviews, document, and reports (Yin, 2014).

Moreover, researchers study two or more subjects or settings of data or information that they are typically doing what we named multiple studies; these take different forms; some begin as a single case only and numerous case studies (Bogdan, & Biklen, 2007). Besides, multiples case studies may be preferable to a single case study, and many case studies bases on interviews conducted over a short period (Yin, 2014).

Case studies are similar to survey studies. Still, they use small samples and have great depths and provide detailed information about the characteristics of interest through intensive and review of a single organization bounded by time and activity based on information from different data collection methods (Oso, 2013). Similarly, case studies are a plan of investigation in which the researcher discovers in depth a program, activity, event, procedures, or one or more individuals bounded by business and time and researchers collects full information utilizes a different of data collection approaches over some time (Creswell, 2014).

The case study technique utilizes to achieve new insights, particularly in situations where a researcher is inductive, exploratory and engages theory building and case study provide deep, productive, and experienced information (Yin, 2014). Furthermore, case studies employ various approaches and techniques to collect the same data without claiming any particular methods of data collection; this facilitates the group of rich information or data for a full explanation of the fact under study (Oso, 2013).

Using a case study method has different advantages includes the capability to use a variety of study approaches, and it plays an essential role in developing a field of the body

of knowledge. It also has flexibility and adaptability that allows single or multiple methods of data collection to be employed to discover research issues (Cohen et al., 2007).

Case studies are adopted when the researcher questions are "why or how" intended at responding a fact and showing no interest in controlling the variables of the studies (Yin, 2014). Similar or parallel to this statement, this research seeks to answer the what, why, how, when. However, this study adopts a case study.

This study investigates the principles of corporate governance on innovation strategies in 12 universities. It's fitting to the multiple case studies; the researcher believes that this case studies and settings not addressed before so, this study creates a view to access more information and possible new results or findings. However, this needs more effective communication that smoothes primary data collection, and it has been seen as more applicable to focus on multiple case studies. Consequently, this research has selected a multiple case study approach as a study method; if the research holds additional or a single case and a multiple case study is needed (Yin, 2014),

The researcher investigates the principles of corporate governance and innovation strategies of private universities in Mogadishu. This research design is more suitable for this study because it became the most commonly used in qualitative research design and provides deep, rich, and descriptive or experimental information (Sekaran & Bougie, 2009; Yin, 2014).

Besides, as recommended, Yin (2014) and Creswell (2014) use a case study approach because the researcher wants to cover up contextual conditions or situations that might be very relevant or applicable to your phenomenon of the research. This research design allows the researcher to collect a large amount of information from a sizable population effectively. The study adopts a cross-sectional survey to rise over a short period.

#### 4.6. Target Population

The entire set of cases from which a sample taken is called the targeted population (Sekaran & Bougie, 2009). Also, the target population is a collection of persons or individuals, items, objects, since which samples draw for measurement, and the aspect has certain homogeneous features. The researcher seeks to generalize his or her findings (Oso, 2013). Besides, the target population is a group of entities within which seeks to discover or explore, predict, or understand a social phenomenon (Creswell, 2014).

The current study focuses on the principles of corporate governance and innovation strategies of the private universities in Mogadishu, Somalia. According to Abukar et al., (2016), there are 40 private universities in Mogadishu. Finally, another statistical report shows that there are one state-owned university and 62 private universities located in Mogadishu (Iftin Foundation, 2019). The target population consists of boards of directors, senate members, academics, and administrative staff participates in the study. The researcher selects only 12 universities out of 62 because they have the most significant students and faculties, and they were also among the first universities established in Mogadishu.

#### 4.7. Sample Size

The minimum sample size suggested for the most common case study design ranges from three and five participants (Hesse-Biber, 2010). Moreover, a case study focuses on four to five cases (Creswell, 2014). Furthermore, qualitative data analysis usually focuses on smaller numbers of people, and the data tends to be more detailed and vibrant (Cohen et al., 2007).

Sampling is an approach to choosing a few cases or cases from the target population to provide information that can utilize to make decisions or judgments about a lot of cases (Oso, 2013). The sample aims to direct the researcher in recognizing the source of respondents that would be most excellent placed to participate in the study (Creswell, 2014).

The sample frame for this research or study acquired from private universities in Mogadishu, Somalia, and therefore 13 respondents selected from these universities to contribute to the study, and finally, 13 respondents interviewed from private universities.

## 4.8 Selection of the criteria of the sample

The goal of the research is to describe the principles of corporate governance and innovation strategies of private universities in Mogadishu, Somalia. The selection of the sample is composed of the private universities in Mogadishu. However, the example of the study is subject to the following criteria:-

The first criteria are several students; this means those universities that have below two hundred students not include from the study. The second criteria are several faculties that have below three faculties are excluded from the study. The third criterion is the university age, those universities that have existed for more than seven years include in the survey. Finally, the researcher excludes the number of staff and research publication because no report or evidence shows this information (HIPS, 2013). The consequence shows that 12 universities out of 62 studied.

Various groups of stakeholders identify as respondents who could provide the required information for data collection in 12 private universities in Mogadishu. The stakeholder groups are boards of directors, senate members, academics, and administrative staff. This group involves the process of the principles of corporate governance and innovation strategies in their universities. The information about respondents collected from the private universities and non-probability sampling techniques used in the selection of the respondents in this study. Therefore 13 respondents selected from each university to contribute to the research.

## 4.9 Sampling Technique

The sampling technique provides a diversity of methods that allow and reduces the amount of data to collect by considering only data from the sub-group rather than all cases (Sekaran & Bougie, 2009). Besides, the real approaches of choosing a sample are critical to the whole research process because it explains the value of information which can attain from the example (Oso, 2013).

It's necessary to get information from specific target groups or particular types of people who can provide the required information. So, they are the only ones who have it, or they verify some criteria set by the researcher; this type of sampling is called purpose sampling (Sekaran & Bougie, 2009).

This sample utilized when working with a tiny sample like in a case study, investigates and selects particularly informative cases. It focuses on one particular subgroup in which all the sample members are similar; this enables us to study the group in great depth (Saunders et al., 2009). Moreover, purposive sampling, the members of the study have expert knowledge by having gone through the experience and process themselves and might perhaps be able to provide useful data or information to the researcher (Sekaran & Bougie, 2009).

The purposive sampling; a researcher utilizes his or her knowledge about the population from which information to collect. The researcher purposely chooses only

those cases that are characteristically of the people to research and builds up a sample that is suitable to his or her specific requires (Oso, 2013).

Therefore this study adopts purpose sampling because purpose sampling allows choosing a case that enables to answer the research questions and facilitates to achieve the research objective (Saunders et al., 2009). However, purposive sampling is the only feasible sampling approach for attaining the type of information that needs from particular people who alone possess the necessary information and can provide the required information (Sekaran & Bougie, 2009).

#### 4.10 Data Collection

Data collection approaches are an essential part of research design, and it often benefits to simultaneously gather primary and secondary data in the early stages of the study procedure (Sekaran & Bougie, 2009). Moreover, data collected in a study should be related to the purpose of the research and questions to be answered (Oso, 2013).

This research used both secondary and primary data; each division complements the objective of the study questions. In the data collection approach, careful evaluation and analysis take in selecting the right source and sample, and the data collected in 2019 only 13 out 62 of private universities in Mogadishu. However, the facts of the data collection approach describes in the following division below.

#### 4.10.1 Primary data

Primary data collection approaches involve data collection from sources for the specific objective of the study, and it consists of four principal strategies: interview, observation, questionnaire, and experiments (Sekaran & Bougie, 2009). Besides, primary data defined as the firsthand information obtained from sources that were direct respondents or participants of the experience being (Oso, 2013).

The researcher used primary data to collect through semi-structured interviews with the same questions asked to each respondent. The primary reason for selecting a semi-structured interview provides flexibility up with more detailed questions during the interview process, and the semi-structured interview within a cross-sectional approach be likely to be the prevalent method (Saunders et al., 2009). The researcher or interviewer and respondent or interviewees engages in a formal interview throughout the interview process. The researcher followed the guide but was capable of supporting the popular way in the

conversation that may wonder from the manual when they felt was suitable, which is the primary benefit of a semi-structured interview.

Semi-structured interviews are an approach of data collection and selected this study because of the facts and offer convenience in the data collection. It's the most convenient way when the chance of interviewing a person is not one more than time (Cohen et al., 2007). The researcher finds to do interviews at last one person who had experience in areas relevant to the principles of corporate governance and innovation strategies of his or her university. During the interview process, the English language did not use because there are language barriers; the author used Somalia language as the official language of communication. The average interview duration was roughly 50 minutes. The details of the interviewees showed in the Table 4.1 below:

	Experience	Title	Date	Duration
1	13	Dean	August 19, 2019	50:47 Minutes
2	7	Dean	August 21, 2019	01:01:11
3	8	HRD	August 22, 2019	40 min
4	9	Rector	August 23, 2019	40:01 min
5	12	Deputy Director	August 26, 2019	41 min
6	11	General Secretary	August 27, 2019	52:04 min
7	8	Dean	August 28, 2019	59:03 min
8	7	Dean	August 29, 2019	50:40 min
9	8	Dean	August 31, 2019	44:27 min
10	15	Director of quality control	September 1, 2019	50:32 min
11	14	Member of the board of	September 1, 2019	1:15:26 min
		trustees		
12	7	Deputy rector academic	September 2, 2019	37:22 min
13	9	Rector	September 3, 2019	1:08:01

## 4.10.2 Secondary Data

Data collected from existing sources called secondary data, and secondary data sources are government publications, statistical bulletins, and unpublished information accessible from also inside or exterior the institutions, organization website, and internet (Sekaran & Bougie, 2009). Moreover, secondary data defines the information obtained by people whore were not direct respondents or participants of the experience being researched (Oso, 2013).

The researcher used secondary data to examine and analyze the study of the principles of corporate governance and innovation strategies. In determining the research gap and developing the literature review, the researcher collected different secondary data like scientific and academic journals, books, articles, and other related sources. Secondary data from the universities, their websites, and previous papers, along with the sources mentioned above, will be used in the base of this study, which allows the researcher to see what has been early studied (Saunders et al., 2009). Google scholar was used to accessing articles or journals published in different contexts and books due to its richness and accessibility.

#### **4.11 Research Questions**

Case study starts with the research questions to address and develop of a cases study design (Yin, 2008). According to Merriam and Tisdel (2016), recommend that researchers as themselves "what questions are mainly essential to your research? And how these queries shape a logical put that will direct your research?. Besides, the researchers cannot study all interesting about your research topic. The researcher or researchers have to select respondents that have experience or ability to answer their research questions (Keegan, 2009). Moreover, research questions cannot be answer unless new data is collected (Oso, 2013). This chapter also presents and describes the ideas that come out of the participants' responses. These themes developed about the following research questions that guide this research:

1. How to explain the role of corporate governance principles (transparency, accountability, fairness, and social responsibility) of private universities in Mogadishu?

2. What determines the role of Porter's generic strategies (cost leadership, differentiation, and focus strategies) of private universities in Mogadishu

To answer the research questions of the study, the researcher developed interview questions related the core corporate governance principles to provide the reader to understand of why I asked the questions and the interview questions was based the theoretical framework of the literature of the study. Also, the category of the questions and motivation behind why I asked these questions are presented in the Table 4.2.

No	Questions	Category				
	The core of corporate governance principles					
1	How your university discloses the criteria for holding leadership and administrative positions?	Transparency				
2	How does your university publish all performance reports and policies?	Transparency				
3	How does your university disclose the policies to all members?	Transparency				
4	How does your university identify key performance indicators for each staff?	Accountability				
5	How your university takes corrective action based on accountability reports?	Accountability				
6	What are the work supervision methods to your university?	Accountability				
7	How does your university apply rules and regulation fairly to all employees?	Fairness				
8	Are the benefits (salary and others) your university pay fair in comparison with other universities in terms of work load or job duties?	Fairness				
9	How do you apply the laws and regulation to your university to protect the rights of every one without distinction?	Fairness				
10	What do you think services to educate local community?	Responsibility				
11	How does your university provide assistance to the needy poor students?	Responsibility				
12	How does your university contribute the unemployment problems in the local community?	Responsibility				

The researcher seeks to identify the private university of Mogadishu their transparency system in terms of disclosing the criteria for holding positions, publication of performance reports and policies. Also, in accountability system, the study concentrates university's job description, discipline actions and supervision methods. Moreover, the

researcher focuses their fair system in terms of application of rules and regulation and salary structure. Finally, the study describes the social responsibility of the private institutions and how they engage community activities like educating local community, helping poor students in the community and participating to decrease the exists unemployment rate in the local community. All these areas motivated the researcher to develop interview questions related the core of corporate governance principles.

