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## Introduction

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### Y. Paul Huo

College of Management,  
Metropolitan State University,  
1501 Hennepin Avenue,  
Minneapolis, MN 55403, USA  
Fax: 612-659-7268  
E-mail: paul.huo@metrostate.edu

**Biographical notes:** Y. Paul Huo is Dean and Professor of Management of College of Management at Metropolitan State University. He earned his PhD in Organisational Behaviour and Industrial Relations from the University of California, Berkeley. His research interests include business ethics, human resource management practices, and strategic management in higher education.

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The first decade of the 21st century has probably been the most turbulent, if not tumultuous, period in the history of higher education. The megatrend of globalisation has brought both new opportunities and new challenges to the field of higher education. On the one hand, an increasing number of students in developing countries are interested in going abroad for college education. On the other hand, international competition for students and faculty has also intensified as universities outside North America are gaining reputation with better-quality programs and improved infrastructure, thereby becoming more attractive for students who would otherwise choose to attend colleges in the USA or Canada.

This situation was further exacerbated by the 'great recession' in the past few years (Fischer, 2010). Dwindling state funding for higher education caused pains for public institutions, while the declining value of endowments inflicted public and private universities alike. What have become common scenes at least in the USA since late 2007 are consecutive budget cuts, massive layoffs of supporting staff, painful freezes of faculty positions, and repeated tuition hikes. Even the traditionally well-endowed universities, such as Harvard and Yale, have been forced to shrink their payrolls and curtail their operating expenditures.

This new reality serves as a wakeup call to all institutions in higher education; it is time to for all university administrators to rethink their competitive strategies in order to survive and thrive in the fast-changing task environments. All in a sudden, every college is subject to the fundamental rule of Darwinism, namely, only the fittest survive.

Unfortunately, in spite of the abundant supply of brainpower at most university campuses – in particular, professors who teach business and public administration – basic principles of strategic management are rarely practiced or strictly followed by the higher

education institutions. As a result, waste of resources has been a common place in the field of higher education. For one thing, no business organisation can survive in the long run by raising the prices of its products by 5% every year. Nonetheless, according to a report released by the National Center for Public Policy and Higher Education, the average increase of the college tuition and fees in the USA between 1982 and 2008 has not only exceeded the inflation rate but also surpassed the growth rate of costs for healthcare (Kalwarski, 2010; Lewin, 2008).

As such, this special issue on strategic management in higher education serves a timely mission: to provide a forum that helps generate innovative ideas on how to obtain a competitive edge in today's higher education market. With this mission in mind, I am pleased to report that we have yielded a healthy crop of ideas offered by scholars in different continents and countries through this special issue project.

In his paper 'Historical perspectives on US business organisations, strategy, and higher education institutions', Fugazzotto highlights the parallel paths of development followed by business organisations and educational institutions in the past two centuries. This historical comparison suggests that developing higher education institutions' internal competences need not counter their commitment to the social good but might enhance their ability to serve that good by helping to ensure their survival.

By applying a conceptual model that integrates three theoretical approaches of strategic management to a specific university in Brazil, Mainardes, Ferreira and Tontini's paper, 'Creating a competitive advantage in Higher Education Institutions: proposal and test of a conceptual model', highlights the critical role played by strategic thinking in winning the fierce competition. Their findings confirm the importance of creating a tighter interconnection among resources, territory, and stakeholders for successful competition in the field of higher education.

As the global ranking of universities becomes increasingly controversial, Drnevich, Armstrong, Crook and Crook show us what factors are critical to the endeavour to raise an institution's ranking in their paper 'Do research and education matter to business school rankings?' After analysing the recent data of business school rankings, they conclude with a message for all academic administrators, loud and clear: When it comes to determining a school's ranking or reputation among peer institutions, both research productivity and the quality of educational activities matter.

Thinking about creating new campuses or programs in a foreign country? Stocker and Gempesaw's paper, 'The financial viability of exporting graduate business education in a developing economy', presents an interesting case analysis that directs our attention to some critical success factors. By using a USAID sponsored MBA program in Sarajevo as an example, this paper tells us that the most effective strategy in transplanting an academic program to another country entails an optimal mix of length of study, program size, tuition rate, and a resourceful local partner.

Using the Tertiary Education Strategy Theory (TEST) model, Hardie and Sarros, in their paper entitled 'Strategic success in international education: a multiple case study analysis of educational partnerships between Canada and China', identify the themes and issues that have a measurable impact on the profitability and sustainability of international partnerships over time.

A university's path toward its strategic goal is rarely a smooth sail. From time to time, top leaders have to copy with a wide variety of crises, most of which are totally

unexpected. The paper written by Mosek, Arnon and Cohen, 'An academic college in the front lines of war: a study of organisational coping', presents an elaborate case study of crisis management. Although the backdrop of this case is characterised by a war that occurred in Middle East, lessons learned by academic leaders from this experience can be easily applied to any other type of crisis, being it an unexpected, deep budget cut or the massacre committed by a faculty member or a student.

When it comes to student enrolment, 'bigger' is not necessarily better. Sometimes a university may even find it desirable to lower its enrolment in order to raise the quality of education. In Butcher and Paul Huo's paper entitled 'Realisation of a vision: a case study of the focus-differentiation strategy implemented by the University of Puget Sound', we see a classic case that defies the conventional wisdom in higher education. By sticking to its liberal arts mission and developing a viable competitive strategy to support it, University of Puget Sound has garnered more resources and raised its academic status even though its enrolment is capped at a less-than-3000 level.

Does a university need to pay more attention to brand name awareness in formulating its competitive strategy? In light of the empirical findings reported in Mourad's paper (entitled 'Role of brand related factors in influencing students' choice in Higher Education (HE) market'), brand related factors are just as important for higher education institutions as they are for corporate organisations in affecting customer choices.

Telecommuting is nothing new; it has been around for over two decades, although academic organisations tend to be laggards in adopting this innovation. Nonetheless, the rapid advancement of information technology in the past decade has made telecommuting not only feasible but also desirable for even academic organisations. Percival, Vogel and Muirhead's paper ('Telecommuting in higher education: faculty perceptions of strategic implications for traditional postsecondary institutions') presents a faculty perspective of the requirements for successfully implementing the telecommuting policy in the academic setting. The knowledge garnered by their empirical study will help many higher education institutions gain a competitive edge in employee recruitment and retention.

Does the competitive strategy adopted by an academic program make a difference in its chance of securing a top spot in the *US News and News Report* ranking? Pellegrin and Pezzuto found this to be true at least for the US pharmacy degree market. In their paper 'Strategic direction for high demand degrees: an analysis of the US pharmacy degree competitive market', they conclude that significant differences do exist between the Top 25 pharmacy programs and other programs in variables that represent Porter's two primary generic strategies: differentiation and cost leadership.

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