

## New Management Approaches in Higher Education

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**Abstract:** Today's universities may want to consider strengthening their customer oriented approaches in interactions with students. Institutions of higher education are grappling with difficult fiscal realities, a new emphasis on students as consumers, faculty challenges in balancing rigor and student course ratings, as well complex human performance processes. Student expectations, faculty pressures, and competitive markets all contribute to an environment where it's now commonplace to negotiate critical standards in higher education. This paper examines various influences on institutions of higher education as they move toward a customer-oriented focus. It presents relevant aspects of the marketing approach of the universities' activities in the current market conditions of higher education institutions. It also stresses the importance of balancing the needs of various customer groups while continuing to serve as purveyors of educated human resources in a global economy. The result showed that higher education managers must be more open and flexible, to help them explore "new angles" for addressing some of the many difficult problems of HE management through the use of new approaches.

**Key Words:** Management Approaches, Higher Education, Change Management, Marketing Approach

### 1- INTRODUCTION

Higher Education (HE) is currently operating within an environment of continuous change and uncertainty. Vice-Chancellors, Executive Managers, Deans, Departmental Heads and Administrative Managers are encountering an acceleration of varied and difficult managerial problems. Morgan (2006) asserts that successful managers are "open and flexible", suspending decisions whenever possible, until a better understanding of the problem is attained. He believes that modeling insights may lead to a range of informed decision scenarios that may solve the identified problem. Furthermore, Morgan goes on to suggest that less effective managers are seen to explain and interpret from a "fixed angle", and to continually hammer at persistent problems using the same old methods – which can facilitate disillusionment and conflict amongst academic, administrative and technical staff (Bell et al, 2012). A paper by the Higher Education Funding Council for England (HEFCE) asserts "Higher Education changes lives. It is enriching and inspiring for students and it is vital to social mobility, future economic growth and our international standing". This succinctly captures the need (or "the why") for Higher Education. In the past, HE organizations were considered to have a relatively stable and certain future (Kennedy 2003). However, HE has to evolve to meet the now rapidly changing demands of society and government. Over the last two decades employment patterns have changed significantly, and there is a need for a more highly trained and educated workforce. This workforce must continuously update its skills to meet the changing requirements of the labour market. Recognition of employment changes that affected HE initiated, in the United Kingdom, the Dearing Report (Dearing 1997) which was highly influential in shaping UK HE in the early part of this century. Subsequently, the debt crisis in various European countries has begun to impact on HE. In the UK, a new strategy is being implemented (Lawrence, 2001) to fund HE institutions more directly through student tuition fees and this has essentially "privatized" certain subject areas as government funding for some disciplines such as the humanities is removed. This will have a significant impact upon departmental, faculty and institution budgets, as income becomes directly related to student numbers. In the last decade or so the Government has demanded greater university accountability for the public funds they spend, which has in turn placed an emphasis on management practices and the measurement of education quality. Trow (1994) coined the terms "hard" and "soft" managerialism which characterize the different government and university management approaches respectively (Kekale, 2000). Higher education goes worldwide through a process characterized by significant changes both in educational demand and in the educational offer. Higher education institutions are put in a position to find solutions to problems arising from internal and external customer characteristics.

### 2-COMPLEXITY AND UNCERTAINTY

Higher Education management must address both the problem-setting process and the problem-solving process (Clare, 2005). Whilst we believe the former process requires greater attention, both need consideration for effective management. The problem setting process should consider issues of complexity and of uncertainty.

