

ACADEMIC INSTITUTIONAL PERFORMANCE MAINTAINED BY ORGANISATIONAL STRATEGIES: A CASE OF THAILAND

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ABSTRACT: One of the most important areas to be taken into account by nearly all organisations is searching to acquire a competitive advantage and the sustainability needed to develop organisational resources. In particular, organisational strategy is one of the main areas requiring further investigation. This research seeks to scrutinise to what extent different types of organisational strategies are associated with academic institutional performance.

Keywords: Academic Institutional Performance, Competitive Advantage, Organisational Strategies

INTRODUCTION

Several organisational strategies are generally acknowledged and applied throughout both profit and non-profit organisations: cost leadership, product differentiation and niche market [1]. First, cost leadership is considered to be the concept of establishing low-cost production in the manufacturing process, at the same time maintaining equivalent or higher quality. Second, product differentiation is related to the approach in which institutions offer, for example, a variety of courses for students. Third, niche market considers, for example, the idea that institutions focus on the needs of their students, meeting their expectations and contributing to their chosen career paths. In this study, informants were asked to evaluate their institutional performance in relation to others in the same sector.

The academic institution was used as the unit of analysis. Semi-structured interviews were selected as the technique for data collection. Informants were selected according to the rating of their own institution: one each from the institutions attaining the highest, moderate, and lowest scores. The in-depth interviews consumed about forty-five minutes to an hour. The data were recorded and transcribed as electronic files.

The results show that there is an association between the independent and dependent variables. The three different organisational strategies were applied to the integration of different plans and activities of the organisations. The organisations each focused on different strategies to reach different levels of institutional performance. This suggests that an organisational strategy which is suitable for one institution may not be appropriate for all. There may be other variables influencing the level of institutional performance, such as organisational goals, management styles, and organisational culture.

BACKGROUND

A rational indicator of success is the transformation of the ten ASEAN countries into a single economic community. Thailand is one of the strongest, emerging communities in Southeast Asia structuring the ASEAN Economic Community (AEC) [2]. This cooperation is supposed to facilitate vast investment in the global market accompanied by an increasing number of population in this region [3]. Additionally, Hallinger and Kantamara [4] found that Thai education has predominantly been shifting towards strategic

leadership as a culture process in Southeast Asia. Hence, this suggests that the current study of organisational strategies could drive higher education in Thailand to be received as an international standard one of the key factors constraining the Thai economy.

Furthermore, human capital is the main area which every nation is continuously investing in and developing [5, 6]. In meeting these challenges, academic institutions in Thailand may need to apply appropriate organisational strategies to attract as many students as possible from inside and outside the AEC region [7]. To be competitive, an institution must be able to exhibit superior quality in providing education [8]. Although several universities are aiming to be research-based, there is no objective evidence that they are adopting a research orientation as a core theme into their curricula [9]. In addition, Kaplan and Norton [10] propose a ‘Strategy Map’, related to the concept proposed by Porter [11], suggesting that any organisation needs to be aware of different elements: portfolio management, or reorganising, transmitting and sharing skills and activities. Hence, understanding the association between organisational strategy and academic institutional performance is necessary to determine the best approaches to increasing performance in the long run. Identifying appropriate strategies will lead to a better approach in improving the organisation, in the long term resulting in improved overall performance.

RESEARCH CONCEPTUAL FRAMEWORK

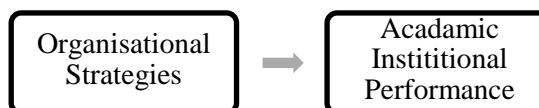


Fig. 1: The links between competitive advantages and organisational strategies through academic institutional performance

Research Question: ‘To what degree are organisational strategies associated with the academic institutional performance in sustaining a competitive advantage?’

Research Objectives:

- To investigate to what extent there is an association between organisational strategies and academic institutional performance.
- To distinguish the effective organisational strategies which support academic institutional performance.
- To provide recommendations on how to apply

organisational strategies to improve academic institutional performance.