Furthermore, the researcher developed interview questions concentrated the three generic strategies of private universities of Mogadishu. As well, the category of the interview questions and motivation behind why I asked these questions are presented in the Table 4.3.

No	Questions		Category	
	The generic strategies			
1	How your university lowers tuition fee for its programs in order	Cost	leadership	
	to maintain cost leadership strategy?		strategy	
2	How does your university seek to reduce its tuition fee without	Cost	leadership	
	sacrificing its learning service?	strategy	y	
3	How your university offers price sensitive solutions towards	Cost	leadership	
	student's academic needs?	strategy	У	
4	How do you offer products/services that are different from your		Differentiation	
	competitors?	strategi	es	
5	How does your university adopt technological leadership in its		Differentiation	
	learning operations?	strategi	es	
6	How your university promotes advertising campaign on its		Differentiation	
	product and services?	strategi	es	
7	How does your university's programs offer and aligned with the		Focus strategies	
	interests of the students and people?			
8	How your university focuses on local students and their	_		
	preferences?	Focus s	strategies	
9	How your university does discovers and adopts new market trends			
	as they emerge?	Focus s	strategies	

The study seeks to examine the private university of Mogadishu their generic strategies in terms of cost leadership strategies; this strategy the researcher focuses on how their tuition fee managing. Moreover, the researcher also seeks to describe their differentiation strategies and which areas they compete to each other in terms of services, technology, facilitate and advertising campaign. Finally, the study identifies their focus

strategies and which programs they offer, and how they attract local students. All these areas encouraged the examiner to develop interview questions related the three generic strategies.

## **4.12 Data Analysis**

Qualitative data analysis involves the information obtained from different sources into a rational description of what has been observed or explored. In qualitative research, design conclusions continuously draw throughout the study (Oso, 2013). Besides, the analysis of qualitative data seeks to make valid conclusions from the often overwhelming amount of collected data (Sekaran & Bougie, 2009). Also, qualitative data analysis engages, organizes, and describes the data in short and makes sense of data in terms of participants' responses to the situation, noting outline, subject's categories, and regularities (Cohen et al., 2007).

There is no single or correct approach to analyze and present quantitative data (Cohen et al., 2007). While the study of qualitative data is not easy, there are relatively few well-established and standard accepted rules and guidelines for analyzing qualitative data. However, there are generally three steps in qualitative data analysis: data reduction, data display, and the drawing of conclusions (Miles, & Huberman, 2014; Sekaran & Bougie, 2009). Moreover, there are seven strategies that researchers use when analyzing qualitative data: ideal type, successive approximation, illustrative method, domain analysis, analytic comparison, narrative analysis and negative case method (Neuman, 2014). Also, there are other strategies while analysis case studies: examining, categorizing, tabulating, testing and draw conclusion (Yin, 2008). Furthermore, according to Bryman (1994) stated that when analyzing qualitative data, it has to consider the following five strategies: familiarization, indicating a thematic framework, indexing, charting, and mapping and interpretation. Also, data analysis process consists of: coding, categorization, themes and analyzing and interpretation (Tutar, Hajrullahu & Şahin, 2019). Finally, the researcher adopted of data process analysis by the suggestions of Miles, and Huberman, (2014) and Sekaran and Bougie, (2009) as shown in figure 1, and the researcher discusses each one in the following paragraphs.



#### **4.12.1 Data reduction**

The analysis of qualitative data analysis is not easy but generally, there are three important steps of qualitative data analysis: data reduction, data display and drawing conclusion (Sekaran & Bougie, 2009; Miles, & Huberman, 2014). First approach is data reduction and defines the approach of choosing, coding, and categorizing the data (Bryman, 2016). Also, date reduction defines to the procedure of choosing, concentrating, clarifying, and converting the data that emerges in writing up field recording, and notes or transcriptions (Miles, & Huberman, 2014). However, the aim is not only to concise the date but to address the problem of studying and to transform the date in meaningful way (Miles, & Huberman, 2014).

Coding refers to analysis a set field notes or recording, transcribed and to analyze in effective meaningfully (Miles, & Huberman, 2014). Also, coding refers to the deriving ideas from the data that already collected from the field of study (Tutar et al., 2019). Also, for instances of coding units consist of sentences, words, themes and paragraphs. The littlest unit in generally is the word and the most useful unit of content analysis is the theme (Sekaran & Bougie, 2009). For example data coding supports together to build up ideas on how the research information may be exhibit and to reach conclusions (Sekaran & Bougie, 2009).

Categorizing is a supportive technique for studies with a broad different of data forms such field recording, notes, documents, information and interview transcripts (Miles, & Huberman, 2014). Also, a category describes different ideas or concepts that are vital to the more extensive data set and category often recurs in the data (Saunders et al., 2009).

Moreover, the term category usually uses in qualitative analysis and category has the same meaning as a theme (Merriam & Tisdel, 2016). However, there is a difference the two terms and uses for various objectives in the research procedure while the two terms are interchangeable (Morse, 2008).

The concept of qualitative research always involves the application of general concepts or ideas, themes, and categorization as an instrument for making generalizations besides; qualitative studies analyze data by arranging data into categories based on themes, opinions, or concepts and similar characteristics (Neuman, 2014). Moreover, analyzing

qualitative data, the notes or recorded transcribed are combined under suitable themes or categories and subjected to appropriate data analysis (Sekaran & Bougie, 2009).

Qualitative data can analyze through particular words, phrases, or themes from a sample of interview transcripts, and items have to be developed with the aim of the study and integrating the findings (Easterby-Smith, Thorpe, and Jackson, 2015). Also, a category describes different ideas or concepts that are vital to the more extensive data set and category often recurs in the data (Saunders et al., 2009).

# 4.12.2 Data display

Data display is the second stage of qualitative data analysis and it provides and gathers information that allows reaching conclusion of the study (Miles, & Huberman, 2014). Moreover, data display describes the procedures of presenting data like quotes, matrix, graph; a chart is illustrating, and others. However, this may help the researcher to understand the data of the study (Bryman, 2016).

Furthermore, data display uses to analyze research data through diagram, texts, chart, and matrix to provide a new approach of displaying textually entrenched data. At this point, additional categories or themes may arise or come out from the data collected in the field studied that goes beyond during the early process of data reduction (Miles, & Huberman, 2014). Also, Data display engages or arranges and bring together research data into brief through diagrammatic or visual display (Saunders et al., 2009).

There are a lot of ways of displaying research data and two main famous are: matrices and networks. Matrices are in generally uses tabular in forms. Network approach is set boxes that are linked by lines with arrows to point out relationships (Saunders et al., 2009). The selection data display methods depends on examiners choice. A matrix approach is large and descriptive in nature; diagrams or networks allows the researcher to present association between ideas and research data (Sekaran & Bougie, 2009).

Data display lets the researcher to make contrast between the components of the data and indicate any associations, for example main themes or categories and it also support the researcher to interpret the data and reach conclusion. Also, data display guides the researcher to attain a set of approaches to analyze easily the research data (Saunders et al, 2009). Furthermore, data display is a approach that applicable inductive method to examine or analyze qualitative data and also well-matched with a more deductive approach.

## **4.12.3 Drawing of conclusion**

Conclusion drawing refers to the final or analytical activity in the procedure of qualitative data analysis, however, these broad steps it should note that qualitative data analysis is not a step by step or linear process but rather a continuous and iterative procedure (Sekaran & Bougie, 2009). Your research analyses have to let you to start to build up conclusion concerning your research. These early conclusion can be confirmed through validity and comparing the existence reference of field recording and notes with data collected (Miles, & Huberman, 2014).

Furthermore, this is the final activity in the procedure of qualitative data analysis and it's the point where you respond your study questions by identifying the research themes and building comparison your research findings and previous results (Sekaran & Bougie, 2009).

The researcher constructs interview questions for data collection through audio and verbatim. To investigate the principles of corporate governance and innovation strategies, the researcher applies open coding concerning the answer from interview questions. The researcher collected data and interprets word by word and categorizes the response, whether the principles of corporate governance and innovation strategies.

In general, in collecting coding and interpreting data, the researcher follows what suggested by Sekaran and Bougie (2009). The researcher gathers raw data from the target interviewees, which relates to the theoretical framework, after rereading the raw data, the researcher, codes the data. Also, coding describes the procedure of combining the data for themes, categories, and concepts and then doing similar passages of text with a maker or label code. Therefore they can easily be retrieved for comparison and analysis at a later stage (Saunders et al., 2009).

The researcher did not use NVivo or Atlas software for data analysis, particular for data coding. NVivo is a software analysis and used by number o famous researchers in qualitative fields; this software has efficient in time, transcript and multiplicity and able to capture mixed data quantitative and qualitative data and also holds an abundant and large amount of data (Dollah, Abduh, & Rosmaladewi, 2017). Besides, this software potent software and has a broad range of searching possibilities (Saunders et al., 2009).

In this study, the researcher categorized the research questions for analyzing the themes of the research. The categories or items reviewed, and analytical results or findings developed. Moreover, the subjects or topics or core categories that emerged from the study or data discussed in the next chapter.

## **4.13 Research Quality**

The examiner concentrated special attention to obtain validity and reliability to increase the quality of research (Patton, 2014). Reliability and validity have a somewhat different meaning in qualitative research in contrast to quantitative research; reliability in qualitative data analysis consists of category and inter-judge reliability (Sekaran & Bougie, 2009). Category reliability explains the researcher's ability to formulate category definitions to classify qualitative data, and well-defined categories lead to higher category reliability. And finally, to higher inter-judge reliability, inter-judge reliability refers to the degree of consistency between coders processing the same data. And commonly utilized measures of inter-judge reliability are the percentage of coding agreements out of the sum of coding decisions; as a general guideline, agreement rates at or above 80% considered to be satisfactory (Sekaran & Bougie, 2009).

Validity defines the level to which the researcher findings or results in terms of accurately represent the collected data and can be generalized to other contexts and finally has two approaches that have developed to attain validity in qualitative research (Sekaran & Bougie, 2009). The first method is supporting generalization by counts of events: this describes the common concern about the reporting of qualitative data, the second method is ensuring the representativeness of cases and the inclusion of deviant cases (Sekaran & Bougie, 2009).

Triangulation is another method that is also often associated with reliability and validity in the qualitative study. Finally, you can also increase the validity of your research by providing an in-depth description of the research project (Sekaran & Bougie, 2009).

Qualitative reliability explains that the researcher's method is consistent across various researchers and various projects, while qualitative validity describes that the researcher ensures the accuracy of the findings or results by using specific approaches (Creswell, 2014).

Reliability refers to the consistency between the data you collect and report the empirical globe you are studying (Bogdan & Biklen, 1998). Besides, reliability defines as the degree to which your data collection methods or analysis approaches that yield consistent findings or results (Saunders et al., 2009). Furthermore, reliability refers to stability over time and rates and concerned with the consistency or durability of study findings or results (Oso, 2013).

Additionally, qualitative research reliability can be considered as well among what the researcher's evidence as information or data and what happens in the usual setting that being studied (Cohen et al., 2007). Also, qualitative research is being holistic, struggles to record a variety of interpretations of purpose and meanings given to conditions and events (Cohen et al., 2007).

There is one method of scheming for reliability is to have an extremely structured interview with a similar arrangement and sequence of words and questions for every respondent, and every interviewee needs to understand the problem in the same way (Cohen et al., 2007). Furthermore, reliability decreases possible errors or mistakes in a study (Yin, 2014).

Reliability of interviews can improve by careful piloting of interview schedules, training of conversations or meetings, inter-rater reliability in the coding of respondents, and the extended use of closed questions (Cohen et al., 2007).

The researcher has a concern with the ability to ensure the reliability of the data collected from the interviewees. In case when the responses did not show evidence, the researcher asked interviewees to provide additional explanations or details. Besides, during the interview, the researcher takes notes and makes an audio recording not to miss important information and very the information again if needed.

