

A Quality-Oriented Approach toward Strategic Positioning in Higher Education Institutions

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Abstract—Positioning the organization in the strategic environment of its industry is one of the first and most important phases of the organizational strategic planning and in today knowledge-based economy has its importance been duplicated for higher education institutes as the centers of education, knowledge creation and knowledge worker training. Up to now, various models with diverse approaches have been applied to investigate organizations' strategic position in different industries. Regarding the essential importance and strategic role of quality in higher education institutes, in this study, a quality-oriented approach has been suggested to positioning them in their strategic environment. Then the European Foundation of Quality Management (EFQM) model has been adopted to position the top Iranian business schools in their strategic environment. The result of this study can be used in strategic planning of these institutes as well as the other Iranian business schools.

Keywords—Strategic planning, Strategic positioning, Quality, EFQM model, Higher education institutions.

I. INTRODUCTION

STRATEGIC thought and action have become increasingly important and have been adopted by public and non-profit planners to enable them to successfully adapt to the future [1].

The strategic plan describes the route from the present position described by the mission to the desirable future position described by the vision [2]. Strategic planning consists of planning processes that are undertaken in firms to develop strategies that might contribute to performance [3]. It can result in performance enhancement by creating a better understanding of the important environment [4]. Then the examination of the organization's competitive environment and its strategic position in this context is of special importance in the process of strategic planning of the organization [5].

In today's knowledge-based economy, higher education institutions as centers for human resource development are playing an essential role in economic growth and development of the countries [6]. Then the strategic planning in such institutions is of a great and specific importance [1] and gives it a holistic and shared understanding of how it adapts to education policy, environment and develops its activities for a better future [7]. Up to now, many have highlighted the vital role of the quality in higher educations [8, 9, 10, 11] and some have counted it as one of the elements of strategic plans in such area and have emphasized on using quality and excellence models in evaluating strategic environment of HEI [6, 12, 13]. Even, some others have assumed concentration on the quality as an effective strategy in this area [7].

The purpose of this research paper is to employ a quality-oriented approach to investigate the strategic and competitive environment of higher educations. Then we have used the European Foundation of Quality Management (EFQM) model to strategically analyze of the higher educations' setting. This model is adapted and utilized for the case of 6 top Iranian business schools and then the position of each has been defined and investigated in the setting, in comparison with the others. The results of this study can be used directly in strategic planning of these schools as well as all other Iranian business schools. Also it can provide us a holistic perspective of HEIs in Iran.

In this paper, initially, we review the literature in separate parts of strategic management of HEIs, the strategic role of quality in HEIs and the EFQM model. Next, the research method will be explained, including the EFQM model for HEIs and data normalization and lastly, the research findings will explore the strategic positions of the business schools in the area accompanying a precise analysis. The paper will be ended with stating the results and some suggestions for further researches.

II. LITERATURE REVIEW

A. Strategic Planning in Higher Education Institutions

Within a new global environment, characterized by rapid change, intense information flows and increasing competition through the reduction of barriers to trade and exchange, higher education institutions are slowly emerging as organizations driven by the commercial imperative of market-led forces [14]. Most of today's HEIs acquire a major portion of their funding from external sources and the private sector rather than the public sector. Institutions, therefore, had to compete for funds from both public and private sectors and also compete for potential students [15]. Also, universities currently face immeasurable complexities and turbulence in their external environments and their internal organizations are consequently under pressure to adapt in an effective way [16]. Then the intentions to survival oblige them to use strategic planning and management to adapt to their variable environment and to be responsive and supportive of their customers' needs [1, 17].

Till now, many studies have been conducted about applying strategic planning in the area of higher education. A number of them [18, 19, 20] investigate the strategic directions in corporate universities. Brock [16] investigates whether combinations of strategies, planning modes and levels of autonomy are associated with superior college effectiveness. Also, Petrides [21] discusses how institutional leaders at

community colleges have used the implementation of strategic planning processes to break down information silos, increase collaboration among units, streamline information and work processes, and provide greater access to both academic and operational information.

Johnson and Scholes [22] divide strategic planning process to three phases which are interlinked, as the following:

1. strategic analysis
2. strategic choice
3. strategy implementation

In strategic analysis phase, the strategist is trying to understand the position of the organization in its environment, whereas strategic choice is the generation of strategic options, the evaluation of these options and the selection of a specific strategy. Finally, strategy implementation deals with planning and allocating resources, as well as managing strategic change.

