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Strategic concepts for assessing the potential of hospitality-related higher education in Uganda

Stephen Muiruri

Abstract

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Stephen Muiruri	HOSBA07MM

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Pirkko Salo, Jesus M Belle.

This thesis is about the strategic concepts for hospitality related education with focus on a developing country- Uganda. The research entails the external environment of higher education in Uganda and how it could affect introduction of a hospitality related institution of higher education.

The primary aim of this thesis is to provide key strategic tools required for the process of setting up an institution of higher education. The paper investigates the existing strategic management literature which is mainly researched in the global North and to find out if it is relevant in the Ugandan.

The research methodology of this thesis is a blended combination of literature-based research by presenting the concepts and frameworks which to a degree may be applicable to the Ugandan business environment, case study (the thesis will present a PESTEL analysis based on Uganda). PESTEL analysis was employed to present the findings and main discussion for the thesis. Factors that influence the introduction of an institution of higher education were studied and some evidence was found in some sources. The thesis presents the critical concepts of strategy, external environment analysis and strategic scanning. Each of these concepts is accompanied by specific Uganda-based insights, based mostly on the author's subjective insights, expressed in a narrative manner. This conceptual review will be the core of this study

The thesis concludes that even though limited by the literature available and the scope of the thesis, it provides an introduction to the strategic tools available for the education sector in Africa. Further development could be implemented by implementing more studies, if possible, focusing on the education sector.

Keywords
Scanning, macro and micro environment, strategic management, Higher institution, hospitality education, competitive advantage, Uganda.

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1   Introduction

This chapter will be organized as follows: Firstly, the chapter will highlight some relevant aspects of the strategy process. Secondly, it will give a brief introduction to Uganda as relevant to the thesis topic; facts and figures will be presented. Thirdly, will be the research question and aims and objectives of the research. The thesis will then summarize the methodology, define major concepts and theories and finally present the structure and organisation of the thesis.

The literature devoted to strategic environmental analysis for Sub-Saharan Africa and the countries therein are limited. Similar literature on a specific country e.g. Uganda is even more limited. A scan on the external environment of an educational institution in Uganda is therefore a challenge. This thesis will provide a review on the main concepts required for implementing a strategic environment analysis of the educational field in Uganda, implement PEST analysis and issue some recommendations for improving the education sector in this country.

The external environment is often considered turbulent. While in developed democracies there are established legislatures for institutions of higher education, such legislation in developing democracies is yet to be fully implemented. The underlying question is whether institutions of higher education actually carry out strategic management activities, and more specifically, whether they do scan their environment in order to adapt themselves to future trends and events. In that case, it would be of particular importance to describe how these institutions implement the analysis, and to identify the similarities and differences in environmental scanning compared to their counterparts in the developed world.

An inseparable component of the external environmental analysis is the competitive advantage. This is in fact the underlying reason for external environment analysis as the thesis will show. Therefore, the concept competitive advantage has been delved into, and its relevance in regard to institutions of higher education has been scrutinized. The thesis will place special emphasis in the context of the Ugandan environment

1.1 Background of the study and relevance of research

The educational panorama of Uganda in 2007 was comprised of 124 public and private institutions of higher education (Uganda bureau of Statistics 2010, 11), which enrolled up to 146,943 students in the same year. Since Uganda has liberalized the education sector, there has been a steady increase in the number of institutions being established (Uganda bureau of Statistics -UBOS hereafter- 2010, 11, Ssempebwa 2008, 111). This phenomenon has led to the increase in the number of unemployed graduates during the last decade (Ssempebwa 2008, 107,111).

The need for a highly competitive labor force is evident (Euro Monitor 2010, 4). Vocational training, when based on the needs of the markets, increases graduates' employability and entrepreneurship skills, although this argument is debatable (e.g.… Bennel & Segerstrom 1998, 271-273). There are at least 4 hospitality specialized schools in Uganda known to the author. Universities and other tertiary institutions such as Makerere University and Jimmy Sekasi Institute of Catering offer courses in hospitality and tourism. Whether or not introducing another institution would be currently viable, is unclear. This would be an aspect suitable for further research.

The development of the Ugandan tourism and economy as a whole has gone through evident change in the past twenty years. Although mostly the change has been positive, it goes without saying that Northern Uganda has been a war torn zone, which witnessed 1.5 million people internally displaced (Euro monitor 2010, 01) With such an international image, coupled with the prior history, usually attached to the former despot Idi Amin (this being a shortened version of his name and title), it has become increasingly difficult for Uganda to position itself as an attractive tourism destination country, since touristic appeal and safety are often inseparable.

Uganda has a great unexploited potential as a tourism destination (Euro monitor 2010, 02), even considering that the service sector has recently experienced a slowdown (Euro monitor 2010, 02). Particularly appealing factors are that Uganda is the source of the second longest river of the world (the Nile), being home to a large colony of primates -especially gorillas-. Moreover, Uganda borders Lake Victoria, which is the second largest freshwater lake in the world, and several others. Increased advertising could result

in substantial improvements in Uganda's tourism. Euro monitor (2010) points out though, that the hotel industry is immature. Gradual improvements are being implemented. Hospitality industry professionals need to be trained. That would prepare the country for a potential boost in tourism. In fact, the existing catering and hospitality schools do not yet equip their graduates with the required set of skills that would make them sufficiently competent (Wekesa 2011), compared to the education in neighbouring countries like Kenya and Tanzania. Moreover, competence is not lacking only at the hospitality and tourism industry, but at many other industries. The discovery of crude oil deposits in the Western region of the country might result in a growing demand for accommodation. However, lack in education providers for Hospitality and Tourism might cause a failure in capturing that opportunity (Bergman in Alleyne 2008, 72).

From the political and social perspective, Uganda continues to face other challenges such as escalating corruption, rapid pollution growth, Human Immunodeficiency Virus (HIV) infection rate, insufficient infrastructure, and poverty. The uncontrolled population growth creates a major challenge that is most probably the root of all other challenges except for the corruption. The increasing population in Uganda has not been matched with increase in available jobs, or improvements in the existing infrastructure. On the contrary, additional pressure is being exerted over the existing infrastructure (Euro monitor 2010, 04), and the increased demand for consumer goods, causes inflation. Uganda's population consists of 49% inhabitants below the age of 15 in 2009 (Euro monitor 2010). The total population is estimated to reach 56 million by 2027. Consequently, the population at the current rate of growth will double every 20 years. A different study by Population Reference Bureau (PRB) showed that Uganda will undergo population explosion by 2050 and the population will increase to 300 million people and the study projects that Uganda will have the highest population growth in the world of 263% (World Population Data sheet 2008, 2). In Uganda, agriculture sector accounts for 22% of the GDP (Gross domestic product). The agriculture sector employs over a half of the country's work force (Euro monitor 2010, 02). In contrast, the Finish population has increased by approximately 7% in the last 20 years. Uganda´s geographical extension reaches about 70% the size of Finland.

Despite of the facts presented in the preceding discussion, it's important to note that Uganda has reached some achievements and consequently should be able to continue these achievements in the future. The AIDS spreading rate has been reduced sharply (Euro monitor 2010, 03). Uganda has also decreased its poverty rates, although there is still substantial room for improvement (Hickey 2005, 995). The government has brought about to an end of the insurgency of the LRA (Lord's Resistance Army) in Northern Uganda during the last five years. Uganda has as well fought vigorously and eliminated many diseases. For instance, in a major vaccination campaign, polio was virtually eliminated

1.2   Research problem/question

The main research questions in this thesis are:

- Determination of the main elements of strategic and environmental analysis relevant for analyzing and scanning the macro and micro environment in the area of higher education, with particular emphasis in Uganda
- Implement a strategic tool (PEST), applied to the Ugandan educational environment
- Issue several recommendations covering how to develop further the education sector in Uganda, given its current microeconomic and macroeconomic environment

1.3   Aims and objectives

The primary aim of this paper is to provide the key strategic tools required for the process of setting up an educational institution in Uganda. These objectives would include:

- To identify factors in the external environment of an institution of higher education that may influence the introduction of a hospitality school in Kampala.
- To find out whether literature from the developed world on external environment scanning is relevant in the Ugandan context.
- Describe the main models for scanning the external environment of a hospitality school in Uganda, and recommendations for further research.

