



International Journal of Educational Management

Strategic management in universities as a factor of their global competitiveness

Valentina Parakhina Olga Godina Olga Boris Lev Ushvitsky

Article information:

To cite this document:

Valentina Parakhina Olga Godina Olga Boris Lev Ushvitsky , (2017)," Strategic management in universities as a factor of their global competitiveness ", International Journal of Educational Management, Vol. 31 Iss 1 pp. 62 - 75

Permanent link to this document:

<http://dx.doi.org/10.1108/IJEM-03-2016-0053>

Downloaded on: 09 January 2017, At: 22:57 (PT)

References: this document contains references to 47 other documents.

To copy this document: permissions@emeraldinsight.com

The fulltext of this document has been downloaded 9 times since 2017*

Users who downloaded this article also downloaded:

(2017),"Study of factors which facilitate increase of effectiveness of university education", International Journal of Educational Management, Vol. 31 Iss 1 pp. 12-20 <http://dx.doi.org/10.1108/IJEM-02-2016-0037>

(2017),"Provision of effectiveness of university education on the market economy", International Journal of Educational Management, Vol. 31 Iss 1 pp. 30-37 <http://dx.doi.org/10.1108/IJEM-02-2016-0041>



Access to this document was granted through an Emerald subscription provided by emerald-srm:173272 []

For Authors

If you would like to write for this, or any other Emerald publication, then please use our Emerald for Authors service information about how to choose which publication to write for and submission guidelines are available for all. Please visit www.emeraldinsight.com/authors for more information.

About Emerald www.emeraldinsight.com

Emerald is a global publisher linking research and practice to the benefit of society. The company manages a portfolio of more than 290 journals and over 2,350 books and book series volumes, as well as providing an extensive range of online products and additional customer resources and services.

Emerald is both COUNTER 4 and TRANSFER compliant. The organization is a partner of the Committee on Publication Ethics (COPE) and also works with Portico and the LOCKSS initiative for digital archive preservation.

*Related content and download information correct at time of download.

Strategic management in universities as a factor of their global competitiveness

Valentina Parakhina, Olga Godina, Olga Boris and Lev Ushvitsky
Severo-Kavkazskij federal'nyj universitet, Stavropol, Russia

Received 9 March 2016
Accepted 13 March 2016

Abstract

Purpose – Modernization of Russian higher education is carried out with the purpose of its successful integration into the global educational environment. However, the contemporary management model of most Russian universities demonstrates a low efficiency level. The purpose of this paper is to identify the problems of organizing the universities' strategic development and to seek the opportunities to achieve strategic competitiveness of Russian universities.

Design/methodology/approach – The basic research methods included the following: content analysis, expert evaluations, analysis of the modern concepts of universities strategic management, comparative analysis of high school practice of strategy development, and government regulations in historical perspective.

Findings – The major result of the study is the conclusion that the most important problem of the competitiveness of Russian universities is the lack of strategic flexibility. We can say that there is a structural nature of the management crisis affecting the whole system of university education. Over the past 25 years, there has been a radical change in the basic institutional conditions for the development of higher education institutions in Russia: the volumes and changed model of financing; the market landscape and the regional environment; the conditions and the nature of the interaction with international partners, etc. At the same time, in most cases, the platform of this system and standards of internal policy have remained unchanged. Russian education practically lost its individuality. This paper shows the experience of strategic management at leading federal and regional universities of Russia, analyzes the implementation of their development programs, and gives examples of best practices in the use of strategic planning tools.

Originality/value – The relevance and value of the paper is the following: for the first time, thorough attention has been paid to the accumulated potential of Russian universities, which has been formed over a long evolutionary path and now can be positioned as an important management resource in the organization of strategic management for enhancing the global competitiveness of the national system of higher education.

