A Strategic Paradigm: Linking Marketing and TQM in Higher Educational Institutions
Lin, L.

Citation for published version (APA):

General rights
It is not permitted to download or to forward/distribute the text or part of it without the consent of the author(s) and/or copyright holder(s), other than for strictly personal, individual use, unless the work is under an open content license (like Creative Commons).

Disclaimer/Complaints regulations
If you believe that digital publication of certain material infringes any of your rights or (privacy) interests, please let the Library know, stating your reasons. In case of a legitimate complaint, the Library will make the material inaccessible and/or remove it from the website. Please Ask the Library: http://uba.uva.nl/en/contact, or a letter to: Library of the University of Amsterdam, Secretariat, Singel 425, 1012 WP Amsterdam, The Netherlands. You will be contacted as soon as possible.
Marketing is merely a civilized form of warfare in which most battles are won with words, ideas, and disciplined thinking.

Albert W. Emery.

Chapter II: Research Objectives and Questions

As stated in Chapter I, the third question for this thesis is: "What market knowledge is necessary to provide the direction for an institutional-wide improvement?" The market consists of students, industry, and the educational institution (SIE). The data on SIE provides the basic market knowledge required to implement marketing and TQM programs. Thus, it makes sense that the research focuses on the SIE. However, it is not the purpose of this research to identify the needs of educational institutions because their needs are subject to the influence of their students' needs. If an educational institution does not yet possess a clear idea of their students' needs, the accuracy, hence, the value of an educational institution needs research will be limited. Instead, it is more useful to research students' educational needs; secondly, to find out from educational administrators whether they agree with their students on student needs and thirdly, to find out whether education administrators consider marketing and TQM principles to be effective in improving education quality and organization efficiency and effectiveness. This will provide an insight into whether an educational institution is marketing-oriented and quality-driven. In addition, because the emphasis of this thesis is on students, research on the European manager profile (the industry) is limited to desk research. Specifically, the objectives of the research are:

1. To find out student broad education and education-related needs by identifying the perceived benefit(s) for attending college study;

2. To find out student specific education and education-related needs by identifying education and education-related attributes that influence student choice in selecting a higher educational institution;

3. To find out who will, most likely, influence student college choice decision;
4. To find out student communications and information needs by:

- Identifying what form(s) of communications, e.g., advertising, direct mailing, are most helpful during the student college choice process;

- Identifying what information subjects, e.g., student life, curriculum, facilities, are most helpful during the student college choice process;

5. To find out from education administrators whether their perception of student needs is consistent with students' perception of their own needs;

6. To find out industry needs by defining the ideal profile of a Year 2000 manager;

II. Research Questions

II.1. Questions Formulation

The research questions can be divided into three categories: (1) Student education and education-related needs, and education administrators' perceptions of student needs; (2) Education administrators' perceptions of the effectiveness of marketing and TQM principles; (3) Industry needs in terms of the ideal manager profile of the future.

Student Needs

1. What variables influence students to attend college/university study?

   a. What are the relative importance of these variables?
   b. What are the underlying factors among the influential variables?
   c. How do these variables vary across students from different schools?
   d. Are there differences between the results of students and education administrators?

2. What attributes influence students to choose a particular higher educational institution?

   a. What is the relative importance of these attributes?
   b. What are the underlying factors among the influential attributes?
   c. How do these attributes vary across students from different schools?
Chapter II: Research Objectives and Questions

d. Are there differences between the results of students and education administrators?

3. Who exerts the most influence during the student decision process?
   a. Are there differences in results from different schools?
   b. Are there differences between the results of students and education administrators?

4. What type of information is most helpful to students?
   a. Who are most likely to supply students with the necessary information for making a decision?
   b. What types of communications, e.g., advertising, catalogues, personal contact, do students find most helpful during the student college choice process?
   c. Are there preference differences in the types of communications among students from different schools?
   d. Are there differences between the results of student and education administrators?

5. What information subjects do students find most helpful during the student college choice process?
   a. What are the underlying factors among the information subjects?
   b. Are there preference differences in the types of communications among students from different schools?
   c. Are there differences between the results of student and education administrators?