Furthermore, most of the interviews done in the Somalia language; the summary was translated from Somalia language to the English language and sent to the participant's review and acceptance. However, this provides reassurance that all information correctly summarized and interviewees give all information. Finally, to assure the reliability of the study, the researcher worked independently on the interpretation of the empirical finding, later, the results compared and a logical analysis derived.

Validity defines the extent to which clarification of a fact or findings of a study matches the reality of the globe (Oso, 2013). Also, validity refers to the findings or results that are concerning what they come out to be interesting (Saunders et al., 2009). Validity is single of the forces of a qualitative study. It is based on determining whether the findings or results are correct or accurate from the standpoint of the researcher and the respondent (Creswell, 2014). The primary practical way of attaining greater validity is to decrease the amount of bias as much as possible; the sources of bias are the features of the researcher and respondents and also the substantive content of the questions (Cohen et al., 2007). Validity explains about the truthful information (Yin, 2014).

The validity of the data was checked by asking questions which bases on the conceptual model. If the items were not apparent to the interviewees, the researcher provides additional descriptions or explanations of the issues to ensure that participants understand the questions clearly. Furthermore, the researcher does not ask leading questions to decrease biases interviewing. The findings limited to the sample interviewees of the private universities in Mogadishu.

However, to achieve validity and reliability, the researcher told the interviewees that the interview would only use for academic purposes. Further, it shared that this interview not aimed at other objectives, and the researcher convinced the participants' response would not be published. In this study, the researcher used data triangulation to increase validity and reliability.

#### **4.13.1 Data Triangulation**

Data Triangulation defined as collecting the same data from various people (Oso, 2013). Also, data triangulation defines the utilization of multiple data collection approaches within one study to achieve (Saunders et al., 2009). Besides, data triangulation is useful because to ensure data liability and validity (Yin, 2014).

Data triangulation has different forms and sources like a hard copy, digital data, interviews, academic research, literature review, and so forth, and finally, data triangulation is required to control and also improves validity and reliability (Creswell, 2014). Moreover, data triangulation requires a suitable approach that is on purpose to obtain the verified findings (Neuman, 2014).

In this research, the author utilized different resources to get the data or information, such as academic journals, university website information, respondent interviews, and all these data resources was compared in the triangulation approaches to control or verify the validity and reliability of the study.

#### **4.14 Ethical consideration**

The majority of authors who describe qualitative researcher address the significance of ethical consideration; the researcher must respect the right, need, values, and desire of the respondents (Creswell, 2014). Besides, ethical issues related to a survey strategy and particular associated privacy, openness, deception, confidentiality, and objectivity (Saunders et al., 2009). Moreover, ethical consideration is a vital issue in most researches because they are often intrusive (Neuman, 2014).

Ethical problems in research authority raised attention today, the ethical considerations that require to anticipated are full, and they reflect a thorough research process (Creswell, 2014). Furthermore, ethical issues are principal in research, and an excellent research issue must not raise ethical concerns (Oso, 2013). Also, a lot of ethical problems need to balance values: the pursuit of scientific knowledge and the rights of those researched (Neuman, 2014).

The participants' beliefs, values, and rights must be respected (Creswell, 2014). In this study, the participants were selected as voluntary to provide information, and the researcher follows ethical considerations by respecting, not making pressure, or abusing respondents. Besides, the participants informed on the purpose of the research and how the collected information used.

Privacy as an ethical is the obligation that respondents' personalities, institutions shall be respected, and confidentiality as a moral principle is the obligation that information provided by a respondent or data collected from research or study shall not pass to a third party unless with their permission (Oso, 2013).

The researcher kept the privacy or secrecy of the respondents and did not publish any personal data unless the participants' acceptance or permission. The findings of the study did not issue for business purposes, but the researcher publishes in scientific journals to spread the knowledge gains from the survey. Finally, participants assured that the research or study only for academic purposes and not any other uncertain use.

#### 4.15 Limitations

The current study, like other studies, had limitations for future research to address. A critical barrier that had this study is the generalizability of the results or findings. Another limitation is that the current study limits only in Mogadishu, Somalia. Besides, the results or conclusions of this study may not be generalized to other institutions.

Another limitation relates to the interviewees' responses that may have shaped by well-known memory biases; it's not possible to avoid every potential memory bias in a case study. Moreover, whenever a researcher undertakes, there is a resource constraint in terms of finance,

# **4.16 Chapter Summary**

This chapter discussed the research approaches that have used in this study. It started with a discussion of the research paradigm, selecting between the two main research paradigms in terms of positivism and interpretive models. Besides, the study used triangulation to ensure validity and reliability.

Furthermore, the researcher discussed interviews as a part of the qualitative approach and used to establish and achieve the objective of the research. Moreover, the interview method was employed to realize the respondent's knowledge, thoughts, and perceptions about research objectives in next of kin to the research study.

# 5. RESEARCH FINDINGS

#### 5.1 Introduction

The preceding chapter discussed the study methodology adopted to gather and examine data for this study. The case study methodology was considered the most applicable for investigating the study issue for this study. The case study approach depends on various sources of evidence or proof and also has strong descriptive ability (Yin, 2014). This chapter has two goals. Firstly, it investigates categories or themes in the data gathered through recorded interviews. Secondly, it also examines the categories or themes come out or emerged from the gathered data.

This chapter focuses on analyzing and interpreting the data collected and also presents an analysis of the transcripts of the study conducted with Mogadishu Private Universities. The findings obtained from open-ended qualitative interviews with thirteen experts in higher education in Somalia. These findings organized around two content areas or objectives. The first objective focuses on four areas: administrative transparency, fairness, accountability, and responsibility. The second objective concentrated on the following areas: cost, differentiation, and focuses strategies. In the interest of confidentiality, all participants have been assigned respondents A, B, C, D, E and until M names for the sake of privacy. This chapter also presents and describes the ideas that come out of the participants' responses. These themes developed about the following research questions that guide this research:

- 3. How to explain the role of corporate governance principles (transparency, accountability, fairness, and social responsibility) of private universities in Mogadishu?
- 4. What determines the role of Porter's generic strategies (cost leadership, differentiation, and focus strategies) of private universities in Mogadishu

This chapter consists of four sections. Section 5.1 introduces the chapter whereas section 5.2 corporate governance principles. Section 5.3 focuses on generic strategies while section 5.4 summaries of the chapter. Figure 5.1: A graphical outline of the chapter.

**Chapter 5: Research Findings** 5.1 Introduction 5.2.1 Transparency 5.2.2 Accountability **5.2** Corporate governance principles 5.2.3 Fairness 5.2.4 Social Responsibility 5.3. 1 Cost leadership 5.3 Generic strategies strategies 5.3.2 Differentiation strategies 5.3.3 Focus strategies 5.4 Summary of the chapter

Figure 5.1: A graphical outline of the chapter.

**Source: Develop for this study** 

## **5.2** Corporate governance principles

This section describes or answers research question one of the study "How to explain the role of corporate governance principles (transparency, accountability, fairness, and social responsibility) of private universities in Mogadishu?. After extended reading and summarizing all the transcripts and recording during the interviews, the researcher identified recurring phrases, ideas, and similar words. Table 5.1 gives an outline of the themes and sub- themes of corporate governance principles.

	Corporate governance principles				
No	Category	Themes	<b>Sub-Themes</b>	<b>Emergency themes</b>	
1	Transparency	Leadership and	Experience,	Somali culture	
		administration	qualification,	Favourism	
		position	seniority,	Clannish	
			recommendation,		
			studied and foreign		
			country		
2	Transparency	Publication	Internal purpose		
		performance reports			
		and policies			
3	Accountability	Employee	Job description,	Course syllabus	
		accountability	finger printing		
			attendance sheet,		
			course outline,		
4	Accountability	Staff Discipline	Advice, warning	Bylaw	
		procedure	letter, salary	Culture	
			deduction and		
			firing		
5	Fair	Rules and regulation	Salary structure and	Oral, Cultural	
			benefits, staff	factors	
			diversity	External market	
6	Social	Poor and Orphan	Scholarship, special	District governor	
	responsibility	students	discounts	Relationship	
7	Social	Unemployment	Driving, sanitation	Power clan	
	responsibility	issues	and guardian	National Policy	

The above information described in table 5.1, explains the main categories, themes and sub themes of corporate governance principles and the following paragraphs and sections discusses in details.

# **5.2.1 Transparency**

The findings from the interviewees that the administration transparency of private universities in Mogadishu focuses the following areas: disclosing the criteria holding leadership and administration positions in the university, publication of all performance reports, and sharing or disclosing the policies to all employees and external stakeholders. Each theme discussed the following sections.

# 5.2.1. 1. Discloses the criteria for holding leadership and administrative positions in the university

The majority of respondents stated that experience is one of the requirements that all universities publish for containing leadership and managerial positions in their universities. Thirteen out of ten indicated that qualification is the second criterion that reveals the private universities in Mogadishu. Also, thirteen out of nine mentioned that knowledge is the third criterion that discloses these universities.

Respondents C, I, and L also informed that seniority is one of the essential criteria that Mogadishu universities disclose when they are promoting their employees for holding leadership and administrative positions. Furthermore, respondents H mentioned, "Skills and ability are essential to hiring and promoting employees, so Mogadishu universities reveal skills and ability criteria when they are hiring their staff."

Also, respondents B and E indicated that recommendation is one of the processes to gain potential employees; therefore, Mogadishu private universities disclose that criteria. Moreover, respondent E explained, "some positions like rectors and deputy rector age is an essential factor or criteria to disclose." Furthermore, respondent K described: "those who studied a foreign country and have other work professions are preferable and important."

Some respondents mentioned that it is hidden or not disclosed criteria related to culture. Like ideology, family, clan, and relationship because of the owners and founders of Mogadishu universities beliefs and desire someone who can keep organizational information and not sharing a corporate vision to their competitors.

Besides, respondent L indicated, "the criteria related culture like ideology, family, clan, and relationship do not apply to higher education and further added that if someone hired through culture, please note the students or customers are not your clan or tripe or the same ideology." Similar to the former respondents, respondent E mentioned: "the board of

directors does not use cultural factors, because they believe it is not an important factor or criteria in higher education." Also, respondents J supported E and mentioned:

"I worked different non-profit institutions particular who are involved in higher education, and also those provided health service in the county, I did not see the procedure or criteria related to cultural factors such as ideology, family, clan, and relationship. For example, I worked all these areas; no one did ask me my clan, ideology, and others; they hired me through my qualifications, knowledge, experience, and skills".

# 5.2.1. 2. Publication of all performance reports and policies

The majority of respondents described that Mogadishu universities publish their performance reports and procedures for internal purposes only, and generally, they have both hard and soft copies. Some universities publish this information through their institutional email.

Respondent A explained that the private universities in Mogadishu publish their performance reports and policies for external purposes through their websites. Still, the information they post is just only the general statistics of their students. Similarly, respondents E, D, and G supported respondent A and mentioned the news they publish and relate the number of students admitted and graduated this year, the reason is for advertisements and to attract and retain the students and also to influence all stakeholders in the environment.

Also, respondent M described, "the private universities in Mogadishu their website is just like news and you cannot obtain good information, and you can get only the admission requirements." Furthermore, respondent J identified "some universities publish the general statistic report to their employees and their qualifications for marketing purpose."

The majority of respondents mentioned that the private universities in Mogadishu don't share and publish their performance reports and policies to the public through their website. Additionally, some respondents stated that if you visit their websites, you cannot get like their strategic plan, research publications, curriculum structure or framework, academic procedures, course outline or course syllabus, staff information, and organizational policies.

During the interview, some reasons emerged from the data or information collected through the way participants informed the researcher. Also, respondents L and F stated that there is a copyright issue in the environment because the Somali government did not sign the copyright law. Moreover, respondent K supported respondent L, and respondent F explained: "The private universities if they publish their performance reports and policies to their website. However, the belief that their competitors will copy their information and affects their market share or shrinks their enrolments."

Respondent D indicated, "There is a lack of experience and awareness to prepare policies, for example, most universities are underage, and they are growing now." Furthermore, respondent E explained that "this is a general problem for all universities in Mogadishu and there is lack the role of higher education commission; because this institution and other institutions affected the destruction of the country."