Consequently, the long-term goal of this thesis is to play contribute in shifting Uganda's ruined image, and foster the development of skills and knowledge in hospitality and tourism. Succeeding in this endeavor would foster significant growth in tourism and hence economic development. Ingrained in the long-term goal lies the mission of

the work that will follow this thesis, depending on the findings herein: "to empower young Ugandans with competent and applicable skills through training in the fight against poverty".

1.4 Research methodology

Existing literature on strategic management is dominated by conceptual frameworks developed and relevant for the Northern Hemisphere, using data from this same area. Although the strategic theories developed are remarkable, their applicability to the Southern Hemisphere is very limited, given the particular resources, skills and culture. Specific issues relevant to the Southern Hemisphere are relatively under-discussed. This situation limits greatly the scope of the thesis, since there is a tremendous lack of Africa-related secondary data, and the theoretical frameworks available would require a great adaptation in order to be useful in that continent. This factor will have an impact in the choice of methodology for this thesis.

The research methodology of this thesis will be a blended combination of literature-based research (a great part of the thesis will present the concepts and frameworks that may be applicable to a certain extent to the Ugandan business environment), case study (the thesis will present a PESTEL analysis based on Uganda), and narrative method, where the main conclusions and recommendations will be based on my own conceptual insights.

1.5 Definitions

Macro-environment: The general part of an institution's environment and an institution has no control over it. It consists of elements like political, social, economic, technological, environmental, and legal.

Micro-environment: The part of the external environment which is closer to the institution being studied, and directly influences it and vice versa. The micro environment deals with the relations between the institution and the industry or sector in which it operates.

Industry: a group of businesses whose products and/or services are close substitutes.

Competitive advantage: it is the economic-value an organization creates over and above the economic value its rivals are able to create.

Economic value: is the difference between the perceived benefits an institution provides to its customers in the form of goods or services, and the total cost of production for the goods or services in question.

Scanning: The act of searching for relevant information, that would help and institution to identify trends, events and patterns in its external environment and to use that information to best prepare the organization for the future through a range of strategies.

Contemporary literature describes differentiation as brand identification with customer loyalty. Differentiation can be accrued from uniqueness in the market place. (Barney 2008). pp 15 section 2.3.1

1.6 Structure of the thesis

Table 1 below, shows a table-view approach to the structure of the thesis highlighting the disciplines, theoretical views, and focus of the research.

Table1. Structure of the Thesis

Discipline	Theories	Research focus
- Strategic management - Knowledge management	- Industry based view - Resource based view - Learner centered view - Emergent vs. prescription view - Macro environ-	- Institutions of higher education - Education sector - Developing nation

	- ment	
	- Micro environ- ment	
	- Scanning	

Figure 1 below on the other hand is an illustration of how the topic of strategic management has been narrowed down to the concentration of the thesis.

First, strategic management has been covered at a general level. Later on, the concepts and major theories of strategic management have been explored in detail. The thesis then proceeds to one of the initial phases of strategic management namely, environmental analysis.

Subsequently, the thesis applies the specific PEST tool to the Ugandan educational environment. Finally, the thesis will issue some recommendations, based on the previous strategic concepts covered above.

Strategic management

Concepts and theories of strategic management

External environmental analysis of institutions of higher education in Uganda (PEST)

Recommendations for development based on the previous frameworks
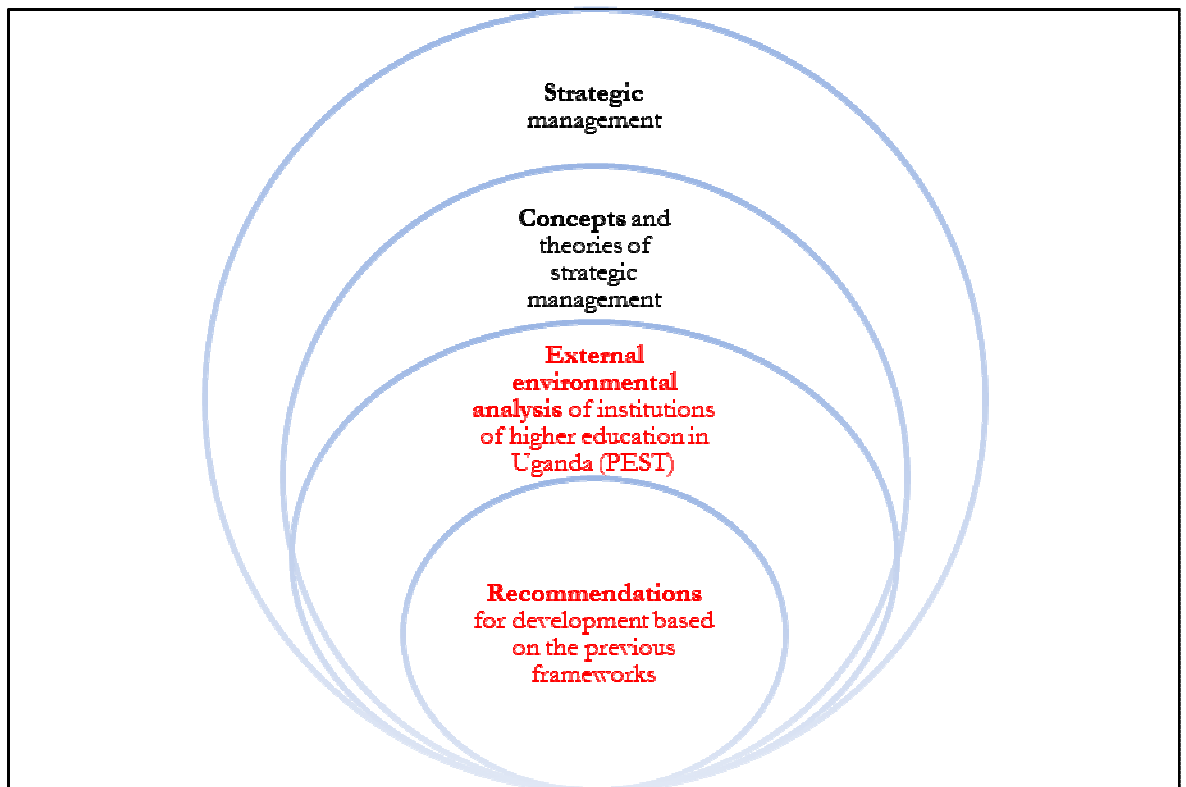
Figure 1. Thesis conceptual scope

2 Literature review

The purpose of this chapter is to provide a comprehensive overview of the relevant concepts of strategy, environmental analysis, competitive advantage, and strategic scanning. Current research categorizes the environment into the industry macro environment and the business micro environments. These environments have been referred to using different terminology throughout the literature. The macro/micro environment has been referred to as the general/industry environment (Barney & Hesterly 2008, 32: Hit et al. 2005, 40) respectively.

The chapter organization is as follows: firstly the general overview of strategy concept is explored, secondly the major theories in strategic management are discussed then the environment analysis is introduced later. The purpose of this conceptual framework is to provide a theoretical basis for understanding the role of the environment in higher education in the Ugandan context. After defining the critical concepts and theories, environment analysis will be described thereby introducing the macro and micro environments of the general and industry environments. The conceptual analysis will be narrowed down further until the environment scanning in relation to higher education. In doing this, the author will attempt to unveil the important factors that influence the macro environment of an institution of higher education in Kampala. The purpose of this is assessment will be to contrast the factors specific to Uganda with those relevant to the developed world.