Higher Educational Institutions

6. What are the educational administrators’ perceptions of student needs?
   a. Are these perceptions consistent with the students’ perceptions?
   b. From the education administrators’ perspective, how effective is utilizing marketing to improve education quality and organization performance?
   c. From the education administrators’ perspective, how effective is utilizing TQM to improve education quality and organization performance?
Industry Needs

7. What is the profile of an ideal manager in the Year 2000?

II.2. Literature Review on Student Education, Communications, & Information Needs

The purposes of making a literature review are: To review previous research on similar research questions in order to provide a reference list; secondly, to substantiate the research questions by developing theories based on the prevailing marketing and quality management concepts; and finally, to explain some of the major concepts that are a part of the building blocks for constructing the research questions. The following is a summary of the research findings related to the research questions:

- The expected benefits of higher education are (Carnegie Foundation 1986):

  1. To have a more satisfying career
  2. To prepare for a specific occupation
  3. To get a better job
  4. To develop my talents to the fullest
  5. To learn more things that interest me
  6. To gain a well-rounded education

- Some researchers (Mundy 1976, Tillery, & Kiltegaard 1973) claim that cost determines whether a student will attend college; others believe that cost influences students in institution selection (Davis, & Van Dusen 1975, Ihlanfeldt 1980). According to these research reports, when there is no financial means to study in a more expensive school, cost becomes an influential factor. When the cost of study is similar among the students’ choice set, cost does not seem to be a decision factor.

- During the subject/program search stage, the most important factor in the student decision process is the availability of a particular subject/program (Chapman, D.W., & Johnson 1979, Davis, & Van Dusen 1975, Discenza, Ferguson, & Wisner 1985, Erdman 1983, Welki, & Navratil 1987).

- During the institution search stage, education quality issues, such as reputation, quality of faculty, and curriculum, are widely reported by many researchers across time as the most important attributes in
Chapter II: Research Objectives and Questions

selecting an ideal institution (Coccari, & Javalgi 1995, Erdman 1983, Discenza, Ferguson, & Wisner 1985, Jackson, & Chapman 1984, Ihlanfeldt 1980, Murphy 1981, Sevier 1987, Wiese 1994). A longitudinal study (Fidler 1986) compared the attitudes of the first-year students in 1975, 1980, and 1985 and found that the value of having a ‘good academic reputation’ leading to the selection of the university has steadily increased. In 1975, ‘having a good academic reputation’ was rated as important by 37.7% of the respondents, in 1980, 51.9%, and in 1985, 54%. Concerns for education quality are not limited to the students in the US either. A recent research (Lin 1995) with a sample that included 80% Dutch and 20% international students came to a similar conclusion (reference Table II.1).

Table II.1.: Criteria Used by Students to Select A School

<table>
<thead>
<tr>
<th>Rank</th>
<th>Criteria</th>
<th>No of Students</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Overall reputation</td>
<td>138</td>
<td>100%</td>
</tr>
<tr>
<td>2</td>
<td>Career opportunities</td>
<td>136</td>
<td>99%</td>
</tr>
<tr>
<td>3</td>
<td>Education quality</td>
<td>134</td>
<td>97%</td>
</tr>
<tr>
<td>4</td>
<td>International-orientation</td>
<td>124</td>
<td>90%</td>
</tr>
<tr>
<td>5</td>
<td>Faculty qualifications</td>
<td>119</td>
<td>86%</td>
</tr>
</tbody>
</table>

Source: Lin, Lily (1995)

Other attributes that influence students’ choice include costs, career opportunities, location, social, and cultural activities (Coccari, & Javalgi 1995, Discenza, Ferguson, & Wisner 1985, Panitz 1995, Sevier 1987).


- Research reports indicated that the most widely used information package for university recruitment effort is direct mailing of curriculum catalogues (Dominick, Johnson, & Chapman, D.W. 1980a, 1980b, Johnson, & Chapman, D.W. 1980, Morrow-Anderson, & McBrearty 1995). A campus visit is also widely used and considered valuable by students and educational institutions (Kellaris and Kellaris, Jr. 1988,
Yost, Jr., & Tucker 1995). In this case, the college admission officer, who is in the position to help define and shape students’ opinion of the school he/she represents, is the most important contact person for potential students (Cain, & McClintock 1984).

- Materials sent to students that contain general information, such as programs and curriculum content, faculty background, financial aid, rules and regulations, costs, and inspirational messages, are perceived by students as useful in gaining insight into a given institution (ibid., Kellaris and Kellaris, Jr. 1988).