## **5.2.1.3.** Disclosing the policies to all members

The majority of respondents identified that the private universities in Mogadishu disclose or share university policies to their employees through printed books or hard copy. Besides, some respondents described that the private institutions reveal organizational policies to their staff through a general meeting of the university and sometimes to their immediate or direct supervisor.

A few respondents mentioned that private universities share institutional policies to their workers through emails, minutes, and orally. Moreover, respondent E said that "we share institutional policies to the employees at orientation and ceremony time."

Throughout the interview, some issues emerged from the data or information collected from the participants of the study. Respondent K explained:

"The private universities in Mogadishu hundred percent don't share policies to their staff just. They share only those relate daily or routine activities because of them afraid to copy their policies and all organizational policies it's in the hand of founders or owners".

Furthermore, respondent D supported respondent K and mentioned: "they share only policies that relate holiday and salary policies." Also, respondent M said, "the founders or owners beliefs that the institutional policies are confidential, and just they share only whose relates task or routine activities." Similarly, respondent H explained, "We share our policies only the permanent lecturers and administration staff, and we don't share

the part-time lectures because they can share our weakness or secret information to our competitor."

During the interview, several reasons emerged from the data collected from the interviewee during the study. Some respondents described the reasons behind not to share or disclose the policies to all employees, such as copyright issues, information security, and lack of employee trust.

#### **5.2.2** Accountability

The results from the respondents that the accountability system of private universities in Mogadishu focuses on in terms of the key performance indicators of each staff, corrective action or discipline based on accountability reports and work supervision method

#### 5.2.2.1 Identification the critical performance indicators for each staff

Some respondents stated that the private universities in Mogadishu use the job description and its elements like job specification, identification, summary, accountabilities, and responsibility to verify and accountable the task duties for each employee to achieve the maximum effort.

Some respondents mentioned that to control the attendance employees to their daily or routine activities, the institutions use fingerprinting. Furthermore, respondent J identified that "fingerprinting system we use only for administration staff, not an academic employee."

Moreover, respondent H explained the importance of fingerprinting "the management feels confident that they are tracking each staff's time and attendance accurately and eliminates time theft." Also, respondent M supported respondent H and explained that the "fingerprinting system improves staff accountability and responsibility for time management."

Respondent J described "to monitor and manage the attendance of the academic staff to their routine tasks the universities apply management by supervision and attendance sheet or manual paper." Furthermore, respondent F said, "our institutions have no fingerprinting system. Instead, we use management by supervision and attendance sheet". Besides, respondent B mentioned that: "Majority private universities in Mogadishu have no

course outline and course syllabus, this one of the problems that obstacle or difficulty to accountable the lectures or academic staff."

Furthermore, respondent G stated, "the private institutions have no curriculum development committee. Instead, they request from lectures to prepare course outline or course syllabus to his o her faculty; this allows the lectures opportunity to escape the difficult units or don't teach the students the important topics".

Moreover, respondent L explained, "The founders or owners of universities don't want accountability system because of the belief if the institutions have accountability scheme the employees will have or need further rights." Also, respondent K supported respondent L and said: "the founders have not quailed and don't have experience in higher education, and most of the belief that higher education can generate high profit." Similarly, respondent M described that "the management and founders of these institutions their goal is to satisfy their students." Finally, respondent K said, "the founders of these institutions their accountability based only financial budget."

#### 5.2.2.2 Corrective action or discipline based on accountability reports

Respondent L stated, "We make a standard plan that protects not to occur deviations relates to institutional tasks." Besides, respondents A and I mentioned that we give our employees training and seminars to do their work effectively and efficiently. Also, respondent A indicated that "these training and seminars we held at the beginning and end of the semester." Also, respondent G described, "as you know, some positions require high skills, and competency, if an employee has not this capacity, we make the transfer the position that he or she capable."

#### Also, respondent I further explained:

"When we hire a new employee, we give job orientation about university culture, workspace, salary scale or structure, benefits, task, and organizational policies, university vision mission, and goal. Also, we introduce to their coworkers during orientation; this means to achieve institutional success".

The majority of respondents indicated that the private universities in Mogadishu give their employees advice or consultation when there is a gap to their task. Moreover, some respondents described that the private institutions provide their staff with warning letters when there is a big difference between standard and actual hours to their work. Also,

respondents D and J stated that if the issue or gap repeatedly, the management makes a salary deduction to their employees.

Furthermore, a few respondents mentioned that if a deviation arises to the task, they give their staff suspension to their work. Besides, some respondents explained that if an employee or employees make an unusual case or cases, they fire or dismiss the employee or employees. Moreover, respondent E said, "If an employee makes an abnormal case, before firing or dismissal, we make a committee to investigate the case."

During the interview, some issues emerged from the data collected throughout the participants informed the researcher. Some respondents stated that firing or dismissal is not an easy decision sometimes; we solve these issues bylaws or cultures like ideology, family, clan, and relationship. Also, respondent D explained that "some lectures are owners or founders of the institution; it's challenging to control and monitor their performance and also to make suspension or fire from the university."

#### 5.2.2.3 Work supervision methods in respective universities

The most respondents mentioned that the private universities in Mogadishu have two divisions of employees; one division is for administration staff, and the second division is the academic staff. All these private institutions have different work supervision methods or techniques.

The majority of respondents indicated that the private universities in Mogadishu use management by supervision when they supervise their employees; this is general supervision. The members who participate in the control is rector and his deputies rectors. Besides, respondent J said that "the private universities have a human resource department that supervises all employees."

Also, the majority of respondents mentioned that the private institutions apply attendance sheets to all employees when an employee comes to the institutions he or she should sign the attendance sheet. Some respondents identified that using a manual attendance sheet to employees is not a useful tool for performance reports because preparation of the performance report takes a long time and sometimes does not give accurate information. Further, also, some respondents mentioned that this system old system affects the yearly performance evaluation.

Furthermore, a few respondents informed that the private universities implement a fingerprinting system to their administration staff, not to academic staff. Besides, respondent H explained the significance of fingerprinting "the management feels confident that they are tracking each staff's time and attendance accurately and eliminates time theft." Also, respondent M supported respondent H and explained: "fingerprinting system improves staff accountability and responsibility for time management."

Respondents A, B, and G described that to supervise the academic staff, the deans or head of the department uses timetable and attendance sheet. And there is a rule which says all lectures should sign the attendance sheet before ten minutes of the class start and also should sign after the class ends. Also, respondents A and B informed that it's not a sufficient time table and attendance sheet only to supervise the lectures, but sometimes the dean and his or her team make an observation. Moreover, respondents J and K indicated that the management of the private foundation uses emergency supervision when employee absenteeism increases. In conclusion, all respondents indicated that the higher education commission does not supervise the private universities in Mogadishu, in terms of curriculum, quality control, and so on.

#### **5.2.3 Fairness**

The researcher categorized the findings into three themes: application rules and regulation relatively to all employees, salary, and other benefits scale structure and work a diversity of rules and regulations. In the coming paragraphs, the research discusses their main findings, comparing with previous studies.

#### 5.2.3.1 Applying rules and regulation fairly to all employees

The most respondents explained the importance of rules and regulations in institutions, and it protects the organization from legal action or lawsuits, and the staff understands what expects and what will happen if they breach the rules and regulations. Besides, some respondents indicated that rules and laws are made to everyone in the institution and considered that every employee has equal rights in the institution.

The Majority of respondents informed that the private universities in Mogadishu they treat their employees fairly. Furthermore, respondent B explained that "since I started working in higher education, I never saw unfair issues because higher education is

forbidden unfair issues." Besides, respondent M said, "the institutions make to protect employee's right; the universities make a contract between employee and institution."

Also, respondents B, E, and J said we hire employees according to their experience, knowledge, and qualification. Moreover, respondent I supported respondents B, E, and J mentioned:

"When we need to hire new lecturer first we advertise that position to the social media and the website of the university; then we nominate a committee to evaluate the candidates, after that we make an examination, and finally we hire those who got the higher marks."

Throughout the interview, some cultural factors emerged from the data collected. Respondent D mentioned, "The private universities in Mogadishu generally the rules and regulations are not writing, and instead we use orally rules and regulation if I take an example work ethics and disciplines."

Respondent K mentioned, "The private universities in Mogadishu 50 % have no fair system because when they are hiring employees, they consider cultural factors like ideology, clan, and relationship ". Also, respondents E and G indicated that, in some cases, we use bylaws through Somali culture.

Further, respondent L informed, "sometimes we help our relatives illegally and unjustly this means we make favoritism, and sometimes we help our family to find work in the institution through nepotism."

## 5.2.3.2 Salary and other benefits Scale structure in comparison with competitors

The majority of respondents described the salary scale, and it makes sure the pay levels are externally competitive and internally fair. They allow institutions to reward performance and attract extremely skilled staff and remain motivated within the institution. Besides, some respondents indicated that their salary scale bases relatively to all employees internally and externally to their competitors.

Respondent D mentioned, "When we compare our salary scale to competitors, it's middle and not high and also not down." Also, respondent E said: "According to our salary scale comparing to our competitors, we pay the highest salary, if we take an example; those who are permanent staff and have a master's degree, we pay or give \$800. While respondent I informed:

"Our salary structure below than to the market or competitors. According to our salary policy, those who are permanent staff and have a master's degree, we pay or give \$550. But the candidates who want to join our institution are more because they believe that our institution has a good brand name or reputation, and human development program".

Respondents F and G mentioned that we believe that we pay the highest salary in the market. Also, Ali described:

"If we contrast to our competitors we pay the best salary, and the staff praised to us, for example; during the holiday we pay full salary to our staff while our competitors they make a salary deduction to their staff."

Respondent C explained, "When we compare to competitors in terms of the salary scale. We are similar, and there is no big difference because always we do market assessment or analysis relates to salary, office allowance, and other benefits to reach salary standardization."

Further, respondent B informed, "our institution has small permanent lectures, and most lectures are part-time, so always we base salary payments approximately to the market rate." Besides, all through the interview, some information emerged from the data collected. Also, respondent K indicated, "The private institutions sometimes they make a special contract to the salary to their employees because there are shortages of some qualifications like health doctors, engineering, and statistics and so on."

As respondents M and G stated, the private universities in Mogadishu have different salary scales because some institutions they become mature and made growth, and also they get donations and sponsorship. Some institutions have been growing and have no donation and support, and their primary resources just only tuition fees.

#### 5.2.3.3 Applying rules and regulation of the workplace diversity in the institution

Most respondents stated that benefits of workplace diversity and it improves community relationship, higher innovation, increases creativity, faster-solving issues, better institution reputation, and higher employee engagements. Also, the majority of respondents mentioned that the private universities in Mogadishu have a few foreign staff due to security issues.

Some respondents identified that they implement rules and regulations fairly to their employees without making distinction like ethnicity, race, gender, religion, ability, disabilities, education, and others. Also, respondent E informed, "we conduct our employee's fairness, trust, respect, honesty, ethics, and principles."

Respondent A said "sometimes we do exceptional cases, for example, a seniority staff if they do minor mistakes one or two times, we do not implement the institution rules and regulation" Moreover, respondent C mentioned:

"According to the policy, our institution, all the employees are the same. for example, some of our staff are foreign, females and old people we conduct these staff respect, and fairness and also some of our female staff have higher positions in the university; so there is no discrimination among our staff."

Respondent D stated, "We have no discrimination or distinction among our employees, and in higher education. It's forbidden to use discrimination or distinction." Besides, some respondents explained that we have a salary scale to implement relatively payment among employees, based on qualification; those who have Ph.D. degree we give a specific rate, for example, \$10 per hour, those who have master's degree \$ 9 and bachelor degree \$ 5".

While respondent M described, "In some cases, we make a distinction among the employees." Furthermore, some respondents mentioned that "the private universities in Mogadishu when they are hiring employees they consider cultural factors like ideology, clan, and relationship."

Also, respondents J and L informed us that sometimes we assist our relatives unlawfully and unfairly, and even sometimes, we facilitate our family to find a job at the university. Also, respondent D mentioned, "the private institutions promote their staff according to his or her ideology."

