Chapter VI: Theoretical Framework and Development II - Organization Internal Issues

Vision without action is a daydream. Action without vision is a nightmare.  

Japanese proverb

I. Orientation

Drucker (1990) once stated that “to run a non-profit organization effectively, the marketing must be built into the design of the service” (P. 40). Thus, not only the organization external issues (which are discussed in Chapter V) but also the internal issues must reflect the marketing approach. The second half of the Strategic Paradigm Model includes mostly organization internal issues, which are discussed in this and Chapter VII. (For this chapter’s section of the Strategic Paradigm Model, see Figure VI.1 below). Like the external issues, working out the internal issues helps the educational institution to meet and satisfy its market demands; therefore, the institution becomes more competitive.

**Figure VI.1. Strategic Paradigm Model - Internal Issues**

The organization internal issues can be divided into five main categories:

1. **Organization Internal Environment**
2. **Organization Internal Strategic Issues**
3. **Designing the Institution Offer**
4. **Organization Development**
5. **Evaluation and Control**
II. Organization Internal Environment

II.1. Internal Driving Forces

Internal driving forces include current student and employee demands. Even though customers are not usually a part of the internal organization, for educational institutions, current students are actually a part of the internal structure. They have an unusually close relationship with the educational institution. Their influences are particularly prevalent because they can demand for different programs/courses or complain about the education quality. Faculty and staff also influence the organization. Their education philosophy and value system help to create and sustain the education philosophy and value system of the organization and therefore, its organization culture.

II.2. Organization Culture

Organization culture can be defined as “a set of values, beliefs, goals, norms, and rituals that members or employees of an organization share” (Bennett 1988, P. 45). “It includes the behavioral patterns, concepts, values, ceremonies, and rituals that take place in the organization” (Daft 1983, P. 482).

In the following text, first, national culture, student subculture, and business ethics are discussed. This enhances the basic understanding of organization
culture and its pervasive influences. Secondly, how organization culture is developed, and what are the solution guidelines are offered to improve dysfunctional and/or destructive organization culture.

II.2.1. National Culture

Corporate culture may vary from firm to firm, still, it reflects the influence of the national culture. Hofstede (1991) describes in his book, "Cultures and Organizations", the organization culture of a 60-year-old Dutch chemical production plant, HGBV:

HGBV's management style used to be paternalistic. . . . . . . . .

. . . . One has to fit into the informal network, and this holds for all hierarchical levels. 'Fitting' means: avoiding conflicts and direct confrontations; covering other people's mistakes; loyalty, friendliness, modesty, and good-natured cooperation. Nobody should be too conspicuous, either in a positive or in a negative sense. . . . .

. . . . HGBVers grumble, but never directly about other HGBVers. Also, grumbling is reserved for one's own circle; towards superiors or outsiders, one does not soil the nest. . . . . The quality of their work counts less than their social adaptation. Whoever disrupts the harmony is rejected, however good a worker she or he is. . . . . ‘We prefer to let a work problem continue for another month, even if it costs a lot of money, above resolving it in an unfriendly manner.’ Company rules are never absolute. The most important rule, one interviewee said, is that rules are flexible. One may break a rule if one does it gently. It is not the rule-breaker who is at risk, but the one who makes an issue of it. . . . .

. . . . Careers in HGBV are made primarily on the basis of social skills. One should not behave too conspicuously; one need not be brilliant, but one does need good contacts. . . . . (P. 177-178).

Hofstede goes on to say that due to increasing competition, market demands, and social pressures, HGBV brought in new people to implement fundamental changes. These changes included reduction in personnel through early retirement, cost-cutting, quality improvement, and managerial accountability on environmental issues. This move is understandable since HGBV's outdated management style could no longer cope with today's competitive environment. As stated by West-Burnham, Bush, O'Neil, and
Glover (1995): “... dependency, getting-by and good intentions are no longer options” (P. 3).

Hofstede claims that these changes clash head-on with the HGBV’s organization culture. Yet, to anyone who has come into contact with the Dutch culture for a prolonged period, the description of the HGBV organization culture has an uncannily familiar ring to it. The so called, HGBV’s organization culture, largely, reflects the Dutch culture. Thus, the changes implemented by HGBV not only clashed with the existing organization culture, they are also incongruent with the Dutch culture itself. Nevertheless, external forces demand that those organizations still operating in the last century undertake drastic changes in order to survive the coming decades. As for cultural clashes, it is possible that the continued flourishing of a national culture depends on changes which are contradictory to the existing culture even though the idea may sound threatening to some. Thus, there is no reason why changes incongruent with the national culture cannot be introduced and thrives in an organization (Golembiewski 1989).