2.1 The concept of strategy

Contemporary strategic literature is focused on issues relevant the North-Western hemisphere of the globe, and increasingly on the North-Eastern hemisphere. Strategic literature relevant to the African continent and the individual countries therein, is limited. Therefore, that part of the globe needs urgently more research. Moreover, research on institutions of higher education is very limited. Literatures, both contemporary and traditional seem to concentrate on business or the organization in general. Bryson (1988, 2004) will therefore be an important researcher in this thesis as he is one of the pioneers in researching public and private organizations and more specifically schools ranging from comprehensive, secondary to institutions of higher education.

Literature in strategic management is broad (Ahlstrand, Lampel & Mintzberg 2009), and for that reason, several definitions and forms of the concept have been crafted. Ahlstrand et al (2009 based on Mintzberg 1987), split the key definitions of strategy into various categories, namely: strategies as plans and patterns, strategies as deliberate and emergent, strategies as positions and perspectives, and strategies as a ploy. Strategies as plans and patterns are based on the consistent actions in the past and plans of course of action for the future. Strategies as deliberate and emergent are those that are intended and not intended, respectively. Plans that are implemented are referred to as deliberate and unachieved plans are denominated as unrealized strategies. Strategies considered as positions and perspectives on the other hand, show that strategy from the positioning angle, place a particular product in the market at a particular time, thus the strategic concepts focus in the external environment-markets, and its perspective looks into the organization, for resources and capabilities focusing on the future. Strategy as a ploy may refer to calculated actions intended to beat the competition.

Contemporary strategic management literature suggests that strategy in business is significant for an organization's success therefore strategy is a requirement for success (Rajaniemi 2007,465). Strategy, according to Forsman (2004,19) tends to aim at outcomes, and therefore is goal oriented. Other literature consider Strategy as a combination of choices in form of actions, decisions, patterns, allocations to name but a few (Bryson 2004, 77).

Strategy is significant for an organization's progress. Strategic management is usually linked to success in organizations. Strategies are linked to the success of business due to the organization's ability to understand its environment. Such organizations will formulate strategies that prepare the organization to best adapt to the ever changing environment in ways that make it stand out from the competitors. Organizations with well implemented strategies in the context of environment are thus competitive (Forsman 2004). The question remains though, whether such a claim is valid in Uganda and in the context of a hospitality school. Firstly, we need to ask why organizations would want to be competitive in the market place. Next, we would have to explore if the educational organizations aim to be competitive in the first place. Naturally, profit-

making organizations will aim to be competitive in order to make a profit and hence remain in business. Similarly non-profit-making organizations will pursue to be competitive in order to get funding from the stake holders, and hence survive in the market place. It therefore emerges that both profit and non-profit making organizations aim at surviving in the market place. An institution of higher education in Uganda would similarly want to remain in business, public or private. Under this perspective though, the ultimate customer is the student. By being competitive, an institution of higher education would recruit more students. The underlying strategic question would be in deciding the key goal of the organization: to become highly competitive or to increase the funding from recruited students. If the institutions focus on increasing the student intake, it would be worthy to study the impact of these results in Uganda. Statistics indicate that, there are numerous students graduating from secondary school and drop out without ever proceeding to higher education. They do so mainly because they lack financial backing for their education. Consequently, even if an institution would become strategically competitive enough, it would not appeal to a large group of potential students yet. One could state therefore, that institutions of higher education in a developing country like Uganda will strive to be competitive, not based on competitive concerns, but in order to attract those students who are willing to pay for the education with its high price tag. Therefore, such institutions, in being competitive, might be able to offer more economical study fees on the education they are offering. This is similar to the phenomenon being experienced in some western countries.

John Bryson (2004) will be an important element of research for this thesis due to his vast theoretical work on leadership and strategic planning with public, non-profit and for-profit organizations in the US and abroad.

2.2   Review of major theories

The industry based view is an important view, since ultimately, strategic management and competitive strategies therein, aim to support the creation of competitive advantage against competitors (Forsman 2004, 38). The industry based view suggests that competitive advantage is built by looking outside the organization. The theory contends that by understanding the external environment, an organization is able to make strate-

gies to suit the environment hence competitive advantage. The industry based view of competitive advantage was introduced by Porter (2004). It assumes the existence of five forces in the competitive environment. This is usually demonstrated by the Porter's Five Forces Framework, which suggests that the competitive environment of a firm, and in this case organization is determined by five threats in the market place namely: new entrants, competition, customers, substitutes, and suppliers (Barney & Hesterly 2008, 39). The threats in a business environment, work together in order to enhance competitiveness, yet on the other hand they provide a challenge for the firm to remain competitive in business.

Even though the industry based view has been much criticized, and contemporary research seems to lean more towards the resource based view, this thesis will focus on the industry based view due to the nature of scanning of focusing outside the organization. Therefore, the industry based view will be an important theory in trying to understanding the practice of scanning. This is without ruling out that the vital determinant of success of an institution are its resources, yet it remains that resources need to use the information that is acquired outside the organization in order to fully utilize the very resources to create competitive advantage (Hoskinsson et al. 2005)

Unlike the industry based view, *the resource based view* contends that resources, capabilities and core competencies, are the key determinants of competitive advantage. Competitive advantage is derived from core competencies, which are derived from capabilities, which are derived from resources (Hoskinsson et al. 2005, 79). Resources are usually categorized into tangible and intangible resources. The four types of tangible resources include financial, organizational, technological and physical while the intangible ones include innovational, human, and reputational resources. Tangible resources are those that can be measured and quantified while intangible are those ones that are ingrained in the organizations history and culture and are usually harder to imitate (Hoskinsson et al. 2005, 79). Therefore in creating competitive advantage, intangible resources are perceived to play an integral role as they are harder to imitate. Thus, sustainable competitive advantage is created from within the organization.

In as much as the resources based view is an influential perspective in the contemporary strategic process literature, this thesis will not delve deeper into the resource based view as resources, capabilities and core competences are largely part of the internal environment, and are therefore analyzed while carrying out an internal assessment. The scope of the thesis will be limited to the external environment as the definition of scanning in respect to this thesis provides.

The learner centered view is a more recent view specific to education and institutions of higher education. The learner centered view is popularly known as the Curriculum Centered Strategic Planning Model (CCSPM hereafter). Dolence (2004) is a strong believer and advocate of this view. His research claims that through the CCSPM model, the strategic planning process is comprised mainly of five phases: identifying KPI's (Key Performance Indicator), detailing an LCCF (Learner Centered Curriculum Framework, scanning the environment, implementing a continuous self-study, and creating an action plan based on the previous four phases. An action plan can be implemented in the form of an academic master plan, a financial plan, a recruiting plan, and an expansion plan, among others. This relates to the industry view in that it focuses on the customers and their needs. However the continuous self-study would be the internal assessment which assumes the resource based view. The contribution of this view is that institutions of higher education can benefit directly from this model as it covers the learner, the service provider, and the accreditation dynamics and principles as they are fundamental for institutions of higher education. All the components of the process are built around the learner. The learner has been regarded in a wider light in this model. It would be in alignment with strategic management literature to assume that the learner is in many ways the customer of higher education institutions. For instance, the learner could be one or a combination of the following:

- Graduates from high school
- Working class
- Degree completers
- Employers
- Degree holders
- Geographical beneficiaries
- School drop outs

The model requires for the education institution to fully understand the learner in terms of learning preferences, preferred venues, difficulties and other factors. Since adopting this model requires that an organization fully understands its learners, the organization is required to have at its disposal the required resources to ensure that understanding. Therefore, the organization would require the development of specific core competencies and capabilities. From that perspective, this model is related to the resource based view. In fact, the CCSMPM seems to combine the resource and industry perspectives when aiming to craft a strategy model for higher education.

