

The Effect of Strategic Innovation Inclusion In the Ethiopian Higher Education Institutions Performances

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ABSTRACT

This investigation aims to investigate the association among strategic innovation predictors—specifically Strategic Alignment, Human Capital, Customer Focus, and Technological Capabilities and their influences on Institutional Performance. This investigation utilizes KMO, EFA, CFA, and SEM techniques through AMOS software to investigate the underlying structure of a set of variables. The Kaiser-Meyer-Olkin (KMO) measure manifested that the sample was suitable for factor analysis. Exploratory Factor Analysis (EFA) uncovered important dimensions within the data. Confirmatory Factor Analysis (CFA) then validated the factor structure, confirming model fit and reliability. Finally, Structural Equation Modeling (SEM) was employed to evaluate the association among the latent variables. The findings manifested that Technological Capabilities and Customer Focus have significant positive influences on Institutional Performance, while Human Capital has a moderate positive relationship. Conversely, the connection among Strategic Alignment and Institutional Performance is relatively weak. These findings hold important implications for managerial decision-making. Organizations should focus their resources on enhancing technological capabilities and adopting customer-centric approaches, in addition to investing in the development of human capital. It is also essential for organizations to assess their strategic alignment, prioritize talent management, and consistently evaluate their performance.

Keywords: *Strategic Alignment, Human Capital, Customer Focus, Technological Capabilities, Institutional Performance*

INTRODUCTION

In today's fast-evolving landscape, higher education institutions encounter numerous challenges in equipping students for the demands of the global economy (Chege and Kinyua 2023). To tackle these challenges, the concept of strategic innovation has emerged as vital within higher education. This

approach not only enhances organizational performance but also helps institutions maintain relevance and competitiveness on a global scale. This essay investigates the significance of strategic innovation in Ethiopian higher education, its origins, and its connection to organizational performance (Kithinji and Misuko 2022). In an increasingly interconnected and knowledge-driven global economy, higher education institutions play a crucial role in shaping the future workforce (Okeyo 2022). They are responsible for providing students with the knowledge, skills, and competencies necessary to thrive in a dynamic job market. However, traditional educational methods often fail to meet the evolving needs of society (Michael 2020). This is where strategic innovation becomes essential. By adopting strategic innovation, Ethiopian higher education institutions can respond to emerging trends, integrate new technologies, and cultivate a culture of innovation, ensuring that their graduates are well-equipped to face the challenges of the global job market (Happy Ananda et al. 2023).

The concept of strategic innovation originates from the broader field of business management. Initially, it focused on creating new products, services, and business models to achieve competitive advantages (Alhamami et al. 2023). However, its relevance has expanded beyond the corporate sector to include higher education. As educational institutions confront growing demands for relevance, quality, and accountability, the need for strategic innovation has become increasingly clear. Strategic innovation directly influences organizational performance in higher education (Farida and Setiawan 2022). By embracing this concept, institutions can improve their programs, teaching methods, research initiatives, and collaborative efforts. This leads to better student outcomes, increased research productivity, enhanced reputation, and financial sustainability. By aligning their strategies with the evolving needs of students, employers, and society, institutions can position themselves to thrive in a competitive global environment (Becerra-Vicario et al. 2023).

Like their global counterparts, Ethiopian universities must adopt strategic innovation to improve their organizational performance. By implementing innovative teaching, research, collaboration, and resource allocation strategies, these institutions can influence navigate the challenges of the 21st century and prepare their students with the skills and knowledge necessary for success in a globalized world (Kithinji and Misuko 2022). Research on the influence of strategic innovation in Ethiopian higher education institutions reveals several critical gaps (Almujaini et al. 2021). First, while the importance of strategic innovation is widely acknowledged, there is a notable lack of empirical studies specifically examining its influences on institutional performance within the Ethiopian context. This gap leaves a void in understanding how these innovations are operationalized and their unique implications for local institutions society (Happy Ananda et al. 2023).

Also, existing literature often fails to provide context-specific insights, particularly regarding the challenges faced by Ethiopian institutions in implementing strategic innovation (Abrokwah-Larbi 2023). Additionally, there is insufficient exploration of the specific metrics and methodologies used to assess the influence of such innovations, as well as limited attention to the perspectives of key stakeholders, including faculty, administrators, and students (Salisu and Abu Bakar 2020). Longitudinal studies are also lacking, which are necessary to evaluate the long-term influences of strategic innovation on performance. Finally, a comparative analysis of strategic innovation practices in Ethiopian institutions versus those in other regions or countries is absent, limiting our understanding of best practices and lessons learned.