II.2.2. Student Subculture

Many researches (Huntley 1972, Newcomb 1968, Lehmann 1963) show that an educational institution bears a considerable impact on changing students’ values and attitudes through its education, and that these changes last well beyond the college years (Newcomb 1963). Other researches (Skager, Holland, & Braskamp 1972, Stem 1963) show that students are subject to the influence of the organization characteristics of their school. This presents an interesting question: “If the educational institution itself has an organization culture that embraces superior or mediocre norms, will these values and attitudes pass on to the students?”

According to the researches of Clark and Trow (Clark, & Trow 1966, Trow 1960), whether students are influenced by their school’s education and/or organization culture depend on the extent of their involvement with their school. Clark and Trow divide student subculture into four categories based on the extent to which students are involved intellectually through classroom learning and emotionally with their college:

1. Members of the *academic subculture* are involved with their school in intellectual learning and emotional involvement. Thus, they are likely to be influenced by the school’s intellectual ideas and its norms and values.
2. Members of the *collegiate subculture* are more involved with their college emotionally but are not particularly interested in intellectual learning. This group is subject to the influence of their school's norms and values but is not influenced by the institution's academic ideas.

3. Members of the *nonconformist subculture* are interested in learning intellectual ideas but do not feel strongly attached to their college emotionally. The institution's organization culture has less influence on them but the institution can influence this group of students through intellectual ideas presented in classes.

4. Members of the *vocational subculture* are neither interested in learning intellectual ideas, nor do they feel strongly attached to the college. They are enrolled in the school solely for the purpose of gaining a certified college credit in order to get ahead in the world. They tend to develop their norms and values outside of the school. The institution has little influence on them either intellectually or emotionally.

It appears that the organization culture of a school influences most of its students, at least, some of the time. Thus, when the organization culture shares superior or mediocre performance norms, these values are passed on to most of the students as well. When student performance is low, and they lack the motive to achieve high standards in their study (reference Chapter IV, Table IV.2 regarding the low percentage of students who have passed all of their courses), one of the areas education administrators should look into is the common norms and values expressed by the organization culture itself.

II.2.3. How Is Organization Culture Developed?

According to Kilmann (1985), organization culture is developed based on:

- The organization history, and the founder's belief and values;

- Critical incidents, such as the reasons for firing or promoting an employee. These reasons indicate what the organization really wants, and what really counts in getting ahead, or how to stay out of trouble;

- The reward systems, policies, and work procedures.

For example, as questioned in Chapter V, Section II.2, nonprofit organizations such as government subsidized educational institutions tend to adopt the concept of "equality" in which workers are neither rewarded for
good work or punished for poor performance. Hence, the institution as a whole lacks exemplary incidents and good reward systems. Under the circumstance, frustrated workers often create excessive informal activities, such as playing games that undermine the organization goals and the work of others. At the same time, their work quality is likely low. Some of them will become informal leaders who initiate the development and the enforcement of the group norms (Argyris 1957). Those who perform either below or above the group norms will risk the chance of being ostracized or punished (Dubrin 1990). When a cohesive group has group norms that are contrary to corporate goals or that are substandard, those norms will dictate the direction of the organization (Kilmann 1985). The more cohesive the group, the more likely the group will follow its norms instead of the organization goals (Robbins 1991). In fact, “a highly cohesive group that has been around for a long time has members who look, act, think and talk like one another” (Kilmann 1985, P. 66).

“If the desired behaviors and goals are not expressed by upper management, a culture will evolve on its own and, in so doing, will still reflect the goals and values of the company” (Reidenbach and Robin 1989, P. 92). In fact, if the top management neglects to manage the organization culture, the most active group members and their negative human emotions, such as fear, insecurity, dependency, and paranoia will take over. Together, they set the unspoken rules and norms. Eventually, the organization will modify itself to accommodate its workers’ demands. Kilmann (1985) claims that “unattended, a company’s culture almost always becomes dysfunctional” (P. 64). Thus, a weak or a dysfunctional management tends to contribute to the development and the maintenance of dysfunctional informal groups and the organization culture.