The Emergent versus prescriptive approach to strategy is the one that has been debated on for an extended period of time now. Mintzberg and his colleagues are the main representatives of this view (Mintzberg, 1994: Ahlstrand, Lampel & Mintzberg 2009). Under the emergent approach, an organization would not plan the future in advance, through documentation, procedures or systems. Instead, it would create the systems and procedures and strategies from the patterns created from actions and decisions of the past. This approach is sometimes referred to as realized, or incremental. It can be said to be more of a "trial and error" approach, since the patterns form through trying out various strategic actions and decisions (Harrington, Kendall, Lemak & Reed, 2004). Other researchers indicate more agreement with the view that the strategy planning process should be formal. Moreover, they state that the future of an organization should be clear, and the strategies to be utilized should be well laid out during the formulation process. This view of competitive advantage maintains that the environment should be predictable, in contrast to the emergent view which assumes the environment to be volatile (Porter 2004)

2.3   Environmental analysis

The business literature covering the subject of environmental analysis is vast. The business environment in general is analyzed from the internal and external perspectives. Internal environment refers to the part of the organizational environment that the organization has complete control of. That would be the case of the human resources function, accounting, marketing, and the rest of the business functions at an

organization. The external environment is comprised of the factors from the outside world on which the organization has little or no control. The external environment consists of the macro and micro environments, on which scanning is done hence the concentration of this thesis. These two environments will be discussed in detail in the next sub-sections. This section will concentrate on the environment in general, attempting to understand its key concepts, show their importance, and cover the main elements.

Several researchers have termed the external environments as general, industry, and competitor based. Bryson (2004, 33) in his 'strategic cycle model', has taken a different route. His research has grouped the external environment into 3 groups. First comes the 'Forces and trends', under which he covers the PESTEPL (Political, Economic, Social, Technology, Educational, Physical and Legal. Secondly key resource controllers, which consists of customers, payers, members and regulators. And lastly he covers the competitive forces and collaborative forces.

The relationships and linkages between organizations and their environment have been long existent. The environment affects the organizations and viceversa in a continuum manner as research shows (Liu 1998, 296). A change in environment elements such as technology, legislation or competition may have an impact on a firm's capability and resources. Similarly, a firm may affect the environment by distributing scarce resources, controlling network relations and adjusting its expectations in the market place. In the strategy process, the business environment plays the following roles according to Liu:
- It defines the inputs a firm needs (i.e., labor, capital, raw materials, energy and others)
- It defines output markets-demands
- It provides information helpful for the strategy process
- It provides opportunities for organizational learning and innovation (1998, 297)

The environment is seen to provide the resources required for the production of goods and services like raw materials, labor, capital, energy and information and these in turn are distributed to the environment.

The external environment of an organization can be divided into three levels: competitors and industry are the first two levels, commonly referred to as the micro environment, and the macro-environment is considered as the third level. In the following section, the macro and micro environments will be discussed. We shall look at the concepts and definition and delve into how relevant they are to the thesis topic.

2.3.1 Micro environment

Micro environment is involved with the forces closer to the organisation and therefore affects the organisation and the vice versa. The micro environment consists of a relation between the organisation and the industry in which it operates. The micro environment of an institution of higher education may include students, potential students, parents of students and of potential students, employers of students and potential employers, political leaders, teachers, other institutions to name a few (Morrison 1992).

Porter's five forces model comes into play, in order to understand competition and profitability within an industry. An industry according to Porter is a group of businesses whose products are close substitutes. In his model, Porter identifies four structural variables influencing competition and profitability. Profit within an industry is determined by the rate of horizontal competition. That is comprised of substitutes, threats from suppliers, competition from new entrants, competition from rivals, and vertical competition; that is the bargaining power of suppliers and buyers (Barney & Hesterly 2008, 37-40). In order to best assess the relevance of Porter's five forces models, we must first establish what competitive advantage is, who the customers are and what the product/service being supplied is.

Competitive advantage enhancement is the underlying aim of the strategic process of an organization. Competitive advantage happens when an organization, and in this case an institution of higher education generates more economic value over its rivals for a sustained period of time (Barney & Hesterly 2008, 37-40: Mahon, 2002). Economic value is the difference between the perceived benefits an institution provides to its customers in form of service, and the total cost of production for the service in question. Thus

competitive advantage is the difference between the economic-value an organization creates over and above the economic value its rivals are able to create. In the case of a higher educational institution, the economic value would be the benefits accrued from the courses and programs of an institution. Benefits would arise as the competitiveness of the graduates in the market place, meaning that the students of a particular institution are highly employable in the job market. Regarding to performance, a firm tries to outperform its competitors by staying profitable for a sustained period of time. Thus, sustained superior performance will lead to sustained profitability and hence competitive advantage (Forsman 2004, 39). When an organization is able to create barriers for rivals trying to imitate, then it can be considered to be competitive. In this case, competitive barriers are maintained for longer periods of time.

In this respect, the Resource Based View (RBV) of competitive advantage can be perceived to focus on the external environment. This view as discussed under the strategy theories is a more recent one and it has taken various shapes in trying to answer the issue of competitive advantage. It serves as an alternative view to the Porter's five forces theory of competition (Grant 2001). Consequently, it serves to shift the focus of generating competitive advantage from the industry into the organization's skills set, capabilities and other resources. In order to create barriers in the market place, an organization should to put its unique resources, skills and capabilities to work together in order make it difficult to imitate. In view of that, an organization creating barriers is not only focusing on its resources to enhance competitive advantage, but also on the external factors of the firm to find competitive advantage (Forsman, 2004 39). Thus, both the industry focus and the RBV focus are important in creating competitive advantage. In the field of education however, there may be more than one perspective in understanding imitation. There are those institutions who fail to imitate due to inability to do so, and there are those ones who fail due to their own choice. An institution in Uganda may choose not to imitate for reasons like disinterest in courses that attract small number of students. There is a need for research on the course-programs that students perceive to be rewarding in the Ugandan job market.

Similarly, there are institutions that fail to imitate due to their inability to do so. Imitating competitive advantage would require an institution to replicate the resources and

capabilities used in creating the competitive advantage. The nature of education, the product and delivery of the product makes it difficult to imitate. This is because service is intangible and it is produced and delivered simultaneously. Consequently, the reputation that comes with a good product well delivered is difficult to imitate. Moreover, reputation may also come from trust that is built over time with the customers. Therefore, trust that comes from long term interactions between the institutions and its important stakeholders such as students, parents, society, employers etc. is near inimitable, hence competitive advantage (Forsman 2004, 39).

The next step would involve determining *who the customers are* at an educational institution. The answer to that issue is partly determined by who pays for the education. In trying to understand who the customers are, we will find that although the customers of institutions of higher education are varied, we could presume that the student is the main customer. But if we refer to customer as the payer, then we might identify a few customer groups (Clarke et al 1995). Some students can be sponsored by their employers or their parents/guardians. In this case the employers and parents become the customer. However, research carried out in the UK shows that students have a say in whether they undertake or not a particular course/program. As well, their level of satisfaction with the experience while at the institutions will impact the relationships between the institution and the sponsors (et al Clarke 1995, 35). The government surfaces as another customer to be considered. In Scandinavian countries, education is mainly sponsored by the government. Therefore, by referring to the customer as the payer, the government would take up that role.

The preceding discussion is mainly drawn from research carried out in the UK and Malaysia. The described scenario above would fit to the Ugandan environment to a large extent. The reason is while many payers for education exist in Uganda, the final decision and action will be finally taken by the student. However, the payers of education have the most influence on what institution the student chooses. Some of the customer groups would include; students, employers, parents and guardians, scholarship issuing Non-Governmental Organizations (NGOs here after), fundraising organizations (some students are sponsored by these institutions) to name a few.

The competitive terrain in education can vary in different markets. Thus in education, the competitors can be diverse as their products are. In regard to Uganda, we can group the competitors in three main general groups:

- Government Vs. government
- Government Vs. private
- Private Vs. private

Note: Private includes

- Long distance institutions of higher education
- Consultants in the industry
- Hotel-linked institutions
- Non-Governmental organizations (NGOs)

The competition within the private sector is quite rugged. While the hotel-linked institutions may not aim to compete with government owned institutions, they can be seen to overlap at some level. Various categories within the private sector are seen to compete vigorously across terrains. Terrain is used in the context of competitor identification. Therefore if an institution competes across terrains, it means that it's competing outside its market definition customer segmentation. Many institutions do not seem to have a strategy which makes a library based research or even an empirical one challenging. The competition landscape of institutions of higher education yearns for more research. Research on what kind of competition exactly exists and how institutions compete, and trends in the educational arena is recommended.