RESEARCH QUESTION

What is the relationship among the adoption of strategic innovation practices and the performance outcomes of higher education institutions in Ethiopia?

MATERIAL AND METHOD

This cross-sectional, quantitative investigation thoroughly investigates the dimensions of strategic innovation among small and medium enterprises in Ethiopia. Before the final data collection, the investigation was pre-tested by five academics and six practitioners in the country to ensure the validity, reliability, and accuracy of the measurement scale. Adjustments were made to the questionnaire based on their feedback to enhance its reliability and relevance to the Ethiopian context (Timothy 2022). The total population of active administrative staff at Bule Hora University, a higher education institution established in 2016, was considered for this investigation. The sample size was determined using Yamane's formula.

$$n = N \{ 1 + N \cdot e^2 \}$$

where:

- n = sample size
- N = total population size
- e = margin of error (expressed as a decimal)

Common choices for the margin of error are 0.05 (5%) or 0.10 (10%). For a more precise investigation, we can use 0.05. Rounding up, the calculated sample size would be approximately 334. If the calculated sample size is 334, a sample size of 425 can be justified as it exceeds the calculated minimum (Remenyi et al., 1998, Lai Van Voi 2023). This may provide a buffer against

non-responses or increase the investigation's statistical power (Karaev and Mercan 2023). The sample size of 425 employees is justified as this larger sample can enhance the reliability of the findings, accommodating potential non-responses and improving the overall robustness of the SEM analysis (Timothy 2022). Depending on the actual total population, the justification may vary, but a larger sample size generally contributes positively to the validity of research conclusions. A sample size of 425 was utilized to analyze the data through the SEM data processing technique employed in this investigation (Amentie, Negash, and Gurmessa 2016). Data collection was completed in 2023, and all samples were gathered using a 5-point Likert scale. To uphold the rights of respondents regarding data privacy and choice, as well as to protect their personal information, participants were informed about the overall purpose and content of the questionnaire prior to taking the survey, in consideration of ethical standards (Le Danih Vinih 2023).

Due to the specific nature of the research, purposive sampling was used, targeting respondents who were knowledgeable about the internal business strategies and procedures of the companies involved (Kamandi, Kinyua PhD, and MuchemiPhD 2021). This sampling method enabled researchers to concentrate on a particular group with unique characteristics that could provide valuable insights for addressing the investigation's objectives. The target population consisted of managers from medium- and large-scale industrial firms in Ethiopia (Alhakimi and Mahmoud 2020). To identify these firms, the researchers used a list of small and medium-sized enterprises registered with the Industrial Park Development Authority (IPDC) in Ethiopia. Subsequently, the investigation reached out to the relevant firms to gather information from mid- to upper-level managers (Almujaini et al. 2021).