Academics researchers and practitioners associated with various management related disciplines such as Operational Research, Organizational Behavior or Project Management (Brown, 2013) are exploring these important concepts, and three reasons are identified as to why there is a need to provide an overview of complexity and uncertainty. First, to facilitate awareness of these important notions. Second, to assist with the problem boundary setting. Third, to guide selection of appropriate organizational research approaches leading to informative management decision-making. The notion of complexity is one which has generated new paradigms for decision making within the OR domain. Rosenhead and Mingers (2001) briefly address complexity suggesting that organizations and individuals operate in “densely interconnected networks” in which the ramifications of decisions should not be ignored. Moreover, they argue that there is a dichotomy of problem situations that need to be considered in the selection of decision modeling approaches (Marshall, 2010). Checkland considers decision making from a systems perspective and highlights the distinction between “Soft” and “Hard” systems thinking. Hard systems thinking is associated with methodologies and techniques that are connected with systems analysis and systems engineering. It assumes the world consists of systems that can be objectively modelled, there are agreed goals, and the aim is to determine the most effective and efficient way to attain the goals. Soft systems thinking, on the other hand, accepts the rich complexity of the world and systems concepts are applied to assist with structuring thinking and learning about a problematic situation (Means et al, 2009). Describing problem situations highlights the tension between the objectivist stance, which considers problems as independent of an individual stakeholder’s perspective, and the subjectivist stance which acknowledges the impact of a stakeholder’s perspective in defining or constituting the problems. Related to complexity is uncertainty (especially with respect to social phenomena) and Rosenhead and Mingers (2001) offer three reasons why uncertainty needs to be considered. Firstly, not knowing the impact of other decision-makers, whose choices may affect our decision choices, may seriously undermine the efficacy of decisions made. Secondly the dynamics of network within an organization may not be fully understood and can be turbulent. Hence, forecasting the consequences of actions become problematic. Thirdly, organizations are continually evolving in their mission and this can be very unsettling for staff. Hence problem setting can be extremely fluid (Marshall, 2010).

### **3-CHANGE MANAGEMENT IN HIGHER EDUCATION**

Universities are peculiarly resistant to change (Marshall, 2010) and managing change in universities is perhaps the most daunting challenge facing senior managers in organizations today. A key feature that distinguishes successful change management is effective “stakeholder engagement” (Brown, 2013). Stakeholder engagement can mean different things to different people and can range from the most superficial (telling people what is going to be done to them, i.e., top-down) to inviting them to define the problem in their own terms and encouraging them to develop and implement their own solutions (bottom-up). Top-down approaches tend to work best where outcomes can be predicted with confidence and there is consensus about what those outcomes should be (Brown, 2012). The benefits of top-down include efficient time and resource management and tight control over project outputs. However top-down management does not necessarily guarantee adequate control over outcomes. Outcomes differ from outputs in that outputs are what the project produces (reports, IT systems, procedures, etc), whereas outcomes are how people use those outputs and how they feel about them. A tightly controlled project that produces a technically workable solution on time and to budget is likely to run into implementation and sustainability problems if key stakeholders feel aggrieved about lack of involvement and do not believe the solution meets their needs. While there are many different types of universities, they nevertheless tend to share a culture within which managing works by consent and incrementalism and high value is placed on dialogue and the legitimacy of critique.<sup>1</sup> These are not ideal conditions for top-down methods. At the other end of the spectrum, project outputs that are generated by localized bottom-up initiatives are likely to be enthusiastically supported by their progenitors but largely ignored by the rest of the institution (Brown, 2002; Marshall, 2010). A third possibility is “distributive” leadership in which the change process is a joint enterprise between stakeholders. Distributive approaches entail development of an open sharing culture that values dissemination of information and building of trust between participants, and that therefore is better suited to the organizational culture of universities.

### **4-MARKETING APPROACH IN THE MANAGEMENT OF HIGHER EDUCATION**

Higher education goes worldwide through a process characterized by significant changes both in educational demand and in the educational offer. Higher education institutions are put in a position to find solutions to problems arising from internal and external customer characteristics. The need for universities in the public and private sectors to address this market of higher education in terms of marketing was due to the expansion of the private sector and the emergence of performant universities, which led to increased competition in the educational market (Rogers, 2010). Maringe and Gibbs (2009) found that in Europe, higher education specific to knowledge - based society has become a good and therefore it recourse to the use of marketing tools (Diaconu et

