

Competitive Development Strategies of the Educational Institutions of Higher Education

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Abstract

In the current market conditions a special role is played by the choice of the development strategy of the educational institution of higher education; the future of this organization depends on the choice of the optimal competitive strategy. The purpose of the study is to suggest the areas of development, on the basis of which educational institutions of higher education will reach a competitive advantage, based on the choice of the optimal competitive strategy. In the article we used general philosophical, general scientific and economic methods of study. The article considers the modern condition of the market of educational services of higher education in Russia. The definition of competitiveness is suggested taking into account the peculiarities of the functioning of educational institutions of higher education. The price (cost) and non-price factors of the competitiveness of educational institutions of higher education are presented. Based on the study of Russian and foreign economic literature, we identified and classified the factors affecting the competitiveness of educational institutions of higher education. Due to the fact that the competitiveness of the educational institution of higher education is the unity of external and internal factors, affecting the level of competitiveness, it is suggested to take into consideration the factors, which influence the competitiveness of individual structures (departments, centres, faculties and branches), which are the parts of the educational institution. We analyzed the competitive development strategies of educational institutions of higher education and suggested the most optimal strategies in order to slow the decline and to accelerate the ascent of both educational institutions and the education sector in general. The directions are suggested, by following which both educational institutions of higher education and the education sector as a whole will reach the competitive advantage.

Keywords: competitive strategies, educational institution of higher education, industry lifecycle, competitiveness, strategic development.

1. Introduction

Educational institutions of various levels are the most important subjects of the market of educational services. In its turn, education, especially higher education, can be considered as the productive force of the economy and is of great importance for its development. On the other hand, participation of educational institutions of higher education in the current market relations plays an important part for the social production, since the development level of productive forces of the society is characterized by the level of education development.

The problems of the education system affect almost all residents of our country: over 20% of the population are directly connected with the system of education due to their work or studies, and almost all residents are indirectly connected with this system (or their relatives and acquaintances are involved in the process of education). We can identify the following major problems: quality, availability of an educational service, effective use of material and specific resources by the education system.

Due to this fact, it is essential to suggest the optimal options of overcoming the complicated crisis situation in the sphere of education by considering the competitive strategies of educational institutions of higher education, since the level of the development of higher professional education in any country determines sustainable development of this country. Besides, according to the theory of industry lifecycle, nowadays the education sector is at the maturity stage, since the number of educational institutions, particularly the institutions of higher education, is decreasing from year to year. Thus, for the last 5 years the number of educational institutions of higher education has reduced by 165 organizations, or by 14.8%, and the number of students for the 5 years has decreased by 26.11%. This is primarily

connected with the fact that in 2010 the number of graduates of educational institutions of higher education in Russia exceeded the number of enrolled students by 4.7% or by 69 thousand people (Table 1).

Table 1. Admission and graduation in educational institutions of higher education in the RF (thousand people)

Name	years					2014 to 2010, %
	2010	2011	2012	2013	2014	
Admission	1399	1207	1298	1247	1192	85,20
Graduation	1468	1443	1397	1291	1226	83,51

According to the data of (Russia'2015: Statistical pocketbook, 2015).

Table 1 shows the reduction of student enrolled in educational institutions of higher education of the RF, since in 2014 the admission of student reduced by 14.8% in comparison to 2010, which is explained by the demographic situation.

It can be argued that the period of increase in the number of educational institutions, which lasted from 1993 to 2009, is completed; the peak number of educational institutions of higher education and students corresponded to 2008-2009 academic year, and since 2009-2010 academic year the decline in these numbers is observed.

Thus, when the maturity stage is reached, the growth rates of the market of educational services decrease and the competitiveness increases. In this regard, it is necessary to analyze the competitive strategies of educational institutions of higher professional education and to suggest the most optimal strategies in order to slow the decline and to accelerate the ascent of both educational institutions and the education sector in general.

Theoretical foundations of competitiveness, competitive advantages and development strategies are considered in the works of foreign (Ansoff, 2011; Keller, 2014; Kotler, 2014; Porter, 2001; Trout, Ries, 2014; Thompson, Strickland, 2006) and Russian (Ashmarina, Khasaev, Plaksina, 2015; Golubkov, 2008; Fatchutdinov, 1997; Komarov, 2013; Molochnikov, Reutova, Lobovskaya, 2004; Shekhovtseva, 2001) scientists.