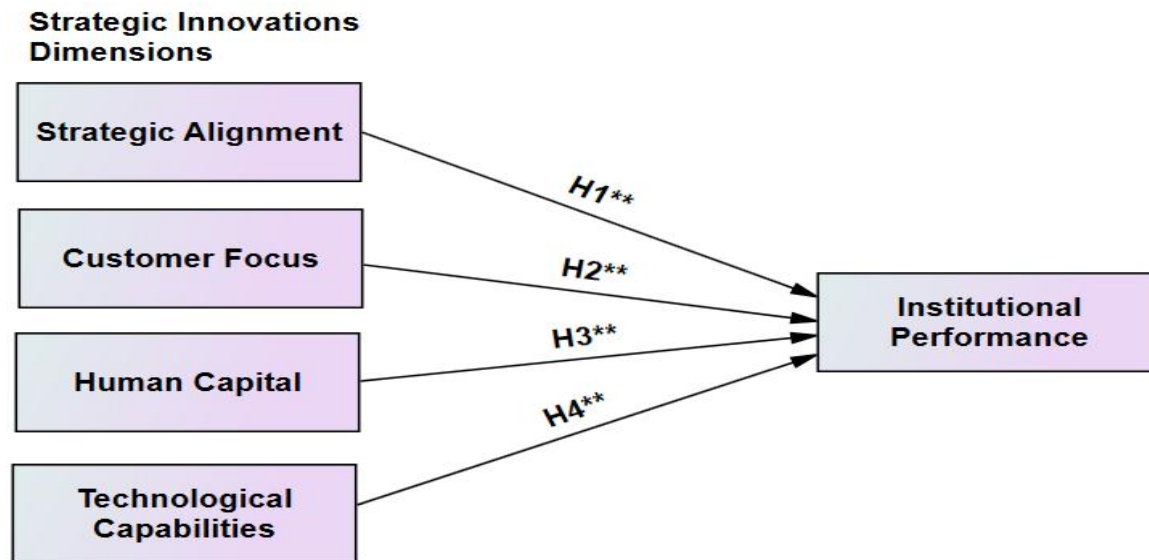


Figure 1 Conceptual Framework

Source: Researchers own construct (2024)

RESULT AND DISCUSSIONS

Test for Reliability and validity

Researchers analyze several metrics, including variance inflation factors (VIF), average variance extracted (AVE), composite reliability (rho_a and rho_c), and Cronbach's alpha, to assess the validity and reliability of Table 1. These metrics are commonly used in psychometrics to evaluate the validity and dependability of a measurement instrument (Mutinta 2020).

Table 1 Reliability and validity

Variables	No. items	Mean	Standard deviation	Cronbach's alpha	Composite reliability (rho_a)	Average variance extracted	Variance inflation factors
Strategic Alignment	6	3.12	1.012	0.785	0.784	0.639	1.398
Customer Focus	5	3,54	1.126	0.802	0.996	0.588	1.382
Human Capital	6	3,47	1.004	0.769	1.004	0.641	1.483
Technological Capabilities	5	3.01	1.217	0.782	0.901	0.657	1.397
Organization Performance	6	3.28	1.025	0.873	1.028	0.798	0.981

Source: SPSS, 2024; VIF=Variance inflation factors, AVE=Average Variance Extracted; CR=composite reliability

Table 1 manifested an overview of the reliability and validity metrics. Cronbach's alpha scores range from 0.769 for Human Capital to 0.873 for Organizational Performance, all over the acceptable threshold of 0.7, indicating high reliability across the variables. Similarly, the composite reliability values, which vary from 0.784 for Strategic Alignment to 1.028 for Organizational Performance, demonstrate the strength of the assessment tools utilized. In terms of validity, the Average variation Extracted (AVE) values represent the proportion of variation captured by each construct relative to total variance, with values ranging from 0.588 for Customer Focus to 0.798 for Organizational Performance. All AVE values surpass the 0.5 threshold, indicating high convergent validity (Almujaini et al. 2021).

The Variance Inflation Factors (VIF) measured the multi-collinearity among variables, and values range from 0.981 to 1.483, manifesting no substantial multi-collinearity difficulties. Descriptive statistics reveal that the mean ratings for the variables vary from 3.01 for Technological Capabilities to 3.54 for Customer Focus, indicating a generally good view among respondents. The standard deviations, which range from 1.004 to 1.217, indicate significant heterogeneity in answers. Overall, the findings from Table 1 manifested that the dimensions connected to strategic innovation and organizational performance are both trustworthy and valid, laying the groundwork for further investigation in the investigation.

Confirmatory Factor Analysis

Confirmatory factor analysis (CFA) is a statistical method employed by researchers to validate the factor structure of a set of observed variables or to confirm a proposed measurement model (Mansouri et al. 2022). This multivariate analysis technique assesses how well the underlying latent constructs, which the components are intended to measure, correspond with the observed variables or indicators (Mutinta 2020).