## **5.2.4 Social Responsibility**

The interview findings reveal that the university social responsibility initiatives of private universities grouped under three main headings. These are services or educate the local community; supporting needy students and reducing the unemployment rate exist in the local society.

#### 5.2.4.1 Services or to educate the local community

The majority of respondents described the vital of social responsibility, and it strengthens and enchases an institution's image and brand and also empowers an employee's morale and leads to employee engagement in the workforce. Besides, some respondents stated that university social responsibility attracts and retains highly skilled employees, keeps students engaged, and sustains the positive brand image.

All respondents stated that it's essential to service or educate the local community because it's a general responsibility that every private university in Mogadishu should implement this program to decrease ignorance, poverty, social conflict, unemployment, and illegal immigrants. Furthermore, respondent B informed, "The founders or the owners to our institution most of them they studied through the taxation system of the country they believe that it's compulsory to educate or service the local community."

Some respondents stated that they provide scholarships to the local community. Besides, respondents E and F mentioned that they have some free departments that the local community can join or apply. Also, respondent A indicated, "our institution provides basic education to the local community like mathematics, physics, chemistry, biology, and Somali, Arabic, and English languages."

Some respondents mentioned that their institutions provide training and seminars to secondary teachers such as curriculum development, employee commitment, leadership, ethics, customer care, career developments, and others. Also, respondent G said, "our institution gives advice and awareness about the importance of education to the local community." Also, respondent H stated that "we provide secondary schools curriculum revision."

Respondent I mentioned, "I did not see a particular university that educated or services to the local community." Finally, the majority of respondents stated that the private universities in Mogadishu educate or service the local community, but this is not enough because the majority of these institutions have no capacity or budget to educate or maintain the local community.

#### 5.2.4.2 Assisting the needy poor students in local the community

The majority of respondents stated that the private universities in Mogadishu support the needy students in the local community because they believe that helping the

needy people it's one of the best acts in Islam, and also these institutions want to reduce ignorance, social conflict, and others.

The common of respondents stated that private universities provide scholarships to needy students in the local society. Also, respondent C and D mentioned that the needy students in the local community we provide partial scholarship. Moreover, respondent G said, "the private institutions give a special discount to the needy students in the local society." Also, respondent E noted, "the local community elders often come to private institutions and share us the issues relate to the poor students, and we give some scholarship." Furthermore, respondent J said:

"The principal of secondary schools sometimes submits the list of orphan and poor students from their secondary schools, since they submit the list we announce committee that evaluates the list we take some of them to continue their study in higher education."

Besides, respondent A, C, E, and F mentioned that they have some free departments like biochemistry, math, and physic. The aim is to help the needy student in the community who wants to continue their study. Besides, respondent L and E informed that the ministry of higher education and district commissioner and makes allocation needy students to the private university in Mogadishu.

Respondent I mentioned, "The private universities in Mogadishu there are no program or budgets that support poor, orphan and others in the society." Besides, respondent M indicated, "although to support the poor students in the local community is no easy task so the private universities their contribution is not enough to the society."

Also, respondent K supported respondent M and described "the private institutions support poor students although their contribution is not a big program." Finally, the majority of respondents stated that private universities should add their financial budget "supporting poor students."

#### 5.2.4.3 Reducing the unemployment problems in the local community

The majority of respondents described the imperative of reducing the unemployment rate in the local community, and this means low unemployment improves institutional efficiency. Also, some respondents indicated that low unemployment in the local community that universities have the confidence to get more students in every semester.

The majority of respondents stated that the private universities in Mogadishu contribute to reducing or decreasing the unemployment rate in the society. Besides, some respondents informed that the private universities, when the opportunity arrives as a driver or driver, guardian they hire from their local community. Further, some respondents explained that private institutions engage the local community in specific areas like sanitation or cleaning, cooker, and others. Also, the respondent I said, "We have a microfinance program, its aim to benefit the local community and entrepreneurs."

Respondents H and L stated that sometimes we give the local community agricultural products to produce beans, tomato, maize, and others because the areas of Mogadishu it's appropriate for cultivation. Besides, respondent A said: "The board of directors of the private institutions when they implement projects like building new a campus, always they recommend giving priority to the local community."

Respondent L stated, "the majority of private universities in Mogadishu do not participate in reducing the existence unemployment rate in the local community; because they believe it's a national program." Also, respondent M indicated, "the private universities cannot decrease the unemployment rate in the local community because they are over 1000 families". Besides, respondent D explained that "this issue the private institutions did not do good performance because there is a lack of accountability of higher education of federal government."

Furthermore, Ali informed, "there is no national policy that guides how to reduce the unemployment rate of the local community." Also, respondent B stated that" there is no big plan that reduces the unemployment rate in the local community." Finally, most respondents noted that this issue is a big problem and needs cooperation between private universities and the federal government.

#### **5.3** Generic strategies

This section describes or answers research question two of the study "what determines the role of Porter's generic strategies (cost leadership, differentiation, and focus strategies) of private universities in Mogadishu. After extended reading and summarizing all the transcripts and recording during the interviews, the researcher identified recurring phrases, ideas, and similar words. Table 5.2 gives an outline of the themes and sub-themes of generic strategies.

	Generic strategies			
No	Category	Themes	<b>Sub-Themes</b>	<b>Emergency themes</b>
1	Cost strategy	Tuition fee	Donation,	Ideological
			sponsorship	universities
2	Cost strategy	Learning service	Land investment,	
			joint program,	
			donation and	
			sponsorship	
3	Cost strategy	Student financial	Discount, loan,	
		issues	relief and monthly	
			payment	
4	Differentiation	Uniqueness, market	Whole country	
	strategy	share, competitive		
		advance and		
		attracting students		
5	Differentiation	Advanced	Cost effectiveness,	
	strategy	Technology	student and staff	
			satisfaction	
6	Differentiation	Promotion of	Social media, radio,	
	strategy	products or services	and television	
7	Focus strategy	Programs	Students and people	Local students
8	Focus strategy	Attracting students	Scholarship,	Clannish
			relationships	

The above information described in table 5.2, give details the major categories, themes and sub themes of generic strategies and the following paragraphs and sections discusses in detail.

# **5.3.1 Cost Leadership Strategies**

The findings from participants of the current study stated that cost leadership strategies of the private universities in Mogadishu could categorize as the following

themes: lowing tuition fee, reducing tuition fee without sacrificing the learning service, and price-sensitive solutions towards students' academic needs.

# 5.3.1.1 Lowering tuition fee to maintain cost leadership strategy

The majority of respondents described the significance of cost leadership strategies, and it increases the enrollment, market share, and leads sustainability in the environment. Also, some respondents stated that this strategy makes it difficult for new institutions to enter the market and also increase market share.

Some respondents mentioned that a few private universities in Mogadishu get a donation from international or local institutions to achieve cost leadership strategies. Besides, respondents J and M stated that these intuitions obtain monthly or yearly sponsorship from local or international institutions. Furthermore, some respondents indicated that all these institutions are ideology institutions. Also, respondent A said:

"Some private institutions at the end of financial closure, if they get an extra surplus, the founders do not do any dividend payment or sharing the surplus. Instead, they return to the institution because they want their tuition fee to remain as it's to reach a cost leadership strategy."

Also, respondent L explained, "The private universities reduce their admission fee to increase the number of enrollment, and the aim is to decrease or remain the current tuition fee as it's to achieve cost leadership strategies."

The majority of respondents indicated that the private universities in Mogadishu every year increase their tuition fees because of a lack of donations, sponsors, and other financial aid or support. Besides, respondent C mentioned, "the private institutions have no strategies to reduce their tuition fee." Also, respondent F supported respondent C and indicated that "currently we have no plan to decrease our tuition fee." Furthermore, respondent I said:

"Our institution does no use or utilize cost leadership strategy for its tuition fee because there are a lot of reasons that obstacles this strategy like inflation, instability, economic change and the value of currency day after day declines of the country."

The majority of respondents stated that lack of decreasing tuition fee strategies causes yearly enrolments decreases, ignorance, and social conflict, illegal immigrant and

unemployment rate also increases. Finally, some respondents informed that private institutions should have another source of income to run their institutions.

#### 5.3.1.2 Reducing the tuition fee without sacrificing the learning service

The majority of respondents indicated that the importance of university facilities to its learning service impacts lectures performance of retention, commitment, and effort to the institution and also affects student's achievement of health, behavior, engagement, studying, and growth in success. Some respondents mentioned that university facilities increase lecturer and student satisfaction.

Respondents L and M stated that to reduce tuition fees and to learn services to be constant is not an easy strategy, but the private universities in Mogadishu search for a fund from international and local institutions. Also, respondents C and J supported respondents L and M and indicated that the few private institutions get donations and sponsors from external and internal institutions. While respondent C stated, "those, who get donations also their tuition fees year after year increases." Also, some respondents mentioned that these donations have a lot of restrictions and are not enough for the institution.

Besides, some respondents mentioned that these universities, when they have got an extra surplus at the yearly end of financial closing, make a land investment because in Mogadishu, land value yearly after year increases. Also, respondent A indicated, "the private universities to achieve this goal they borrow a loan from a bank." Furthermore, respondent G showed:

"To reduce tuition fees and infrastructure or learning service to be constant is not an easy task, to achieve this, some private institutions do a joint program with foreign universities that their tuition fee below or approximately to the Mogadishu private universities."

Respondent K said, "this vision to achieve is challenging because the owners or founders these universities at the end of the year they want cash dividend from the university." Also, respondent D supported respondent K and mentioned: "these universities, if they decrease their tuition fee they can't pay the rent expenses and also they have not external fund." Finally, respondent F indicated "reduce tuition fee and learning services to be constantly; currently, it's not our main organizational strategy."

#### 5.3.1.3 Price sensitive solutions towards student's academic needs

The majority of interviewees explained that the students are root, play a vital and significant role in the development of the country. Also, some respondents stated that students who study today would work for the future of the country and pillars of public and prove sectors. All respondents described that you could never hope for a prosperous country if there are no educated students.

The common of respondents stated that the private universities in Mogadishu, when their students face financial issues they give a scholarship. Also, some respondents mentioned that this scholarship has policies and procedures that students should follow. Besides, some respondents indicated that some universities have a policy discount that students can apply when they face financial problems.

Respondent E mentioned, "We look at charity institutions that support higher educations." Moreover, some respondents informed that some universities have loan programs that students can apply. Also, respondent I said: "During their study, the students will pay only thirty percent can continue his or her study when they become graduated and also held work opportunity they would pay seventy percent within seven years."

Respondent A indicated, "Some institutions have a policy on installment payment during the semester; if students cannot follow this policy, they allow monthly payment." Besides, some respondents informed that some universities give their students tuition fee relief when his or her parent dies. Furthermore, some respondents stated that the majority of private universities, when their students have a financial issue, the staff make a financial contribution to the needed students.

Also, respondent H said, "we advise the students to joint those departments that they can able to pay its tuition fee." Moreover, respondent B mentioned:

"A few institutions have entrepreneurship programs to their students. The students are required to submit their project proposal to the institutions, after evaluation of those who get this opportunity; the institution will give a fund. However, the aims of this program that university student to be effective in entrepreneurship programs.

#### **5.3.2 Differentiation Strategies**

The results from respondents of the present study indicated that differentiation strategies of the private universities in Mogadishu grouped the following themes: offering

services or products that are unique to our institution, utilizing modern technologies to learning operations, and promoting an advertising campaign to institution's services or products.

#### 5.3.2.1 Offering products/services that are different from your competitor

Most of the respondents outlined that the importance of differentiation strategies in private universities and indicated that it allows being innovative and provides service or products more attractive and efficient than those of your competitors and also creates brand loyalty among customers and market share.

Some respondents stated that the private universities in Mogadishu use differentiation strategy through competitive advantage because the individual institution's ability to service more professionally than its rivals and wants or creates to achieve a competitive strategy. Also, some respondents mentioned that more institutions want to make uniqueness in the environment because they aim to achieve a niche market that other competitors can't enter in that area of specialization. Besides, respondent B explained, "Our vision is to produce highly qualified graduates that differ from our competitor's graduate." Some respondents also indicated that private universities want to achieve substantiality in the environment because the institution can able to meet changing regulations from the federal government, increases student and employee retention, and also protects organizational risks.