LITERATURE REVIEWS

To be competitive, from the perspective of a resource-based view, Barney [12] suggested that whenever organisations within an industry encounter identical surroundings of supply and demand and perform under the relevant market environment, some organisations within the same industry can operate at greater levels of organisational performance when compared with others. Peppard & Rylander [13] recommend that there is no single strategic model reaching satisfactory levels for the competitive environment that is radically different from the industrial organisational and resource-based perspectives. Ghobadian *et al.* [14] established that managers are the key persons to identify and use the often intangible asset-based routines that are required for successful alliance development and management to possess information that is hard for competitors to comprehend, especially if efforts were to be made to imitate them. A sustainable competitive advantage is generated when a proficiency fulfils the four conditions of being 1) valuable, 2) rare, 3) difficult to imitate, and 4). non-substitutable [12]. Academic institutions in Thailand are mostly supported by the Ministry of Education (MOE). This study is focused on higher education establishments including universities, colleges, vocational schools, and other related higher education institutions. Kotler & Keller [1] found that different organisations may succeed at different levels of academic institutional performance since they may apply different organisational strategies. Therefore, it may be possible that any organisations with limited and specific organisational resources will succeed under the same conditions and market environment. Crucially, the managers are the main persons applying different strategies to sustain the organisational performance. This means that organisations applying different organisational strategies may result in achieving different levels of organisational performance.

1. Organisational Strategies

Strategic management normally involves constant change in business, requiring adaptation in compliance with the outside world. Strategic management is divided into three phases:

First, strategic planning (strategy formulation) is a matter of vision. It requires strategic objective metrics and a goals-strategy map. Second, it is related to strategy implementation or putting the strategic plan into practice to make an action plan. The refinement of the management elements includes the structure, technology and organisational members. Third, strategic control monitors and evaluates implementation, reviews the situation and refines the strategy. All of this leads to an outline for strategy, implying a focused organisation.

Selecting the appropriate organisational strategy can substantially contribute to the success or failure of the organisation, as strategic management enhances the organisation's ability to determine goals and directions and influence sustainable competitive advantage. The generic organisational strategies are as follows:

a. Cost Leadership

This is the concept of establishing a competitive advantage

by reducing costs in the manufacturing process, while still maintaining equivalent or higher quality. Hence, dealing with cost reduction is one of the most important concerns. Reusing and recycling of organisational resources may be appropriate, and it is widely recognised that ecological concepts have been applied in different academic institutions. However, it may not be simple to save costs in professional quality, teaching materials and academic facilities [15]

b. Product Differentiation

Zeynep and Masini [16] define this approach as following revenue-oriented firms while simultaneously differentiating products in less competitive industries. It is related to the manner in which institutions can offer different courses or disciplines providing students with a variety of choices [17].

c. Niche Market

This is related to the way the institution focuses on the needs of its students, meeting their expectations and supporting their chosen career paths. Therefore, as suggested by Thompson *et al.* [18], different groups of students may demand different courses to meet their individual interests.

2. Academic Institutional Performance

Performance assessment is an indication of the level of institutional success. It refers to the results of operations or strategy by institutional members [19, 20]. In this research, the informants were asked to evaluate their academic institutional performance compared with others in the same sector.

RESEARCH PHILOSOPHY AND METHODS

There are different approaches to learning how to build a house, either by studying different houses or studying a single house. The first approach represents a cross-case study, and the latter a case study. In this research we focus on the case study approach, in which the unit of analysis is the directors of the academic institutions industry in Thailand. Semi-structured interviews were the technique used to collect the data. Informants were selected according to the rating of their own institution's performance: one each from institutions attaining the highest, moderate and lowest scores [21]. They were asked to evaluate their academic institutional performance by focusing on the financial aspect, providing a percentage score against other organisations in their sector [22]. The in-depth interviews consumed forty-five minutes to an hour. This research teams consist of two primary researchers, the first one is the academic researcher and university lecturer, and the second one is a formally-trained qualitative researcher. The data were recorded and transcribed as electronic files. The data were analysed and grouped using the NVIVO programme.

METHODOLOGY

Along with the results of quantitative research [23], two independent variables, product differentiation and niche market, are statistically related to the dependent variable, academic institutional performance. More importantly, Pearson's correlation statistical test indicates that product differentiation as an organisational strategy is the most significant variable related to the dependent variable. Next, the qualitative approach was applied to triangulate the findings and to discover insightful information from the

informants.

The qualitative approach focuses on “building a complex, holistic picture, formed with difference of opinions, reporting detailed views of informants, and conducted in a natural setting” [24, p.2]. It draws on specific epistemological positions, such as post-modernism, interpretivism, critical theory and constructivism [25]. The reason that this topic is particularly suitable for the qualitative method is its multidisciplinary nature, which requires more open methodological preferences than do many single disciplines. Thus, at each session of the interviews, the researchers would be able to understand the various different reasons and insights provided by the informants. Therefore, semi-structured interviews were applied to collect the data.

