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Prioritizing Effective Indicators in the Process of Strategic Management of Universities (Case study: Shiraz University)

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Abstract

This research was conducted in order to prioritize indicators of strategic management process of universities, with a case study of Shiraz University. Five steps of strategic management process provided by Hangr and Violin (2012) were evaluated by a standard questionnaire including: The evaluation of the strengths and weaknesses of the internal environment, investigation of opportunities and threats of the external environment, strategy formulation, strategy implementation and, evaluation and control of the process. The questionnaires were distributed among a statistical population of 57 members of Shiraz University, including managers, professionals and experts. Hypothetical indicators 1, 2, 3, 4, 6 and 8 have been prioritized but 5 and 7 were of equal importance. The method used in this research was descriptive survey. Friedman ranking test was used to address the questions and check the research hypothesis.

Keywords: Strategic Management, Effective indicators, Universities, Shiraz University.

Introduction:

Today, change considered as a necessity rather than an opportunity to the higher education and universities. College students, their needs, the society, experiences, governments, have changed as the lifestyle has changed globally. As a result, universities and higher education centers have gradually come to an understanding that the traditional sources as well as the old planning methods are not effective anymore and need to reedit their role and adjust them to the new era. (Arasteh, 2003). Strategic management realized as one of the most important managerial means and techniques to administer an organization.

So that adopting the method, managers and organizations will benefit a lot. The universities are more willing to formulate and implement strategies considering the financial limits, the desire to progress, development and innovation. The strategic management enables the organization to be conducted in an innovative and creative way to form its future not passively.

The management method leads to the organization initiative and changes in its activities to influence over (rather than simply reacting against actions) and so determine its destination and take control of future (Hatami, 2010). The strategic issues typically consisted of the following aspects: require senior managers to decide over, need a lot of the company resources, mostly influence the company success in long term, tend towards future, usually influence on different tasks and business units, require to consider the external environment of the company (Beirami, 2013).

In current study, the effective indicators were prioritized in every step of the Process of Strategic Management of Universities by filed investigation of managers, experts and professionals of Shiraz University. Strengthening the highest indicators in every step of strategic management process, we may coordinate the unlimited needs (strengthening all effective indicators in every step of the process) with the limited sources (financial, human sources and…) and so implement a more fruitful strategic planning.

Theoretical basis of research:

Regarding the research subject, as far as we have surveyed no considerable study has been conducted at universities. So, in line with the above mentioned scientific concepts localization, we are trying to investigate the effective indicators prioritization during a strategic management in universities (with the case study of Shiraz University).

Universities involve with disordered organizational levels including 3 levels as well as control:

Professional and technical level: consisted of research, training section and serving responsibilities which are generally implemented by the academic board.

Formation level: to make sure that the organization is capable of responding appropriately towards the lack of awareness and instability of external social forces which is implemented by boards of trustees and the University heads.

Managerial level: is responsible of two mentioned levels connection and the executive managers are in charge of the tasks (Arasteh, 2003). If you compare a sample business organization with a sample university, you will see that the university conducts less professional activities (the assistant professors do the same job as professors); more specialization witnessed in (the history professors cannot take the accountancy teaching when the registration fees change);less horizontal hierarchy exist (less organizational levels exist among academic board, staff and the head of university); less relation witnessed among the sections (what happens in a scientific section leaves a little impression on other ones); less control exercised over raw material (particularly in public universities in which the student acceptance is non-selective); less accountability seen (since the managerial hierarchy as well as system control less engaged in activities goals guidance); less role playing seen and manifested (the academic board usually implements its technical responsibilities of training away from the eyes of the managers and other experts) (Arasteh, 2003).

Considering the extension of higher educational organizations, it is obvious that the quality of presented services counted as one of the crucial factors on their success and if those organizations want to develop and improve their activities and services and keep the pace with foreign universities strategic moves, they will have to plan continuously on all grounds, that is only achieved by a strategic approach (Hatami, 2010).

The strategic planning takes the educational and social system improvement into consideration which is embedded in. Those graduates not being able to find an appropriate job and be active citizens are considered as examples of the structure failure (Yousefi Tarzjan, 2006).

In recent years, the educational systems of third world countries have faced 5 issues:

High and diverse requests for education, high expenses and difficulties on providing them, educational quality decrease, weakening the relation between education and employment, educational structures management (Yousefi Tarzjan, 2006). During an investigation of Bain and partners institute in 2013 it was found out that the most of managers' use of managerial means and techniques include the strategic management and its components or some related cases (Bain, 2013).

What the most researchers emphasized over in their definitions and also the context of the study based on is that the strategic management process consisted of four main steps: environment investigation, strategy formulation, strategy implementation and strategy evaluation ((David, 2011), (Hunger and wheelen, 2012), (Harison and Caron, 2009), (Peace and Robinson, 2011), (Thampson and Martin, 2005).)

