Competitive Strategies In Higher Education: Case Of Universities In Malawi

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ABSTRACT:

In Malawi, higher education is regarded as an important component of the entire education system because of its role in creating new knowledge and skills through teaching and research. This article is part of the large study which was aimed at understanding the developments in higher education in Malawi, considering the increase in number of universities and diversed ownership in higher education sector. It was a qualitative study which sampled six universities and used the in-depth interviewing technique to collect data. Ground theory was used to analyse the data.It was found that almost all strategies, programmes and courses in the higher education sector are replicated. However, the results still suggest that competitive strategy influences both competitive advantage and higher education business sustainability.All the universities in the study had strategy development as a continuous process and remain part of strategic component in the higher education management. Therefore, this article recommends that competitive strategy development and implementation should be contextualised because some competition forces recommended in literature are not applicable in the higher education sector.

Key words; Higher education, Strategic management, Competitive strategy, Competitive advantage

INTRODUCTION

In Malawi, higher education is regarded as an important component of the entire education system because of its role in creating new knowledge and skills through teaching and research.

The current higher education sector in Malawi comprises public universities (government funded), religious affiliated universities (religious agencies funded) and real private universities (individuals or group of people funded). This classification reveals a possibility of different approaches in conducting business and services in higher education sector.

The higher education sector, in Malawi, has gone through reforms in the past 15 years. The reforms have resulted in the growth in number of universities from one university which dominated

the market from 1964 to 1997 to four public and more than ten private universities. The increase in the number of universities in the country has seen universities competing for customers and fighting over market share.

According to Kotler and Murphy (1981:470), if colleges and universities are to survive in the troubled years ahead, a strong emphasis on planning is essential and the appropriate approach is marketing planning. With the advent of competition, the universities have to find ways of survival. To be successful on the market these universities must find strategies (Prahalad and Ramaswamy, 2004) to satisfy their customers by providing them with attractive programmes and courses. As business entities, old universities must maintain their customers through competitive advantage and new universities must find strategies to attract and maintain customers (Porter, 1985 and Morgan and Hunt, 2002).

Although universities compete for customers but the underlying challenge is that universities programmes and courses are so similar that there is essentially no programme one university can introduce that other universities cannot easily replicate. According to Schmitt (2007), competitive strategy is about being different, deliberately choosing a different set of activities to deliver a unique mix of values vis-à-vis competitive position about differentiating yourself in the eyes of the customer. This article intends to report part of findings from large study, but for the sake of this study it aims to develop a better understanding of the competitive strategies in the universities in Malawi.

LITERATURE

Strategic management research suggests that the way an organisation acts and responds in a market determines its ultimate organisation performance. Thus, there is need for a comprehensive understanding of the context in which strategic management initiatives are undertaken. This is important as it provides a basis for identifying viable strategies that ensure effective development and implementation of strategies. (Rindova, Ferrier and Wiltbank 2010)

A number of authors have pointed out that strategic management is a complex concept to define because it involves a wide range of factors and processes. Despite this complexity different authors (Fitzroy and Hulbert 2005, Pearce and Robinson 2000, Porter 1996, Snyman and Kruger 2004), have defined it. Fitzroy and Hulbert (2005) believe that strategic management involves creating organisation that generates value in a turbulent world over a sustained period of time. This definition emanates from the understanding that strategic management has a development agenda alongside the renewed emphasis on organisation sustainability. Snyman and Kruger (2004) presents strategic management as an evolutionary process with single most important issue. Prahalad and Ramaswamy (2004), Porter (1996) and Carnillus (1997) argued that new environment necessitate a complete new thinking. This means therefore, as pointed by Snyman and

Kruger (2004) strategy formulation is an ongoing process of reinventing the organisation in order to create the future.