al, 2012). Levy (2006) believes that competition features differ from region to region and from country to country as marketing tools implementation is different compared with the acquired market experience. Marketing application in the field of educational services is known as educational marketing, component of social marketing. On the general, the higher education market is characterized by exchanges, transactions between units providing educational services and organizations within the national economy that benefits of human resource prepared in a specific area based on a curriculum and between schools and consumers of educational services to acquire knowledge, form their skills and abilities to fill a job. Today, this concept of change has generated a broader concept that educational institutions have begun to develop, the concept of relationship (Sharpe et al, 2006). Considering the importance that goes to the educational market, is making it necessary to adopt the concept of market-oriented strategic change defined by Piercy (2002) as the organization's effort to pursue more customer requirements, to identify those factors that determine the customer neglect, to adapt the functional structure so that the employees know very well the requirements of customers that they try to satisfy at the highest level, better than the competition, creating a competitive advantage. Market orientation has been one of the most interesting research fields in the recent 20 years. Recently, some authors believe that marketing orientation should be developed as a business model. In higher education institutions, the ultimate goal of business should be external customer satisfaction (students, employers, society, etc.) and internal customers (teaching and nonteaching staff) as a guarantee of sustainability of a market institution constantly changing (Diaconu et al, 2012). The approach of marketing educational services envisages the orientation to satisfying the customers' needs and using the marketing strategies to the level of university institutions which the education consumers will identify, who are interested in the educational offer for which they have capabilities and will allow adaptation to make it more attractive. The aim of higher education institutions must be the determination of needs, wishes, the education consumers' interests, the adaptation of educational and research approach to offer programmes that maintain or improve long-term satisfaction of their and the society's interests. The process of education, the special needs of supplier services and those of the consumers should be carefully explored as fundamental elements of the education system. The supplier services are directly represented in the relationship with the students by the teachers who are responsible for the generation and transmission of knowledge. The educational process is also maintained by the necessary infrastructure, by the cultural organization, by management that does not always accept quickly a change and for this reason the expectations of educational service consumers are secondary (Diaconu et al, 2012).

### **5-BALANCING CUSTOMER NEEDS AND STANDARDS IN HIGHER EDUCATION**

Colleges and universities are facing major changes as they navigate the 21st century and make decisions that will not only impact higher education but will also contribute to our country's future competitiveness in the global marketplace. While change is unavoidable and higher learning faces difficult choices, we can choose to make proactive decisions and become agents of change. The financial obligations of running an institution today are a major concern. While not a new concept, there is a trend for public institutions to redefine their identity as service organizations and businesses (Cathy et al, 2011). Due to increased financial demands, there has also been a dramatic rise in the cost of attending post-secondary schools. The Delta Project, which focuses on postsecondary costs, productivity, and accountability, points out that while students are paying more of the total costs associated with higher education, less of the tuition-generated revenue is actually going into the classroom. In the 1990s, student tuition paid for approximately 24% of the operating costs at public colleges and universities, in 1998 that percentage rose to 37%, and in 2005 it was nearly 50% (Sharpe, 2006). Today, institutions rely on increasingly large numbers of students to help balance expenditures. As institutions face growing financial constraints due to recent economic events, there is even greater concern that institutions will defer to the value of the monetary benefits of increased enrollments, especially in the face of fewer state resources. Given the importance of enrollment monies, it is not surprising that universities have become very savvy in marketing their institutions to the student customer (Brown, 2002). If the focus is directed at attracting larger numbers of potential students even when it is necessary to modify admission standards, there is an associated risk of also negotiating academic standards to create easier courses and modify academic requirements.<sup>1</sup> The reputation of the institution becomes the most costly casualty of all when academic standards that underlie scholarly integrity are compromised.

### **6- QUALITY HUMAN PERFORMANCE IN HIGHER EDUCATION**

A key component of quality in teaching and learning involves quality human performance by the learner. Substantial financial outlays by companies and the government for training are made in attempts to address problems in the quality of human performance. These efforts have met with minimal success, and major gaps in the standards to which humans have been trained and their resulting performance remain. Swart and Duncan(2005) note that the expected performance in a work setting is generally dictated by a set of valid and appropriate expectations and is attained through proper education and training. When performance consistently

adheres to the appropriate expectations, then quality human performance is achieved. If there is a discrepancy in performance and appropriate expectations, then it must be investigated, causes identified, and appropriate corrective action taken (Bell et al, 2012).