III. Student Needs and Decision Model Development

The main focus of the field research is to find out student education and education-related needs. The need concept provides a part of the theoretical argument for the development of the Student Decision Model (Figure II.2.), which serves as the support for student needs research and for constructing the research questionnaire. In addition, the concept of 'need' has changed in recent years. The traditional definition of needs, dominated by Maslow's theory of Hierarchy of Needs, for lack of research support, is no longer recognized by most of the researchers as adequate (Hilgard, Atkinson, Richard & Atkinson, Rita 1975). Thus, the concepts of 'need' and 'motivation' must be clarified.

III.1. The Concept of Need

The contemporary approach to motivation theories, which 'need' serves as the foundation, has moved away from a broad approach, as with Maslow's theory. According to Maslow (1954), there are five levels of needs: Physiological needs (fundamentals of survival, e.g., food); safety needs (concerns over one's physical security, e.g., shelter); belonging needs (desire to be accepted by others, e.g., joining a social club); esteem needs (strive to achieve a high standing relative to others, e.g., becoming a leader); and self-actualization needs (constantly striving to maximize one's ability). Maslow assumed that these needs are hierarchical — as long as the lower needs are not fulfilled, higher needs will remain secondary. Once the lower needs are satisfied, they cease to drive the individual.

The modern need theories focus more on a narrower aspect of consumer behavior that can be supported by research data (Mowen 1995). Engel, Blackwell, and Miniard (1995) argue that it is quite possible that an
individual is driven simultaneously by different needs across the hierarchy. In addition, researchers in cognitive personality theories have been able to show that specific needs can be isolated. For example, personality researchers (Haugtvedt, Petty, Cacioppo, & Steidley 1992, Haugtvedt, Petty, & Cacioppo 1988) demonstrated that individuals with a predominant personality variable, such as need for cognition (Ncog), i.e., one’s inclination to enjoy thinking, tends to become more involved in the quality and the strength of a given message than the peripheral cues, such as bright colors, or background music that accompanies the main message (Engel, Blackwell, and Miniard 1995).

The fact that consumer needs can be isolated indicates that while consumers have many needs, it is not necessarily so that the hierarchy of needs drives behavior in a linearly file. Consumer behavior is more complicated than previously thought. The contemporary view of consumer needs makes it possible for theorists to formulate consumer decision models that start with ‘need recognition’ without necessarily having to address all of the consumer needs stated in a hierarchical order. Today, the common approach starts with ‘need or problem recognition’, which is defined “as the perception of a difference between the desired state of affairs and the actual situation sufficient to arouse and activate the decision process” (ibid., P. 176).

III.2. The Prevailing Theories on Consumer Decision-Making Process

A very important part of consumer behavior is the consumer decision process. It involves a set of complicated mental and behavioral stages over a period of time caused by the individual’s “needs”. For students, the decision process ultimately leads to the decision of attending university study and/or a particular university (Loudon, & Bitta 1988). Below are four perspectives in consumer decision process. They make it possible to construct a student decision process model.

1. A Proposed Motivation Theory

‘Motivation’ is defined as “internal processes that can’t be directly observed, but which activate, guide, and maintain their overt behaviors” (Baron 1995, P. 375). Figure II.1 is a simplified motivation theory that demonstrates progressive mental and physical states in decision making. Motivation begins when a stimulus is present (Mowen 1995). This could come from internal sources, such
as Ncog, and/or external sources, such as seeing well-educated friends with a successful career. Need recognition takes place when there exists a discrepancy between the actual state (not going to college), and the desired state (getting a college degree). In the drive state, the student is affected by physiological and emotional excitement in thinking about college education and the potential it offers. This causes the individual to actively search for information and contemplate possible solutions. During the stage of goal-directed behavior, applications to various schools are made. The reward for this behavior is the acceptance by the desired school(s). The repeated behavior as the result of the reward could be the decision to attend a particular school. The negative experience for submitting an application is the school’s rejection. In this case, the behavior of applying to schools will either become extinct or a new behavior, such as applying to a different school or changing one’s mind on obtaining a college degree, will be adopted.

Figure II.1. A Simplified Motivation Theory

2. Economic Models

While the motivation theory describes how an internal need is turned into an outward behavior, it is a general model that assumes goal-directed behavior is purely based on the positive or negative experiences of the past.