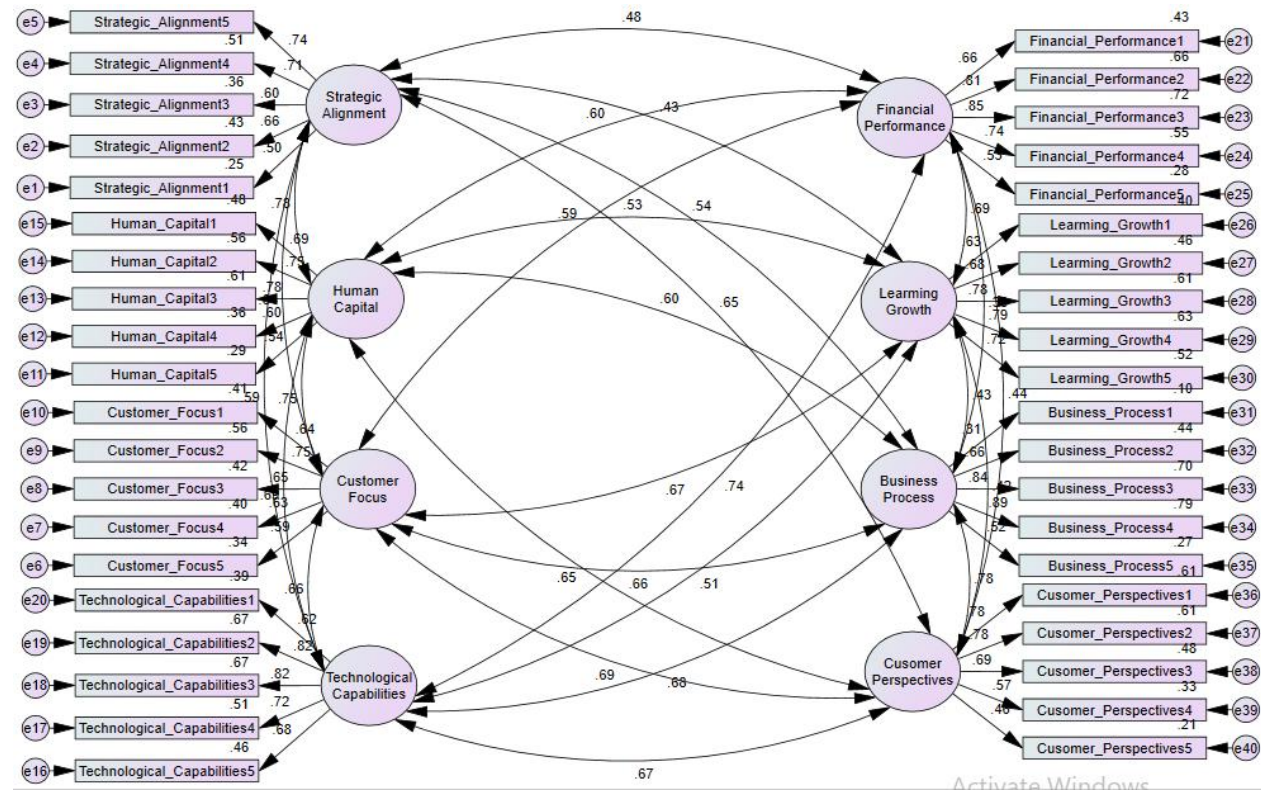


Figure 2 Confirmatory factor analyses
Source: AMOS, 2024

Table 2 Covariance Analysis

			Estimate	S.E.	C.R.	P
Strategic Alignment	<-->	Customer Focus	.098	.015	6.700	***
Strategic Alignment	<-->	Human Capital	.111	.016	7.031	***
Strategic Alignment	<-->	Technological Capabilities	.103	.015	6.969	***
Strategic Alignment	<-->	Financial Performance	.090	.014	6.248	***
Strategic Alignment	<-->	Learning Growth	.073	.013	5.723	***
Strategic Alignment	<-->	Business Process	.053	.011	4.815	***
Strategic Alignment	<-->	Customer Perspectives	.152	.020	7.598	***
Customer Focus	<-->	Human Capital	.142	.020	7.240	***
Customer Focus	<-->	Technological Capabilities	.152	.019	7.806	***
Customer Focus	<-->	Financial Performance	.146	.020	7.180	***
Customer Focus	<-->	Learning Growth	.152	.020	7.469	***
Customer Focus	<-->	Business Process	.085	.017	5.111	***
Customer Focus	<-->	Customer Perspectives	.213	.026	8.263	***
Human Capital	<-->	Technological Capabilities	.150	.019	7.767	***
Human Capital	<-->	Financial Performance	.141	.019	7.265	***
Human Capital	<-->	Learning Growth	.114	.017	6.506	***
Human Capital	<-->	Business Process	.073	.015	4.898	***
Human Capital	<-->	Customer Perspectives	.188	.024	7.798	***
Technological Capabilities	<-->	Financial Performance	.211	.024	8.835	***
Technological Capabilities	<-->	Learning Growth	.135	.018	7.284	***
Technological Capabilities	<-->	Business Process	.102	.019	5.360	***
Technological Capabilities	<-->	Customer Perspectives	.240	.026	9.091	***
Financial Performance	<-->	Learning Growth	.193	.024	8.161	***
Financial Performance	<-->	Business Process	.061	.014	4.426	***
Financial Performance	<-->	Customer Perspectives	.167	.024	6.928	***
Learning Growth	<-->	Business Process	.063	.014	4.513	***
Learning Growth	<-->	Customer Perspectives	.146	.023	6.491	***
Business Process	<-->	Customer Perspectives	.156	.028	5.616	***