Now that we understand who the customers for an educational institution are, what competitive advantage means in the education context, how the competitive landscape looks like in Uganda and what the product is, we could then look briefly into the strategies for creating competitive advantage, just before looking at the macro-environment.

Based on the five forces model, Porter identifies three strategies for creating competitive strategy namely; cost leadership, differentiation and focus. Cost leadership and differentiation are widely referred to as 'the generic strategies'. In applying the cost leadership strategy, the organisation aims at having the lowest costs of production in comparison to its competitors (Hoskinsson et al. 2005, 114-115). This is influenced by

the behaviour of the company towards costs changes from the structural factors affecting the organization. Such drivers may include economies of scale, learning of the organization and capability effects. Differentiation on the other hand can be accrued from uniqueness in the market place. That can be achieved by producing products that are different from the competitors' and which difference consumers perceive to be of importance to them (Hoskinsson et al. 2005, 118-122) The drivers include the product/service, distribution channels, skill set and others. Contemporary literature describes differentiation as brand identification with customer loyalty (Barney 2008). A focus strategy can be simplified into two groups namely; focused-cost-leadership and focused-differentiation (Forsman 2004, 39). Whereas cost leadership and differentiation strategies focus on how to compete, the third, focus strategy, focuses on where and to what extent to compete. Thus, focus strategy takes advantage of core competencies in identifying a particular segment to serve, while excluding other segments (Hoskinsson et al. 2005, 122).

Porter's model was well adopted in business literature in the years that followed its launch. However, Porter's approach has faced fierce criticism since its launch. The argument stands that cost leadership and differentiation are not entirely independent of each other. In fact, they can be implemented simultaneously (Hill 1988). Moreover, cost leadership in hard to implement in higher education in Uganda. Yet, the production of educational services is highly dependent on human resource capabilities and competencies. Thus, adopting a resource based strategy is more likely to build competitive advantage in education as compared to a cost-leadership strategy.

Porter's conceptualization has also been rendered as over simplified and lacking methodologies on how to implement the proposed strategies (Mintzberg 2005).

While micro environment examines the forces close to the organization, and therefore affect it directly, the macro environment is the broader environment of a business that encompasses larger entities like political, trends, technology, social, economic, educational, legislation etc… as will be seen on the next bub section.

2.3.2 Macro environment

The macro environment is said to be the general part of an organization's environment. It consists of elements like political, social, economic, technological, environmental, and legal. These broad elements affect the industry (Hoskinsson et al. 2005, 39) and all organizations within it. Since this analysis is on an educational institution, the environmental factors could be substituted with educational factors (Bryson 2004, 33). The macro environment is out of an organization's control (Johnson, Scholes & Whittington 2005, 65). The macro environment analysis is seen to be the stage at which opportunities and threats are identified (Bryson 2004, 138). In fact, Bryson refers to threats as challenges, which is supposedly a more empowering word in contemporary organizations, hence SWOC instead of SWOT.

The PESTEL framework is an important tool for understanding how the environment changes. There are various versions of the same framework. While Grant (2001, 66) provides the PEST model leaving out environmental and legal factors, Barney and Hesterly (2008, 32) adds international events to the PESTEL model. However, the framework, in analyzing the environment is only a start of the environmental analysis process, hence the concentration of this thesis. The elements in the PESTEL model affect each other and also affect the other environments of an organization. It's therefore important to understand the interaction between environments and elements (Johnson et al. 2005, 65). PESTEL framework is commonly presented as a list of the factors to study, and doesn't provide a tool on how to analyze the factors presented in the list. Developing a tool for analysis a PESTEL table would be a worthwhile study.

Key drivers of change according to Johnson et al. 2006, 69, are "forces likely to affect the structure of an industry, sector or market". Drivers of change are different in different settings e.g.: different industries, organizations, nations etc. Key drivers of change are used hand in hand with the PESTEL factors to identify the forces that affect the structure of a given industry, market or sector. The key drivers in the prevailing environment are globalization and technological innovations (Rajaniemi 2007, 467). Rajaniemi argues that the interplay of technological innovations and telecommunications will

bring about new industries and will also reshape the existing structures of industries, and will also change the competition arena. In Uganda and East Africa in general for instance, mobile application technologies and telecommunications have given birth to mobile banking, which has reached rural area that did not have access to traditional banking. With mobile banking one can transfer and receive money, deposit and withdraw money as well as pay bills by use of a mobile phone (Engineering news 2009). Thus new technologies can change competitive forces in the competitive environment.

Scenario building is the process of creating phenomena by considering various factors that influence the environment and drivers of change, in trying to study how the business environment might change in view of the factors under consideration (Johnson et al. 2006, 76). Various possibilities would be utilized in building scenarios for an educational institution in Kampala. Some of such factors will be looked at later in the thesis while analyzing the PEST table later in the thesis.

While all the factors of the PESTEL framework are important to environmental analysis, this thesis will deal with technology, political, economic, and social as relevant. The eventual aim would be to pick out a few trends and analyze how these will affect an institution of higher education. Trends can be either increasing or decreasing. For instance, the student enrolment rate could be increasing or reducing (McCune 1986, 46)

2.3.3   Phases of environmental analysis

Environmental analysis has four agreeable phases namely: scanning, monitoring, forecasting and assessing (Morrison 1992, Hoskinsson et al. 2005, 41-44). The data and information at organisations' disposal is exhaustive, unorganized and undeveloped. For this reason, organizations must invest in developing and putting this information to use. In order to understand and to be able to use the information, organizations carry out environmental analysis.

Several researchers agree that *scanning* is a part of environmental analysis that collects information from the external environment, which information is used in the following stages of external analysis namely monitoring, forecasting, and assessing, all of which

help managers to act accordingly in aligning their organizations to fit in the dynamic environment (Hoskinsson et al. 2005, 42: Rajaniemi 2007, 467-468: Costa 2000, 157: Elenkov 1997, 114) Scanning is therefore directly related to the act of collecting random information and data. Random is used in this context to mean raw data and information. Scanning could be done either systematically or informally. Informal scanning is usually linked to the acquiring of information from informal sources like friends and personal networks, while systematic scanning is associated with collecting information from public sources (Rajaniemi 2007, 468). Scanning, is the very initial stage of information gathering. Scanning will be disused in further detail in section 2.4-2.6. Information collected through scanning goes through a process before it's meaningful. First, the information is monitored.

Through scanning, information can then be *monitored* to see if there are any trends or patterns that emerge. It takes a long time for patterns and trends to emerge, and therefore the ability of an organization to detect trends and patterns in early stages, gives an organization a competitive edge against its competitors. (Hoskinsson et al. 2005, 43: However, this is only valid if the managers use the information to make informed decisions. This happens in enacting and searching modes of scanning as discussed later in the thesis in sections 2.6.3 and 2.6.4. A common trend that is emerging globally is the association of video games to learning.

The fallacies of strategic management under the planning school by Mintzberg (in Ahlstrand et al 2009, 72-73) have been presented to criticize the *forecasting* mode of scanning. Forecasting according to Hoskinsson et al. (2005, 43), is meant to predict trends, patterns and events in the external environment. He recognises the nature of the activity of forecasting as a difficult one due to the unpredictability of the external environment. Mintzberg takes the unpredictability aspect of forecasting even further and wonders that "…how in the world can predictability be predicted?" Ahlstrand et al. (2009, 72-73) continues to argue that in today's environment, especially with the phenomenon of technological breakthroughs common in the market place, forecasting is impossible. To prove his point, he goes on to present some statements made in the past dismissing the possibility of particular technologies coming into fruition, which are the norm in the current market place like flying technology and x-rays. While these are interesting

examples, it's also apparent that the companies that keep winning do invest extensively in scanning, monitoring, forecasting and assessing their environment.