According to the economic models (Becker 1964, Ehrenberg & Sherman 1984, Fuller, Manski, & Wise 1982, Welki and Navratil 1987) - influenced by economists who attempt to explain the decision process through an objective economic formula - education is seen as an investment. If the present discounted value of the benefits of education exceeds the present discounted value of the costs, it is assumed that a rational individual will decide to invest in education. Further, because "economic needs are concerned with making the
Chapter II: Research Objectives and Questions

best use of a consumer’s time and money --- as the consumer judges it” (McCarthy & Perreault, Jr 1993, P. 203), and “economic needs” being needs such as: economy of purchasing, and improvement of earnings, students will choose schools that will maximize their expected utility. The economic models offer an important insight on what Solomon (1992) called utilitarian needs (P. 67); i.e., students’ rational needs. However, the theory makes the assumption that students are rational beings and do not have hedonic needs, i.e., the need to enjoy oneself without a real purpose. Thus, students are not affected by psychological, social, and situational factors while making a college decision.

3. Rational-Hedonic Models

Influenced by behavioral scientists and social psychologists, rational-hedonic models (Cain & McClintock 1984, Chapman, D. 1981, Chapman, R.G. 1984, 1986, Doyle & Newbould 1980, Hirschman, & Holbrook 1982, Holbrook, & Hirschman 1982, Litten 1982, Maguire & Lay 1981) assumes that consumer decision is a series of rational behaviors. Students weigh various aspects of education attributes from different schools systematically, aiming to select the school that will yield the most benefit (Ajzen, & Fishbein 1980). At the same time, students are emotional beings who are subject to psychological, social, and situational influences. Hedonic concerns, such as emotional arousal, fantasy, and sensory pleasures, could at times dominate their decision-making (Belk, Wallendorf, & Sherry, Jr. 1989).

4. Hierarchy of Attributes and Student Decision Process

McCarthy (1990) proposes that in choosing a product/services offered by an educational institution, students first evaluate different aspects of the institutions’ education quality (primary attributes). They draw up a short list comprising schools that meet their criteria. Relying on a set of secondary attributes, such as social activities, students make the final decision from the short list. This decision approach fits the concept of hierarchy of attributes (Kotler 1994), where consumers make a purchase decision based on a dominant attribute(s) and followed by a secondary and even a third-level attributes. The concept of hierarchy of attributes not only helps to identify consumer decision priorities, it also reveals customer segments (Rossiter, & Percy 1987). Those students who first decide on education quality may be categorized as the quality-dominant segment; and those who are most
concerned with social activities, the social activities-dominant segment. This insight affects the institution's functional marketing strategy, i.e., the designing of the education offer.

III.3. Student Decision Model

III.3.1. Purpose

The proposed model is based on Doyle's and Newbould's theory (1980) for identifying the decision stages. Incorporated in the model is the combination of the views presented above. This gives a more complete picture of student motivation and the student decision process. The proposed model is constructed with regard to the following conditions:

• Several needs may play a role simultaneously in influencing student choice behavior.

• Different decision stages may have different needs.

• Some student needs are easier to fulfill than others. For instance, changing the location of an institution is more difficult than improving the quality of faculty.

• The concept of hierarchy of attributes is at play in the student decision process.

III.3.2. Components of the Model

Stage 1. Need Recognition

The choice for students at the 'need recognition' stage (see Figure II.2. below) is whether to continue one's education. The chance of recognizing this need depends largely on the student's SES (social economic standings) and ability (Doyle, & Newbould 1980). A study (Peters 1977) showed that students with high SES are four times more likely to attend university study than those with low SES. Furthermore, there is a positive correlation between students' ability and the rate of attending university study (Manski, & Wise 1983, Mare 1980). Finally, the expected benefit of higher education may influence students' need recognition. The Carnegie Foundation (1986) found that 90% of the students surveyed thought that with a
college education, they expected to have a more satisfying career; to be better prepared for an occupation (89%), and to gain a well-rounded education (80%).

From the educational institutions’ perspective, while the educational community may be able to collectively stimulate demand for higher education in the long-run, it is beyond the capacity of any individual institution to single-handedly stimulate demand for higher education. Nevertheless, not being able to meet the expected benefits of higher education may be detrimental for a particular educational institution.

Stage 2a Subject/Program Search and Stage 2b Institution Search

Doyle and Newbould (1980) suggest that students make a subject choice before an institution choice. While this proposal is in line with other research findings across time, it is more applicable in specialized subjects, such as architecture and less true in generalized subjects such as liberal arts (Chapman, D.W., & Johnson 1979, Davis, & Van Dusen 1975, Welki, & Navratil 1987). Because this research is more focused on students who want to study or are studying a specialized field, the model is consistent with the research findings that subject/program choice comes before the institution choice, displaying the hierarchy of attributes effect.