The examination of the environment is the first step in strategic analysis and involves the identification of the organization's current strategic position. This procedure may also be called "environmental scanning", which Pashiardis [23] believes is essential for an effective planning. One needs to know the environment in which one operates before making any decisions about the organization, so as to be able to match one's capabilities with the environment in which the organization operates.

Brock [16] emphasizes on high degree of complexity and turbulence in higher education besides many other studies [7, 24, 25] that highlight the precise examination of strategic environment in the process of strategic planning in higher education. Also Kraus assumes the environmental examinations as the key to the higher performance levels in universities.

Up to now, various models have been deployed for strategic analyzing and environmental scanning, each which has different point of view in this analysis. Some researches [7, 10, 11, 26, 35] have used the Balanced Scorecard approach in this phase of strategic planning. Also, Resende and Silva [27] have exercised the Data Envelope Analysis technique, which has a performance-oriented approach, for strategic positioning of banks and Zheng and Stewart [28] have applied this technique in the area of higher education. Another bunch of researches [29, 30, 31, 32, 33] have exploited the EFQM excellence model, which has a quality-oriented approach toward environmental assessment, for analyzing higher education institutions. Then each model has a diverse approach which would be suitable for the environmental scanning in a special context that diagnosis of this appropriateness requires perception of priorities and primary directions of the industry.

B. Strategic Role of the Quality in HEI

There is a prevailing belief that higher education has come in a new environment in which quality plays an increasingly essential role [9]. Feigenbaum believes that the quality of education is the key factor in invisible competition between countries [34]. University administrations are clearly interested in any activities that could significantly impact the quality and performance levels of the university, as are other stakeholders [8]. All over the world, universities are facing the

challenge of being centers of excellence for teaching as well as research. On one hand universities are increasingly being required to teach ever increasing number of students in increasing numbers of specializations and disciplines, and on the other they are being asked to pay more attention to quality of teaching and educational programs [11].

Since the public sector organizations usually take their mission as given and try to reduce their costs, improve quality and do it more efficiently, the strategies of non-profit organizations in the public sector typically feature an operations excellence theme and Quality is of an essential importance in such public or non-profit organizations [10]. Then because of the public nature of almost all higher education institutions in Iran, an environmental scanning with a quality-oriented approach could provide us with better results.

Kettunen [7] assumes the quality and productivity enhancement as one of the most efficient strategies in higher education and King [6] believes that the quality is the challenge and strategic dilemma of the twenty first century and emphasizes on the quality concentration in university strategies. Chadwick [12] assumes the quality issues as an integral part of the corporate planning process and specially university strategic plans. Since 1992, South Bank University, one of the largest HE institutions in London, has been committed to a total quality management initiative and utilized it as a part of its annual strategic planning processes. Linking Quality into the strategic planning process is essential in order to ensure that the university plans centre around and constantly refer back to the delivery of a quality service to its student customers. In achieving this, South Bank starts to establish competitive advantage by achieving "differentiation through quality" [12]. Also the University of Louisville developed a quality measurement system, called QMS2000, in 2000 for using its reports in the process of strategic planning [13].

Regarding all mentioned about the importance of quality, setting quality-oriented strategies and linking quality assessment to the university strategic planning processes, this research has deployed the EFQM excellence model for strategic scanning of the environment of top Iranian business schools and positioning them in their strategic context. The results can be useful for strategic planning of these business schools as well as the others.

C. The EFQM Excellence Model

The success of the Baldrige Model (USA) and the Deming prize (Japan) encouraged the formation of the European Foundation for Quality Management (EFQM) in 1988. The 14 founders of EFQM were all Presidents of world-class organizations representing a number of different markets and were endorsed by the European Commission. The EFQM excellence model was introduced in 1991 with the European Quality Award being awarded for the first time in 1992 [31]. Initially, it was mainly implemented by industrial organizations. These organizations have currently built up much experience in the issues to be addressed when aiming for successful implementation of the model. Till now it has been used in various industries such as schools, hospitals, police and public organizations [36].

The Fundamental Concepts of Excellence

For an organization to maximize the benefits of adopting the EFQM Excellence Model, a management team must first ensure that it is comfortable with these concepts. Clearly if these Concepts are not fully understood and accepted then progress with adopting the Model will be difficult and potentially meaningless.

There is no significance intended in the order of the concepts. The list is not meant to be exhaustive and they will change as excellent organizations develop and improve.