When the initial three phases of environmental analysis have been accomplished, the organisation at this point has the information to *assess and evaluate*. At this stage, the organisation determines which information is relevant to the current situation, and how the information can be utilized to adjust the organisation to suit the predicted future trends and patterns. This is done through matching opportunities in the external environment with core competences within the organisation (Hoskisson et al. 2005, 43-44). Therefore, while understanding the external environment is fundamental to an organization, understanding resources within the organization is equally important as, with this knowledge the organization can match the resources with the external environment to create competitive advantage.

It stands out to reason that a SWOT analysis becomes an integral tool at various phases of the environmental analysis. After scanning, monitoring and forecasting have been done, relevant information is then assessed to identify trends, patterns, threats, opportunities and other observations and signals in the external environment, that with the SWOT tool, prepare the organisation for future opportunities by capitalizing on internal competences, future threats by reducing and/or eliminating weaknesses. As discussed earlier in section 2.3.3 above, Bryson (2004) improved the SWOT model to SWOC. In other words, instead of threats, he called them challenges. However, it seems this view of the business environment wasn't much adopted beyond its creation in 2004, as contemporary literature still refers to the model as SWOT (Rajaniemi 2007,471: Okumus 2004, 134)

2.4   Defining scanning

Literature on scanning can broadly be grouped into two categories. That is, macro environment scanning and micro environment scanning. As defined earlier, macro-environment is the environment that the organization has no control over, while micro-environment is that part of the external environment closer to the institution and therefore directly influences the institution and the vice versa. Macro-environment may

include elements like politico-legal, social, technological, natural and economic amongst others. All literature reviewed in this article agreed on external environment as being the environment in relation to which scanning is done (e.g. Costa & Teare 2000, 157: Liu 1998, 295: Pashiardis 1996, 5: Choo 2001, 72).

Some of the literature recognizes Aguilar, the father of scanning, and others after him have reinforced his definition without altering the core meaning (costa 1995, Johnson, Scholes & Whittington 2006,487-8) refer to scanning as being the act of identifying, or sighting, or pin pointing or finding opportunities in the environment in order to create competitive advantage. In other words, the business has to have the ability to select projects and programs that are in strategic fit with the competitive environment. In the 1980's, the term scanning was applied to both internal and external environment. Internal analysis was in form of SWOT and stakeholder analysis (e.g.McCune 1986, 46). The concept was later to be developed to include only the external environment.

Others have referred to the environment in regard to scanning as competitive environment in contrast to external environment (Barney & Hesterly 2008). In other words, the scanning would therefore be concerned with the competitor and the industry environment, leaving out the general environment. Some researchers have kept the definition to include the elements in the general environment (Hitt, Hoskisson & Ireland 2005, 43: Rajaniemi 2007, 465) although Rajaniemi, in her work 'internet-based scanning of the competitive environment' does not specify what environment is being scanned, yet she presents workable ideas on the practice of scanning. David (2005) definition was that environmental scanning is the process of making a 'finite' list of opportunities that the organization can capitalize on and threats that could be evaded. Related to these, is Dolence's (2004) definition whereby he defines scanning in perspective of the SWOT. That is trends and events out of the organization's control are studied to better understand strengths, weaknesses, opportunities and threats that are posed to the organization.

The definitions available in texts and literature are numerous and it can be said that more are still to come. In order to understand the definitions and the process better, it's important to identify patterns in the definitions. One pattern we can recognize

from the definitions is that scanning is mostly done to understand the external environment better. This is without ruling out the micro environment as it's an important part of scanning and the organization has to a degree control over. Another pattern is that the definitions provide that scanning is done to best prepare the organization for the future. This is evident through forecasting. All definitions seem to have something to do with searching and using information. Other patterns include assessing, monitoring and searching all of which can be integrated into the definition of scanning and hence the process.

The author is in agreement which the lot that describes scanning as the process of studying the external environment for trends, patterns and events. A pattern can be said to be a repetitive occurrence and a pattern analysis can be defined as an assessment of patterns and their possible implications to an institution. Trend analysis is used to identify emerging trends and future events (McCune 1986, 46)   The environment in general is a very broad subject and splitting it into different stages, scanning being among, would make the process more effective (Morrison 1992). These stages would be scanning, to identify any changes in trends and patterns and to consider the events, monitoring, to observe the important ones identified through scanning, forecasting, to predict and estimate the future direction of these trends and patterns and to assess the impact they would have on the organization. That would enable managers to carry out intelligent and sound decisions for the future (Aguilar 1967: in Choo 1998, 82). Thus scanning can be said to be the act of searching for relevant information that would help an institution to identify trends, events and patterns in its external environment and to use that information to best prepare it for the future through a range of strategies.

Strategy process and therefore environmental scanning tends to adopt an unusual path for educational institutions. The organizational structure and culture can obstruct the strategy process. Educational institutions have varied stakeholders and therefore it's a complex art to keep all stakeholders afloat (Clarke, Harris, Morgan, Nicholls & Sims 1995). In the next sub-section, scanning of higher education is discussed. Considerations of scanning of the Ugandan environment are also discussed.

It seems every researcher attempts to shed a new light to the existing which attests just how many definitions are available. The literature reviewed though seems to concentrate on the activity of scanning to both macro & micro environments. In educational context, we could conclude that scanning as the act of acquiring information from the environment to determine how the emerging trends and patterns would affect education and training systems.

2.5   Scanning in higher education

In attempting to create an appropriate scanning model or methods for institutions of higher education in Uganda based on literature, we'll need to draw from various literature. Firstly, we'll draw from literature on strategic planning, then educational institutions, and from scanning literature.

As discussed earlier, literature studies done on the Ugandan environment are insufficient. Traditional strategic management models were created for business establishments and military. Some researchers though, have developed and tried to create a marriage between higher education and strategic management. While there is still some work to be done, some researchers have had some success on this front. John Bryson (1988) is one of the pioneers of strategic management for education. He has done strategic work for several institutions, districts and the government of US. Robert Shirley and his strategic and tactical model, is an important researcher, as well as James Morrison who has done extensive research on scanning.

Morrison (1992) maintains that, despite traditional strategic management not being tailored for educational institutions, it is equally fundamental for institutions of higher education to carry out strategic management activities of which scanning the environment is part and parcel. He recognizes that scanning is just the first step to external environmental analysis. In analysing the environment, Morrison (1992) points out 4stages of analysis, namely: scanning, monitoring, forecasting and assessing. These stages are in agreement with Hoskinsson et al (2005, 41-44). This thesis will concentrate on the scanning stage. This will provide precedence for other phases of the analysis when the actual strategic planning commences. Morrison tries to define the same

word scanning to mean identify, monitor, forecast and assess. Earlier in the thesis we also noticed Mintzbeg intertwining definitions within other definitions. But perhaps that explains just how broad the subject of strategic management is, and how confusing it can get for a student.

There is agreement amongst researchers on what areas of the environment to scan. That is Political, Economic, Social-cultural, Technological, Educational and legal (Morrisson 1992: Bryson 204, 33). Trends in higher education in Kampala worth observation include financial, National and regional enrolment, part-time and full-time studies, male and female enrolment, tuition, financial aid and external funding trends, on-line education, quality assurance, strategic plans.

2.6 Modes of scanning

Due to difference in organizations' beliefs on environmental analysability, and difference in the extent to which different organizations intrude into the environment, the scanning activity can turn out to be quite different in different organisations, operating from different environments (Choo 2001). In his paper-information scanning as information seeking and organisational scanning, Choo (2001) expands Aguilar (1967: in Choo 2001)/Daft and Weick model of scanning. Aguilar is seen as an important researcher in the subject of scanning. In fact, he has been referred to by many contemporary literatures e.g. Liu, (1998): Morrison (1992): Rajaniemi (2007): Costa & Teare (2000): Elenkov (1997).