II.2.4. What Can Be Done If the Organization Culture Is Dysfunctional Or Even Destructive?

For managers, culture is a framework for control, and the underlying objective is ‘control’ (Bate 1994). Perrow (1972) identified three levels of organizational control:

1. Control behavior through direct orders.
2. Control behavior indirectly through regulations and procedures.
3. Control the way people think through ideology in order to control their behavior.
Accordingly, shaping the organization culture is the highest form of management control because it influences the thought process and the behavior of the organization members. However, organization culture is conservative in nature because it reflects what has worked and not what will work. Thus, it judges the future according to the past. The stronger the organization culture, the more it will resist change since change represents unknown rules, norms, and direction (Drummond & Bain 1994). Nevertheless, organization culture can be changed and should be managed because “it is closely linked to strategy, and structure and influences activities such as recruitment, selection, appraisal, training and rewards . . . “ (McKenna, & Beech 1995, P. 75).

Cultural change is a journey and not a destination (Whittle, Smith, Tranfield, & Foster 1991). To change culture will result in changing organization structure, strategy, and in fact, the organization itself (Bate 1994). To initiate culture change, management must first establish a new set of norms backed by a reward system (Kilmann 1985, McKenna, & Beech 1995). For educational institutions, organization norms and values should include:

1. Marketing Orientation

A market-oriented culture is one in which the students’ interests always come first. The institution systematically collects and analyzes the data on its current and potential students’ demands, its alumni’s career development, its student attrition rate and student recruitment success rate. The institution uses the data in formal market planning at the top management level and in implementing marketing strategies.

2. Awareness of Organization Efficiency and Effectiveness

In higher education institutions, efficiency could be measured by indicators such as: costs per student, and average number of years to graduate (Meeth 1974, Hartmark 1975). Cameron (1978), on the other hand, identified nine organization effective dimensions. Annual ratings in these areas allow the educational institution to detect the problems that contribute to the organization’s ineffectiveness:

(1). Student educational satisfaction
(2). Student academic development
(3). Student career development
(4). Student personal development
(5). Faculty and administrator employment satisfaction
(6). Professional development and quality of faculty
(7). System openness and community interaction
(8). Ability to acquire resources
(9). Organizational overall well-being

3. Quality Consciousness

Education administrators should make every effort to encourage the evolvement of a cohesive group of workers with high standards as they tend to take pride in superior work performance (Dubrin 1990, Sear, Peplau, Taylor 1991). In addition, a quality-conscious culture is not only concerned with the quality characteristics, it is also concerned with the measuring of quality. The SEN research data discussed in Chapter IV, Section II.4. provides a list of education quality attributes. This allows education quality to be measured attribute by attribute. However, measuring education quality alone is not adequate. On a broader front, the quality of an institution defined by a list of institution characteristics should be used to measure the overall quality of the institution’s performance (Topor 1986). This includes:

(1) The effectiveness of the education program in meeting the institution’s mission;
(2) Knowledge and skill competence of the faculty, staff, and administrators in achieving the institution’s education goals;
(3) Management’s ability in understanding student needs;
(4) Institution credibility, i.e., does the institution make claims based on fact?
(5) Organization atmosphere, i.e., the atmosphere created by facilities and architectural design as well as the working environment created by personnel and students;
(6) Management responsiveness in supporting the faculty and staff and in reaching organization goals;
(7) Employee morale.

Another way to introduce a set of new norms and values is to hire and/or promote people who do not share the same kind of organization culture.
With an appropriate reward system and unrelenting management support, those individuals can demonstrate a different set of values.

As for dealing with those who are active in enforcing the mediocre performance, management must recognize that “all groups have some leadership structure, and even in groups with formal leaders, there is often a pattern of informal leadership that can be very different from the official structure” (Sear, Peplau, & Taylor 1991, P. 325). The power of the informal leaders is sometimes derived from coercion, which “... can range from actual physical force to threats of punishment or subtle signs of disapproval” (ibid., P. 251). They spread fear among the group members. Hence, if the new set of norms is to be successfully implemented, management must be willing to deal with the so called ‘bullies’ first. In addition, management must be willing to work with those informal leaders who share the organization goals and who are conscientious about their work standards.