Environment investigation consisted of supervision, evaluation and dissemination of achieved information regarding the internal and external environments of the organization among the key and influential staff (A'rabi & Rezvani, 2011). The environmental investigation is a method the organization adopts to prevent the strategic shocks and guarantee the long term health of that. The investigations show that there is a direct relation between the environmental investigation and organizational profit (A'rabi & Rezvani, 2011).

The internal environment of an organization consisted of variables (strengths and weaknesses) existed inside the organization and they are usually under the continuous and long term control of senior managers. The variables form a context or environment in which the action is implemented. The variables considered as structure, culture and organization sources (A'rabi & Rezvani, 2011).

The External environment consisted of variables (opportunities and threats) existed outside of the organization and they are out of the continuous control of the organization senior management (A'rabi & Rezvani, 2011). Strategy Formulation is planning forward-looking designs for effective management of opportunities and external environment threats as well as the organization internal environment strengths and weaknesses investigation including: organization task definition, operational goals determination, strategies designing and policies determination (A'rabi & Rezvani, 2011).

Since no organization can have unlimited resources, the strategic programmers (strategists) need to make decision on which strategy may bring the most benefits to the organization. And this step has a great importance, because the strategies determine the competitive advantages of the organization in long term periods (A'rabi & Parsaeian, 2012).

The strategy implementation is a process by which the strategies and policies of all steps regarding providing programs, budgets and procedures are noticed and exercised. The process may involve with making changes in culture, structure or the organization management system or change of all the scopes. Clearly, the organization middle levels and operational managers will implement the strategy followed by the senior managers' approval, unless making vast and thorough changes to the organization is essential. The strategy implementation often involves with daily decisions on resources allocation (A'rabi & Rezvani, 2011).

That is why the strategies need to be evaluated, i.e. today's success may not guarantee tomorrow's! Success always causes new and different issues; an organization which is satisfied with its current situation or faces vanity is doomed to failure.

Lorang, Scott Morton and Goshal (1986) consider the strategic control system as: " a system to support the managers, in the organizational strategy relations evaluation regarding the organizational development in line with reaching its goals which support the scopes that need to be noticed, where you may face differences" (Assadi, 2006).

Evaluation is a process implemented to ensure the other strategic management processes conducted correctly. The evaluation is different from the extent of work progress. Evaluation is related to the whole program and conducted after the implementation but the extent of work progress involves with any operational program and conducted during the implementation (Zohouri, 2010).

Control and evaluation is a process by which the activities and the organizational performance results are supervised, so you can compare the real performance of the organization with the desirable one. The managers at all levels use the information resulted from control and evaluation to apply corrective measures and correct the mistakes. Although, the evaluation and control are the last important elements

on strategic management, it can also depict the existing weaknesses in previously implemented strategic plans and so lead to the continuity and dynamism of the process (A'rabi & Rezvani, 2011).

Table 1: Effective indicators on strategic management process (Moqimi & Ramezan, 2013).

Process Step	**Name of Step (Criterion)**	**Row**	**Indicators (Sub-Criteria)**
1	Strengths of Universities Internal Environment	1	Level of Competency
		2	Extent of Competitive Skill
		3	Extent of Experience
		4	Financial Resources
		5	Extent of Reputation
		6	Level of Competitive Pressures
		7	Level of Publicity (Student Attraction)
		8	Extent of Superior Technology/ Skill
		9	Level of Management
		10	Benefits /Costs Advantages
2	Weaknesses of Universities Internal Environment	11	Lack of a Clear Strategic Path
		12	Outdated Facilities
		13	Lack of Management Talent
		14	Lack of Skills and Key Competencies
		15	Lack of a Strong Record in Strategy Implementation
		16	Involvement in Internal Operational Issues
		17	Negligence on Research and Development
		18	Low Skills on Marketing (Student Attraction)
		19	Lack of Financial Supply to Change Strategy
		20	High Overall Costs Comparing Rivals