Since scanning can best be associated with an organization's information seeking act, and the fundamental goal being to gain knowledge upon which to base decisions, then the model introduced in the preceding paragraph will be simplified by looking at the following: information seeking, information needs and information use patterns in scanning on one end, and on the other end we shall look at sense-making, knowledge creation and the decision making process in scanning Choo, 2001). The four modes of scanning are as follows

2.6.1 Undirected viewing

The term undirected viewing, was first coined by Aguilar (1967: in Choo 2001). This is the mode of scanning adopted by organizational that do not belief that information is analysable. Due to that belief, these organizations do not intrude into the environment to gain greater understanding of it. Consequently, they do not have clear understanding of their information needs. Their information needs are unclear and vague. As a result, their information is sought non-routinely and usually from accidental opportunities from people. Due to the nature of information, meanings or interpretations derived from it are usually multiple. This phenomenon requires an organization to priotize the information and to assemble it accordingly. Through information sharing, over a persistent period of time, a common interpretation can be arrived at. Due to the ambiguity and uncertainty nature of information, Daft & Weick (1983) claim, alliances might need to be created in an organization to gather support toward a particular interpretation in order to enable decision on actions to be taken

2.6.2 Conditioned viewing

Unlike in undirected viewing, the environment in conditioned viewing is seen to be analysable, although the organization is un-reactive towards the information. Information needs are well-defined in comparison to undirected viewing. These needs are usually focused on particular issues that are rendered as important to the organization. Procedures for obtaining information are based on standard industry methods, based on external reports, databases, periodicals and other sources considered to be acceptable. Viewing is conditioned because the materials used for information gathering have developed in time. In view of that, multiple interpretations is reduced and coming up with one generally agreed interpretation of the data is more of a possibility than in un-directed viewing (Choo 2001, 16)

Information sharing in conditioned viewing doesn't need to be extensive as the gathering procedure is based on beliefs and norms of the organisation, and hence less cycles of sense-making are required. In this context, belief stands for the assumptions and convictions that are considered to be valid by the organization regarding concepts, events, people, society and things (Business dictionary). Fundamental to conditioned

viewing is the organization's culture as it provides with the assumptions necessary while gathering information. Assumptions in terms of: who the customers are, who the competitors are, who the stakeholders are, what environmental sectors are important and what information sources are rendered as valid. The assumptions and beliefs are based on the industry's general assumptions and the organization's experience. Although conditioned viewing is set on industry standards, it might fail to recognise new and emerging trends as the environment can be volatile (Choo 2001, 16)

2.6.3 Enacting

Enacting differs from the above scanning modes in that it is action based. It's through action that the organisation's goals, beliefs and progressive actions are based. Again, the environment is considered to be analysable (Choo 2001). What the organisation practically does is to intrude to the environment and tries to influence it. Information needs, are the ones that are considered important in the testing procedure. Sources of information may range from external sources to sources created by the organization itself for instance feedback from products, or social media. In order for enacting to be effective, previous rules are ignored in testing new behaviours. Ambiguity is greatly reduced as current rules are put to test. The author thinks that on top of the next mode of scanning (searching), enacting could be likened to the emergent strategy approach supported by Mintzberg (1994, 24-27). Rajaniemi (2007, 468) alongside the mentioned authors refers to this mode of scanning as 'continuous scanning' whereby the organisation, in searching for information is "focused on opportunity finding" and results from this mode of scanning are proactively applied to the organization in an attept to solve problems.

2.6.4 Searching

Again, the environment is seen as analyzable (Aguilar 1967: in Choo 2001). The organization pro-actively intrudes into the environment in an attempt to search for specific information. Information needs are well stipulated and defined in form of search goals and objectives, and are directed toward seeking relevant information and data. Search goals are wide, open, flexible and elaborate. The organization would therefore be seeking new information which might be in contradiction with known information or facts.

Thus the organization is well aware of the dynamism of the external environment and prepared for such uncertainties. It's common for organization that practice searching to have a team dedicated to searching information, and will usually create market forecasts, trend analysis and intelligence reports, hence the methods used in this mode of scanning include but are not limited to, measurement, modeling, forecasting, trend analysis and several other quantitative methods. Decisions in organizations that use this mode of scanning are based on analyzed sets of logical and rational data, and through a continuous process of scanning the organization adjusts its actions to fit into the changing information drawn from the external environment. This mode of scanning is popularly likened to Mintzberg's (1994, 24-27) emergent strategy approach due to its action based-on-new-information orientation

3 Methodology

This chapter will discuss the methodology chosen for the thesis and will throw light to the PEST model in the context of Hospitality related higher education in Uganda and will also show the importance of the PEST model to the next chapter, findings and discussion.

Existing literature on strategic management is dominated by commentary focusing on mainly the Global North, about issues in the Global North, using data from the Global North. Thus Strategic management issues and concerns specific to the Global South are relatively under-discussed. This means that the Strategic Management theories and concepts created and tested in the Global North are commonly used in trying to understand business and strategy in the Global South and of which may not be fully applicable. This argument provides precedence for the choice of methodology for this thesis. Further the novelty of the methodology and the possibility for the author to deploy the constructions.

Critical and comparative approaches have been adopted for this library-based thesis, meaning that the thesis will be entirely literature based. First, the abstracts of 136 articles and 13 theses were chosen under the topics of higher education, strategic management and all its parts, and topics on developing world like unemployment, literacy, poverty, HIV (Human immunodeficiency virus) and others. Twenty five articles and one thesis were rendered relevant to the topic of this thesis. 15 books on relevant topics were used of which 6 were on research methods and thesis writing.

The analysis drawn from the literature attempts to bring various views, models, claims, concepts and philosophies together and to formulate a synthesis. It's important to note that, much of the author's opinion has been developed through this research and may at times relate to existing research, although not always, and where it is not, the author has endeavoured to fetch evidence from the literature.

The analysis focuses on the PEST model based on the information extracted from articles, newspapers, internet and reports from various organisations such as statistics bodies. The PEST analysis has been used to analysis the factors affecting hospitality related higher education in Uganda. A PEST analysis table was drawn to list the factors affecting the macro environment, which was followed by a discussion of the factors. Owing to insufficient specialized literature on strategic management in hospitality related higher education, the authors own views and insights have been integrated to create a discussion that is in the narrative format. Thus, although much has been researched and critically analysed, the validity and duplicability of the research has much to be improved.

4   Findings and discussion

Findings of the thesis project will be presented in form of PEST analysis for hospitality related higher education in Uganda. The PEST analysis is important in analyzing the Ugandan macro-environment in order to identify the implications of existing trends and patterns in the environment. A pattern can be said to be a repetitive occurrence and a pattern analysis can be defined as an assessment of patterns and their possible implications to an institution. Trend analysis is used to identify emerging trends and future events (McCune 1986, 46)

Conditioned viewing scanning method has mostly been used to impliment this PEST analysis. This scanning method gives way to finding periodical information through external reports, databases, periodicals and other sources considered to be acceptable.

The Table below is a PEST analysis for Uganda Hospitality-related Education sector. A detailed discussion of the PEST model is below the table.

Table 2. PEST analysis for Hospitality-Related Higher Education In Uganda

Political	Economic
- Government policies - Political stability - Government systems - East African federation	- Growth, inflation - Unemployment, labour cost and supply - Globalization - Global economic crises
Social	**Technological**
- Population growth and age profile - The female worker and general attitude towards work - Social-cultural change	- Emerging technologies - Increased communication and reduction in communication costs - Research and development

The Ugandan political environment is worth studying. Uganda is currently enjoying reasonable political stability. Although she has a long history of conflict and political instability, Uganda can boast of stability and reforms for the last two decades. In spite of the positive change the government has brought about, it is facing some challenges that have persisted through the decades. Such challenges include corruption, insufficient infrastructure, high rates of unemployment, high rates of poverty to name but a few. Hospitality related education has therefore not gone without being affected. For instance, when Uganda hosted the renowned CHOGM (Commonwealth Heads of Government Meeting) conference in 2007 where big sums of money was insufficiently unaccounted for. A case in point was a sum of Uganda shillings 617,652,120 which is equivalent to €191,089.21 which was to be paid for decorations and of which there was no contract or agreement for the same (Inspectorate of government July 2011, 01).