Besides establishing a new set of norms and values, education administrators need to make organizational-wide structural changes. However, it is important to note that when people are moved individually, they will adapt to the culture of their new environment but when they are moved as a group, they will bring their culture with them (Hofstede 1991).

Closely related to making organization structural changes is to change work processes by establishing new procedures and shortening the existing or establishing new communication channels (ibid.). Changing processes also mean to question whether control has been established at the organization’s input and output levels. The input includes the quality of incoming students, faculty, and teaching materials, and the output; the performance of the current students as well as the quality of the graduating students.

Finally, use training programs only if the management has clearly defined its training needs. Otherwise, training may not be very effective.

III. Organization Internal Strategic Issues

While issues in organization internal environment spell out the existing conditions of the educational institution, the internal strategic issues introduce those concerns that determine the overall direction and the academic level of the institution, i.e., philosophy, mission, goals, and academic standards.
III.1. Philosophy, Mission, and Goals

Kotler and Andreasen (1996) call on nonprofit organizations to adjust themselves to both internal and external realities. The external reality is the market demand, and “the principal internal reality is where the organization as a whole wishes to go” (ibid., P. 66). This requires the institution to clearly define its mission and goals. However, it would be helpful for the educational institution to consider its education philosophy first.

1. Philosophy

According to Longman’s “Dictionary of Contemporary English” (1987), ‘philosophy’ is defined as: “the study of the nature and meaning of existence, reality, knowledge, goodness, etc.” (P. 770). Education philosophy may be derived from the BEN research because it helps education administrators to define ‘the meaning of their institution’s existence.’ Questions such as the ones stated below should be addressed:

- Does the institution exist to provide students with occupational skills?
- Does the institution exist in order to provide meaning for students’ lives?
- Does the institution exist because it believes a well-rounded education will ensure well-rounded, productive citizens in the future?
- Does the institution exist because someone has to provide young people with a sanctuary, where students can forget about obligations, responsibilities, and simply concentrate on enjoying student life?

Any of these education philosophies will result in different mission and goals.

2. Mission

“The purpose of the mission statement is to express the underlying design, aim, purpose and thrust of a business entity . . . .” (Cravens 1994, P. 43). “A well-defined mission serves as a constant reminder of the need to look outside the organization not only for ‘customers’ but also for measures of success” (Drucker 1989, P. 89). A mission
statement should reflect the institution's education philosophy and answer the most essential business questions, such as:

(1). **What is the organization's business?**

Some institutions may consider themselves in the educational business. Such a statement is too broad — almost all of the educational institutions are in the educational business. Ultimately, each educational institution must ask itself: "What kind of graduates would this institution like to produce?"

Using the research outcome of BEN, possible alternatives are addressed below as questions:

- Is the educational institution in the intellectual education business, where it helps students to acquire knowledge and intellectual capacity in the world in which they live?

- Is the institution in the personal growth business, where it aims to develop students intellectually, emotionally, and socially?

- Is the institution in the career-building business, where it aims to educate students in a given academic discipline but is not necessarily limited to a particular industry (e.g., engineers, managers, chemists)?

- Is the institution in the job-training business, where it aims to sharpen students' job-related skills in a narrowly defined industry?

- Is the institution in the college fun and games business, where students are in school to have a good time?

(2). **What type(s) of market/students does the organization want to serve?**

Each point discussed above could delineate a different segment. Another way of segmenting the market could be derived from the SEN data. As discussed in Chapter IV, attributes of education quality are ranked at the top. Social dimensions are secondary considerations. Still, it is possible that a smaller segment will rate high on social dimensions and low on education quality.
(3). Where does the organization want to serve its students?

An educational institution may choose to establish different campuses at different locations, or it may choose to concentrate its effort in one location.

(4). What is the institution's education offer?

(5). What is the organization's expectation of its students' academic performance?

(6). What is the organization's expectation of its faculty's job performance?

Question (4), (5), and (6) are interrelated. Two other issues must be considered when answering these three questions: Industry needs (reference Chapter II) and academic standards (reference Section II.2. below). These criteria allow a realistic measurement whether the mission and goals have been achieved.

(7). Which aspect of the institution's offer is distinctively different and better than that of the competitors' offers?

See discussions on "competitive advantage" in Chapter V.

(8). What is the management philosophy and practice in education and in running an efficient and effective organization?

See discussions on "philosophy" above.