3	Opportunities of Universities External Environment	21	Providing Services to New Groups of students
		22	Entering New Markets on Student Attraction
		23	Developing Service Offering to Students
		24	Opening Foreign Students Attraction Markets
		25	Growing Students Attraction Market
		26	Fewer Legal Requirements
4	Threats of Universities External Environment	27	Increase of alternative Services
		28	Low Student Attraction Market Growth
		29	Vulnerability on Making Changes to Business
		30	Lack of Necessary Expertise align with Changing Needs of Students
		31	Negative Effect of Demographic Changes on Student Attraction
		32	Few Barriers on Entering Student Training Industry
5	Approaches on Universities Strategic Planning	33	Improving Financial Performance
		34	Impressing the Goals Achieved during last 5 Years
		35	Being Formed in a Precise and Managerial Process
		36	Effectiveness on Making and Forming Strategy in University
		37	Effectiveness of Strategy Implementation in University
		38	Importance of Strategic Planning in University
		39	Balance Creation between External Environment and Internal Capabilities
		40	Strategy Selection Based on Careful and Surgical Planning
		41	Avoiding Increase of Bureaucracy in University
		42	Providing Flexibility in Response to Challenges and Environmental Changes
6	Consequences of Universities Strategic Planning Implementation	43	Attention to Upcoming Consequences of Current Decisions
		44	Development of Stable Competitive Place
		45	Providing Practical Commitment among Line Managers
		46	Developing Common Organizational Perspective and Goal Unity of Managing Team
		47	Increase on Goals Achievement Effectiveness during Last 5 years in University
		48	Providing Good Balance Between External Environment and Internal Capabilities
		49	Leading to Too much Bureaucracy in University
		50	Causing to Initiative Decrease
		51	Not Enough Time Spent on Strategic Planning by Superior Management, Usually Sporadic and Individual

7	Evaluation of Universities Strategic Planning System	52	Strategic Planning Rejection by most of Line Managers (Training Managers and …)
		53	Not Enough Time Spent by Line Managers, Attending Staff Managers, Administrative, Financial… Managers; in Strategic Planning
		54	Lack of Predictable Procedures in Strategic Planning Process
		55	Lack of Understanding the Procedures in Universities
		56	Unacceptability of Needed Necessities for Office Staff and their Managers
		57	Clichéd Responses rather than Deep Thinking
		58	Regulated, Clichéd and Inflexible Processes of Putting People in Organizational Structure
		59	Neglecting New Ideas
		60	Managers Reluctance to face University Weaknesses
		61	Lack of Enough Guidance by Headquarters towards Colleges or Branches
		62	Limiting Colleges and Branches by Headquarters
		63	Lack of Attention towards Managers Capabilities on Overall Performance Evaluation
8	Control Process of Universities Strategic Planning	64	Willing to Targeted and Objective Controls
		65	Simple Expression of Controls
		66	Being Pragmatic When Issuing Standards
		67	Using Control to Improve Performance rather than Punishment
		68	Precision in Performance Measurement
		69	Corrective Action Postponement
		70	Turning Standards to Quantitative
		71	Expressing Good Samples and Examples
		72	Considering the Human Factor in Control and Supervision
		73	Willing to Take Too much Control

Research methodology

The research method of current study is descriptive survey, and it is an applicable one regarding its goal and nature. The statistical population of the research consisted of managers, experts and professionals of Shiraz University who are totally 57 ones and all considered as the statistical sample.

The data collection method was library and fieldwork that the library method used to collect the data considering the review of literature, and the fieldwork method used on questionnaires (collecting responses to evaluate variables).

Regarding its validity, the standard questionnaires available in Management Research Books, Industrial Management press (Moqimi, 2013) was utilized for data collection (Responses).

Cronbach's alpha test used to investigate the reliability of the questionnaire. The results of the mentioned test illustrated in following table. The reached alpha number is more than 0.7 showing the suitable end of the questionnaire to the research.

Component	*Amount of Cronbach's alpha*	*Number of Questions*
Internal environment strengths	0.727	10
Internal environment weaknesses	0.778	10
External environment opportunities	0.718	6
External environment threats	0.771	6
Approach to strategic planning context	0.883	10
Strategic planning implementation consequences	0.83	8
Strategic management process evaluation	0.78	13
Strategic management process control	0.807	10
Total questionnaire	0.815	73

Table 2: Results of questionnaire reliability calculation of strategic management process aspects in Shiraz University.

Research Findings

Hypothesis 1: Internal environment (strengths) indicators prioritization matters in Shiraz University strategic management process.

H0= Priorities of internal environmental strengths indicators are equal.
H1= Priorities of internal environmental strengths indicators are not equal.