Source: AMOS, 2024

When researchers analyzed the covariance estimates, they discovered that positive values indicate a tendency for the variables to move in the same direction; that is, when one variable grows, the other tends to increase as well, and vice versa (HAILEMARIAM 2020). According to the covariance estimates in Table 2, researchers concluded that there are significant positive association among various pairs of variables, such as strategic alignment, customer focus, human capital, technological capabilities, financial performance, learning growth, and business processes. For instance, an estimate of 0.098 for the correlation among Strategic Alignment and Customer

Focus, with a standard error of 0.015 and a critical ratio of 6.700 (***), suggests that increasing strategic alignment leads to an increase in customer focus (Li et al. 2020).

These favorable interactions may have a significant influence on enterprises. For example, improving strategic alignment may help an organization increase its customer focus, people capital, technology capabilities, financial performance, learning growth, and business processes. This suggests that the many parts of an organization are interrelated and influence one another (Reyad et al. 2020). As a result, if an organization emphasizes developing strategic alignment, it may see good influences across numerous domains, highlighting the interdependence of different organizational components (Firm and Strategies 2021).

Table 3 Assessment of normality

Variable	min	max	skew	c.r.	kurtosis	c.r.
Technological Capabilities	1.784	5.000	-.469	-4.318	.172	.683
Customer Focus	1.598	5.000	-.282	-2.502	.408	1.754
Human Capital	1.387	5.000	-.369	-3.435	.431	1.875
Strategic Alignment	1.752	5.000	-.571	-5.207	1.132	4.592
Institutional Performance	1.196	5.000	-.914	-7.365	.874	4.203
Multivariate					8.204	10.691

Source: AMOS, 2024

In table 3, the skewness values indicate that each variable's distribution is asymmetrical. All of the variables have negative skewness values, indicating that the data is skewed to the left. The skewness absolute values, on the other hand, are relatively small, indicating that the distribution is normally distributed. The critical ratio (c.r.) values indicate standardized skewness values and provide a measure of the extent of the deviation from normality (Mansouri et al. 2022). The small c.r. values for all variables manifested that the deviations from normality are statistically significant. The kurtosis values indicate whether the distribution is peaked or flat (Afshar and Ranjbar 2023). In comparison to a normal distribution, the distribution with positive kurtosis values for Strategic Alignment, Institutional Performance, and Multivariate has flatter tails. In conclusion, the examination suggests that the variables follow a general normal distribution. In

The measurement model consists of the following latent variables and indicators:

- Strategic Alignment** (Latent Variable)
 - Strategic_Alignment5 (Indicator): Loading .68, Error e5
 - Strategic_Alignment4 (Indicator): Loading .62, Error e4
 - Strategic_Alignment3 (Indicator): Loading .72, Error e3
 - Strategic_Alignment2 (Indicator): Loading .54, Error e2
 - Strategic_Alignment1 (Indicator): Loading .82, Error e1
- Human Capital** (Latent Variable)
 - Human_Capital1 (Indicator): Loading .78, Error e15
 - Human_Capital2 (Indicator): Loading .72, Error e14
 - Human_Capital3 (Indicator): Loading .70, Error e13
 - Human_Capital4 (Indicator): Loading .62, Error e12
 - Human_Capital5 (Indicator): Loading .62, Error e11
- Customer Focus** (Latent Variable)
 - Customer_Focus1 (Indicator): Loading .74, Error e10
 - Customer_Focus2 (Indicator): Loading .88, Error e9
 - Customer_Focus3 (Indicator): Loading .70, Error e8
 - Customer_Focus4 (Indicator): Loading .68, Error e7
 - Customer_Focus5 (Indicator): Loading .66, Error e6
- Technological Capabilities** (Latent Variable)
 - Technological_Capabilities1 (Indicator): Loading .62, Error e20
 - Technological_Capabilities2 (Indicator): Loading .68, Error e19
 - Technological_Capabilities3 (Indicator): Loading .80, Error e18
 - Technological_Capabilities4 (Indicator): Loading .74, Error e17
 - Technological_Capabilities5 (Indicator): Loading .72, Error e16
- Strategic Innovation** (Latent Variable)
 - Strategic_Innovation1 (Indicator): Loading .56, Error e51
- Institutions Performance** (Latent Variable)
 - Institutions_Performance1 (Indicator): Loading .56, Error e55
- Financial Performance** (Latent Variable)
 - Financial_Performance1 (Indicator): Loading .66, Error e21
 - Financial_Performance2 (Indicator): Loading .72, Error e22
 - Financial_Performance3 (Indicator): Loading .63, Error e23
 - Financial_Performance4 (Indicator): Loading .68, Error e24
- Learning Growth** (Latent Variable)
 - Learning_Growth1 (Indicator): Loading .72, Error e25
 - Learning_Growth2 (Indicator): Loading .80, Error e26
 - Learning_Growth3 (Indicator): Loading .78, Error e27
 - Learning_Growth4 (Indicator): Loading .70, Error e28
 - Learning_Growth5 (Indicator): Loading .76, Error e29
- Business Process** (Latent Variable)
 - Business_Process1 (Indicator): Loading .64, Error e30
 - Business_Process2 (Indicator): Loading .68, Error e31
 - Business_Process3 (Indicator): Loading .72, Error e32
 - Business_Process4 (Indicator): Loading .56, Error e33
 - Business_Process5 (Indicator): Loading .60, Error e34
- Customer Perspectives** (Latent Variable)
 - Customer_Perspectives1 (Indicator): Loading .72, Error e35
 - Customer_Perspectives2 (Indicator): Loading .68, Error e36
 - Customer_Perspectives3 (Indicator): Loading .70, Error e37
 - Customer_Perspectives4 (Indicator): Loading .84, Error e38
 - Customer_Perspectives5 (Indicator): Loading .66, Error e39

Table 4 Regression Weights

Source: AMOS, 2024

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increasing by 1.408 units for every unit increase in Strategic Alignment. The standard error of 0.149 indicates the accuracy or uncertainty of this estimate, with lower numbers suggesting better precision (Sujati et al. 2020). At conventional levels, the estimate is statistically significant ($p < 0.05$) with a critical ratio of 9.458. This manifested a high likelihood of a meaningful association among Strategic Alignment and Institutional performance (Zelege 2020).

Table 5: Standardized Regression Weights

			Estimate
Institution Performance	<---	Strategic Alignment	.559

Source: AMOS, 2024

Table 5 manifested the standardized regression weight for the link among Strategic Alignment and Institutional Performance. The estimate has a value of 0.559, demonstrating a significant positive association among these two constructs. This suggests that increased Strategic Alignment leads to a large rise in Institutional Performance (Al Muala et al. 2013). The standardized regression weight of 0.559 indicates that everyone standard deviation improvement in Strategic Alignment is projected to result in a 0.559 standard deviation rise in Institutional Performance. This research emphasizes the value of strategy alignment in improving overall institutional influence in higher education settings (Şahin and OZTURK 2022). It means that institutions that prioritize strategic alignment are likely to realize significant improvements in their performance outcomes. Overall, the findings manifested that creating strategic alignment is critical (Sujati et al. 2020).