3. Goals and Objectives

Goals and objectives spell out the specific inspirations. There are three categories of goals for educational institutions:

- Business goals and objectives
- Education goals and objectives
- Quality goals and objectives

As stated in Chapter I, a university is both a business entity and an educational institution. For business issues, goals and objectives may be set for a business expansion plan, student recruitment plan, and
promotion plan. As for education and quality goals, BEN and SEN research data may be used as the guidelines for formulating the education and quality goals. For example, one of the research findings in Ben indicates that students want a well-rounded education. Hence, the education goal could be: “To offer students a balanced education in order to broaden their understanding of the world”. In addition to BEN and SEN data, a recent research (Heischmidt and Kellerman 1994) could provide more ideas in setting education goals. According to the research, the top five educational goals are:

1. The ability to locate and gather information
2. Effective communication skills
3. Capability for critical thinking, reasoning, and analyzing
4. The ability to obtain a job and compete successfully in one’s chose profession
5. The ability to function responsibly in one’s social and political environment.

III.2. Academic Standards and Education Quality

Philosophy, mission, and goals point to the direction of the institution. Academic standards refer to the level of intellectual challenge, the depth of theoretical and practical knowledge required by the educational institution on the one hand, on the other hand, the level of students’ performance demonstrated in meeting the institution’s requirements. Academic standards are the yardsticks for defining the level of education input and for measuring the quality of education output. In a recent research (Gandolfi, & Euw 1996) of 135 universities in five European countries that included Switzerland, Italy, Germany, the Netherlands, and England, the respondents were asked: “What does the term, ‘Quality’, mean for you?”, they named ‘academic standards’ as the most essential description. Academic standards and education quality are, in fact, two sides of the same coin. Academic standards are also closely related to the quality of student recruitment, student attrition rate, and faculty qualifications because all have to be measured against the institution’s academic standards.

III.2.1. How to Set the Appropriate Level of Academic Standards?

As indicated in Chapter IV, SEN data, 62% of the respondents thought that the academic standards was an important criteria for selecting a higher educational institution. However, Manski and Wise (1983) found in their
research that potential students prefer an educational institution where the score of an average SAT\(^1\) (Scholastic Aptitude Test) is approximately 100 points above their own scores. Such an institution is preferred to institutions where the average SAT is well below or well above the student’s own score.

It seems that students prefer an educational institution that has a challenging student body with good academic potential but within their league. Thus, when an educational institution maintains academic excellence, it helps to attract quality potential students. In fact, based on the research of Cook and Zallocco (1983), ‘high admission standards’ was selected by students as one of the top ten criteria for choosing a university and ‘low flunkout rate’ was rated towards the bottom of the list with a mean of 2.62 on a scale of 7. This is interesting since the majority of students dislike failing courses. Perhaps, students perceive “low flunkout rate” as an indication of “an easy school with low academic standards.” Hence, when an educational institution is known for excellent facilities and social environment instead of education quality, it may attract those students who are poor in academic performance but are looking for a comfortable social life and surroundings.

Besides students’ demand, the appropriate level of academic standards also depends on the level of learning required to reach the institution’s educational goals (see mission and goals above). Listed below are five possible levels of learning:

1. Providing training programs that are job- or task-specific;
2. Providing training and education programs that prepare students in acquiring entry-level job positions upon graduation;
3. Providing education that helps students in acquiring a successful career;
4. Providing education that ensures students’ general understanding of their world;
5. Providing education that ensures students’ research ability and the ability in acquiring further education.

Finally, setting academic standards alone is not enough because they merely indicate ‘what should be’ and not ‘what is.’ Higher educational institutions

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\(^1\) SAT is a nation-wide college entrance examination that measures the applicant’s academic potential, which is required by all accredited colleges and universities in the US when making an application for university study.
must determine their students’ academic performance level to determine “what is” and then, close the gap between ‘what should be’ and ‘what is.’

IV. Designing Institution Offer

Once the overall direction and the academic level of the institution is determined, the institution is ready to design its education offer. An education offer consists of dimensions of education as well as distribution and costs issues. The combination of these dimensions in different degrees of emphasis allows the educational institution to differentiate itself from its competitors. Figure VI.3. shows a conceptual model reflected in five levels.