The Fundamental Concepts are [36]:

1. Result orientation: Excellence is achieving results that delight all the organization's stakeholders.
2. Customer Focus: Excellence is creating sustainable customer value.
3. Leadership and Constancy of Purpose: Excellence is visionary and inspirational leadership, coupled with constancy of purpose.
4. Management by Processes and Facts: Excellence is managing the organization through a set of interdependent and interrelated systems, processes and facts.
5. People Development and Involvement: Excellence is maximizing the contribution of employees through their development and involvement.
6. Continuous Learning, Innovation and Improvement: Excellence is challenging the status quo and effecting change by utilizing learning to create innovation and improvement opportunities.
7. Partnership Development: Excellence is developing and maintaining value-adding partnerships.
8. Corporate Social Responsibility: Excellence is exceeding the minimum regulatory framework in which the organization operates and to strive to understand and respond to the expectations of their stakeholders in society.

The EFQM Framework

The EFQM Excellence Model is a non-prescriptive framework based on 9 criteria. Five of these are 'Enablers' and four are 'Results'. The 'Enabler' criteria cover what an organization does. The 'Results' criteria cover what an organization achieves. 'Results' are caused by 'Enablers' and 'Enablers' are improved using feedback from 'Results' [37].

The Model, which recognizes there are many approaches to achieving sustainable excellence in all aspects of performance, is based on the premise that: Excellent results with respect to Performance, Customers, People and Society are achieved through Leadership driving Policy and Strategy, that is delivered through People, Partnerships and Resources, and Processes [37].

The EFQM Model is presented in Fig. 1. The arrows emphasize the dynamic nature of the Model. They show innovation and learning helping to improve enablers that in turn lead to improved results.

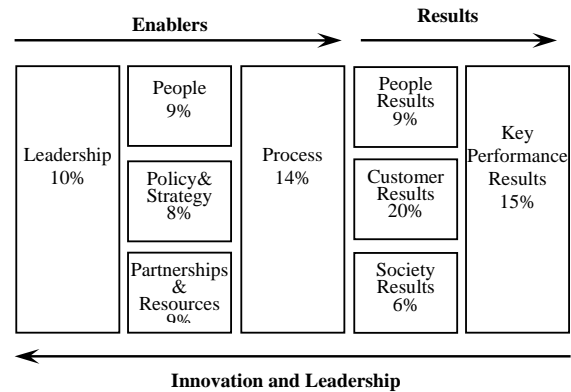


Fig. 1 the EFQM Model

III. RESEARCH METHODOLOGY

The European Foundation for Quality Management has represented variety of tools and methods for measuring the 9 criteria of the EFQM model including questionnaires, matrix chart, checklist and simulation [38]. Also, Jackson [39] has stated that there is no best way for such a measurement and each method has its strengths and weaknesses. Then each of these methods can be used for the measurement depending on the special circumstances of the organization and the industry such as amount of time and financial, informational and human resources that is available. In this research we have used both checklist and questionnaire along each other.

IV. RESEARCH FINDINGS

In this section, the previously mentioned research methodology has been applied for the data of 6 top Iranian business schools. The results of this investigation and each business school's scores in each of the 9 criteria of EFQM model have been summarized as it is shown in the table I. These scores have been visualized in the figure 2 in a comparable manner.

TABLE I
UNIVERSITIES' SCORES IN THE VARIOUS EFQM CRITERIA

| Criteria | A | B | C | D | E | F |
|--------------------------|-------|-------|-------|-------|-------|-------|
| Leadership | 3.26 | 2.88 | 4.20 | 3.40 | 2.31 | 7.94 |
| People | 7.31 | 3.03 | 7.05 | 1.67 | 4.89 | 5.92 |
| Policy & Strategy | 0.08 | 2.72 | 2.06 | 8 | 0.08 | 3.25 |
| Partnerships & resources | 4.76 | 3.45 | 3.18 | 5.77 | 4.31 | 4.26 |
| Process | 4.83 | 6.52 | 6.58 | 5.18 | 8.26 | 6.49 |
| People Results | 2.49 | 0.09 | 5.84 | | 9 | 1.10 |
| Customer Results | 2.59 | 3.96 | 5.53 | 9 | 14.36 | 20 |
| Society Results | 0.75 | 1.05 | 4.90 | 3.03 | 2.70 | 0.26 |
| Key Performance Results | 12.14 | 5.81 | 11.41 | 0.29 | 6.04 | 5.26 |
| Total Score | 38.22 | 29.50 | 50.76 | 36.34 | 51.96 | 54.48 |

Careful examination of the Fig. 2 reveals that F has a notable competitive advantage in both areas of leadership and results for customers which are the most important criteria in the EFQM model. Then this has brought about the highest final score for the faculty amongst all. Additionally, with a comparison between all results criteria of this faculty, the customer-oriented strategy of the faculty will be disclosed.