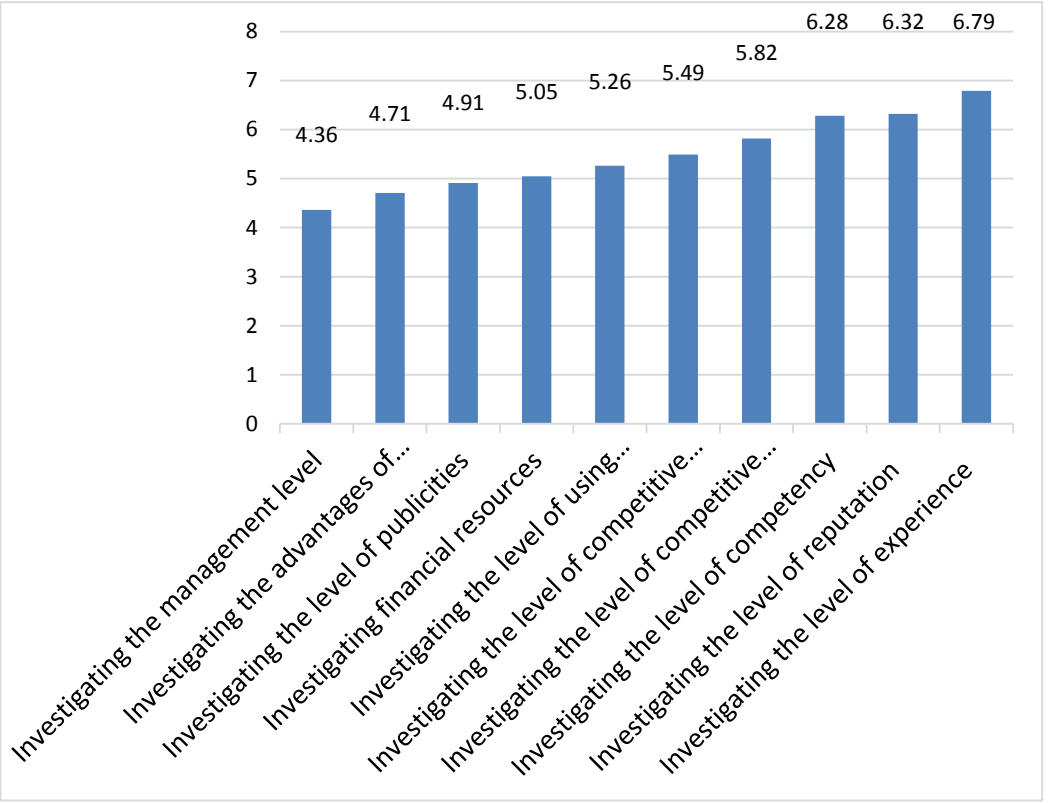
N	57
Chi-Square	49.092
DF	9
Asymp.Sig.	.000

Table 3: Friedman test results on internal environmental strengths component.

Test Result of Hypothesis 1:

Since the significance level of test is (0.0) which is smaller than 0.05, so the zero hypothesis is rejected and the hypothesis of one is confirmed i.e. there is a prioritization between internal environment strengths indicators, that the smaller the ratings average are, the more important is the variable (indicator). The ratings illustrated in following diagram.

Diagram 1: Prioritization results of internal environmental strengths component indicators



Hypothesis 2: Internal environment (weaknesses) indicators prioritization matters in Shiraz University strategic management process.

H0= Priorities of internal environmental weaknesses indicators are equal.
H1= Priorities of internal environmental weaknesses indicators are not equal.

N	57
Chi-Square	21.402
DF	9
Asymp.Sig.	.011

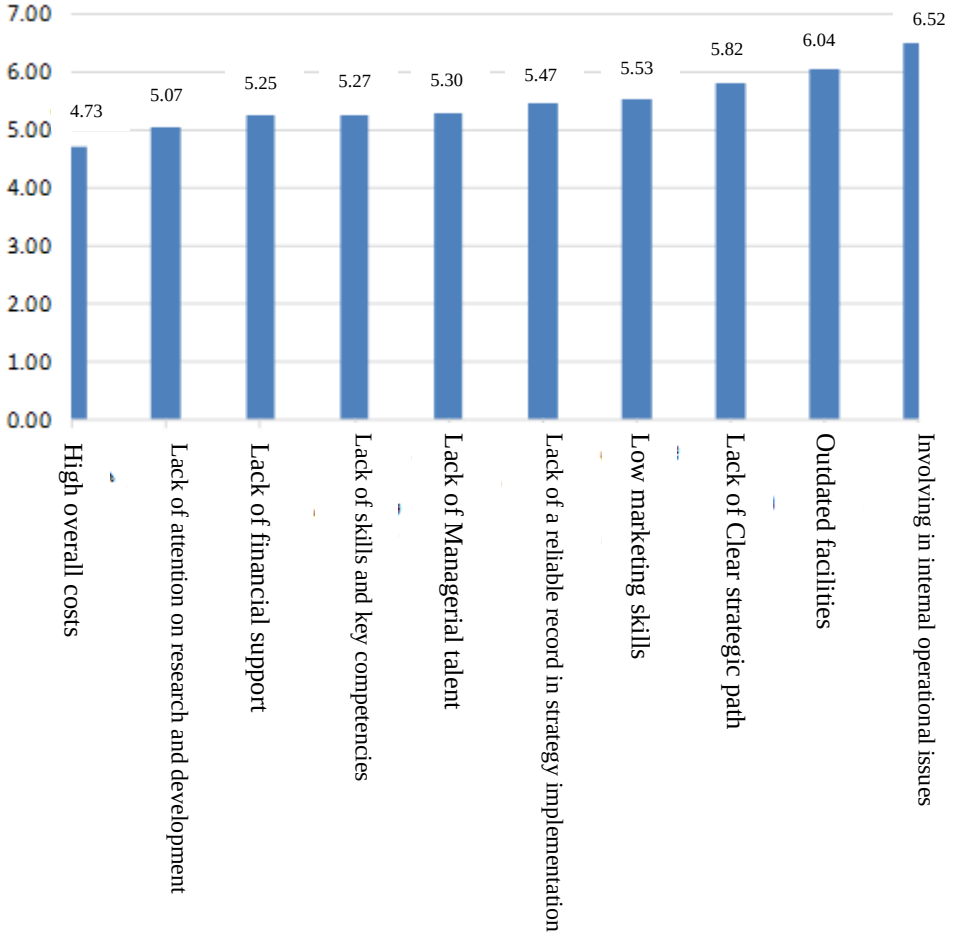
Table 4: Friedman test results on internal environmental weaknesses component.