To achieve quality human performance, we posit that three components must be present:

- A clearly defined set of tasks to perform.
- An individual that has the capacity/ability to perform the required task.
- A clear set of standards that define successful performance.

Training and education provide the skills, knowledge, abilities, and attitudes to perform the tasks to standard. In Figure 1 all three variables are conceptually displayed inside a circle of quality human performance.

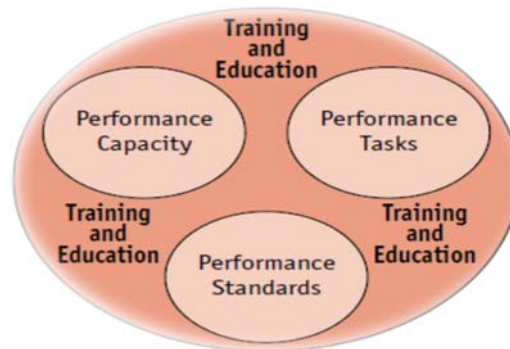


Figure1. The Components of Quality Human Performance (Cathy et al, 2010)

The link that ties these three components together is training and education. If a person can learn the job and the job tasks are performed to a quality standard, then it is posited that quality human performance will ensue. In contrast, Figure 2 displays what happens when the standards are negotiated. Negotiating standards creates wasted performance capacity, which is depicted as the variance from quality human performance.

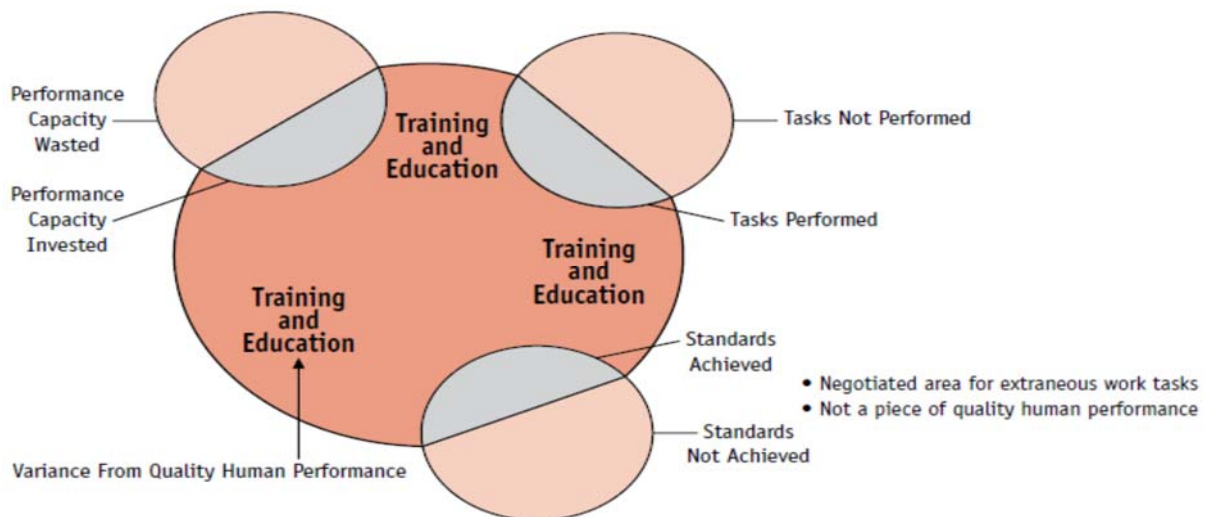


Figure2. Degraded Human Performance (Cathy et al, 2010)

The components are in constant motion: the work to perform (either academic or workplace/tasks), the rules of behavior (what it takes to be successful), and the performer. The key to this process is the underlying self-regulation factor. Quality human performance can be seen as a complex process of balances where several factors have to work together to ensure success with one of the main factors as self-regulation. When the model of quality human performance was applied to college students, they were fully cognizant of the behaviors necessary for academic success, but they often chose not to engage in these behaviors. They fully recognized the discrepancy in their behaviors (what they should do versus what they are doing), but they also did not choose to engage in self correction. Instead they expressed the expectancy that the standards of performance would, and should, be negotiated in their favor. This very act of renegotiating the standards of quality human performance

suggests that business and industry will not necessarily find future employees who possess the skills expected based on their college academic experience.

