Strategic Analysis of Public Sector Universities in Pakistan

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Abstract

Education is a powerful tool to transform the society and particularly higher education broaden the vision, open new horizon and explore the doors of awareness. In Pakistan, major source of higher education is public sector universities. More that 80% of university going students are enrolled in public sector universities. These universities are confronting alarming circumstances due to various causes. To coup with such problems, the universities have to reassess their strategic position and workout plans for the future. This study is carried out with a view to analyse the strategic situation of the public sector universities. A sequential strategic process is devised and suggested for flawless planning, the forces are described to analyse the competitive position, SWOT analysis is conducted and strategic factor matrix in devised for evaluating the competitive advantage of public sector universities in comparison to competitors.

Keywords: Strategic Analysis ; Public Sector ; Universities ; Pakistan

Introduction

Almost 445,500 male and female are enrolled in Bachelors programmes, 146,330 almost equally male and female in Master of 16 yrs of Education, 719 more males than females on PhD programs in Pakistani universities (Pakistan Education Statistics 2007-8). Developing countries are left with a formidable task of expanding their higher education systems and improving quality, all within continuing budgetary constraints (World Bank, 2000, p.36). Most universities are currently engage in long-range planning, but they can fruitfully augment that work by using the concepts of strategic planning and thereby enhance their ability to steer a course in a changing external environment. Higher education caters to the
education in the colleges and universities Allen (1988). The primary tasks of strategic management is to understand the environment, define organizational goals, identify options, make and implement decisions, and evaluate actual performance. Thus, strategic planning aims to exploit the new and different opportunities of tomorrow, in contrast to long-range planning, which tries to optimize for tomorrow the trends of today Drucker (1980). Higher education is recognized today as a capital investment and is of paramount importance for economic and social development of the country Barnet (1990). (1) Where is the organization now? (2) Where is it going? (3) Where does it want to go? And (4) what does it have to do to change where it is going to get to where it wants to go? Renfro (1980b), (1980c). The circumstances to make the University a major driving force in the economic development and well-being of the citizens of any developing country. Vision of public universities in Pakistan lies in the excellence is the norm across all the areas of study. The level of distinction of public university was to accelerate the pace of its advancement and expand the breadth of its excellence. Spreading excellence across the campus requires that we move beyond our previous accomplishments and concentrate efforts and attention in several areas. Factors such as the distinctive nature of higher education institutions, international mobility of students, and teachers’ accessibility of computer based learning pursuit of research and scholarship, globalization of economy, and emerging challenges of the 21st century have a direct impact on the future development of higher education. Mughal & Manzoor (1999).

For making Pakistani universities compatible with advanced countries and enduring their need exceptional planning or the future. As mentioned by Drucker (1980) strategic planning aims to exploit the new and different opportunities of tomorrow, in contrast to long-range planning, which tries to optimize for tomorrow the trends of today. The universities have to exploit current resources and find new opportunities to catch up with universities of developed countries. Government funding is decreasing which has threatened public sector universities growth. Even these don’t have enough funds to meet their day to day expenses. The situation is alarming for public sector universities which are already lagging behind the neighboring India and Iran. To coup with such problems, the universities have to assess their strategic position and work out plans for the future.

This study is an attempt to suggest some techniques of strategic management for the public sector universities for assessing their current state of affairs and make future strategy. This study mainly focuses on the strategic analysis of public sector universities in Pakistan. Through this work, it is explored that what is the strategic position of public sector
universities. This study explores the forces affecting the universities and what are the strengths, weaknesses, opportunities and threats of the universities.