Level 1. The Core Benefit(s) of the Institution Offer

“Customers buy value in the form of benefits” (Webster, Jr. 1992, P. 1). The core benefit refers to the most essential value(s) of the given product/services. The core benefit of a hotel is accommodation, an automobile is transportation, and a television is entertainment and information. It is important to identify the core benefit of the offer because it affects the actual design of the product. If the perceived core benefit of a school is ‘student life,’ the emphasis of the institution offer would be quite different from that of the core benefit of ‘successful career.’

The BEN research data discussed in Chapter IV shows that students rated the three most important reasons for attending higher education study: (1) to gain a well-rounded education; (2) to learn interesting things; (3) to have a satisfying career in life. Accordingly, the core benefits of higher education could be well-rounded knowledge and an opportunity for a successful life. However, emphasis must be made that in designing the education product, if the school is not providing students with a quality well-rounded education (the basic value), even if its facilities and student life are wonderful, the benefit of such offer will diminish considerably. The consequence is that potential students will be less willing to pay for the education with their money, time, and effort.

Level 2. The Core Components

The core components refers to the most basic version of a product, e.g., the core components of a hotel is a simple reception desk and a
number of guest rooms. For higher education, the core components are:

1. Education programs and curriculum offered
2. Students
3. Faculty
4. Teaching materials

Level 3. The Differentiation Components

When demand exceeds supply and competition is not very strong, the basic product is adequate. In a competitive environment, customers expect that the core components are in order. Thus, the competition is at the level where extra value to the basic product may be added (Levitt 1969), i.e., the level of differential components. For educational institutions, the differential components may be divided into three categories: Reputation, program-related issues, and job/career-related issues (Table VI.1).

To design the differentiation components, the educational institution must find ways to add value to one or more of these categories. This could be achieved either through innovation, quality improvement, or marketing communications (Shimp 1993).
<table>
<thead>
<tr>
<th>No.</th>
<th>Area of Differentiation</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Reputation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Market Position</td>
<td>Does the institution have a competitive market position? Does the institution have a need to reposition?</td>
</tr>
<tr>
<td></td>
<td>Brand Image</td>
<td>What is the current brand image? Does it reflect the core benefit(s) of the institution? Its strengths? Market demand? What is the desired brand image?</td>
</tr>
<tr>
<td>2.</td>
<td>Program-Related</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Quality</td>
<td>What quality levels of the curriculum, the students, the faculty, and the teaching materials are necessary to remain competitive?</td>
</tr>
<tr>
<td></td>
<td>Emphasis</td>
<td>Does the program reflect the institution’s education philosophy?</td>
</tr>
<tr>
<td></td>
<td>Flexibility</td>
<td>Are students given the opportunity to charter the course of their studies?</td>
</tr>
<tr>
<td></td>
<td>Teaching Approach</td>
<td>What are possible teaching methods that are more effective in transfer knowledge and skills from teachers to students?</td>
</tr>
<tr>
<td></td>
<td>Internationalization</td>
<td>Are international students, faculty, and mentality an integral part of the program?</td>
</tr>
<tr>
<td></td>
<td>Innovation</td>
<td>Which aspect(s) of the program is innovative? Is the innovation provides the institution competitive advantage?</td>
</tr>
<tr>
<td></td>
<td>Leadership</td>
<td>Is the program looked upon by potential students and competitors as the leader of the field?</td>
</tr>
<tr>
<td>3</td>
<td>Job/Career-Related</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Traineeship Opportunities</td>
<td>How much job-related experience is necessary for students to acquire insight into learned theories?</td>
</tr>
<tr>
<td></td>
<td>Career Opportunities</td>
<td>Is the education broad enough to provide students with a life-long career opportunity, or is it directed at specific job openings?</td>
</tr>
</tbody>
</table>
Level 4. The Auxiliary Components

The auxiliary components are the secondary product attributes (in terms of importance) that may be added to the institution offer to make it more competitive. For instance, the SEN research data showed that students thought facilities and social environment are secondary issues and thus, they could be added to the institution offer. Table VI.2. suggests possible auxiliary components.