Despite the large number of publications devoted to the problems of the choice of competitive strategies to increase the competitiveness of organizations, improving the competitiveness of educational institutions of higher education, taking into account the accumulated experience and current trends, requires further research and development.

Theoretical and practical significance of the study is presented by the opportunity to use the results when choosing the competitive strategies of higher education institutions to improve their competitiveness and to use these results by the management of educational institutions of higher education for making management decisions.

2. Methods and Materials

The study was conducted based on the system, complex and scenario approaches. In the work we applied the following methods of study:

- general philosophic methods: dialectic (when considering the theoretical issues of functioning, conditions and prerequisites for the development of educational institutions, generalization of methodological approaches to the identification of the factors of the competitiveness of institutions);
- general scientific methods: general logical methods: analysis (when investigating the competitiveness strategies and competitiveness of educational institutions through the study of various determining factors), synthesis (when considering the competitiveness of educational institution as a unity of external and internal factors, affecting its level), theoretical methods: axiomatic (when considering the typical strategies and the stage of industry lifecycle), hypothetical (when identifying the trends and the role of educational institutions of higher education for the development of economy), generalization (when considering the major factors of competitiveness and competitive strategies); empirical methods: observation, description, comparison (when considering the current condition of the market of educational services of higher professional education);
- economic methods: economic and statistical, comparative analysis (when studying the current condition and trends of the development of educational institutions of higher education); calculation and constructive, expert and analytical (when preparing scientific suggestions and methodological guidelines).

3. Results

The study of the modern condition of the market of educational services of higher education allowed making the conclusion that it is essential to continuously enhance the level of competitiveness, which depends on various factors, in order to ensure effective functioning of educational institutions. Due to this fact, based on the study of Russian and foreign economic literature, we classified the factors affecting the competitiveness of educational institutions of higher education, and presented them in the table 2.

Table 2. The factors of competitiveness of educational institutions of higher education

External factors	
of direct action	of indirect action
<ul style="list-style-type: none"> - state; - competitors; - consumers (applicants, students); - households; - educational institutions (education, professional); - market of educational services; - strategic partners; - employers, their unions; - trade unions; - organizations carrying out the evaluation of education quality; - foreign educational institutions; - foreign citizens. 	<ul style="list-style-type: none"> 1) infrastructure: <ul style="list-style-type: none"> - financial; - information; - transport; - social; 2) PEST-factors: <ul style="list-style-type: none"> - political; - economic; - social; - technological.
Internal factors	
Managerial: <ul style="list-style-type: none"> - optimal competitive development structure; - motivation of the administration to develop the educational institution; - creation of a positive image of the educational institution (prestige, image, reputation); - management model (e.g. benchmarking, strategic planning, total quality management, etc.); - internationalization. 	
Human (intellectual): <ul style="list-style-type: none"> - academic staff (qualification level, teaching experience, teaching and research activities, corporate culture, fair wages); - students (academic work, research, participation in cultural, patriotic and sport events, portfolio, competitive level of scholarship). 	
Financial and economic: <ul style="list-style-type: none"> - financial resources (budget, extra-budgetary funds); - effectiveness, efficiency and optimality of the use of all available resources. 	
Material and technical: <ul style="list-style-type: none"> - appearance of academic buildings and hostels; - classroom fund (availability of specialized classrooms and laboratories, which comply with the modern requirements for the training of qualified personnel; the classrooms equipped with up-to-date facilities). 	
Information: <ul style="list-style-type: none"> - website; - Internet; - free Wi-Fi access; - e-learning courses; - distance technologies. 	
Infrastructure: <ul style="list-style-type: none"> - living conditions in hostels; - service, quality and range in canteens; - computer classrooms; - library fund; - sport facilities. 	

Competitiveness of the educational institution of higher education is the unity of external and internal factors, affecting the level of competitiveness, it is suggested to take into consideration the factors, which influence the competitiveness of individual structures (departments, centres, faculties and branches), which are the parts of the educational institution.

The key factor of the competitiveness of educational institutions of higher education is the choice of the competitive development strategy of an educational institution of higher education, which can be carried out in three stages.

At the first stage of the choice of competitive development strategy it is necessary to determine the group, to which the educational institution may be included according to the Forecast to 2030" (March, 2013), as a result of the optimization of the network of universities.

At the second stage the role of the educational institution at the market of educational services is determined.

At the third stage the strategic goal is defined and the priority areas of development and the types of strategies are identified, following which the educational institution may reach the competitive advantages.