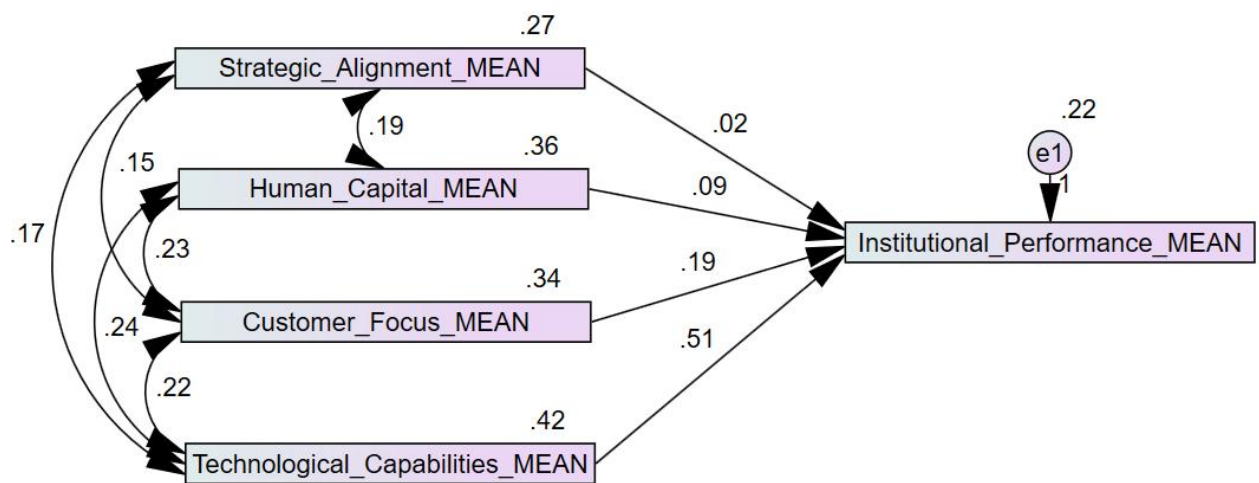


Figure 4 Path diagram

Source: AMOS, 2024

Table 6: Hypothesis Testing

			Estimate	S.E.	C.R.	P	Label
Institutional Performance	<---	Strategic Alignment	.032	.048	.503	.582	H1
Institutional Performance	<---	Human Capital	.102	.046	1.641	.069	H3
Institutional Performance	<---	Customer Focus	.205	.049	3.645	.00	H2
Institutional Performance	<---	Technological Capabilities	.496	.050	10.292	.00	H4

Source: AMOS, 2024

Table 6 manifested the findings of hypothesis testing for influences on institutional performance. The path from Strategic Alignment to Institutional Performance has an estimate of 0.032, a standard error (S.E.) of 0.048, and a critical ratio (C.R.) of 0.503, for a p-value of 0.582. This implies that the link is not statistically significant, implying that Strategic Alignment has no substantial influence on Institutional Performance in this model. In comparison, the path from Human Capital to Institutional Performance has an estimate of 0.102, a S.E. of 0.046, and a C.R. of 1.641, resulting in a p-value of 0.069. Although not statistically significant ($p < 0.05$), the influence is near to significance, indicating promise.

The association among Customer Focus and Institutional Performance has a greater influence, with an estimate of 0.205, a S.E. of 0.049, and a C.R. of 3.645, yielding a highly significant p-value of 0.00. This research suggests that customer focus has a significant beneficial influence on institutional performance. Finally, the path from Technological Capabilities to Institutional Performance has the highest estimate (0.496), with a S.E. of 0.050 and a C.R. of 10.292, resulting in a p-value of 0.00. This finding implies that technological capabilities considerably improve institutional performance (Shaanika 2022).

Table 7 Standardized Regression Weights

			Estimate
Institutional Performance	<---	Strategic Alignment	.020
Institutional Performance	<---	Human Capital	.088
Institutional Performance	<---	Customer Focus	.171
Institutional Performance	<---	Technological Capabilities	.503

Source: AMOS, 2024

Table 7 displays the standardized regression weights. The estimate for the route from Strategic Alignment to Institutional Performance is 0.020. This manifested a very weak positive association, implying that Strategic Alignment modifications have little influence on Institutional Performance. The connection among human capital and institutional performance has a somewhat higher estimate of 0.088. While this suggests a favorable influence, it is minimal, manifesting that gains in Human Capital contribute only to the enhancement of Institutional Performance (Dawadi and Giri 2021). Customer Focus has a higher significance level of 0.171, indicating a greater favorable link with Institutional Performance. This implies that increased customer focus leads to significant gains in institutional performance (Mansouri et al. 2022).