Keywords Strategic planning, University management, Strategic management, Strategic change, University strategy

Paper type Research paper

Introduction

The key role in the formation and development of the knowledge economy belongs to high school, which is the core of university education (Cyert and Goodman, 1997; Perkmann *et al.*, 2011). According to the national strategic doctrines of many countries, universities must provide intellectual development and leadership in the world community.

The following new challenges of our time predetermined the demand for strategic management in Russian universities (Keller, 1983; Shattock, 2010):

- turbulence environment;
- rapid growth of international competition;
- transformation of market requirements to university education;
- blurring the boundaries of education market;
- shortage of qualified scientific and pedagogical staff;
- necessity for innovations in response to technological and knowledge obsolescence; and
- increasing imbalance of internal targets of interest (Bayenet *et al.*, 2000; Groves *et al.*, 1997).



Such tools provide strategic flexibility and competitiveness of university strategic management (Keller, 1983; Shattock, 2010). Development and implementation of the strategic market approach into university practice becomes crucial in the process of getting leading positions in the global education market and achieving high positions in the academic world rankings. Management of some universities is aimed at resolving internal current issues because of the rapid reduction of budget financing, demographic decline, and protracted organizational and managerial restructuring (Poole, 2001; Shattock, 2000). Other universities demonstrate low adaptive capacity and low productivity level in the form of catch-up development, replicate a foreign management experience and the strategic principles of successful participants of the education market. Moreover, only 2 percent of Russian high school institutions made significant progress in the creation of the university self-developing systems of world level, mainly the participants of “academic excellence initiative” – Project 5-100.

Acute shortage of efficient technologies of university strategic management and low efficiency of standard algorithms for the adoption and implementation of strategic decisions for improving university competitiveness in domestic and international markets require enhancing market mechanisms of higher education management. That is why this problem is very popular and important for the contemporary science and business sphere and solicits in-depth theoretical and practical understanding. In this regard, the paper’s purposes are the problem of determination of the universities strategic development and searching for a new direction of the strategic balance providing competitiveness and national security.

In 2012, the number of students per 1,000 citizens in Great Britain constituted 57, Australia – 47, India – 43, China – 39, the USA – 37, Germany – 33, and Japan – 29. As compared to developed and leading countries of the BRICS, this indicator was rather low in Russia with 21, but its positive dynamics was observed in 2014 – 36 students per 1,000 people. However, the population’s involvement into educational processes of the higher school is low. There are 540 public and 400 private universities in Russia. They employ about 240,000 lecturers and teach more than 5,000,000 students[1]. However, about 1.2 million people start the study in the public and private universities every year. The Russian education market entered the stage where without a developed strategy, it is difficult for universities to function and develop steadily.

The requirements and factors for successful university development are the following: irreversible integration processes of education, science, and business; society globalization; innovative character of universities; necessity to ensure high educational level (according to the world standards); academic mobility; mass and “life-long” education; growth of personalization and informal learning, etc. Dependence on the needs of external stakeholders during increasing identification of universities as integral self-developing systems and formation of their new targets and interests forces universities to develop a strategic competence, desire for change, and an “outside” vision. Academic community of university faces the problem of strategic management (Keller, 1983; Rowley, 1997).

The origin and development of the strategic management concept at universities

Strategic management emerged in the late 1970s and is seen as a dynamic management concept that has broad functionality and an adequate response to the situation. Distinctive features of strategic management are a flexible response to the environment; they change directions, functions, and structure of the organization to achieve the desired level of efficiency and quality of the company. The main components of the general strategic management theory are the formation targets, strategic analysis, strategy development and implementation plan, strategic change, and strategic control (Hill *et al.*, 2014; Freeman, 2010; Parakhina *et al.*, 2010). However, in contrast to the strategic management of business structures, there is a fragmentary view of nature, technology, and procedures of making and implementing strategic decisions in higher education.