A few respondents indicated that private institutions want to attain a significant market share in the environment of Mogadishu because they want to increase their enrolment every year and also their revenue. Also, respondents A and G stated that these institutions want to get more students and also to increase their revenues.

Also, respondent I outlined, "The main goal is to attract students and to produce the best quality graduate in the market" Also, respondent H stated, "We do for the sake of marketing purpose." Besides, respondent A said: "The main aim is to solve the general issues of the country and to offer our students to a new program that has no available to our competitors." Finally, in conclusion, most respondents outlined that the private universities in Mogadishu, the selfish reason behind to use differentiation strategy is to achieve uniqueness, market share, sustainability, high qualified graduate, marketing purpose, attract students and develop the whole country.

#### 5.3.2.2 Adopting technological leadership in its learning operations

The majority of the respondents expressed that the magnitude of technologies in the learning service of private universities in Mogadishu and indicated that it saves time, effort and plays vital for institutional communication and daily operations to run smoothly and efficiently and also increases employee and student engagement.

Some respondents stated that private universities use updated technology of their learning service because it facilitates daily or routine activities, increases student satisfaction. Also, respondents B, C, and H mentioned that utilizing the technology of learning service also improves institutional communication because effective communication ensures smooth daily operation and increases the high level of incentive among employees and students.

Respondents B, C, and M also outlined that employing advanced technology of private institutions minimizes institutional costs or expenses. Furthermore, respondent I said, "Highly developed technology has long lived in the environment and leads organizational sustainability." Besides, respondent L informed "utilizing modernized technology protects competitors not to enter in the market."

Some respondents mentioned that using advanced technology keeps students and lectures, privacy, and confidentially. Besides, respondent G informed, "the institution should keep students and staff their privacy." Also, respondent K stated:

"Previously, at the end of the semester, we put exam results on board; this causes that some students tear the exam results if they fail the exam or get lows marks and also affects their psychological. To solve this problem, some private universities give exam results to their students individually, so this causes that institution will increase costs additionally.

Respondent D said, "We send the exam results to our students through their mobile application." Also, respondent F stated, "we sent the exam results to our students through their emails." Besides, some respondents noted that a few private universities in Mogadishu have a portal system to keep the confidentially of their students particular relates exam results, and so on. Finally, the majority of respondents indicated that the internet is costly and low-quality speed, so private universities it's tough to use updated technology of their learning service.

#### 5.3.2.3 Promoting an advertising campaign on university services or products

The majority of respondents outlined the vital of advertising in the institution. It indicated that it supports to increase your demographic awareness of issues with which they may be new as well as educate them on related advantages of your service or product. Some respondents explained that advertisement is essential in reminding your existing students that you are still around and gives your employees a sense of emotional ownership in an institution.

The majority of respondents mentioned that the private universities in Mogadishu use social media for advertising their service or products because it's an excellent tool for disseminating important institution news and messages. And also increases and attracts new students and validates and helps an organizational brand, and lastly, increases student loyalty.

Some respondents stated that private universities use the website for advertising their service or products because it increases the credibility of the institution. Also, the stakeholders can visit the intuitional site for help or information about new services or products and the services at any time it's convenient for them.

All respondents mentioned that they use radio for advertising their service or products at the time of enrolment because most parents listen to the radio. And the aim is to reach our messages to these parents. Some respondents indicated that they utilize television to promote their service or products at the time of graduation ceremony and welcoming the newly admitted students.

Furthermore, respondent I informed, "Some institutions use the board to their advertisement." Also, respondents A and H described that private institutions utilize brochures for their services or products. Besides, respondent D indicated, "the private universities promote their advertisements through local journals."

Also, respondent J stated, "most private universities utilize their buses for advertising purposes." Moreover, Ali indicated, "At the Ramadan, we held a competition among secondary schools we use our advertisements through posters." Furthermore, respondent L said, "the private universities present their graduates that hold high positions in the public and private institutions to show their stakeholders that they producing high skilled grandaunts and the main are to attract many students."

# **5.3.3 Focus Strategies**

The outcome of the study from participants described that focus strategies of the private universities in Mogadishu categorized the following themes: university programs aligned the interests of the students and people, concentration local students, and adopting new opportunities or market trends.

# 5.3.3.1 The programs that you offer aligned with the interests of the students and people

Some respondents stated that the private universities in Mogadishu offer and aligned the importance of the students and people because they want to get their graduate students better opportunities in the public and private institutions and also to cover the wide gaps in the country. Besides, respondent B said, "we want our students to be employers, not employees." Moreover, respondent A mentioned that:

"As we know 1991, we lost the central government; we entered the civil war for a long time, so we based our programs on the interest of the country and also to fight the ignorance among Somali people and the objective is to reduce illegal immigrants".

Also, respondent C said, "We base our programs the interest of the country not only the interest of the students" Besides, respondents B, E, and I mentioned that the private universities base their programs to produce highly qualified students. They want to get their students the best opportunities in the environment. Moreover, respondents A, G, and I indicated that private institutions want to decrease the existence of unemployment rates in the background to produce highly qualified students.

Respondents F and H outlined that these institutions, their primary goal is to attract students and want to increase their student or stakeholder satisfaction. Furthermore, respondents G and J informed that private universities base their programs on the interest of their students because to get more students and a surplus of revenues.

Respondent L stated, "The private universities their vision is to reach competitive advantage because every institution wants to provide service that is different from competitors and also needs to produce the best-qualified students." Moreover, respondents F and G mentioned that our primary mission is to get image and dignity from stakeholders that are why we based our services or products.

Respondent I said, "some programs we base the interest of public and privates institutions because they request or suggest providing additional programs that solve the gap in the environment." While respondent D stated, "The private institutions do not base the interest of the country because they provide popular programs that they can get more students, for example, why does not provide the private universities, mining or minerals, water, and geology programs."

#### **5.3.3.2** Focuses on local students

The majority of respondents stated that the private universities in Mogadishu visit secondary schools, particularly those who are final year students, the aim to share with students the quality and performance of the university. Besides, some respondents mentioned that these universities provide seminars and training to secondary schools.

Some respondents indicated that the private universities attendees the ceremony of secondary schools to send the graduates to join their university. Also, some respondents outlined that the private institutions make a tour to the secondary schools to see the facilities of the university and will help them learn the things in a much better way and also students can gain knowledge and skills during the tour.

Respondent E said, "Our graduate works in secondary schools we use them as marketers to share or motivate the students the quality and vision of the university. Moreover, respondents F, L, and M described that the private universities apply customer care programs to the existence or continue students and their motivations to bring or convincing the new students to join the university.

Respondent A described, "The private universities give the new students scholarship to attract and get a lot of students." Besides, respondent G explained, "These universities give or provide scholarships to the top ten students every semester; the aim is to retain and motivate the current students."

Also, respondent B stated, "As you know, the English language is the medium instructions of private universities in Mogadishu we give the secondary schools English language for six months with free and also the goal is to attract these students." Besides, respondent I said, 'We give these students career orientation to select their program". Moreover, respondent C indicated, "some universities have loaned a program that students can apply to continue their study'. Finally, some respondents stated that the private

institutions held completion and sports programs to secondary school, and also they have good relations with the principals and umbrellas of secondary schools. Finally, some respondents stated that private institutions use clannish or nepotism as an instrument as a tool to attract secondary graduates in joining the university.

## 5.3.3.3 Discovering and adopting new market trends as they emerge

The majority of respondents mentioned that the private universities in Mogadishu take new market trends to achieve sustainability or survival. Also, the interviewee said that sustainability could help motivate the existing employees. Moreover, sustainability is essential to the long term wealth of the institution, and lastly, it promotes significant economic participation.

Some respondents stated that private universities adopt the new opportunities that exist in the market because to get or attract more students and the aim is to retain and satisfy the current students. Besides, respondents B and L indicated that these institutions want to get a significant market share in the environment.

Respondents A and C described that to enhance the scarcity skills that the country does not exist before, and this skill will benefit the students and the whole stakeholders in the environment. Also, respondents A explained and took an example:

'As you know, the private institutions in Mogadishu have undergraduate programs for medicines. Most graduate students have no specialization; going outside the country is very expensive. Anyone can't, so we made the joint program one of the best universities in Italy, now we are providing a master's degree in medicine, especially optometry degree to get high optometrist or ophthalmologist doctors".

Respondents B and J indicated that these private institutions need to make growth in every section of the university. The small universities need to get big; prominent universities want to get bigger, the interviewee adds institutional growth leads to greater efficiencies, power, survival rate, and increases prestige for institutional members. Moreover, respondent A said, "The main vision is to make expansion and market adaptation."

Respondent M stated, "The private institutions want to keep their reputation, image, and brand and also to get more students, revenues and finally to make development." Also, respondent G mentioned, "these universities need to obtain dignity and competitive

advantage; this involves generating values as a vital means for success in the adaptation of the environment. Furthermore, respondent F said, "If the universities adopt these changes or trends, it raises the value of the institution and increases the good perception of the stakeholders."

## **5.4 Summary of the chapter**

The findings of this research were expressions and perspectives of 13 higher education experts in Mogadishu, Somalia. They answered questions about their personal experiences of the core principles of corporate governance and generic strategies of private universities in Mogadishu. The summary of the study findings presented alongside direct quotations from interviewees with the construction interview questions. With careful consideration, the researcher came up with the following key findings.

First, the participants described that when private universities are appointing, selecting, promoting, and hiring their staff, they disclose the following criteria: experience, qualification, knowledge, seniority, skills, recommendation, and studying a foreign country. Besides, the interviewees further mentioned that there are also hiding criteria or not disclosing relates to Somali culture. Also, these universities publish their performance reports and policies for internal purposes only. Moreover, the universities share or communicate institutional policies to their staff through printed books, general meetings, minutes, and orientation, but they share only those related holiday and salary policies.

Second, the participants stated that when it comes to employee accountability. They use job descriptions of each employee through fingerprinting (administration staff), attendance sheet, and management by supervision, course outline or course syllabus for lectures, time table, and emergency supervision when staff absenteeism increases. Besides, when there is a deviation or gap relates to the organizational task, the private universities give their employees training, seminars, job orientation, advice, warning letter, salary deduction, and last staff is firing or dismissal from the institution. Also, sometimes when they want to fire an employee, they use bylaw or culture.

Third, the participants of the study mentioned that private institutions generally treat their staff fairly; according to the rules and regulations, most of them not written; instead, they use orally. Moreover, their salary and allowance bases external competitor's payments. They have different staff in terms of race, gender, religious, and education; generally, there

is no distinction among the team, but sometimes when they are hiring an employee's they consider cultural factors.

Fourth, the participants stated it's essential to service or to educate the local community. They give poor or orphan students scholarships, partial scholarship, special discounts, primary education, training, seminars to secondary teachers. Also, we solve unemployment issues, we hire the local community if the opportunity arises, like driving, sanitation, guardian we employ them, and even sometimes we give agricultural products to produce beans, tomatoes, maize, and others. The unemployment rate in the local community is a big problem and needs cooperation between private universities and the federal government.

Fifth, participants indicated that private universities in Mogadishu, most of them have no cost leadership because the only resource they have is tuition fees. Every year they increase their tuition fees, but a few ideological universities get donations and sponsorship from international and local institutions. Besides, some universities want to reduce their tuition fees and also need their learning service to be constantan; to achieve this goal; they do land investment, joint program, and search donation and sponsorship. Furthermore, private universities help their students when there is a financial issue, and they give numerous options like a discount, loan, monthly payment, and relief.

Sixth, the participants outlined the reason behind to use differentiation strategy is to achieve uniqueness, market share, competitive advantage, sustainability, attracting students, and develop the whole country. Moreover, these universities use advanced technology to achieve cost-effectiveness, sustainability, student and staff satisfaction, and daily facilitation activities, but the internet costly and low-quality speed. Besides, the interviewees described that private universities use social media, websites, radio, television, brochure, and bus to promote their services or products, but the majority use social media.

Seventh, the respondents indicated that private institutions offer programs that aligned the interest of students and people. They want to get their graduate students a better opportunity in the market, stakeholder satisfaction, competitive advantage, image, dignity, more students, and to cover the wide gaps in the country. Besides, these universities focus on local students to attract many students, and they provide scholarship, visiting, seminar, training, tour to secondary schools and also a good relationship with school principals and

associational umbrella. Moreover, these private institutions want to adopt market trends because to achieve sustainability, significant markets share, growth, expansion, reputation, image, competitive advantage, and attract or retain the students.