Test Result of Hypothesis 2:

S the significance level of test is (0.011) which is smaller than 0.05, so the zero hypothesis ejected a he hypothesis of one is confirmed i.e. there is a prioritization among internal environment

weaknesses indicators, that the smaller the ratings average are, the more important is the variable (indicator). The ratings illustrated in following diagram.

Diagram 2: Prioritization results of internal environmental weaknesses component indicators



Hypothesis 3: External environment (opportunities) indicators prioritization matters in Shiraz University strategic management process.

H0= Priorities of external environmental opportunities indicators are equal.
H1= = Priorities of external environmental opportunities indicators are not equal.

N	57
Chi-Square	58.942

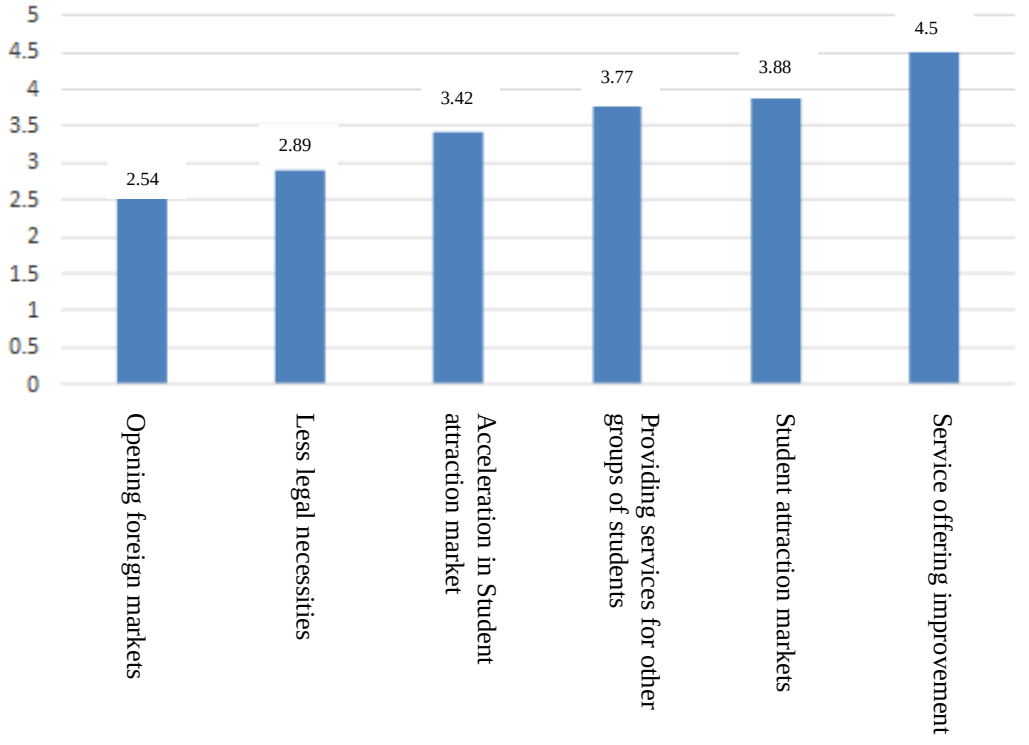
DF	5
Asymp.Sig.	.000

Table 5: Friedman test results on external environmental opportunities component.

Test Result of Hypothesis 3:

Since the significance level of test is (0.0) which is smaller than 0.05, so the zero hypothesis is rejected and the hypothesis of one is confirmed i.e. there is a prioritization among external environment opportunities indicators, that the smaller the ratings average are, the more important is the variable (indicator). The ratings illustrated in following diagram.

Diagram 3: Prioritization results of external environmental opportunities component indicators



Hypothesis 4: External environment (threats) indicators prioritization matters in Shiraz University strategic management process.