The path from Technological Capabilities to Institutional Performance has the greatest influence, with an estimate of 0.503. This reveals a substantial positive association, implying that higher levels of technological capabilities are linked to large gains in institutional performance. Overall, the data from Table 7 manifested that, while all four factors have a positive link with institutional performance, Technological Capabilities has the most influence, followed by Customer Focus, Human Capital, and Strategic Alignment, which has the least influence. This emphasizes the importance of technical improvements in improving performance results in higher education institutions (Siam, Shaari, and Heriyadi 2022).

DISCUSSION

The investigation of the links among strategic innovation characteristics and institutional performance in Ethiopian higher education institutions yields some important findings. Notably,

Technological Capabilities appeared as the most powerful predictor of Institutional Performance, with a normalized regression weight of 0.503. This emphasizes the crucial role that technology plays in improving educational results and operational efficiency, implying that institutions should prioritize expenditures in technical infrastructure in order to prosper in a competitive environment. Similarly, Customer Focus had a significant positive association with Institutional Performance, as evidenced by a standardized regression weight of 0.171. This emphasizes the significance of recognizing and meeting the needs of students and stakeholders, demonstrating that a student-centered strategy may lead to higher levels of satisfaction and performance.

In contrast, the lesser associations discovered for Human Capital (0.088) and Strategic Alignment (0.020) indicate that, while these dimensions are essential, their direct influence on performance may be less noticeable when compared to technology and consumer engagement. This suggests that institutions should not only coordinate their policies and invest in human resources, but also guarantee that these efforts result in concrete initiatives that improve performance. Overall, the findings highlight the interconnectedness of these strategic innovation dimensions and their various influences, implying that Ethiopian higher education institutions can significantly improve their performance outcomes by focusing on technological advancements and cultivating customer association.

CONCLUSION

In conclusion, this investigation highlights the critical role of strategic innovation dimensions in enhancing the performance of higher education institutions in Ethiopia. The findings indicate that Technological Capabilities and Customer Focus are particularly influential, demonstrating strong positive association with Institutional Performance. This underscores the necessity for institutions to prioritize technological advancements and adopt a student-centered approach to meet the evolving needs of stakeholders. Conversely, while Human Capital and Strategic Alignment are important, their relatively weaker influences suggest that efforts in these areas should be complemented by more immediate and actionable strategies that leverage technology and enhance customer engagement. Overall, the results provide valuable insights for policymakers and educational leaders, emphasizing that a holistic approach to strategic innovation—focusing on technology integration and customer-centric practices—can significantly elevate institutional

performance in the competitive higher education landscape. Future research should continue to explore these dynamics, particularly in identifying the specific elements of technology and customer focus that drive performance outcomes, ensuring that institutions remain responsive to the challenges and opportunities in the evolving educational environment.

RECOMMENDATIONS

Based on the findings of this investigation, several recommendations can be made to enhance the performance of higher education institutions in Ethiopia through strategic innovation. First, institutions should prioritize investments in modern technological infrastructure, including advanced learning management systems and digital resources, to facilitate influential teaching and improve administrative processes. Such enhancements can significantly boost operational efficiency and enrich the overall learning experience for students. Additionally, fostering a strong customer-centric culture is essential; institutions should implement feedback mechanisms—such as surveys and focus groups—to better understand and address the needs of students and stakeholders. This engagement can enhance student satisfaction and retention. Also, institutions should focus on professional development for faculty and staff to build Human Capital, ensuring that educators are equipped with the skills necessary to leverage new technologies and teaching methodologies influence. Lastly, it is crucial for institutions to align their strategic initiatives with actionable goals, ensuring that efforts in strategic alignment translate into tangible improvements in performance. By adopting these recommendations, higher education institutions in Ethiopia can create a more responsive and influence educational environment that meets the demands of a rapidly evolving landscape.

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Declaration of Conflict of Interest

The authors declare that there are no conflicts of interest related to this research. No personal, financial, or professional association influenced the outcomes or interpretations of this investigation.

Ethical Clearance

This investigation was conducted in accordance with ethical standards. Ethical clearance was obtained from the Ethics Committee College of Business and Economics, Bule Hora University. All participants provided informed consent prior to their involvement in the investigation.

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Authorship

The authorship of this research is as follows: Dr. Kennisa Lemmi contributed to the conception and design of the investigation, data collection, and manuscript writing. Gada G. was involved in data analysis and interpretation, and contributed to the writing and Dr. Shashi Kant helped in editing of the manuscript. All authors have approved the final version of the manuscript and agree to be accountable for its content.

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