Finally, this chapter provided the results or findings collected from interviewees at private universities in Mogadishu. The section has provided a descriptive analysis of the core principles of corporate governance and generic strategies. The next chapter offers discussion, conclusion, and recommendations of the study.

## 6. DISCUSSIONS, CONCLUSION, AND RECOMMENDATIONS

#### **6.1 Introduction**

The most important goal of this study was examine the corporate governance principles and innovation strategies adopted by private universities in Mogadishu. This chapter is last chapter for this study. The core goal of this chapter is draw discussion and conclusion to the two study questions and to connect the study findings to the previous related literature review. This chapter has presented the research results and focused on two specific objectives and outlines the study's analysis, conclusions, and recommendations for additional research based on the particular objectives or goals of the investigation.

On the basis of the study findings, a most excellent practice model of corporate governance principles and innovation strategies is recommended. This chapter as well focused on investigation of the recommendations of the study for policy, and practice. In addition to, the research limitations of the research and recommendations for further research discussed. Figure 6.1: A graphical outline of the chapter.

Figure 6.1: A graphical outline of the chapter.

**Chapter 6: Discussions, Conclusion and Recommendations** 

6.1 Introduction Corporate 6.2.1 governance principles 6.2.1.1 Transparency 6.2.1.2 Accountability 6.2.1.3 Fairness 6.2.1.4 Social responsibility 6.2 Discussions 6.2.2 Generic strategies 6.2.2.1Cost leadership strategies 6.2.2.2 Differentiation strategies 6.2.2.3 Focus strategies 6.3 Conclusion 6.4 Recommendations

**Source: Develop for this study** 

#### **6.2 Discussions**

The findings or the results of this study present in two sections, but the first section consists of four subsections, and the second section has three sub-sections. The first section describes the core corporate governance principles and consists of four: transparency, accountability, fairness, and social responsibility. The second section discusses generic strategies developed by Porter and consists of three: cost, differentiation, and focus strategies.

## **6.2.1 Corporate Governance Principles**

This section focuses on the essence of corporate governance principles of which are transparency, accountability, fairness or justice, and responsibility. The following each section or chapter discusses the results of the present study and also compares the results of previous studies

#### **6.2.1.1** Transparency

The findings from the interviewees that the administration transparency of private universities in Mogadishu focuses the following areas: disclosing the criteria holding leadership and administration positions in the university, publication of all performance reports, and sharing or disclosing the policies to all employees and external stakeholders.

The findings from respondents show that private in Mogadishu universities practices or implement somehow administration transparency to their institutions. Furthermore, the results show when private universities are appointing, selecting, promoting, and hiring their staff, they disclose the following criteria: experience, qualification, knowledge, seniority, skills, recommendation, and studying a foreign country. Still, the interviewees further mentioned that there are also hiding criteria or not disclosing relates to culture, for example, family, nepotism, favoritism clan, ideology, and others.

Also, findings show that these institutions publish their performance reports and policies for internal purposes only. Finally, the results also show from interviewees that these universities do not share or disclosure all institutional policies to their employees, just only those relate generally like holiday and salary policies.

The beneficiaries of these universities expect to disclose information about the performance reports and policies of the institutions. And also hopes to follow the standard

of transparency; this mechanist facilitates all stakeholders' particular employees and students to fully participate in their work activities within and outside the institution.

In the literature, there are significant studies that examine administrative transparency and its benefits to higher education, particularly the private universities, and also, some studies show that disclosing information effectively influences the loyalty or confidence of employees and students.

Lastly, these results or findings are not contradictory with Moloi and Adelowotan, 2019 in South Africa, and found that the majority of the institutions investigated had not revealed the fundamental transparency principles in their annual reports because of their lack of unstable leadership administration and accountability.

While this research is not consistent with the study of Al Shaer et al. (2017), their study aimed to recognize the level of administration transparency in the Palestinian higher education and the investigation got that there is a significant association between administration transparencies and strengthen the partnership between universities and local community institutions.

This study is not consistent with Aydogan (2012). His research concentrated on determining the existence of favoritism in Turkish higher education institutions. And his results mentioned that exist of bias and its elements like nepotism, cronyism, and patronage damages organization transparency and makes institution closed system and also leads the institution to be inefficiency and harmful to organizational tasks.

Besides, in higher education, universities have to promote transparency in decision making and emphasis the clarity and participation of all parts in the institutions (Zatar, 2019). Finally, all private and public universities must reveal their information performance reports and policies through transparency standards to decrease the ambiguity between the management of the institution and the stakeholders and also increases the confidence of university beneficiaries (Alshaer et al., 2017)

#### **6.2.1.2** Accountability

The results from the respondents that the accountability system of private universities in Mogadishu focuses on in terms of the key performance indicators of each staff, corrective action or discipline based on accountability reports and work supervision method.

The results from respondents show that some private universities in Mogadishu use job descriptions to identify key performance indicators of each staff, while others don't' have. The results also show that the majority of these universities have no course outline and course syllabus, this one of the problems that obstacle or difficulty in accountable the lectures or academic staff.

Moreover, the results of the study indicate that these private institutions when there is a deviation or gap relates to the organizational task, they give their employees training, seminars, job orientation, advice, warning letter, salary deduction. And last staff is firing or dismissal from the institution. Findings further show, sometimes when they want to fire an employee, they solve through bylaw or culture (clan, ideology relationship, and other).

Findings also show from respondents that these universities have work supervision methods, and most they use a manual attendance sheet to employees. However, this is not a useful tool for performance reports because preparation of the performance report needs a lot of effort and time and sometimes does not give accurate information and also affects the yearly performance evaluation. Finally, the findings also revealed that all respondents indicated that the higher education commission does not supervise the private universities in Mogadishu, in terms of curriculum, quality control, and so on.

Most studies in the literature, there are imperative studies that scrutinize accountability, and its advantage to higher education institutions, particularly private universities. And also, several studies demonstrate that applying an accountability system motivates trust, the mutual connection among individuals in the institution, and all stakeholders.

Whereas this research is not consistent with the study of Al-Hasani and Othman (2017), their study sought to indicate administration accountability to increase the degree of effectiveness in academic work in Malaysia, and the study stated that accountability or responsibility and its aspects were practices equally by educational leaders. Similarly, this research is not consistent with the study of Al Shaer et al. (2017). Their study aimed to recognize the level of administration accountability in the Palestinian higher education, and the research got that there is a significant association between administration accountability and strengthen the partnership between universities and local community institutions.

Finally, this study is along with the study of Dea and Zeleke (2017, their work aimed to investigate the practices of governances with especially area of administrative accountability in public universities of Ethiopia, and the study stated the system of organizational accountability in the sampled universities were on the development stage.

#### **6.2.1.3 Fairness**

The researcher categorized the findings into three themes: application rules and regulation relatively to all employees, salary, and other benefits scale structure, and work a diversity of rules and regulations. In the coming paragraphs, the research discusses their main findings, comparing with previous studies.

The findings or the result of applying rules and regulation fairly to all employees show that majority interviewees stated that there is aware of using laws and regulation relatively to all staff. Still, some respondents mentioned the rules and management are not writing. It's oral only. Also, their recruitment procedures base on cultural factors like a clan, friendship, and relationship. Besides, the results of salary and benefits scale structure that most of the respondents described that most the private institutions based their salary scale of the structure-based market price during some institutions above the market price because these universities get donations or sponsorship from local or international support. Furthermore, they have different staff in terms of race, gender, religious, and education; generally, there is no distinction among the team, but sometimes, when they are hiring an employee's they consider cultural factors.

This result was unexpected and emerged from the respondents. The findings indicated that private universities practice favoring relatives or friends, especially given jobs in the organization and appointment of friends or relatives without proper regard to their skills or qualification, and they use clannish or nepotism as a tool to attract secondary graduate's students in joining to the university.

In some previous studies in the literature, there are critical studies that analyze fairness and its benefit to higher education sections, particular the private universities. And also, numerous studies reveal that implementing the fair system inspires confidence, the common link among lectures, students in the institution, and all stakeholders.

This study is not a line with the of Sabandar, Tawe, and Musa (2018); their study concentrated on the impact of the exception of good university governance on education

quality in private universities in Indonesia. Their findings show the implementation of organizational justice, such as significantly or directly impacts the education quality. Besides, one of the examples of the application of fairness aspects in the private institutions in the recruitment process and university leaders has to use when selecting employees their competence, skills, and track record not to base like, dislike and nepotism.

This study is not a line with Karakose (2014); his research focused on the influence of favoritism, nepotism, and cronyism on the institutional performance of the public hospital in Turkey. And his findings show the implementation of favoritism, nepotism, and cronyism destroys the sense of fairness of staff and effects teamwork performance, and finally, organizational performances.

Similarly, AL Oleemat, and AL Eitan (2015), studied the influence of applying the principle of corporate governance on the performance of the public university in Jordan, and their results show that there a positive association among university fairness, quality of education and performance.

## **6.2.1.4 Social Responsibility**

The interview findings reveal that the university social responsibility initiatives of private universities can group under three main headings. These are services or educate the local community; supporting needy students and reducing the unemployment rate exist in the local society.

The findings or the result of social responsibility show that the majority of interviewees are aware of the need and support the local community. Besides, the more significant part of interviewees stated that the private universities in Mogadishu educate or service the local community, but this is not enough because the majority of these institutions cannot continue this program. Also, most interviewees stated that private universities should add their financial budget to supporting needy students. Finally, some participants indicated that there is no national policy that guides how to reduce the unemployment rate of the local community, and there is a gap of collaboration among the private universities and federal government.

There are an essential number of studies, which investigate community responsibility and its advantages to higher education, and there some studies show a

definite competitive advantage, reputation, images, publicity, and goodwill to the institution.

The present study confirms with the survey of Dahan and Senol (2012). They scrutinize at the University of Istanbul Bilgi in the framework of the University of Social Responsibility. And the results or findings of the study stated that university social responsibility needs top management commitment and outcomes also indicated that the university implements social responsibility. Still, the degree of execution is minimal, and lastly, the university concentrated only on teaching social responsibility program and don't carry out university social responsibility.

Also, this study consists of the study of Ezekiel et al., (2013), and their study examined the need for the university to implement social responsibility programs in Nigeria. Their findings show that universities have to execute social responsibility to their stakeholders. And also, their results show that university social responsibility helps institutions to increase their images. Finally, there are different areas of university social responsibility needed to engage like economic, philanthropic, environmental, employee welfare, recruitment qualified lecturers, and legal obligations.

Conversely, the current study not aligned with the study of Wagfi (2014), his research was focused on to examine the degree of university governance applied in the Jordan private universities. And his results indicated that there a certain degree of satisfaction with the execution of social responsibility towards community engagements of private universities in Jordan.

#### **6.2.2 Generic Strategies**

The second section discusses generic strategies developed by Porter and consists of three: cost, differentiation, and focus strategies. However, the following each section or chapter presents the results of the findings of the current study. And as well as the results of previous studies.

#### **6.2.2.1 Cost Leadership Strategies**

The findings from participants of the present study stated that cost leadership strategies of the private universities in Mogadishu could categorize as the following themes: lowing tuition fee, reducing tuition fee without sacrificing the learning service, and price-sensitive solutions towards students' academic needs.

The findings of cost leadership strategies show that most interviewees are aware of this concept. Still, most of them have no cost leadership because the only resource they have is tuition fees; every year, they increase their tuition fees. Again, a few ideological universities get donations and sponsorship from international and local institutions, and also they increase.

The results also show that some universities want to reduce their tuition fees and also need their learning service to be constantan, to achieve this goal; sometimes, they do land investment, joint program and search donation and sponsorship. The findings furthermore indicate that private universities help their students when there is a financial issue, and they give numerous options like a discount, loan, monthly payment, and relief. But their fiscal policies did not apply according to the rules and regulations of the university.

There are imperative studies, which examine cost leadership strategies, and it's essential to higher education. Some studies show if the institutions have cost leadership strategies that achieve a competitive advantage, increases market share, enrolment, and employee's retentions to the institutions. Finally, these findings reviewed previous literature.