Because there is a tendency towards ‘subject-dominant hierarchy’ during the search stage, it would be wiser for the educational institution to exercise influences on students by organizing a joint promotion with other institutions that also offer a similar subject/program. Such a promotion will benefit all participants. If the institution decides to stimulate a subject/program demand on its own, it is possible that other
schools in a similar situation will benefit more than the school itself. Further, during both search stages, students rely mostly on their memory and their external sources, such as their parents, peers, and the institutions themselves for alternatives (Carnegie Foundation 1986, Chapman, D.W. 1981, Clinton 1989, Erdman 1983, Hossler, & Gallagher 1987, Murphy 1981, Sevier 1987). Consequently, it is possible that the schools and other external sources may influence students during these stages.

During the 'institution search stage', attributes such as, quality of education (Clinton 1989), career opportunities (Carnegie Foundation 1986), and reputation of the institution (Erdman 1983) are particularly important to students. At the same time, students, their family and friends need information about the schools under consideration. Thus, in the short-term, an institution may be able to influence students' preference by using promotion to boost its reputation and image.

Stage 3. Alternative Evaluation and Decision

During the crucial 'alternative evaluation and decision stage', students must make an important choice. At this stage, the educational institution has considerable control in its attempt to fulfill student needs. However, the main task at this stage is not promotion but creation of the competitive advantage. Over time, the success of an institution lies in its ability to create and sustain the competitive advantage that sets the institution apart from its competitors. Promotion should only inform the true reputation of the institution.

Stage 4. Evaluation

After matriculation, students make an assessment and determine whether their needs have been met to their satisfaction. Those who do not feel they are getting quality education are likely to express disappointment (Wiese 1994). The 'dissonance theory' (Brehm, & Cohen 1962, Festinger 1957) states that those who face a conflicting situation that runs counter to their current state of cognition tend to find a way to resolve or eliminate such conflict. Thus, dissatisfied students are more likely to drop out. Cope and Hannah (1975) reports that there is a direct link
between student retention and their perception of whether they fit in the institution. Other research (Astin 1975, Kamens 1971) show that the quality of institution, measured by average ability of students, quality of faculty, and expenditures per student, is related to the student retention rate. Kamens further claims that the lowest quality educational institutions also have the lowest graduation rate.

III.3.3. Research Questions & Student Decision Stages

The ‘Need Recognition’ stage (Stage 1) in the Student Decision Model corresponds with the first research question: “What variables influence students to attend college/university study?” During the Stages 2a and 2b, ‘Subject/Program Search’ and ‘Institution Search’, educational institutions need to fulfill students’ communications and information needs. Also, during the ‘Institution Search’ stage, education quality and school reputation are important messages to potential students. Hence, the research questions 2 - 5: “What influences students to choose a particular higher educational institution?” “Who exerts the most influence during student decision process?” “What type of information is most helpful to students?” and “What information subjects do students find most helpful during the student college choice process?” Research question 6: "What is the profile of an ideal manager in the Year 2000?" allows the institutions to better compete because industry demand influences student demand. This also corresponds with decision stages 2a and 2b.

As discussed previously, the most crucial decision stage for educational institutions is Stage 3, “Alternative Evaluation and Decision,” because they are able to exercise the greatest influence on students. Consequently, research questions on student needs (Question 2 - 6) are also directed at this decision stage. No research question is directed at the evaluation stage even though data on student satisfaction can provide a wealth of information on education quality and other management issues. This is because surveying student satisfaction is still seen by most of education administrators as a politically charged act. Indeed, very few published research reports deal with student satisfaction rating. One such survey showed (Dolinsky 1994) that the most frequent complaint made by students with the highest intensity pertains to the ‘quality of professors’. As for this research, in order not to violate the trust of those institutions surveyed, no research questions will be postulated at this decision stage.
IV. Industry Needs

Industry is the second leg of the SIE triad (see Chapter 2, Section I) and is defined as the business community. Industry holds a rather peculiar position within the triad. On the one hand, its management is made up of mostly alumni — the end product of higher educational institutions. Hence, the industry is constantly subject to the influences of the educational community. On the other hand, the industry exerts influences on educational institutions through its hiring policy, its contribution and involvement. Because of this cause-effect relationship, the forces that cause the industry to change will also pressure educational institutions to re-examine their approach. As countries enter into the era of a "knowledge society", where educated workers become the driving force for society's advancement (Drucker 1993), not only the industry demand for university graduates will increase, the hiring policy will also change. This, in turn, will affect career opportunities of the new graduates and the existing employees. Consequently, it is important for educational institutions to be aware of the ideal profile of a successful future manager.