Although, D is of such a competitive advantage in the criteria of policy and strategy, and partnerships and resources and it caused discrimination in comparison with the others, serious weakness in the criterion of people has concealed their effect and it has not been able to get a proper score in the area of results and eventually on the whole.

Except in the criterion of policy and strategy, A has totally placed in a moderate position in comparison with the others in the area of the enablers. But its serious weakness in this criterion of enablers has resulted in the low scores in the area of results and also on the whole.

In almost all criteria of the enabler area, B has got an improper position and it has an acceptable position in the criterion of process in comparison with the others. This weakness in the area of enablers, directly, has shown itself in the area of results as well as the final score.

C has got a moderate position in just about all criteria of both areas of enablers and results and this balance placed it in the third place, totally, in comparison with the others. Also, E has got competitive advantage in the criteria of the process and the people results on one hand, and immense weaknesses in the criterion of policy and strategy, on the other hand.

In the final scores of the EFQM model, F, E and C are placed in the highest position with no significant difference. After them, A, D and B, correspondingly, are placed in the next places with a notable difference. Regarding all the research findings, it can be inferred that the primary reason that has brought about the high position of the first three universities is their customer-oriented approach and high scores in the customer results which is of the greatest importance in the model.

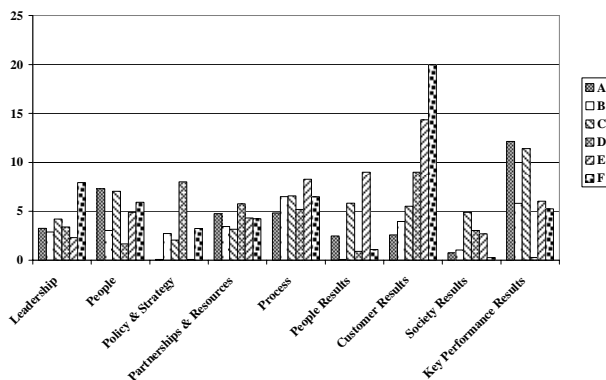


Fig. 2 business schools' position in the various criteria of the EFQM model

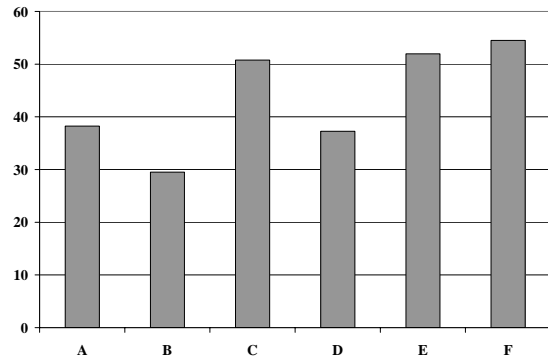


Fig. 3 Business schools' final score in the EFQM model

V. CONCLUSION AND FURTHER RESEARCH

A. Conclusion

In this study, the EFQM excellence model has been adapted for strategic positioning HEIs. This was measured by the questionnaire and checklist and applied for top Iranian business schools. These institutions have been assessed in each criterion of the model in both areas and their position among their competitors has been defined.

According to the previously mentioned research findings, F has competitive advantages in the criteria of leadership and customer results and has got a customer-oriented approach. Since these two criteria are of great importance in the EFQM excellence model, F has been placed on the top based on the total score. Despite the competitive advantage that D has had in the policy and strategy, and partnerships and resources, it has not been able to get a strong position in results area and the total score because of the weakness in the people criterion. Also, A's weakness in the policy and strategy has affected its total score severely. In almost all criteria except the process, A has got an unfavorable situation and it has brought it about the lowest position in the total score. C has approximately a moderate position in both areas of enablers and results and E has a competitive advantage in the process and people results but it is weak in the policy and strategy.

B. Further Research

Strategic management is one of the most important subjects that have drowned business managers' attention and this importance is duplicated for the HEIs which are the pioneers of the science and technology. One of the vital elements in strategic management and planning is to have a comprehensive view toward the organization's strategic position in the industry environment and in comparison with the others. In the strategic management literature, several various models have been applied for such a positioning. It is obvious that every model has its own approach toward the analysis of the environment. In this study, this strategic positioning has been done for top Iranian business schools based on the quality-oriented approach of EFQM excellence model. For sure, it would be useful if we could exercise some other approaches for such investigation for these business schools such as balanced scorecard, value chain and Data Envelope Analysis (DEA) and compare the results. Such a

comparison would reveal the ability of each model to describe and justify the strategic position of the HEIs. Finally, such extensive study would help universities to apply the best model or a combination of them for strategically analyzing the higher education environment.

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