H0= Priorities of external environmental threats indicators are equal.
H1= Priorities of external environmental threats indicators are not equal.

N	57
Chi-Square	23.325

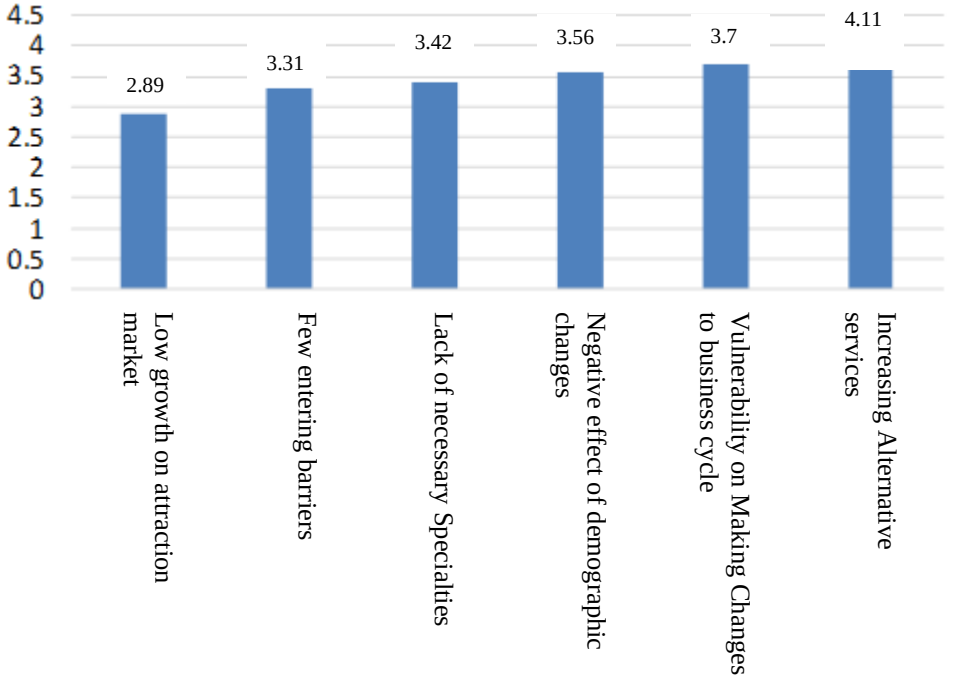
DF	5
Asymp.Sig.	.000

Table 6: Friedman test results on external environmental threats component.

Test Result of Hypothesis 4:

Since the significance level of test is (0.0) which is smaller than 0.05, so the zero hypothesis is rejected and the hypothesis of one is confirmed i.e. there is a prioritization among external environment threats indicators, that the smaller the ratings average, the more important is the variable (indicator). The ratings illustrated in following diagram.

Diagram 4: Prioritization results of external environmental threats component indicators



Hypothesis 5: Strategy formulation (strategic planning) indicators prioritization matters in Shiraz University strategic management process.

H0= Priorities of strategy formulation indicators are equal.
H1= Priorities of strategy formulation indicators are not equal.

N	57
Chi-Square	16.241

DF	9
Asymp.Sig.	.062

Table 7: Friedman test results on strategy formulation component.

Test Result of Hypothesis 5:
Since the significance level of test is (0.062) which is smaller than 0.05, so the zero hypothesis is confirmed and the hypothesis of one is rejected i.e. there is no prioritization among strategy formulation indicators. In other words, all indicators are equal regarding their importance and any of them is prior to the others.

Hypothesis 6: Strategy implementation indicators prioritization matters in Shiraz University strategic management process.