FINDINGS

The findings show the association between independent and dependent variables suggesting relationships between:

a. Product differentiation and academic institutional performance

One of the informants said that “*We plan to add new disciplines to meet the needs of students*” (Informant_1, 55 years old); this implies that there will be more choices for the students to focus on. Moreover, other informants reinforced this viewpoint: “*Every five years, we agree to amend the structure of modules for the new disciplines and offer new trends of studies such as family-business management and event marketing, mass communication for the executives*”. This can be interpreted as relating to product differentiation. Recent researchers’ introduction of a varied selection of courses may encourage students to apply [17, 26]. It seems that students have different preferences, but these are straightforward. Moreover, after transcribing the interviews we found that developing a new course may help an institution to catch up with new academic trends for students and thus differentiate itself from other institutions. By applying new marketing strategies, an institute can meet its students’ demands.

In particular, the key people to consult are the students’ parents, who are influencers and decision-makers, especially in the case of undergraduate students in the Thai context [27]. Pimpa [27] established that financial support seems to be one of the most important areas. In selecting an institution, its reputation is also part of their concerns. The institution’s goals can also be perceived by students as a future consideration, for example offering not only one degree, but also offer double and sandwich degrees: two degrees over five years, or 2+2 programmes composed of two years in Thailand and two years in France.

b. Niche market and academic institutional performance

As highlighted by Flavián et al. [28], the education sector has emerged through new technology as a viral instrument to assure new circumstances for both studying and instructing. One informant said that “*Based on our record in the past three years..., specific courses are required because the demands of the students have been increasing, such as more specific courses for the hospitality department: home-made*

ice-cream, coffee-barista, and freshly cooked dishes.” (Informant_2, 58 years old). This implies that more specific courses will attract students’ interest. Another informant said that “*the MBA for executives has been widely accepted since there are a number of adult students who are sole proprietors, requiring updating their knowledge in today’s business trends.*” (Informant_1). Thus, this statement supports the previous explanations.

In addition, five out of nine informants expressed that a specific course of study is more attractive to potential students. For example, in one of the business school courses, Agricultural Economics, not all modules are solely related to economics but are also related to the Thai Traditional Medical Doctor (TMD), which is an alternative approach to medicine concentrating on using herbs to heal patients. Health is currently a major concern for people, together with new ecology- and environment-friendly trends. Therefore, this discipline is becoming more and more significant for Thai students. Thus, it may be asserted that the specific needs of students may support academic institutional performance. In addition, these findings are consistent with those of Thompson *et al.* [29], who proposed that universities aim to compete with specific, narrow options.

c. Cost leadership and academic institutional performance

One of the informants said that “*recruiting lecturers with high qualifications is needed since the role of lecturer is not only teaching but also researching and supporting academia*” (Informant_3, 63 years old). Another said that “*it is important to invest in instructional media*” (Informant_2). These imply that cost leadership may not be strongly supportive to institutional performance; the findings are consistent with those of [15]. Larger class size to accommodate increased numbers of students could use economies of scale to inform the cost leadership strategy.

In conclusion, the results show that there is an association between the independent and dependent variables. Different organisational strategies, cost leadership, product differentiation, and niche marketing were integrated in the plans and activities of different organisations. The study developed a model relying on empirical evidence that we collected directly through repeated face-to-face interviews with the informants. This shows that different organisations have been achieving different levels of institutional performance; hence, a particular organisational strategy may be appropriate for one institution but not for all. Other variables which may influence the level of academic institutional performance are organisational goals, management style, and organisational culture.

RECOMMENDATIONS

The research findings indicate that product differentiation and niche market were found to be supportive of academic institutional performance. Hence, informants may need to consider the application of both strategies to maintain their institutions’ competitive advantage. It may also be supportive to informants to continuously improve specialised fields of study to meet the demands of students. Given that there has been a rapid interchange concerning global trends, it is clear

that investing a large budget may help to improve academic institutional performance. Furthermore, less emphasis should be put on the cost leadership strategy as it may not be appropriate to some institutions with students with special demands. In addition, cost reduction in the business of education implies lowering quality, which not surprisingly can ruin the institution's reputation and its competitive advantage.

LIMITATIONS AND FUTURE RESEARCH

Replicating the method of this study in different regions or cultures may be useful to confirm whether the findings of this research could be generalised in different contexts. In particular, longitudinal studies may be an alternative way to ensure the highest levels of reliability and validity of research findings. Furthermore, acquiring different data from different informants may be useful in attaining more insightful information, since the data attained from different informants with different responsibilities and positions may result in different opinions. Last but not least, due to time and budget limitations, the time-span of the semi-structured interviewing in this research was limited, so it may be useful for future research to extend the length of the interviews with informants, to attain a deeper understanding and more insightful data.

CONCLUSION

The qualitative approach was applied to analyse the data. The findings indicate that product differentiation and niche market are helpful in developing academic institutional performance.

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