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# Management of the educational environment: the context in which strategic decisions are made

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## Abstract

The complex pattern of different contributory factors forms the background of educational management. Strategic decisions made by education managers are concerned with the entire educational environment they are operating in, the main activities of the organization, the integrated resources and the people of the organization. The focus of this paper is on analyzing the complicated context in which strategic decisions are made. The paper also provides a description of some managerial tools that can be effectively employed by education managers to support strategic decision-making.

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*Keywords:* Educational management, Educational environment, Strategic decision-making

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## 1. Introduction

Contemporary higher education institutions (HEIs) being sophisticated organizations, education managers operate in a very complicated context. The complex pattern of different contributory factors forms the background of educational management. The educational environment comprises a range of resources utilized for a variety of purposes. Management of the educational environment resources involves considering certain aspects – managerial, pedagogical, organizational and technological – which provide important contributions to developing education managers' strategy intended on quality enhancement of the educational organization. The combination of these aspects is determined by the

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complexity of the organizational structure, the multiplicity of the organizations' resources, the impact of the global environment and modern technologies. As management occurs simultaneously in various organizational subsystems and in different social contexts, the holistic approach to managing the educational environment as an integrated system is supposed to be an efficient approach to cope with the most important issues. Management of the educational environment involves performing the strategic analysis. Carrying out the strategic analysis, education managers make various decisions at different levels. Making decisions managers should take into consideration both external and internal factors that influence the process of identification and evaluation of possible techniques and methods aimed at achieving their goals. From the holistic perspective, educational management needs multiple perspectives to be considered in the context of providing constant higher school improvement. Education managers must take every advantage of traditional management tools and approaches to both education and management; they have to decide on the extent to which these tools will be involved in strategic decision-making. Strategic decisions made by education managers are concerned with the entire educational environment they are operating in. The focus of this paper is on analyzing the complicated context in which strategic decisions are made. The paper also provides a description of some managerial tools that can be effectively employed by education managers to support strategic decision-making.

## **2. Literature Review**

### *2.1. Towards Customer-Driven Management in Higher Education*

A review of academic literature related to educational management reveals that quality plays a critical role in modern higher education. Educational reforms that have been implemented throughout the world since 1990s are all aimed at improving educational quality (Cheng and Cheung, 2003). European educational industry is now in a state of constant evolution as well, though European education experts acknowledge that the educational environment offered by the European universities is less attractive compared to American universities (COM (2003) 58 final). Therefore, modern higher education institutions are faced with big challenges related to the quality of their educational services. Today, they have to become more customer-oriented to stay competitive (Sahney et al., 2008; Kara and DeShields, 2004). To work out an effective strategic plan for a HEI improvement in the customer-driven education context, it is vital to identify who the customers are and what they actually need. Afterward this valuable information can be transformed into strategies aimed at attaining customer satisfaction by means of quality function deployment; the basic principles of quality function deployment are now applied in many HEIs for executing educational research (Raharjo et al. 2007; Ho et al. 2009).

### *2.2. Managing for Quality in Higher Education*

For every institution, it is crucial to measure and control quality in all kinds of business settings (Fleming et al. 2006). Today, managing for quality is a very important aspect in the context of developing the European Higher Education Area (Bologna Declaration, 1999; Berlin Communiqué, 2003). As declared in *Standards and Guidelines for Quality Assurance in the European Higher Education Area* (2005), "learning resources and other support mechanisms should be accessible to students, designed with their needs in mind and responsive to feedback from those who use the services provided". According to Brochado (2009), HEIs must monitor the quality of the educational services they offer to customers with the aim to introduce continuous improvements. According to Kettunen (2008), management for quality in

education “has evolved and taken varying forms in terms of stakeholder accountability, customer satisfaction and issues of assessment, accreditation, ratings and rankings”; the focus is put on understanding the customers’ needs. Student satisfaction with the educational services may be considered to be an important quality factor in education (Postema and Markham, 2001). Thus, there is a necessity to link the needs of the customer with service functions in the framework of creating a student-centered educational environment conducive to improvement (Stukalina, 2012).

### *2.3. Management of Higher School Improvement within a Strategic Planning Framework*

Strategic management involves the “analysis, decisions, and actions an organization undertakes to create and sustain competitive advantages” (Dess and Lumpkin, 2002); it requires an overview of the whole organization – its activities and an extended timescale (Bush and Coleman, 2000). The intellectual context of strategic management consists of many conceptual elements; strategic management deal with a wide range of practical issues and provide the analysis of the major initiatives taken by a company’s top management on behalf of owners, involving resources and performance in external environments (Nag et al., 2007).