**Literature**

Iqbal (2004) writes of serious deficits in the quality of staff, governance, academic standards, student preparation, research facilities, libraries, and laboratories. The higher education system is simply not at par with international standards. The result is a higher education system not particularly relevance to societal needs, and a shortage of graduates in the more practical fields, such as the sciences. The human resource development of a country depends upon the quality of education imparted in country (Mohanthy, 2000). Higher education caters to the education in the colleges and universities. Allen (1988). Higher education is admittedly a separate stage quite distinct from primary, secondary, elementary, and higher secondary stage. Best (1994). Higher education is recognized today as a capital investment and is of paramount importance for economic and social development of the country (Barnet, 1990). The present lack of effective strategic planning has lead to dire predictions from many observers. According to Benjamin & Carroll (1998, p.1), “the present course of higher education in the state – in which student demand, tuition, and costs are rising much faster than public funding - is unsustainable. Noorshahi (2006) believes universities need transformational leadership to replace bureaucratic management. In the end, to succeed universities must be competitive both nationally and internationally. The applications of principles of market economies to the university systems of all countries have created a new context for higher education (Rao, 2003). Quddus (1990) studied that “The basic function of a college or university is to preserve, augment, criticize, and transmit knowledge and to foster creative capacities. New models of providing higher education have emerged in recent years. According to some researchers, a gap between what the public wants and what traditional universities provide is growing (Rowley, Lujan, & Dolence, 1997). By pursuing a greater mission differentiation and reallocation of resources they will better respond to the changing needs of their constituencies (Benjamin & Carroll, 1998). This growing awareness of the outside environment is the single most important contribution of strategic planning to institutional decision-making, and three-quarters of all change at most institutions is “now triggered by outside factors” Keller, 1983. Strategic thinking and language have become a standard part of university vocabularies, planning, and actions for well over a decade (Keller, 1983). The account of strategies is predicated on consensus among university officials and faculty about the factors that shape research competitiveness.
These factors include a research-productive faculty who are recruited in national markets and whose performance is vetted by national norms for research outcome; competitive salary levels and teaching loads; high-quality graduate students; state-of-the-art equipment and research facilities; flexible and supportive organizational arrangements and institutional policies (on purchases, personnel, and travel); and a supportive central administration which makes national standards of research performance a key institutional objective (Feller, 1996; Teich and Gramp, 1996). At a state level, the strategy implies selectivity and concentration of resources in those state universities that have stronger research programs, a policy that can run counter to institutional and state government interests in pursuing a broad distribution of resources among institutions (Lambright, 1996). Due to decreasing financial support, rapid technological advances, changing demographics, and outdated academic programs, many universities engaged in strategic planning as means to “make beneficial, strategic changes … to adapt to the rapidly shifting environment” Rowley, Lujan & Dolence (1997).

**Strategic Scanning**

The strategic scanning of the universities is conducted with a view to make long term decisions. Scanning is one of the major sources of information for making successful decisions. In the view of Bryson (1998) universities assess internal strengths and weaknesses and external opportunities and threats for future planning. Keller (1983) express that out side environment is the most important contributor to strategic planning at institutes and three quarters of change are influenced by the out side elements. Besides the out side factors, inside component play significant part in affecting the strategic decisions. The scanning for the universities is different from the conventional scanning for the business organization. There are some unique elements of scanning for the universities.

**Conventional Elements**

- Political
- Economic
- Social
- Technological
- Legal/Regulatory
- Environmental

**University Specific Elements**

- Funding
Organised Efforts: Effective strategy needs combined endeavors from all the section of the universities. Every department must contribute fully and show comprehensive picture of the state of the affairs.

Scanning: Scrutiny of internal and external forces is necessary for strategic planning. It will provide the information regarding which force has largely affected the university.

Key Issues: Which of the major issue are affecting the performance of the university and immediately concentrated upon?

Vision: Broad Spectrum picture of university may be drawn and included in the
strategy.

**Objective/Goals:** Keeping in view the vision of the university, the objectives and goals may be prepared. Every section must be informed regarding the objectives to be achieved within specified time period.

**Action Plan:** All the departments of the university may be assigned an action plan to accomplish the predetermined objectives.

**Resource Assessment:** The assessment of the resources is an integral part of the strategy, the availability of required resources is essential for effective and result oriented strategy.

**Alternatives Evaluation:** Above mentioned steps clarify that what strategic decision may be taken and provide a ground to consider a wide range of alternatives. At this stage the authority consider different option for the future.

**Decision:** A conclusive judgment is worked out and future strategic direction is attained.

**Observation/Evaluation:** A continuous assessment of the strategic planning is essential to monitor it operational functioning and performance.

**Figure No.2 FIVE FORCES MODEL FOR PUBLIC SECTOR UNIVERSITIES**
Five force model was developed by Michael Porter (1979), the idea was to analyse the organizational environment and industry attractiveness. Hax & Majluf (1996) interpret that “environmental scan identifies external opportunities and threats evaluate industry’s overall attractiveness, and identify factors contributing to, or taking away from, the industry attractiveness”. This study has modified the model’s elements to suit the public sector universities of Pakistan.

**Competitors (Private Universities):** There are 60 private universities as compared to 73 public sector universities in Pakistan (MOE Of Pakistan 2007-08). The private universities are demonstrating a fierce competition by employing best and highly qualified (foreign, local) faculty, offer market oriented courses and providing most advanced facilities to their students. On the other hand public sector universities are seriously short of these essentials.

**New Entrants (Local, Foreign institutes/Campuses):** Education sector is offering new business opportunities for local and international business groups and universities. A number of universities have opened their campuses and local business groups are also establishing educational institutes and particularly higher education institutes. This is a matter of grave concern for the public sector universities which are rapidly losing their share to private sector.

**Buyers (Students):** Students are having various choices in terms of higher education. As the time passes the number of students in public sector universities is declining dramatically, the public sector universities are no more attractive for the students in terms of courses, faculty and facilities. They prepared to spend high amounts to competitive and market oriented degrees.

**Substitutes (Enterprise Institutes, Distance Learning):** Many companies and enterprises has started in house training programs and offer certificate courses to match their requirement to facilitate the smooth operation of the companies because the universities do not offer the courses that cater most latest organizational techniques. Moreover, there are numerous international universities which offer online diploma, certificate courses, graduate and under graduate programs. These circumstances are alarming for the public sector universities because of these programs are gradually reducing the number of students in the public sector universities.