## 7- CONCLUSIONS AND RECOMMENDATIONS

Most of the discussion in the literature of performance indicators in higher education has been largely restricted to measuring the effectiveness or efficiency of institutional management. For example, staff-student ratios, liquidity ratios and so on, are all measures of various aspects of running the institution rather than directly of the quality of the student experience. The issue of the acceptability of performance indicators in higher education has long been controversial and there have been a number of occasions, indicated in the literature, where performance indicators have been proposed but not widely adopted. Many authors express doubts as to whether performance indicators have a legitimate role in quality assessment of the learning and teaching experience of students. In a small number of instances, there have been attempts to forge links between performance indicators and their possible use in teaching quality simply not applicable. In many instances, the discussion of performance indicators concentrates on the assessment of the efficiency and effectiveness of the operation of the institution. If they are to be applied, there is an understanding of the need for all parties using performance indicators to understand fully their purpose and context and the need for consultation and ownership of any metrics system. The higher education environment appears to differ significantly from other industries and sectors on these issues because links between performance indicators and “product” or “service” quality are often a significant feature of those other industries and sectors, widely understood and embedded in the culture. It may be the case that higher education is so specialized that forging such links is more difficult or that the appropriate tools have not been available. Managers can be thought of as having the ability to operate the “levers” of the institution in order to aim for a particular target. The performance indicator signifies how close to that target the manager is but it does not help them control the lever (Clare, 2005). There are difficulties in finding the message from within large amounts of data and managers continually rely on a process of intuition to solve complex problems when logical (that is number based) methods fail. Other commentators put forward the view that decision making is not an event (where direct measures can be employed), but a process that takes place over time and is therefore subject to other forces beyond the control of the manager (Bell et al., 2012). These views point to the limitations of performance indicators as a management tool. There are parallels to be drawn with higher education. A widely accepted interpretation is that teaching and learning are processes. The fact that they operate in socio-technical environments results in some similarities with management processes. Teachers, like managers, lead, plan, monitor, control and undertake many of the functions required of managers. Consequently, the performance indicators are likely to have the same limitations as those used in other environments. As a consequence, they would have to carry similar “health warnings”. If colleges and universities focus on satisfying students as their primary customers, they may negatively affect another customer group—employers—because the two customer groups have significantly different ways of defining and measuring expectations. There are no easy solutions to addressing the negotiation of standards that undermine quality human performance. All customers of higher education deserve the best we can offer, as higher education, business/industry, and the economic success of the United States are intricately connected and are dependent upon one another. Institutions of higher education, faculty, students, and businesses can serve as contributing architects in ensuring education establishes quality standards. They are all consumers, and they all have a vested interest in maintaining standards. The following remarks can be derived from the paper:

- The marketing approach is a necessity for the success of the management of higher education institutions determined by changes both in terms of the demand of global product offered by the university and the educational supply existent on the market of higher education institutions
- The university marketing strategy is in relationship with the strategy of higher education institution and forms that step by which are identified the target groups and their needs, followed by designing and implementing a balanced marketing mix.
- A competitive advantage can be obtained by considering the variables: quality, material and human support used in teaching and research process, price level and facilities in price policy
- Identifying direct and indirect customer needs and desires determines the need to implement all actions seen as relational marketing which develop and maintain long term relationships with customers and other interested parts as a guarantee of competitiveness of the university.
- So far, most universities were not concerned enough about knowing the dimensions of their own images in the minds of their stakeholders. It is important to build a brand image because the intangible component of the product offered by the university has a considerable weight and reduces the risks posed to a future student placed in a position to choose higher education institution. The brand image of the university is built successfully if the university raises the questions of developing also a brand of human resource in developing and maintaining a sustainable and effective relationship with stakeholders.

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