As said by Capon (2008), strategy is concerned with understanding of the external environment and the internal resources “available to compete in the external environment”. According to Fiddler (2002), management of school improvement is performed within a strategic planning framework, strategy formation process including assessment of internal resources and external influences as well as recognition of the established organizational culture. The strategic analysis involves environmental scanning – SWOT analysis (Fiddler, 2002). For better understanding of the external environment they are operating in, managers may apply PEST analysis that will allow an educational organization to “identify and understand the broad general factors impacting on it” (Capon, 2008). The internal educational environment analysis is related to the internal resources of an academic community including the intellectual capital (Stukalina, 2010/c).

The complexity of the educational environment stipulates the variety of situations in which managers make strategic decisions aimed at higher school improvement and the organization’s quality enhancement (Stukalina, 2010/a). According to Kettunen (2008), in the context of quality assurance, managers employ a series of integrated management procedures for achieving their strategic objectives. As said by Fiddler (2002), in the process of managing school improvement, various initiatives can be involved: organizational change philosophies (including Total Quality Management) as well as more limited management techniques (school self-evaluation, feedback from stakeholders, etc); different combinations of management tools are suitable for particular circumstances. Thus, from the holistic point of view, educational management needs several perspectives to be considered in the context of supporting continuous quality enhancement of the educational environment (Stukalina, 2010/b).

## **3. Methodology**

### *3.1. Research Goal*

This paper is based on the holistic approach to managing the educational environment as an integrated whole, sustainability that is closely associated with quality improvement of the environment being its main characteristic. The paper provides the analysis of the complicated context, in which strategic decisions intended for supporting quality enhancement of the educational environment are made. It is

argued that in their efforts to create an efficient educational environment, education managers should take into account a number of external and internal factors that may influence the decision making process. A range of integrated management tools and initiatives that can be used in the framework of developing a strategy for higher school improvement are discussed. The paper is based on the analysis of academic literature and EU regulative documents related to the topic and the author's professional experience in the area of higher education.

#### **4. Management of the Educational Environment in the Context of Performing Strategic Analysis**

School and college management takes place in a “specific social, economic and educational context” (Bush and Coleman, 2000). The complex pattern of various contributory factors shapes the environment, within which education managers make strategic decisions aimed at higher school improvement. To deal with the quickly changing environment managers have to develop new strategic plans; by means of strategic planning they define the mission of the organization and decide what resources will be used for accomplishing this mission (Stoner, 1978). Strategic analysis, being part of the strategic planning process, involves regular and scrupulous investigation of the organizational environment. In education, the strategic analysis process, among other things, includes evaluation of the internal resources and their use, assessment of external influences on the organization and acknowledgment of the existing internal school culture (Fiddler, 2002). Thus, managers should take into account both external and internal tactical determinants that might affect their operation and influence the choice of actions and methods used for achieving their goals.

In order to collect and analyze data necessary for the strategic planning process managers employ environmental scanning: environmental factors internal to the organization are categorized as strengths and weaknesses; the external factors are categorized as opportunities and threats (Babatunde and Adebisi, 2012). The awareness of both external opportunities and threats and internal strengths and weaknesses provides the basis for SWOT analysis – a diagnostic method used in strategic analysis (Fiddler, 2002). In relation to the external environment, managers have to consider a) the main macroenvironment forces (political-legal, economic, socio-cultural, and technological – PEST; b) microenvironment actors – customers, suppliers, distributors, competitors (Kotler, 2000).

Today, the most essential macroenvironment factors are associated with globalization: faster economic growth, rapid technological progress and innovation, increased economic, political and scientific international cooperation, new methods of controlling business, expanded and modified global job market, increased workforce migration and mobility and formation of multicultural communities, socio-cultural and demographic changes, new career opportunities as well as new uncertainties and pressures (Stukalina, 2008). The new global job market needs multidisciplinary knowledge and skills; so modern HEIs must have clear connections to the social and global contexts of the profession to be able to prepare their students for dynamic and satisfying careers in the knowledge-based society. Besides, the increased competition in the higher education sector makes HEIs employ more customer-oriented attitude in delivering their educational services (Kara and DeShields, 2004); student satisfaction with the offered courses has become a new management element for universities (Marzo-Navarro et al., 2005). To develop an effective strategic plan aimed at quality enhancement of the educational environment in the customer-driven education perspective, it is critical to identify the customers' needs and expectations. The opinions of other stakeholders must be also considered and carefully analyzed.

The external environment context influences the way, in which the internal resources of an organization are distributed and employed for succeeding in the opportunities determined via the external

environment analysis. The internal environment context embraces the resources required for sustaining the educational process and social relationships created within an academic community. Thus, management of the educational environment includes management of the organizational resources (material, non-material, informational); they constitute a complicated multi-level system containing various interrelated and interdependent subsystems (Figure 1). To guarantee sustainable development (that is constant quality enhancement of the environment) the internal environment resources must function as an integrated whole, the leading role belonging to the intellectual capital of the academic community.