Educational institutions have many opportunities to use various strategies. We considered the classification of strategies of P. Kotler (2014), depending on the role of an educational institution at the market of educational services (Table 3).

Table 3. Types of competitive strategies

The role at the market of educational services	Strategic goal	Areas of action (types of strategies)
Leader	Keeping the leading positions at the market of educational services	1) expansion of the areas of training (profiles), specialties; staff retraining, professional development, supplemental educational services; 2) focus on new customers (distant education, open education).
Aspirant for leadership	Increase in the share at the market of educational services	1) the strategy of price discounts or acceptable level of price and favourable payment terms; 2) the strategy of prestigious educational services (provision of the educational service of high quality and high tuition fees); 3) the strategy of expanding the range of educational services; 4) the strategy of innovations (new areas of training (specialties), innovative nature of education); 5) the strategy of reducing the costs for the provision of educational services; 6) intensive advertising.
Follower	To follow the leader of the market of educational services	1) copying the areas of training (specialties); 2) engagement of academic staff from the heading HEIs; 3) application of the same technologies (information and educational) as the leader.
Nicher	Leadership at small market of educational services or in a narrow segment	1) specialization on specific customers (housewives, pensioners, etc.); 2) training of bachelors for the regional labour market; 3) narrow specialization (narrow range of the areas of training); 4) distant education.

Thus, educational institutions of higher education can use various strategies simultaneously, and the goal of the choice of competitive strategy is to enhance the efficiency and competitiveness of the activity of an institution.

4. Discussion

In order to survive in the current conditions at the market of educational services, educational institutions of higher education need to function effectively and to continuously improve the level of competitiveness. Improvement of competitiveness, on the one hand, is a necessary condition for the survival of an institution and, on the other hand, strengthens the occupied leading position. The competition between educational institutions of higher education at both regional and federal market makes these institutions search for the optimal competitive strategies of development, on the choice of which the further development of the sphere of education depends.

Besides, according to V. Komarov (2013), education, especially higher education, is regarded as the major factor of social and economic progress. Such focus can be explained by the understanding of the fact, that a human, capable of searching and mastering the new knowledge, making non-standard decisions and preserving the living environment and world peace, is the most important value and the main capital of the modern society. We agree with the position of V. Komarov (2013), who claims that the level of higher education in a country determines its future development.

In this regard, an appropriate strategy of the development of education is needed. The main principles of the state policy in the sphere of education are identified in the "National Doctrine of Education in the Russian Federation until 2025" (October 4, 2000), which is interrelated with the "Concept of Long-Term Social and Economic Development of the Russian Federation for the period until 2020" (November 17, 2008) and the "Forecast of Long-Term Social and Economic Development of the RF for the period until 2030" (March, 2013).

Thus, according to (Forecast to 2030, March, 2013), one of the main directions of the development of higher

education is its internationalization and expansion of the export of educational services.

As noted by A. Lavrov and N. Stepanova (2012), internationalization of universities involves training of foreign students, engagement of foreign teachers, foreign internships, student exchanges, international research, grants and availability of the English website of a HEI.

Educational institution is the main element of the education system. Essentially, the activity of an educational institution is little or no different from the activity of any other organization, which performs its activity in other industry, but there are peculiarities, enshrined legislatively. Thus, the Federal Law of the Russian Federation "On Education in the Russian Federation" dated 29.12.2012 No. 273-FZ declares that an educational institution is a non-profit organization. Hence, the activity of an educational institution is not aimed at making profit, and such institution does not distribute the obtained profit among the participants (Civil Code of the Russian Federation, 1994). For example, the Statutes of Mari State University states that the Federal State Budgetary Educational Institution of Higher Professional Education "Mari State University" (2011) is a non-profit organization, established to achieve educational, research, social, cultural and managerial goals in order to meet the spiritual and other non-material needs of citizens in education, as well as for the other purposes, aimed at achieving public goods. This is confirmed by the results of admission to the FSBEI of HPE "Mari State University" (Table 4).

Table 4. The results of admission to the FSBEI of HPE "Mari State University"

Name	Years					2014 to 2010, %
	2010	2011	2012	2013	2014	
Total number of applications	8442	6948	7890	7177	7139	84,57
Students enrolled in all forms of training, people	1956	1781	1798	1567	1633	83,49
Students enrolled to budget-fee places of full-time training, people	905	908	891	915	933	103,09
Students enrolled to extra-budgetary places of full-time training, people	266	198	250	190	207	77,82

Table 4 shows that in 2014, in comparison to 2010, MarSU faced the decrease in the number of students enrolled: in all forms of training – by 16.51%; to extra-budgetary places of full-time training – by 22.18%. On the other hand, the number of students, enrolled to budget-fee places, increased by 3.09%.