IV.1. Are There Different Management Needs for Different Industries?

Managers are essentially problem-solvers because all businesses have needs and when these needs are not met, managers are responsible for finding the solutions. In order to determine whether there exists different management needs for different industries, it is necessary to examine whether there are differences in the nature of the problems faced by managers in different industries. Doyle and Newbould (1980) argue:

Every business consultant, and every teacher in continuing education, knows that the most common response — and usually the first response — of a businessman is a statement that the problems in his business are different from everyone else’s’. In our experience, this has yet to be a true statement. To every person emotionally, financially or intellectually attached to an organization, problems do appear unique. To an outsider management problems are embarrassingly familiar... (P.260).

Hence, while every industry possesses expert knowledge, the basic business needs, including the need for capable employees, are identical across all industries.
Chapter II: Research Objectives and Questions

IV.2. The Future Manager Profile

Because firms are under pressure to respond to the market demand quickly, and to raise performance by lowering the cost, the general trend in the business community is towards flatter organization; greater span of control; lower decision-making levels; more teamwork to solve inter-departmental problems; and lower costs (Drucker 1993, Handy 1989, Mills 1993, Senge 1994, Toffler 1970). These trends are reflected in the management issues that are concerns of the business community, and the type of managers believed to be most capable of handling them and thus, demanded by the industry.

1. Broad Management Knowledge and Skills

A researcher (Swann 1992) asked 270 business executives in the US to rank the most important management issues for the coming decade. Most of the concerns were related to the changes in the marketplace and the firm’s external environment (Table II.2.). When comparing these concerns with the results of a European management research discussed below (see Table II.3a. and II.3b), it becomes obvious that managers in the US and in Europe share a rather similar view.

<table>
<thead>
<tr>
<th>Ranking of the Management Issues</th>
<th>Type of Management Issue</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Improving customer satisfaction</td>
<td>Marketing issue</td>
</tr>
<tr>
<td>2. Developing more competitive strategies</td>
<td>Marketing issue</td>
</tr>
<tr>
<td>3. Implementing TQM</td>
<td>Quality management issue</td>
</tr>
<tr>
<td>4. Responding to changing economic conditions</td>
<td>Marketing issue</td>
</tr>
<tr>
<td>5. Improving the flow of successful products</td>
<td>Marketing, R&amp;D, quality management, production issues</td>
</tr>
</tbody>
</table>

The researchers of a pan-European management survey (Management Centre Europe 1991), which included 1129 European senior executives, middle management, and specialists from the Benelux, Scandinavia countries, Germany, Austria, Switzerland, France, Italy,
Spain, Portugal, and the UK, asked respondents to rate a list of management knowledge and skills as well as a list of personal attributes required for managers of the 1980s (important in the past), of the 1990s (important currently), and of the 2000s (important in the future). Table II.3a. provides a list of management knowledge and skills whereas Table II.3b, a list of important personal attributes.

Table II.3a. A Profile of Manager of the Future: Ranking of Broad Management Knowledge & Skills

<table>
<thead>
<tr>
<th>Management Knowledge &amp; Skills</th>
<th>Ranking in Importance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1980s</td>
</tr>
<tr>
<td>1. Deep understanding of the external environment</td>
<td>8</td>
</tr>
<tr>
<td>2. Interpersonal communication skills</td>
<td>7</td>
</tr>
<tr>
<td>3. Teambuilding skills</td>
<td>6</td>
</tr>
<tr>
<td>4. Marketing skills</td>
<td>5</td>
</tr>
<tr>
<td>5. Information technology skills</td>
<td>9</td>
</tr>
<tr>
<td>6. Leadership skills</td>
<td>1</td>
</tr>
<tr>
<td>7. Financial skills</td>
<td>4</td>
</tr>
<tr>
<td>8. Organization &amp; control skills</td>
<td>2</td>
</tr>
<tr>
<td>9. A keen sense of right or Wrong</td>
<td>3</td>
</tr>
</tbody>
</table>


According to Table II.3a, in the 80s, the ability to understand the organization’s external environment was ranked second to the last, and in the 2000s, the most important. IT skills were ranked the last in the 80s, but it will become more important in the 2000s. Still, IT was not considered a central business issue even in the future. This view may change. Also, because there will be a demand for open and democratic managers (Apps 1994, Drucker 1993, Mills 1993), teambuilding and interpersonal skills will be important. In addition, marketing is seen as the most important functional knowledge for future managers. The surprising part of this research is that business ethics will be the least important issue in the 2000s. This contradicts the concepts of customer-orientation and consumerism. The former advocates fair and equal exchange and the latter, consumers have
rights which must be respected and protected. The lack of ethical concern in the industry may present the educational community with an opportunity to lead the industry in research and teaching.