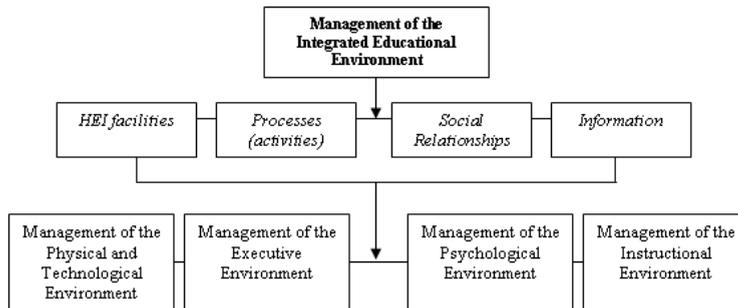


Fig. 1. Management of the integrated educational environment (adapted from Stukalina, 2010/ c)

Therefore, higher school improvement is associated with qualitative changes in the integrated educational environment. As strategy depends mostly on “understanding changes in the organization’s environment” (Dawson, 2000), education managers must regularly perform knowledge-based assessment of their environment in order to cope with its dynamic nature. We assume that evaluation of the educational environment in the framework of SWOT analysis (internal environmental scanning) includes organized collection and examination of data to provide constructive feedback about the four basic aspects (subsystems) of the educational environment essential for supporting strategic decision-making. The educational environment evaluation is supposed to be closely associated with assessing quality and value; it should be applied in the context of developing a strategy for higher school improvement – a long-term action plan that involves 1) the management of the educational environment subsystems as interrelated and mutually dependent units; 2) the engagement of stakeholders in quality assurance procedures.

The educational environment evaluation should be performed in a larger agenda of management practices linked with higher school improvement. They comprise organizational change philosophies (Total Quality Management) and a number of more limited management techniques (Fiddler, 2002). TQM is associated with managing the educational environment using customer focus through involving students in quality assurance activities as enthusiastic and responsible academic community members. Other management practices may include, among other things, Customer Relationship Management – managing the educational environment through interaction with stakeholders taking advantage of modern Information and Communication Technologies; Human Capital Management – managing the educational environment as an academic community by way of accumulating and using the intellectual capital embedded in the environment; Knowledge Management – managing the educational environment for developing collaborative knowledge and providing knowledge enhancement of the organization, etc. (Stukalina, 2012). The above mentioned practices, one way or another, rely on managing *holistic* knowledge transfer and use of the obtained knowledge as a basis for quality enhancement of the

educational environment. Knowledge management tools, being a good means of capturing the “collective intelligence” (Bollinger and Smith, 2001), are supposed to compliment and enrich the aforesaid procedures in the context of effective strategic management for higher school improvement; they are utilized to facilitate better and more informed strategic decisions.

### 5. Environmental Scanning: Generating Diagnostic Data in the Framework of Strategic Decision-Making

Valuable information about the integrated educational environment is collected through various social interactions. Later the obtained information is processed in the course of strategic decision-making. Managers use a vast variety of data from a wide range of sources; they promote and utilize a number of knowledge strategies for managing communication within the organization. In the process of decision-making, they deal with new knowledge creation as one of its outcomes. Their efforts should be directed at managing explicit knowledge in the form of know-why, know-how, know-what (Bollinger and Smith, 2001). So, the questions education managers should answer can be formulated as follows: *Why should qualitative changes be introduced in the educational environment? What resources are available and what resources must be created for sustaining higher school development? How can the available resources be used most efficiently for providing continuous improvement?*

To establish an effective ICT-based knowledge transfer scheme in the educational organization an assortment of knowledge transfer formats can be applied. Managers may develop several decision models based on their experience in education business that involve different knowledge transfer initiatives. Such initiatives are usually categorized as planned (structured) knowledge transfer schemes and unplanned knowledge transfer schemes (Cheng et al., 2010). Computer-based knowledge transfer formats (e.g. decision support technologies and groupware) are also widely used today (Meroño-Cerdan et al., 2007). In the process of strategic decision-making, managers selectively call attention to “situations that have meaning for them, interpret those aspects with others, and socially construct action on this basis” (Nilsson, 2008). Different formats (formal and informal) can be combined for generating fully grounded conclusions (Figure 2).