The current results of this study agree with the previous survey did by Nderitu et al., (2018). They studied the effect of cost leadership strategies on the competitive of private universities in Kenya; the study applied quantitative and qualitative research designs, and qualitative data were analyzed thematically along with the research questions of the survey. The results of the study showed that many private universities have not fully adopted cost leadership strategies to increase their competitiveness in the environment.

While the present results of this study do not agree with the previous research did by Omari et al., (2017), their aim to examine competitive strategies implemented for the performance of private hospitals in Kenya and their results indicate and found the costs charged to the customers were equal to their competitors, and customers were satisfied with services given by institution. In line with cost, therefore, this strategy leads the institution to achieve cost advantages, sustainability, and customer satisfaction. Finally, the study disclosed that there is a positive association between cost leadership strategies and the performance of private hospitals.

In the same way, the present results or findings of this research do not concur with the earlier study did by Habtoor et al., (2019). Their goal was to scrutinize the effect of competitive strategies of generic strategies in the association among learning organization or institution and institutional performance in Yemen of the private and public universities, and the findings indicated that cost strategies moderates the connection between learning organization or institution and performance.

#### **6.2.2.2 Differentiation Strategies**

The results from respondents of the present study showed that differentiation strategies of the private universities in Mogadishu grouped the following themes: offering services or products that are unique to our institution, utilizing modern technologies to learning operations, and promoting an advertising campaign to institution's services or products.

The findings from respondents stated the reason behind to use differentiation strategy is to achieve uniqueness, market share, competitive advantage, sustainability, attracting students, and develop the whole country. Moreover, these universities try to use advanced technology to achieve cost-effectiveness, sustainability, student and staff satisfaction, and daily facilitation activities, but the internet costly and low-quality speed. Besides, the interviewees described that private universities use social media, websites, radio, television, brochure, and bus. Most institutions usually use Facebook to encourage their services or products.

The present segment centers differentiation strategies of private universities in Mogadishu. According to the findings show, most they use this strategy to attain high university performance and utilize modern technology, but the internet costly and low-quality speed, and the institutions use Facebook to advertise their service or products.

There are critical studies that investigate differentiation strategies and their benefit to higher education institutions, and there are several studies that show if the institutions use differentiation strategies to realize market share, competitive advantage, sustainability, and attracting students. Lastly, these findings reviewed previous literature.

This study consisted of the study of Kimando et al., (2012), studied the competitive strategies of private universities in Kenya. Their study used a qualitative research design. The research discussed how private universities used technology and innovation as a

competitive strategy and how they utilized various strategies to give them sustainability. And the findings show that private universities use differentiation strategy to achieve competitive advantage through quality, price or cost, location, duration, and customer base to differentiate their service or products from others and lastly protect rivals from entering the market or environment.

Also, the conclusion of the present study agrees with Kisaka and Okibo (2014). They examined the effect of Porter's generic strategies on the growth of academic programs for competitive advantages in Kenya. And the results or findings stated that the differentiation approach or strategy has an optimistic correlation with the growth of educational programs. Also, the conclusions of the study expose that implementation of differentiation strategy by the university has given way or direction of competitive advantage, and excellent performance.

While the present results or findings of this research do not agree with the earlier study did by Habtoor et al., (2019). They studied the impact of competitive strategies of generic strategies in the association among learning organization or institutional performance in Yemen of the private and public universities, and the findings show that the differentiation strategy doesn't moderate the association between learning organization and execution.

#### **6.2.2.3 Focus Strategies**

The outcome of the study from participants described that focus strategies of the private universities in Mogadishu categorized the following themes: university programs aligned the interests of the students and people, local concentration students, and adopting new opportunities or market trends.

The findings from interviewees stated that private institutions offer programs that aligned the interest of students and people. However, they want to get their graduate students better opportunities in the market, stakeholder satisfaction, competitive advantage, image, dignity, more students, and to cover the wide gaps in the country. Besides, they focus on local students to attract many students, and they provide scholarship, visiting, seminar, training, tour to secondary schools and also a right affiliation with school administration or principals and associational umbrella. Moreover, they want to adopt market trends because to achieve sustainability, significant market shares, growth,

expansion, reputation, image, competitive advantage, and attract or retain the students. Moreover, most respondents indicated that private universities seek to target a massive amount of students, market division, and not on specific segments of the market. Finally, they use of clannish or nepotism as an instrument to attract secondary graduate in joining to the university.

This study discussed focus strategies of private universities in Mogadishu, along with findings show nearly everyone institutions seek to get their graduate better employment in the market, to increase goodwill in the society, competitive benefits, sustainability, significant market share, and institutional growth. In conclusion, the above findings compared to the previous literature and their results.

This study agrees with the study of Habtoor et al., (2019). Their target examines the effect of competitive strategies of generic strategies in the association among learning organization or institution and institutional performance in Yemen of the private and public universities. And their findings show that most educational institutions need to target more students and market sectors and not to concentrate on specific segments of the market. And finally, their results also mentioned that the focus strategy doesn't moderate the association between learning organization and performance, they don't use updated technology to their educational programs and also don't have enough budgets for research and scientific innovation.

While this study is not along with the study of Manyeki et al., (2019) examined the impact of focus strategies on organizational performance in private universities in Kenya, and their findings showed the focus or niche strategy was significantly and positively related to university performance.

Likewise, this research results did not agree with the study of Mutindi and Anaya (2018). They studied the impact of focus strategy on the performance of private institutions in Kenya. The study used together with qualitative and quantitative research methods, and the findings show that the focus strategy affects the performance of individual organizations.

#### **6.3.** Conclusions

The first objective of the study described the role of corporate governance principles (transparency, accountability, fairness, and social responsibility) of private universities in Mogadishu. Moreover, based on the findings in the previous chapter, there was aware of using the core principles of corporate governance.

The study concludes that the administration transparency of the private universities in Mogadishu implements somehow administration transparency to their institutions. When hiring an employee, they use some standard criteria but also use hiding criteria or not disclosing relates to culture; for example, family, clan, ideology, and others. Besides, these institutions publish their performance reports and policies for internal purposes only. Finally, the results also show that these universities do not share or disclosure all institutional policies to their employees, just only those generally relate like holiday and salary policies.

This research ends that the private universities in Mogadishu use job descriptions to identify key performance indicators of each staff, while others don't' have. Besides, the results also show that the majority of private universities have no course outline and course syllabus. This one of the problems that obstacle or difficulty in accountable the lectures or academic staff and the higher education commission does not supervise the private universities in terms of curriculum, quality control, and so on. Moreover, the results of the study state that these private institutions, when there is a deviation or gap relates to the organizational task, apply disciplinary procedures. Still, when they want to fire an employee, they solve through bylaw or culture (clan, ideology relationship, and others).

This study concludes in terms of applying fairness to all employees; the results show that there is aware of using rules and regulation relatively to all staff, but the rules and management are not writing it's oral only. Furthermore, they have different personnel in terms of race, gender, religious, and education. Generally, there is no distinction among staff, but sometimes when they are hiring an employee's they consider cultural factors.

The study indicates that there is aware of the social responsibility of private universities in Mogadishu to support the local community, but this is not enough because the majority of these institutions cannot continue this program for the lack of financial budget. Also, there is no national policy that guides how to reduce the unemployment rate

of the local community, and there is a gap of collaboration among private universities and the federal government.

The second objective of the study was to determine the role of Porter's generic strategies of private universities in Mogadishu. Moreover, based on the findings in the previous chapter, there was aware of using generic strategies for competition purposes among private institutions.

The generic strategies remain at the foundation of any institutional strategy. The motivation behind this is that the option of the right competitive plan can have an essential effect on institutional performance. Besides, the lack of generic strategies can have harmful to the success of the institution. The private universities in Mogadishu seek to position themselves in the market competitively, and most have not indicated the right strategy that they can follow, and this impacts their institutional performance.

The study concludes that using cost leadership strategy raises the performance of private universities to obtain a low-cost advantage; the individual institutions should have cost leadership strategy and effective operation management with integrated divisions and staff committed to this strategy. This strategy gives the private institution a competitive advantage compared to other universities in the region.

The majority of selected private universities use differentiation strategy as a means of not only survival but also enhancing growth, to earn a competitive advantage to overcome other private universities in the environment. The study concludes that private universities execute different strategies to remain relevant in the higher education sector; the application of approach was significantly dissimilar among universities.

The findings from the study indicated that the private institutions concentrate seek to target a massive amount of students, market division, and not on specific segments of the market. Nevertheless, institutions need to take a step further to understand focus strategy or target students or parts and existing potential competitors. Lastly, the majority of these private institutions ignored customer segmentation concepts.

According to this study, the universities can not only indicate what strategies to utilize, but the most important is to adopt one among the three generic strategies to enhance the outcome or performance of the university. Selecting one of the generic strategies has a positive impact on the outcome or performance of the institution. Finally, the finding of the

study indicates that private universities use different generic or general strategies for the competitive purpose to increase production, which includes cost advantage, differentiation, and focus strategies.

#### **6.4 Recommendations**

The private universities in Mogadishu should remain to the standards or systems of managerial transparency in all their activities of the university. The academic leaders must implement the principles of administrative transparency through approaches or procedures that motivates the policy of clarity and reveal of all administrative tasks.

The private universities must implement an administrative accountability system to maintain effective governance in higher education. And academic leaders must fair treatment to all academic staff, honest, efferent, and well-designed systems for organizing, managing, and sharing information to all stakeholders. Besides, this system of accountability must be applied fairly to all lectures, administration staff, academic departments, faculties, and all stakeholders.

The study suggested that fairness is an essential dynamic of work satisfaction with employees of the institutions and employees perceiving justice in compensating appointments; the promotion expected to feel motivated with their work. Also, the findings suggest that workplace diversity should base on fairness among the staff to attain job satisfaction and excellent performance. Moreover, these private institutions should develop institutional rules and regulations.

The results from the study suggested that private universities in Mogadishu must execute social responsibility activities if they want to exist or wine the goodwill of their stakeholders and have to communicate their social responsibility programs to the stakeholders, so this leads that stakeholders will understand them. Besides, modern private universities must aware of the real need to change any educational program according to social requirements; therefore, this helps the private universities to achieve a competitive advantage, sustainability, image, reputation, and positioning in the community.

The results from the study found that most of the private universities increase their tuition fees and have not pricing strategies. However, this affects the student enrolment since some students may choose Somali National University, whose tuition fees are reasonable prices. The researcher suggested that private universities work on creating

efficiency of institutional operations to reduce operational expenses and decreasing the costs applicable to students that have dissimilar financial backgrounds.

The study suggested that private universities to achieve unique to their service or products must implement online program or evening classes, and Ph.D. programs, and provide high speed or quality internet facilities to their students. This strategy increases or raises student enrolment, market share, university value, competitive advantage in the environment.

The study was restricted to private universities in Mogadishu and recommended that similar studies be conducted in other private universities within different regions in the country for further studies. Besides, the researcher suggests that the same research be done at Somali National University to have a comprehensive understanding, methods pursued by the Somali National University.

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### **APPENDICES**

## APPENDIX A

# SEMI- STRUCTURED INTERVIEW QUESTIONS

Transparency How your university discloses the criteria for holding leadership and administrative positions? How does your university publish all performance reports and policies? How does your university disclose the policies to all members? Accountability How does your university identify key performance indicators for each staff? How wour university takes corrective action based on accountability reports? What are the work supervision methods to your university? Justice and Fairness How does your university apply rules and regulation fairly to all employees? Are the benefits (salary and others) your university pay fair in comparison with other universities in terms of work load or job duties? How do you apply the laws and regulation to your university to protect the rights of every one without distinction? Responsibility What do you think services to educate local community? How does your university provide assistance to the needy poor students? How does your university contribute the unemployment problems in the local community? Generic Strategies Cost leadership Strategies How your university lowers tuition fee for its programs in order to maintain cost leadership strategy? How does your university seek to reduce its tuition fee without sacrificing its learning service? How does your university seek to reduce its tuition fee without sacrificing its learning service? How does your university adopt technological leadership in its learning operations? How does your university promotes advertising campaign on its product and services? Focus strategies How does your university promotes advertising campaign on its product and services? Focus strategies How does your university focuses on local students and their preferences? How your university does discovers and adopts new market trends as they emerge?	No	Questions
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