2. Important Personal Attributes

Because the business community expects to face a more volatile and uncertain environment in the future, what were once considered valued personal attributes will no longer be sufficient for future managers. For example, ‘capacity for hard work’ was rated the most important personal attribute for yesterday’s managers and the second most important attribute for today’s managers (Table II.3b). For tomorrow’s managers, it was rated the eighth place out of the thirteen attributes. The most important personal attributes for tomorrow’s managers are those that prepare a manager to deal with a volatile environment (Drucker 1993, Toffler 1970).

Table II.3b. A Profile of Manager of the Future: Ranking of Personal Attributes

<table>
<thead>
<tr>
<th>Personal Attributes</th>
<th>Ranking in Importance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1980s</td>
</tr>
<tr>
<td>1. Willingness to gain international experience</td>
<td>11</td>
</tr>
<tr>
<td>2. Willingness to find new ways to manage the organization</td>
<td>10</td>
</tr>
<tr>
<td>3. Excellent communicator</td>
<td>9</td>
</tr>
<tr>
<td>4. Able to concentrate on the big picture</td>
<td>8</td>
</tr>
<tr>
<td>5. Is highly educated</td>
<td>7</td>
</tr>
<tr>
<td>6. Is highly intelligent</td>
<td>4</td>
</tr>
<tr>
<td>7. Able to have a broad understanding of the business</td>
<td>3</td>
</tr>
<tr>
<td>8. Is a highly ethical person</td>
<td>5</td>
</tr>
<tr>
<td>9. Have a capacity for hard work</td>
<td>1</td>
</tr>
<tr>
<td>10. Willing to identify with the company</td>
<td>2</td>
</tr>
<tr>
<td>11. Is an astute corporate politician</td>
<td>7</td>
</tr>
<tr>
<td>12. Is ruthlessly ambitious</td>
<td>6</td>
</tr>
<tr>
<td>13. Has the ability to attend details</td>
<td>8</td>
</tr>
</tbody>
</table>

In addition, future managers must be better educated than their predecessors, and be willing to update their knowledge throughout their working life (Apps 1994, Drucker 1993). The business community, therefore, will be expected to partake in employee education programs (Stone 1991) --- perhaps with the help of higher educational institutions. Secondly, higher educational institutions must be prepared to educate adults and returning students who have decided to return to school from their job or home life to update their knowledge, or to prepare for a career change.

The above survey not only provides the essential information on the type of managers that will be demanded in the future, it also provides higher educational institutions with an insight as to the type of graduates most likely to succeed in the business community.

V. Are Higher Educational Institutions Able to Meet Student Educational Needs?

The educational institution is the third leg of the SIE (see Chapter 2, Section I). The purpose of this part of research is to find out from educational administrators whether their perception of student needs is consistent with their students', and what conclusions can be drawn if there are discrepancies?

V.1. Reasons for Not Being Able to Meet Student Needs

According to research reports (Knutson and Patton 1991, Knutson 1989a, Knutson 1989b, McCleary & Weaver 1988), higher educational institutions are not necessarily meeting students' needs. For instance, there is a considerable gap between what business students perceive as very important managerial skills, and how they feel they are prepared to handle these skills. This discrepancy could be due to several reasons:

First, incoming students who have unrealistic expectations and expect their school to fulfill them are more likely to feel disappointed and therefore, tend to drop out midway than those with realistic ones (Pace 1980, Pascarella 1986). Another possibility is that educational institutions may simply lack insight on student needs because they lack systematic market research and planning. Even though the ability of an educational institution to adequately respond to student needs leads to increased student satisfaction, academic achievement, and personal growth (Huebner
Chapter II: Research Objectives and Questions

1980, Lenning, Beal, & Sauer (1980), Muston (1985) reveals that 5% of those educational institutions surveyed reported having documented student recruitment plans and only 2% developed student retention plans. Both student recruitment and retention plans are a part of market planning leading to higher student satisfaction. The low percentages indicate that student recruitment and retention are mostly left to chance.