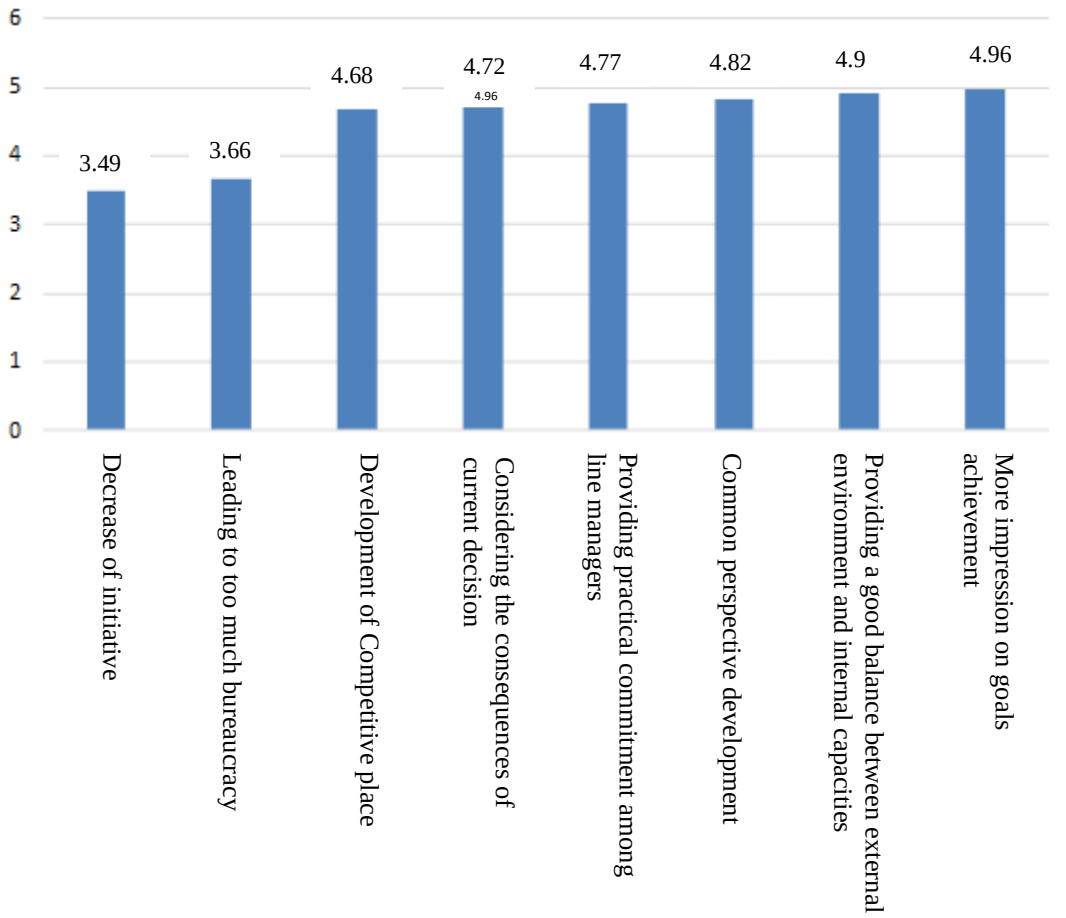
H0= Priorities of strategy implementation indicators are equal.
H1= Priorities of strategy implementation indicators are not equal.

N	57
Chi-Square	29.327
DF	7
Asymp.Sig.	.000

Table 8: Friedman test results on strategy implementation component.

Test Result of Hypothesis 6:
Since the significance level of test is (0.0) which is smaller than 0.05, so the zero hypothesis is rejected and the hypothesis of one is confirmed i.e. there is a prioritization among strategy implementation indicators, that the smaller the ratings average are, the more important is the variable (indicator). The ratings illustrated in following diagram.

Diagram 5: Prioritization results of strategy implementation component indicators



Hypothesis 7: Evaluation indicators prioritization matters in Shiraz University strategic management process.

H0= Priorities of Evaluation indicators are equal.
H1= Priorities of Evaluation indicators are not equal.

N	57
Chi-Square	11.808
DF	12
Asymp.Sig.	.461

Table 9: Friedman test results on strategic management process Evaluation component.

Test Result of Hypothesis 7:

Since the significance level of test is (0.461) which is larger than 0.05, so the zero hypothesis is confirmed and the hypothesis of one is rejected i.e. there is no prioritization among strategy evaluation indicators, in other words, all indicators are equal considering their importance and none of them is prior to the others.

Hypothesis 8: Control indicators prioritization matters in Shiraz University strategic management process.