Literature shows that strategic management takes many forms, depending on the type of organisation. Studies within strategic management have focused on the role of competitive action for the organisation to create competitive advantage for them and undermine competitive advantage of competitors. Rindova, Ferrier and Wiltbank (2010) emphasised the importance of competitive action for industry position and gain competitive advantage. Therefore, understanding how business uses competitive strategies to succeed has been a core in strategic management. (Schmitt 2007, Hutzschenreuter and Israel, 2009).

Competitive strategy can be described as a living phenomenon, a sequence of interconnected actions and reactions unfolding over time, (Hutzschenreuter and Israel, 2009). This means competitive strategy concerns how to create competitive advantage in each business in which an organisation competes. This means, apart from having different meanings, competitive strategy shows variations in rationale and purposes attributed to the concept in different situations and organisations (Chen, Kaita, McDonald and Eisenhardt 2010). Research in competitive strategy has shown that factors which push for the creation of competitive strategies in most organisations are; the threats of entry by new competitors, the intensity of rivalry among existing competitors, pressure from substitute

products, the bargaining power of buyers and the bargaining power of suppliers (Porter 1996, Carnillus 1997 and Hutzschenreuter and Israel 2009). This shows that subsequent competitive actions will depend on the market not just whether the organisation performance is high or low (Chen, Kaita, McDonald and Eisenhardt 2010). The higher performers seek to maintain the status quo, which may require different strategies in different markets. The same applies to the under performers who seek to disrupt the status quo, which may also require different strategies in different markets. (Weerawardena 2003)

The decision on the form of strategy should consider the challenges in implementing the competitive strategy as a process. (Schmitt 2007) Some important pre-conditions for successful implementation of competitive strategy, according to Hutzschenreuter and Israel (2009), porter (1996), Hamel and Prahalad (1993) are; technological context, regulatory context, competitor action and competitive landscape, product and market context, organisational performance and organisational structure.

Literature shows that history, organizational performance builds a level of confidence that encourages organisations to continue with past strategies. (Hutzschenreuter and Israel 2009) This means that past memories and outcomes of previous performance influence the competitive strategy. It also appears strategic persistence after good performance, corporate aggressiveness and product portfolio affect strategic actions (Schmitt

2007). Research in dynamic competitive strategy has also identified strategic context factors; organizational structure and organizational resources and capabilities as important factors in organizational performance. While the strategic context focuses on organization history of competitive and corporate strategic decisions. This is where organisations tend to pursue strategic actions that follow those taken in the past.

The structure facilitates the strength and duration of strategy adaptation. Hutzschenreuter and Israel (2009) indicated that small organisations tend to be faster in executing their own competitive action, but slower in responding to their rivals. This means organizational resources and capability are the foundation of competitive advantage.

An organisation exists in relation to the surrounding (macro environment) from which it draws input resources and to which it supplies goods and services (Dess et al, 2005). It can thus be said that an organisation shares a 'symbiotic' relationship with its environment, that is, the organisation is open to and dependent on the environment in which it operates and the environment also benefits. This symbiotic setting provides multiple contexts which influence the organisation's operations, its processes, products and services (Pearce and Robinson 2002). Since these multiple influences form the boundaries within which an organisation performs, forces outside the organisation can have a considerable

bearing on what is going on within. This means that trends and events in the macro environment can have a dramatic impact on an organisation; and also that those factors from outside may be so powerful and cause lose of discretion to pursue its own strategies (Dess et al, 2005; Price, 2004; Lusthaus et al 1995). The environment can therefore facilitate or inhibit organizational performance. The key macro operating environmental forces that bear on the organisation like university include the legal/administrative, technological, political, economic and social cultural contexts and its stakeholders. Hence the analysis of the environment is an attempt to understand the forces outside the organisational boundaries that help shape the organisation and its performance.

Organisational motivation represents the underlying personality of an organisation. It is derived from the history of an organisation, its vision, mission and culture. It is this personality that drives the performance of individual members and ultimately that of the organisation (Pearce and Robinson 2002). To understand an organisation's motivation and reasons of being in the market and be able to compete favourably, it is necessary to study the organisation's history, its vision, mission, culture and, incentive and reward system.