The third possibility is that educational institutions have not yet learned to tune in to the real issues of student complaints. A consumer research organization, TARP, claimed (Albrecht, & Zemke 1995) that 96% of the dissatisfied customers never complained. Yet, for every complaint, there are twenty-six customers who have problems and nearly one quarter of them have serious ones. One of the consequences of customer dissatisfaction is that customers tend to broadcast their problems. The same research showed that the average customer who has had problems with a given firm tells nine to ten people about it, and 13% of those individuals will tell more than twenty people. On the other hand, those customers who have had their problems resolved will tell five people. Even though this research was not directed to students, there is no doubt that when students are not satisfied with their study, they will broadcast their dissatisfaction to anyone who is willing to lend a sympathetic ear.

V.2. Educational Institutions & Student Educational Needs

Any profit organizations could testify that at times, consumers would ask for one thing but purchase something else (Deutsch 1990). Thus, the question is: "Under which circumstances, should educational institutions meet student needs?" Cornell University (Enz, Renaghan, & Geller 1993) researched industry executives, Cornell faculty, and graduate students to find out what the most important managerial skills perceived by each group were (54 skills were listed). Table II.4. shows three managerial skills were identified by all groups as one of the top 12 most important skills:

- Identifying and defining problems
- Organizing and writing skills
- Taking a leadership position

Besides these three, it appears there is very little agreement between the three groups. Not only was faculty way off in ranking many of the variables in comparison with the industry group, students’ rankings showed even bigger discrepancies. More in-depth analysis (see additional
data in Appendix II.3.) shows that the industry group rated high on behavioral and interpersonal skills; faculty, analytical, and conceptual thinking skills; and students, technical competencies, such as ‘using financial analysis techniques’ and ‘operating budgetary control systems’. The outcome of this study presents a challenge: “To whom should higher educational institutions listen?”

Table II.4. Most Important Managerial Skills Ranked by Industry, Faculty, & Students

<table>
<thead>
<tr>
<th>Most Important Managerial Skills</th>
<th>Industry/Alumni</th>
<th>Faculty</th>
<th>Students</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acting in an ethical manner</td>
<td>1</td>
<td>4</td>
<td>46</td>
</tr>
<tr>
<td>Taking a leadership position</td>
<td>2</td>
<td>11</td>
<td>12</td>
</tr>
<tr>
<td>Communicating with clients, customers</td>
<td>3</td>
<td>25</td>
<td>10</td>
</tr>
<tr>
<td>Working as a member of a team</td>
<td>4</td>
<td>32</td>
<td>34</td>
</tr>
<tr>
<td>Identifying and defining problems</td>
<td>5</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Organizing and writing skills</td>
<td>6</td>
<td>8</td>
<td>11</td>
</tr>
<tr>
<td>Inspiring and motivating others</td>
<td>7</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>Seeing how things fit in the big picture</td>
<td>8</td>
<td>15</td>
<td>32</td>
</tr>
<tr>
<td>Making decisions under time pressure &amp; with limited resources</td>
<td>9</td>
<td>18</td>
<td>26</td>
</tr>
<tr>
<td>Adapting to changing circumstances</td>
<td>10</td>
<td>19</td>
<td>41</td>
</tr>
<tr>
<td>Being objective, viewing issues from many perspectives</td>
<td>11</td>
<td>6</td>
<td>38</td>
</tr>
<tr>
<td>Persuading others</td>
<td>12</td>
<td>46</td>
<td>37</td>
</tr>
</tbody>
</table>


To answer this question, educational institutions must first consider their role:

If the role of educators is to prepare graduates for the future and to convey skills that have value throughout a career, then the focus may have to be on conceptual and analytical thinking and an understanding of a relevant body of knowledge. Such “thinking” skills, we believe, provide the most value over an individual’s entire career (Enz, Renaghan, & Geller 1993, P. 95).

Whether this will be an appropriate role depends on the students’ perception of ‘expected education benefits’ (broad education needs or
BEN). If students expect that attending college will help them ‘to achieve a satisfying career’, it should be obvious that even though students and faculty did not agree on managerial skill needs (specific education needs or SEN), there is no inherent conflict between them. The challenge in this case, is not to accommodate student requests on specific managerial skill needs but to align the students’ expectations on education benefits with the appropriate managerial skills.

The point is that research data on student needs should not be interpreted verbatim. When there are discrepancies between students’ expectation and the school’s perception in student needs, broader student needs must be evaluated at the same time in order to achieve accurate conclusions. It is from this perspective that the research on educational institutions perception on student needs will be carried out, its data analyzed and conclusion drawn.