**Suppliers (Society, Government):** Society is main source of getting students; the opinion of general public about the public sector universities is at its lowest ebb rapidly due
to various factors. The parents are relying and sending their children to private universities; even they are prepared to pay large amounts as fees in order to provide their kids the quality education. On the other hand government is the major source of financial assistance to public sector universities; however, funding has declined due to various reasons. The government has allocated Rs15.8 billion for the HEC for the current year, an amount which is Rs19 billion less than required (Pakistan Budget 2009). The universities are advised to generate sources of finance by themselves. This has prompted universities to be self sufficient and start working like an enterprise.

**SWOT Analysis of Public Universities in Pakistan**

SWOT analysis Humphrey (1960-70) is an outstanding instrument to identify competitive advantage a company possesses over its rivals. This apparatus help companies to prepare them to face future challenges and formulate plans.

The public sector universities of Pakistan are observing daunting challenges due to various reasons; it has become compulsory for them to assess their internal and external positive and negative aspects. Below mentioned table describe the most possible strengths, weaknesses, opportunities and threats.

### Table No.1. SWOT Analysis

<table>
<thead>
<tr>
<th><strong>Strengths</strong></th>
<th><strong>Opportunities</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Large number of highly qualified Faculty</td>
<td>Growth potential</td>
</tr>
<tr>
<td>Excellent infrastructure</td>
<td>Large number young population</td>
</tr>
<tr>
<td>Reasonably well equipped laboratories(Science, Computer)</td>
<td>Vast geographical coverage</td>
</tr>
<tr>
<td>Diverse and wide range of courses</td>
<td>Infrastructure to improve research and development</td>
</tr>
<tr>
<td>Large number of experienced employees</td>
<td>Knowledge and experts to diverse to corporate sector</td>
</tr>
<tr>
<td>Affordable fees structure</td>
<td>Opportunities to align with the industry</td>
</tr>
<tr>
<td>Transport Facilities</td>
<td>Amplify the services to society</td>
</tr>
<tr>
<td>Boarding Facilities</td>
<td>Improve financial position by diversification</td>
</tr>
<tr>
<td></td>
<td>Extended role in solving crisis and disasters(natural, men made)</td>
</tr>
</tbody>
</table>
### Weaknesses

- Lack of good governance
- Lack of check and balance
- Obsolete equipments
- High non productive costs
- Shortage of funds to support strategic plans
- Lack of proper publicity/exposure
- Ineffective relationship with industry
- Directionless research and development
- Dependency on Government
- Short term/ad hoc policies
- Involvement of politics in administration, students and faculty
- Failing in judgment of market needs
- Improper/Misuse of funds and facilities
- Outdated curriculum

### Threats

- Rapid expansion of private universities
- Brain Drain
- Non competitive salaries
- Shift in students priorities
- Vulnerability to competitive forces
- Alliance of competitors with foreign universities
- Student and teacher politics
- Online universities
- Negative public perception
- Incompetent and outdated management

### Strategic Factor Matrix

Strategic factor matrix is devised specifically for to assess and understand the position of key strategic factor in public universities of Pakistan. It can be applied to monitor the performance of the factors in predetermined time period. This matrix will help universities compare and adjust their position with the competitors. The score of the factors are subjective and universities can alter it considering their circumstance. This matrix may be prepared quarterly as get clear picture of various factors.
Table No.2. Strategic Factor Matrix

<table>
<thead>
<tr>
<th>Key Strategic Factors</th>
<th>Weights</th>
<th>Quarter 1</th>
<th>Quarter 2</th>
<th>Quarter 3</th>
<th>Quarter 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Faculty</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Students</td>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resources</td>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Curricula</td>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changes</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regulations</td>
<td>5</td>
<td></td>
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</tbody>
</table>

**Conclusion/Discussion**

The current circumstances in the country are not favorable for public sector universities, these are facing various challenges for instance, cut in funding, competition from private sector, losing highly qualified faculty, shift of student’s priorities, internal problems, mismanagement and political interference etc. There are discouraging indicators from all sides. The insurgency of private sector has jeopardized the survival of public sector universities. In this situation there is growing need of rearrangement of lines and take difficult, concrete and exemplary steps. The inevitability of strategic analysis has become obligatory for the public sector universities. This study has provided a ground for preparing flawless strategy through sequential model; assessment of the forces impacting the universities position, the examination of the positive and negative aspects and the evaluation of the strategic factor that play significant role in the performance of the universities. This conceptual work has opened new and unique horizon in the Pakistani environment. The techniques and the factor are totally new in terms of public sector universities and can be confirmed and determined through various techniques. The SWOT analysis, five force model and strategic factor matrix are conceptual work and based on the understanding and experience of the author.
References