Every organisation is grounded in a unique history. This history helps to shape cultural values, beliefs, ethics and taboos. These then become the basis of the performance of individuals and organisations (Pearce and

Robinson 2002). This means that major historical events which have shaped an organisation in a particular way may be the origin of its various deeply-rooted traditions and behavioural patterns which influence attitudes, beliefs, determination of moral principles of employees and the organisation, and in turn impact on organisational performance (DeFleur et al, 2005). This proposition is particularly true of higher education because of its origins and historic perspective including its public profile and stakeholder expectations and satisfaction. The influence of history in the development and implementation of competitive strategy is an important element to understand for higher education business sustainability.

An organisation's mission, captured in a mission statement, provides the basis for which goals and objectives can be set to answer any and every question that may arise in the course of executing organisation activities (Pearce and Robinson 2002). It provides focus on the desired organisation outcomes. Mission therefore, provides a broad framework for organisational activity and has a bearing on organisational performance. Hence, in this case mission statement becomes an important tool for the development and implementation of a successful competitive strategy.

An organisation is a socially-constructed complex system and, if some parts do not function optimally, the nature of the system and its overall functionality is altered. An organisation's culture

is an example of a subsystem within the organisation and every organisation displays a distinct culture of its own. Culture generally refers to a system of values, norms and behaviours that characterize the manner in which groups and individuals combine to get things done in an organization (Robbins, and Langton,2003)

From the foregoing, organisational culture can inhibit or enhance organisational performance. The basic assumption in this article is that culture has also impacted on the performance of higher education and continues playing an influential role. Given this assumption, this research effort seeks to understand how organisational culture in the higher education has influenced the development of competitive strategies and its impact on university sustainability. An analysis of organisational culture will help in the understanding of the factors that have supported or hampered performance.

METHODOLOGY

This article attempts to provide a better understanding of the competitive strategies used in higher education. The study adopted a qualitative research approach whose purpose is to understand the social phenomena from the respondents and participants' perspective (Macmillan and Schumacher, 2006). The study adopted purposive sampling which uses the researcher's judgment as to which colleges are rich in the information to address the research questions of the study. Six universities were

sampled, two public, two religious affiliated and two private.

Individual in-depth interviews aimed at 6 university vice chancellors or their representative. However, specifically the study interviewed three vice chancellors, one pro-vice chancellor and two academic managers representing their vice chancellors. The Document analysis was also used to provide an opportunity for triangulation. The study used semi-structured interview schedule in order to get an insight into the understanding of the concept of decentralisation and how it is being implemented. Document analysis involves the reviewing and analysis of official documents that were useful in terms of the information and themes the research was investigating.

Qualitative data analysis was done by using ground theory, specifically, through constant comparison analysis approach. There was no predetermines codes or categories to explore. However, the qualitative emerging themes were recorded. The themes were analysed within theme and across theme, within theme similarities, inter-theme differences, pairing of themes, as well as dividing themes according to source. (Eisenhart, 1989)

RESULTS AND DISCUSSION

The market context refers to competitive strategy decision about the product portfolio, discussion on target market, new product introduction and market entry. The analysis of the six universities reveals the trend of programmes and courses on the market. Despite the programmes and courses being similar, it stills shows that the six universities are responding to the higher education market with more products and services.

According to one religious affiliated university, products and services offered are designed to meet customer needs. He reported to have huge customer base therefore there is need for more products and services to offer to parents. He added that their products and services are marketed in their respective churches and other Christian related outlets

The customer research provides the basis for the development of new services to meet targeted customer needs. The six universities adopted several marketing strategies to respond to the competition in the higher education industry. Here, marketing strategy refers to the strategy employed by organisation to achieve its marketing plan and in turn achieve the firm business objects. These strategies are goals in action plan that deal with issues of product and service price, distribution, communication and new product development process. One vice chancellor had this to say;

> Our strategy is first to understand our market, which shows that, some old and flagship universities still appear to be attracting more attention. We compete with them through working on their failures. Everybody is looking forward to join them but they have limited space. Therefore we advertise after they have released their selection list. In terms of

programs and course we are offering the same courses.