Table VI.2. Suggestions for Auxiliary Components

<table>
<thead>
<tr>
<th>No</th>
<th>Auxiliary Component</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Distribution-Related</td>
<td>Does the location of the institution convey certain image? Is the image consistent with the rest of the school?</td>
</tr>
<tr>
<td></td>
<td>* Location Image</td>
<td></td>
</tr>
<tr>
<td></td>
<td>* Distribution Intensity</td>
<td>Is there a need to set up campuses in other geographic locations?</td>
</tr>
<tr>
<td></td>
<td>* Program Delivery Methods</td>
<td>To stay competitive, is there a need to utilize computer technology for program delivery?</td>
</tr>
<tr>
<td>2</td>
<td>Facilities</td>
<td>Classrooms, computer facilities, library, dormitory, etc.</td>
</tr>
<tr>
<td>3</td>
<td>Social Environment</td>
<td>Student life, size of school, student organizations, recreation in and outside the school, dormitory.</td>
</tr>
<tr>
<td>4</td>
<td>Student Services</td>
<td>Student advice, student information, traineeship and employment placement services, financial aid, food and beverage services, etc.</td>
</tr>
<tr>
<td>5</td>
<td>Tuition Costs</td>
<td>Are tuition costs being used to position the institution offer?</td>
</tr>
</tbody>
</table>

Level 5. Potential Components

The potential components are those ideas that could be offered in the future in order to further differentiate itself. For instance, various types of university outreach programs. In general, new education ideas include the following:
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• Adult education, that is, education programs offered to working adults, or those adults who plan to re-enter the workforce.

• Corporation university, that is, university programs specifically designed for given corporation employees and are offered at the location of the corporation.

• Continuing education, that is, education programs offered to university graduates who would like to further their study at an advanced level.

• Distance learning using computer technology.

• New programs that are not being offered currently.

• Sponsored consulting programs or university advisory services sponsored by a given department or section.

V. Integrated Marketing Communications or IMC

Shimp (1993) defines marketing communications as the “collection of all elements in an organization’s marketing mix that facilitate exchanges by establishing shared meaning with the organization’s customers or clients” (P. 8). Shimp’s definition is consistent with the recently developed concept, integrated marketing communications (IMC).

V.1. What Does IMC Integrate?

Because communication occurs at all levels and all times, whether it is verbal, nonverbal, intentional, or unintentional, not only promotion mix has communication values and the potential to affect consumers’ attitude, so does the rest of marketing mix (Engel, Warshaw, & Kinnear, 1994). In fact, “everything a company does sends a distinct message to consumers; the summation of these messages equals the company’s identity in their (the consumers) minds” (Zandl & Leonard 1992, P. 111). Hence, in designing an education offer, the education offer’s verbal and nonverbal communication values must considered. For example, the tuition charged may reflect more than just the cost, it may also convey exclusiveness.

The second integration is that IMC utilizes a comprehensive marketing database, which could include students’ demographics, psychographics,
institution selection strategies, subject preferences, grade histories, career development after graduation, etc. This information helps the educational institution to reach both current and prospect students with highly targeted messages (Schultz, 1993a, 1993b, & 1994). Further, instead of keeping student information in separate departments, e.g., student complaints in the student consul office; and student profiles in the administration office, a centralized database will allow all departments the possibility of accessing the same information. Thus, student recruiting, for example, may benefit from the information gathered from student profiles and student complaints.

Traditionally, each promotion mix activity is handled separately, and this results in different promotional activity designed with different goals in mind. This creates conflicting and confusing messages, decreases promotional effectiveness, and incurs waste in promotional expenditure. Thus, the third integration is that all promotional messages share a central idea so that the target audience is able to associate each new message with the existing ones. This way, a distinct impression about the educational institution and its education offer through repeated exposures is established (Topor 1986).

V.2. Designing the Communications Plan

Figure VI.4. below demonstrates the elements of promotion mix. Not all aspects of the promotion mix are appropriate at all times and under all circumstances. Thus, there is a need for a communication plan that dictates which one(s) to use, their emphasis, and the budget required. A communication plan should include the following issues:

**Figure VI. 4. Promotion Mix**

- **Promotional Mix**
  - Nonpersonal Communications
    - Advertising
    - Publicity
    - POS Communications
  - Personal Communications
    - POP Communications
    - Sales Promotion
    - Telemedia & Electronic Media
- **Direct**
- **Mailing**
- **Boards**
- **Video**
- **Print, Audio, Advertising**
1. Communication Objectives:

The institution must determine whether the communication is meant to provide the audience certain information? To build a long-term institution image? To persuade the audience to change its attitude towards the institution? Or to prompt an immediate response, i.e., asking for information, or applying for admission?