A combination of such challenges over a persistent period of time, coupled with the global economic crises, did not leave Uganda untouched. The year ending November 2011 registered inflation rate of 29% down from 30.4% in October (UBOS 2011). Such rates of inflation and other factors like corruption and unemployment have sparked off demonstrations and riots. With such economic and political standing, tourism and hence hospitality education is negatively affected, especially when such activities are suppressed by the government, although suppression of such may bring about safety to the ordinary citizen, but it's questionable if such suppression of expression is long lasting. Yet such suppression may tend to discourage donor money. Thus a struggling economy with reduced donations might hurt the education sector and therefore hospitality related higher education. But reduced donor money might encourage the government to look upon the available resources within the country to promote and enhance education. It would depend on the actions the government would choose to carry out as a result of deficit in her budget.

On a positive note is the development of the East African Federation which is unifying many sectors of the governments therein. For instance a common market place is being created. Opening borders will boast trade and development in the region. It can also be said that education will be exchanged across boarders and thereby Uganda

benefitting from Kenya's expertise. In fact an Inter University Council has been formed and it recognises the need to create a joint accreditation for Higher Education and programmes in East Africa.

Uganda's higher education is comprised of 124 institutions of higher education (Uganda bureau of statistics 2010, 11). That is as a result of liberalizing education. Liberalisation of education has seen stable increase in the number of institutions consequently increasing the number of graduates. However this has not been counter-balanced with increase in employment. Although there are more businesses and more employment, it doesn't match the increase in the number of graduates. Increased graduate numbers will raise the minimum qualifications for many jobs there by increasing competency at work. Further, with the increase of institutions of higher education, more hospitality related courses will be available and consequently improvement in hospitality related education.

Moreover the population growth rate stands at 3.2% per annum (The independent 2011). Besides 49% of the population is less than 15 years of age. With such a population profile it can be deduced that it will have dramatic impact on higher education of the country. Perhaps that is why the government has adopted Universal Secondary Education campaign/policies due to increased teenage population. In fact Uganda was the first African country to introduce Universal Secondary Education. This is on top of the Universal Primary Education which was introduced late last century. Besides, the government sponsors the best 4000 students out of 60000-70000 students to university. It can also be predictable that in the near future there will be increased government sponsorship for higher education as there will be increased high school graduates. More government involvement in higher education financing for students might see the government investing more in training in order to create more employable graduates.

Although much has been done to improve on literacy and level of education in general, little has been done to improve on hospitality related higher education, yet hotel and tourism are major earners of foreign exchange and could generate employment. In an interview with Executive Director of the Uganda Tourism Board in

the daily Monitor newspaper of 4th May 2011, Mr Cuthbert Baguma Balinda stated that the Uganda's tourism education still lacks in the practical application. He emphasises on the need to invest in building professional hoteliers and tourism related workers.

The year 2012 will probably be the most important year for Uganda since independence because Uganda was listed by Lonely Planet as the top destination of the world of 2012 (Lonely Planet's Best in Travel: top 10 countries for 2012). It can be assumed that the Lonely Planet ranking will have a positive impact on Uganda's tourism. Therefore, if Uganda would invest in training immediately, the results would be further in the future and not 2012. But that does not rule out the need for hospitality related training. Thus, tourism due to the Lonely Planet article will not benefit from resultant training, but Kenyan and Tanzanian professionals might benefit from a boast in tourism in the region.

Technological breakthroughs in other parts of the world have had great impact on the African continent. In fact between 2003 and 2008 there was 648% increase in mobile subscriptions. The introduction of mobile telephony has increased communication channels all around the continent. Countries abandoned the traditional landline telephony to fully adopt mobile telephony. Uganda was the first African country to have more mobile telephone subscriptions than landlines. Such adoptability to advanced technology will have direct impact on education. It's not only mobile telephony that has developed in recent years on this front, but also internet. Internet is more widely used and this has had and will still have an impact not only on hospitality related education but education in general. Applications like skype and other virtual tools will enhance education in that there will be exchange of information and knowledge across.

5 Recommendations and conclusions

This chapter will present recommendatonss to improve on the hospitality related education for Uganda. Secondly, it will present the author's overall conclusions to the thesis and will also state the major recommendations on the conclusion section.

5.1 Recommendations

Hospitality development in Uganda boils down to training. Cooperation with industry players is important if training and resource development is to be enhanced. Hands-on training is still lacking. Students could be involved in developing the tourism product and developing various projects within hospitality industry. A practical example would be that of the former despot Idi Amin. There is still nothing to suggest the tyranny the country went through. Therefore when the tourist come they miss out on the history of the country in as far as the despot is concerned. A special museum could be developed in his former home which is currently dilapidated and this could be done by students.

Hospitality institutions of higher education could be built alongside hospitality related organizations and therefore practice-oriented. Such organizations would include hotels, tour operators, bars & restaurants, amusement parks, rafting and several others. This would give students easy access to hands on training. Thus Learning organizations could be run by only students. This would increase the practicality of school assignments and practical training. Investors in the industry could be given incentives to be involved in training.

Cooperation and alliances could be implemented with schools beyond borders. With improving technology this has been made possible. Assignments, lectures and discussions could be carried out between students in Uganda and students in far off places and therefore knowledge would be easily shared.

It would be hard to achieve well trained professionals in the industry without well trained teachers. It can be said that Uganda lacks in well trained hospitality teachers. This gap could be initially filled by importing expatriates from neighboring countries like Kenya and Tanzania and abroad like United Kingdom and Finland. Massive training of teachers would be a long-term solution to the problem. The eventual outcome of such an undertaking would be building a hospitality teachers' training school which would be followed by a hospitality management school.

Awareness of hospitality education could be increased amongst high school student. This could be done alongside awareness campaigns of the importance and potential of tourism to the Ugandan population. This would increase domestic tourism and hence wider exposure for the students.

Government, through the government sponsorship program could sponsor a given number of students to the hospitality programs. This would encourage more students to apply to hospitality related degree programs. One way would be through granting student loans, although following up on such payments would be challenging as there isn't any central registration system of all citizens. That though could be countered by providing jobs to the graduates and slowly deducting the granted loans.

The creation of a research center would keep the industry informed of the current trends and the current and relevant needs of the industry. Through research hospitality students would improve their researching ability and would provide applicable information and knowledge to various products in the industry

5.2   Concluding remarks

This thesis aim began with a conceptual review of the strategic concepts relevant for educational institutions in Uganda. The North-Hemisphere focus of the theoretical frameworks available and the lack of relevance of many of these to Uganda (exacerbated by the lack of literature available for this country) have made the conceptual part of the thesis very challenging. Still, this thesis presents the critical concepts of strategy, external environment analysis and strategic scanning. Each of these concepts is ac-

companied by specific Uganda-based insights, based mostly on my subjective insights, expressed in a narrative manner. This conceptual review will be the core of this study.

Later on, this thesis provides a specific application of a strategic environment tool (PEST), applied to the Ugandan case. The PEST is developed according to the limited information available.

Finally, this report presents the key recommendations for developing the higher education sector in Uganda, with a focus on the hospitality industry. In that regard, the main recommendations are: Enhancement of training through importation of experts from neighboring countries and countries abroad and by involving students in developing the tourism product and to be involved in various projects in the industry.

Learning organizations could be built alongside hospitality schools for students to easily access hands-on training as well as alliances and co-operations to be initiated with other hospitality schools globally in order to keep the domestic schools competitive globally.

Creation of a research and development center which would keep the industry well informed of the current and relevant needs of the industry as well as creation and development of a hospitality teachers' college in order to produce professionals trained and taught by well trained teachers.

Government could commit itself to sponsor a given number of hospitality students every year which could increase the rate of enrolment to the hospitality programs.

Although limited by the literature available and the scope of the thesis, this report provides an introduction to the strategic tools available for the education sector in Africa. Further development could be implemented by implementing more studies, if possible, focusing in the education sector. For instance the competition landscape of institutions of higher education could be researched more.

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