The six universities are providing programmes and courses for different market segments. This market segment is the unique piece of the total market that the business can claim and defend because of competitive advantages. The university one still continues to dominate the undergraduate and postgraduate programmes. The university one has segmented the customers and dominated in almost all the segments.

The six universities have also taken programmes and courses positioning as an important factor in developing market strategy; the image of the university in higher education is important if it is to be differentiated from the competitors, this involves the way programmes and courses are made available to customers which will create lasting image of the university in the minds of customers.

In all the six universities it was revealed that there is a fully marked programme of events in relation to marketing and promotion. Promotion strategies involve informing, persuading and influencing customers. The Universities have turned into advertising the programmes and courses aggressively. This is being done through press adverts, and sponsoring of different events. This is a new strategy in Malawi higher education because universities in Malawi were not advertising programmes and courses. However, the intensity of marketing of programmes is different between different categories of

institutions. There is more advertising in exercise taking place in the privately owned institution, seconded by faith organisation owned institution. Although the researcher has no evidence to show any causal link between new enrolments with its advertising, it is believed that it has potential to play a significant role in the growth of new enrolment. The researcher has no evidence either whether the culture of promotion and advertising in higher education for programmes and courses is prompted by need to increase the enrolment, competition due to the increased number of universities or the introduction of new products and services which are new for the customers to comprehend. There is potential that all might be true but the element of competition may be able to influence all the other approaches.

The current higher education programmes and courses have delineated the type of programmes and courses and categories of offer of activities at different levels. Nevertheless, the main challenge is the continuous change of customer needs in terms of course and programmes of study, thus to ensure that there is also continuous provision of programmes and courses, the competitive strategies should be a living process for the university.

Successful development and implementation of competitive strategy is dependent on the availability of the necessary preconditions which include the technological context which refers to the characteristics and development of the technologies that an organisation relies on to

conduct business. The higher education in Malawi has invested in computer and information technology in order to make themselves visible through websites.

The product and market context refers to the competitive strategy decision about the product portfolio, discussion on target market, new product introduction and market entry. An analysis of the six universities reveals the trend of programmes and courses on the market. Despite the programmes and courses being similar, it still shows that the higher education is responding to higher education demands and changes with more programmes and courses.

CONCLUSION

There are important constructs related to the development and implementation of competitive strategies and its impact on the higher education in Malawi. The results are meant to answer the research question on: how higher education competitive strategies are being applied.

The process of developing competitive strategy appears to be an ideal method of creating and increasing competitive advantage to oneself and even undermining competitive advantage of competitors. The different strategies employed by different universities on different programmes and courses appear to have a positive impact on programmes and courses offered to the customers.

Despite universities starting on slightly different objectives, the study revealed that all higher

education institutions are prone to competitive approach for sustainability. The old ones would like to maintain the competitive advantage, while the new would like to establish the competitive advantage. However, the degree of marketing varies in the scope and the targeted category of students.

It has also been revealed that the increased number of secondary school graduates has created an available market for new universities because the government sponsorship cannot cater all. The public universities with their flagship, low fees and available education loans attract more students than the religious and private universities.

The challenge is the expectation from the higher education leaders to think and act with strategic approach in mind as their responsibility. This will help them find their own competitive strategy aligned to the institutional goals. Planning has become inevitable for the higher education institutions. .

There is also virtually nothing university can do that its competitors cannot replicate very quickly without fear of being questioned. All what universities do is to avoid using the same name that the other university used for that particular programme. In the operation of universities there is no different between big and small university because all of them compete on the same market. Therefore, it is difficult to build a sustainable competitive advantage. Eventually all the strategies in higher education are replicated and this makes development and implementation of

sustainable competitive advantage in higher education a very difficult process. Despite this situation, there are continuous efforts by universities to compete for survival in higher education market by using different competitive strategies.

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