This feature (educational institutions are established in the form prescribed by the civil legislation for non-profit organizations) should be taken into account when determining the competitive development strategies of educational institutions of higher education.

Let us consider the various definitions of the term "competitiveness". According to M. Porter (2001), competitiveness is the property of a subject of market relations to act at the market on a par with the similar subjects of market relations, which present at this market. Based on this definition, in order to be competitive, it is sufficient for educational institutions of higher education to have equal access to financial, labour, information resources and material and technical facilities.

According to L. Shekhovtseva (2001), in general, competitiveness means the ability to perform their functions (destination, mission) with the required quality and cost in the conditions of a competitive market. This definition is also relevant for the market of educational services.

In the modern market conditions, both price (tuition fee) and non-price factors may act as the factors of competitiveness. The most important non-cost factor of competitiveness is the quality of the provided educational service, but there are also other factors such as advertising, brand, trust of consumers, location of higher educational institution, appearance of academic buildings, etc. (Mamaeva, Mamaev, 2015).

E. Golubkov (2008) underlines that competitiveness is an evaluative value. It reflects the differences of the given enterprise from enterprises-competitors in terms of the degree of meeting a particular production or personal need by the goods (services) of this enterprise as well as in terms of performance.

In this definition E. Golubkov (2008) brings to the forefront the degree of meeting a particular need by the goods (services), which should be taken into account when defining the competitiveness.

Let us consider the definitions of competitiveness of educational institutions of higher education. Thus, S. Ashmarina, G. Khasaev, I. Plaksina (2015) give the following definition of the competitiveness of a HEI: satisfaction of internal stakeholders – staff members, which is achieved through the implementation of two principles: meeting the needs of employees in decent working conditions; full satisfaction of external stakeholders, which allows the staff to be proud of working in the given HEI.

In this definition the competitiveness of a HEI is regarded taking into account meeting the needs of two groups of

stakeholders: both the staff of a HEI and external stakeholders. It distinguished the definition from others, since meeting the needs of customers rather than producers is always put to the forefront. It is a distinctive feature of the competitiveness of educational institutions.

The definition of N. Molochnikov, I. Reutova and T. Lobovskaya (2004) is suggested as the most complete definition of the competitiveness of an educational institution. It is the superiority of an educational institution over the similar institutions in terms of educational services at particular market segments in a particular period of time; potential ability of an educational institution to provide competitive services in the future without compromising its financial condition

Thus, the competitiveness of educational institutions of higher education should be understood as the ability to compete with other educational institutions of the same type, level and direction in the provision of such educational service, that is capable of meeting the needs of a customer, a household and a society, as well as the positioning (superiority) of this organization in an occupied market niche in terms of the quality of services provided, the condition of provision and image.

The choice of the strategy is a factor, which determines the competitive advantage.

In this regard, consider the classification feature of the competitive strategies. Thus, according to P. Kotler (2014), the competitive strategies can be classified by the following features: the role at the target market (a leader, an aspirant for leadership, a follower, a nicher); functional strategies (the strategy of market segmentation, the strategy of positioning); instrumental strategies (product, price, distribution and promotion). J. Trout and A. Ries (2014) consider he competitive strategies as a competitive war: defensive, offensive, flank and partisan. There are also the strategies of attack, defense, concentration and liquidation.

5. Conclusion

As the result of our study, we can conclude, that it is necessary:

- 1) to increase the prestige of a high school teacher as well as their human resources;
- 2) to provide favourable conditions for the effective activity of the teaching staff;
- 3) to strengthen the motivation of the teaching staff to improve the quality of the educational services provided;
- 4) to create the conditions for realizing students potential in both academic work and research;
- 5) to implement innovative and distant technologies and interactive teaching methods in the educational process;
- 6) to facilitate the development of various types of integration in the sphere of education;
- 7) to maintain and enhance material and technical facilities of the buildings of educational institutions of higher education;
- 8) to cooperate with employers (strategic partners) in order to develop recommendations for enhancing of the educational process;
- 9) to use effective up-to-date models of management of educational institutions of higher education;
- 10) to increase the economic performance of the system of higher education.

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