2. The Target Audience:

The target audience could be an individual or a group/groups, ranging from a few to thousands. According to the student needs research in Chapter IV, the answers to the questions: “Who is most likely to initiate information search?” (Figure IV.5.), and “Who Exerts Most Influence During Student Decision Process?” (Figure IV.3.) indicate that the most important target audience is students themselves. Besides students, there could be many potential target audience for higher educational institutions --- all with different message needs. Figure VI.5. shows possible constituencies of an educational institution.

![Constituencies of An Educational Institution](image-url)
Because the message sender's credibility and the persuasiveness of the message are interrelated (Engle, Blackwell, & Miniard, 1993; Newell & Shemwell, 1995), and because some message senders are more credible and persuasive than others, selecting an effective message sender for the institution is an important task. Besides the message sender, how a receiver responds to the communication depends very much on the message itself. In order to create an effective message, there are several issues to be considered:

- The message must reflect the students' information demands

The most preferred information topics by students include: education quality, career opportunities, course description, opportunities for traineeship, faculty qualifications, and academic standards (Chapter IV, Table IV.36). Except for 'course description', in fact, the rest of the information topics are, in fact, dimensions of education quality. This indicates that students are most interested in receiving messages about the quality of education.

- Institution image and the use of symbols

An image is made up of several intertwined, closely-related impressions in the minds of the institution's constituents. These impressions are developed through personal contacts, or indirect experiences, e.g., read about the institution in promotional materials. Such impressions - however they are conceived - affect the institution's well-being because to customers, often, "the perception is the reality" (Ries & Trout, P. 80). Thus, it is important that an educational institution possesses a clear vision of the desired image before launching a promotional campaign.

To promote the right image, symbols must be used. Symbols could be verbal; language is a system of symbols (Mader and Mader 1990). They could also be nonverbal. For example, red symbolizes passion; a circle, harmony, and silky texture, softness. Symbols may be used to communicate difficult or abstract concepts, such as education quality. For instance, the name of the institution and its logo may symbolize the quality of the institution and its offer.
Correct message interpretation must be anticipated

Because a message contains both verbal and nonverbal elements, message interpretation operates on both levels simultaneously. "Either consciously or unconsciously, the receiver converts the symbols, the appeal, and the tone of the message into impressions" (Govoni, Eng, & Galper, 1986, P. 54). The receivers assume that these impressions are the intent of the communication. Thus, anticipating the correct interpretation of the messages is an important part of the considerations in designing the communications plan.

To correctly interpret the message, the message content must be within the source-receiver 'shared field of experience'. That is, the language, expressions, concepts, symbols, and experience referred in the message are understood by the educational institution as well as by the students.

4. Frequency of the Message

A message that is sparingly communicated will have very little effect. To maximize the result, promotion must be done consistently and over a period of time. For example, if an institution were to advertise in a newspaper, it should consider weekly advertisement for a few months and then, gradually reduce the frequency.

5. Select the Right Communication Channel

According to the research data presented in Chapter IV (Table IV.34), students prefer to obtain information regarding the institution either through direct mailing of promotional materials and curriculum catalogues, or personal contact. Personal contact includes information day at the institution, school presentation, or personal recommendation. Students will not be very receptive if the message is sent through other forms of communication channels such as radio or TV.

6. Feedback

Feedback may be perceived as message retention rate (heard and remembered), degree of comprehension (heard, remembered, and understood), agreement with the message (heard, remembered, understood and believed in), and attitude or behavior change (heard, remembered, understood, believed in, and acted on). However, as in
many marketing cases, potential students have no obligation to listen and communicate intentionally in a known way. Further, except for personal communications, any mass selling feedback is delayed because there is no direct contact between the promoter and the potential students. This presents a great challenge to educational institutions in capturing and interpreting the feedback systematically. Possible ways to maximize the benefits of student feedback include: Recording personal communications systematically, using questionnaires, conducting focus group interviews, and statistically calculate the ratios between those students who asked for information and those who actually applied.

6. Promotional Budget

No amount of planning will help if there is no or very little promotional budget. When making an estimate, promotion objectives may be used to gauge the promotional costs. For instance, if the promotion objective is to increase enrollment by 20 percent, this may require increase frequency of organizing school presentations and information days. The extra costs must be calculated and included in the budget.