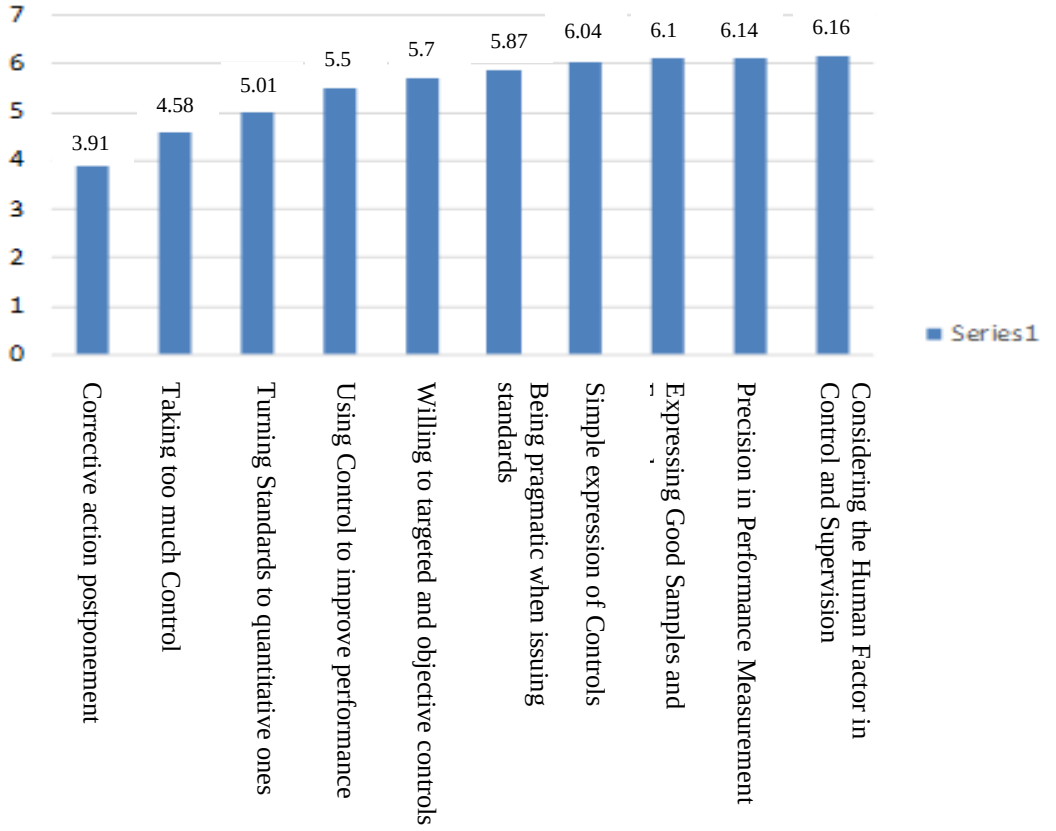
H0= Priorities of Control indicators are equal.
H1= Priorities of Control indicators are not equal.

N	57
Chi-Square	57.318
DF	9
Asymp.Sig.	.000

Table 10: Friedman test results on strategic management process Control component.

Test Result of Hypothesis 8:
Since the significance level of test is (0.0) which is smaller than 0.05, so the zero hypothesis is rejected and the hypothesis of one is confirmed i.e. there is a prioritization among strategy control indicators, that the smaller the ratings average are, the more important is the variable (indicator). The ratings illustrated in following diagram.

Diagram 6: Prioritization results of strategic management control component indicators



Conclusion and Practical Suggestions:

In current study the effective indicators on process of strategic management of universities prioritized according to managers, experts and professionals of Shiraz University, that following results achieved:

The strengths indicator of universities internal environment has prioritization and in order to increase the organizational strengths, they have to be valued respectively based on their indicator importance. The order of priorities involves with: management level, cost/benefits advantages, publicity level, financial resources, the extent of technology implementation, level of competitive pressures, the extent of competitive skill, level of competency, the extent of reputation and the extent of experience.

The weaknesses indicator of universities internal environment has prioritization, and in order to decrease the organizational weaknesses they have to be valued in the importance order of indicators, which are: High overall costs, lack of attention towards research and development, lack of financial support, lack of skill and key competencies, lack of managerial talent, lack of a strong record on strategy implementation, low marketing skills, lack of a clear strategic path, outdated facilities and engagement in internal operational issues.

The universities external environmental opportunities indicator has prioritization and in order to achieve the organizational strategic opportunities, they have to be valued in importance order of indictors which are prioritized as: opening foreign markets, few legal necessities, acceleration on student attraction market, providing services to other groups of students, student attraction markets and developing service offerings.

The universities external environmental threats indicator has prioritization and in order to decrease the out-organizational environmental threats, they have to be valued in importance order of indicators which are prioritized as: low growth on attraction market, few entering barriers, lack of necessary specialties, negative effect of demographical changes, Vulnerability on making changes to business cycle and increase of alternative services.

The universities strategic planning indicator has prioritization, i.e., not any of indicators are prior to others. The universities strategy implementation indicator has prioritization and for a better strategy implementation, they have to be valued in importance order of indicators which are prioritized as: decrease of initiative, leading to too much bureaucracy, development of competitive place, taking the consequences of current decisions into consideration, providing practical commitment among line managers, common perspective development, providing good balance between external environment and internal capabilities and increasing the effectiveness of goals achievement. The evaluation indicator of strategic management process of universities has prioritization, i.e., not any of indicators are prior to the others.

The control indicator of strategic management process of universities has prioritization and for a better control of the strategies, they have to be valued in importance order of indicators which are prioritized as: corrective action postponement, too much control, turning standards to quantitative ones, using control to improve the performance, willing to targeted and objective control, being pragmatic when issuing

standards, simple expression of controls, expressing good samples and examples, precision in performance measurement and considering the human factor in control and supervision.

Regarding the confirmation of the expressed hypotheses test and for a more fruitful strategic planning and its implementation in universities and also to balance the unlimited needs against organizational limited resources, it is suggested to implement prioritization in all steps of strategic management process of universities and higher education centers.

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