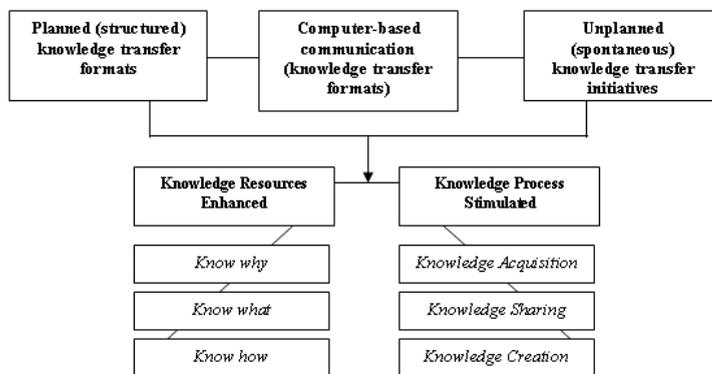


Fig. 2. Knowledge management schemes used for environmental scanning (adapted from Stukalina, 2010/a)

Information necessary for supporting strategic decision-making is gathered across the organization in the framework of structured knowledge transfer formats through regular educational environment evaluation. The wide-ranging evaluation scheme is supposed to allow education managers considering all

aspects of the integrated educational environment – the physical environment, technological environment, executive environment, and psychological environment. Table 1 describes the basic structured methods of the inclusive educational environment assessment. Our classification is derived from B. Fiddler’s categorization developed for schools (Fiddler, 2002). It has been customized to be applied in the higher education area. The environment is evaluated from the professional point of view (external and internal professional assessment), and from the stakeholders’ perspective (stakeholder satisfaction/motivation).

Table 1. Managing higher school improvement: the basic structured methods of the inclusive educational environment evaluation (adapted from Fiddler, 2002)

Method	Description
<b>Professional assessment</b>	1. <i>External professional assessment</i> : expert assessment in the process of a HEI accreditation
	2. <i>Internal professional assessment</i> :
	<ul style="list-style-type: none"> <li>• HEI records (data on student performance, information on staff proficiency and qualifications, evaluation of the educational environment amenities)</li> <li>• HEI performance assessment by university management</li> <li>• teaching and attending staff evaluation of a HEI performance</li> </ul>
<b>Stakeholder assessment</b>	1. <i>External stakeholders assessment</i>
	<ul style="list-style-type: none"> <li>• student satisfaction/motivation surveys</li> <li>• community partners surveys</li> <li>• employers surveys</li> </ul>
	2. <i>Internal stakeholders assessment</i>
	<ul style="list-style-type: none"> <li>• teaching and attending staff surveys on staff satisfaction/motivation</li> </ul>

Taking into consideration the above, we presume that strategic decision-making aimed at higher school improvement is based on the observed internal factors (related to the external environment pressures), as well as the observed outcomes (associated with higher school-specific knowledge), which are identified through environmental scanning – the external and internal environment evaluation (Figure 3).

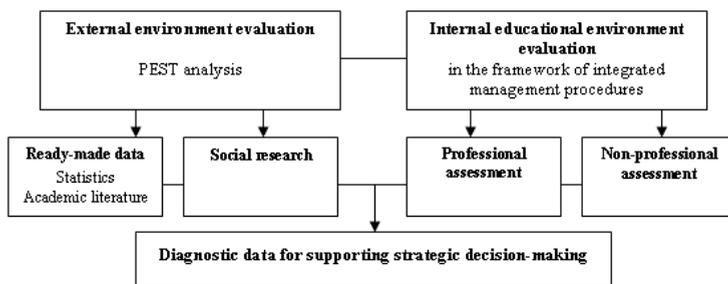


Fig. 3. Environmental scanning: generating diagnostic data in the framework of strategic decision-making

It also should be noted that thorough analysis of the internal educational environment presupposes involving indirect participation of the university stakeholders (including students as consumers of

educational services) in strategic decision-making, which can be viewed as one of the central quality assurance activities associated with the strategic management for higher school improvement.

## 6. Conclusions

This paper has discussed the applicability of some concepts of strategic management to modern higher education institutions. Effective strategic management for higher school improvement is aimed at helping HEIs make the best use of their resources necessary for sustaining quality enhancement of the educational environment in the context of constant competitive development of a HEI. Developing their strategy education managers should take into consideration both external and internal factors having impact on their operation and influencing the choice of actions and techniques used for strategic planning process. For this purpose, environmental scanning is used; the awareness of both external and internal influential factors provides the basis for SWOT analysis. In the framework of SWOT analysis, education managers must regularly perform knowledge-based assessment of the educational environment to cope with its dynamic nature. This detailed evaluation involves planned (structured) collection of data to provide constructive feedback about the four basic aspects of the integrated educational environment. HEI stakeholders take part in the procedure, this way being engaged in quality assurance activities intended on providing quality enhancement of the organization. The success of an educational organization depends largely on its ability to process the obtained information to support strategic decision-making; this process is associated with creation of higher school-specific knowledge.

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