In the early 1990s, scientific approaches to strategic planning and management of the university were formed in industrialized developed countries. E. Chaffee, M. Peterson, D. Bryson, B. Clarke, M. Cohen, J. March, E. Morgan, P. Lorange, S. Slaughter, and L. Leslie made a significant contribution to the study of applied problems of a strategic planning system (Cohen, March, 1972; Weick, 1976; Keller, 1983; Chaffee, 1985; Bryson, 1995; Peterson *et al.*, 1997; Groves *et al.*, 1997; Thys-Clement and Wilkin, 1998; Clark, 1998; Bayenet *et al.*, 2000; Rhoades, 2000; Morgan, 2004; Dyson, 2004; Rowley 1997; Shattock, 2010). The majority of the authors were representatives of the academic community.

There is a lack of researches on university management in Russia, especially in its practical implementation. The first publications on the issue of strategic planning appeared in the journal "University Management: Practice and Analysis" in 2002-2005. It was just a review of the specific strategies of universities, which described the planned intentions but did not give a complete picture of the overall strategic development of the university and did not reflect the actual strategic management experience in Russia (Titov, 2008).

We would like to note recommendations given by a group of Russian authors (Veretennikova *et al.*, 2008), whose research has such advantages as integrity of the methodology and soundness, and it reflects a wide range of tools and methods of strategic management. Their suggestions are based on the experience of Russian and foreign universities on the development strategy of high school educational institutions.

Specific features of strategic management in universities are represented in theoretical and applied works of J. Borisov, A. Volkov, A. Grudzinski, V. Golenkov, A. Derevnina, A. Egorshin, V. Zhuravlev, S. Zapryagaev, E. Karpuchina, B. Klyuyev, G. Lazarev, O. Logunova, N. Makarkin, G. Ovsyannikova, N. Obolensky, V. Pobyvanets, Y. Pokholkov, D. Puzankov, B. Serbinovsky, N. Titova, A. Khokhlov, and others.

Diversity of approaches to strategic planning and management is shown in the taken and realized strategies and strategic plans by large American (Pennsylvania, Vermont, Virginia, etc.), English (Durham, Warwick, etc.), and Australian (Charles Sturt University) universities. The cases (Clark, 1998; Antoinetti *et al.*, 2002) show practices of oriented behavior of North American and European universities and peculiarities of their adaptation to changing environment.

Higher School of Economics, Ural State University, Nizhni Novgorod State University, Vladivostok State University of Economics and Service (VSUES), Mordovia State University, Tomsk Polytechnic University, and Petrozavodsk State University were the most actively published universities of Russia which tried to replicate their initiatives for strategic development.

In general, the nature and content of these publications indicate an insufficient study of pro-active response to changes – an effort to adapt the strategic management theory of the business structure to the management of the educational institution (Borisov and Zapryagaev, 2003; Morgan, 2004; Dyson, 2004). Development of university strategic management was complicated by the influence of factors such as follows: life cycle (average period of strategic planning in business is three to five years, whereas in universities it usually takes five years or more); consensus (the general business model in commercial organization is determined by top-level management, whereas effective planning of the university requires participation of leading academic staff); system of values (the work of commercial business organization is focused on profitability, whereas the main purpose of the university is social, it is about teaching people); consumers (a wide range of interests of consumers of high school, i.e., individual, society, and employers, complicates the process of balancing the objectives and assessing their achievement); content of activities (the major difference of a university from the standard commercial organization is the need of a solution to the conflict between the conservative academic environment and the needs of innovation).

Historical perspective of the research of strategy development practice at Russian universities

In order to determine the most relevant and important aspects of the strategic management of university development, we conduct a research by content analysis and expert assessments of the university strategy development in historical perspective.

Establishment of strategic university management in various countries is related to evolution of their systems of management of higher education built in three directions of realization of coordination measures from the side of: market – market model (USA), academic society – academic model (Great Britain and Italy), and state – bureaucratic model (Russia, Sweden, and most European countries) (Clark, 1983).

The main foundation of strategic university management was set in late 1970s through the practice of the American higher education, characterized by wide distribution and decentralization of authorities, relatively weak state regulation, autonomy in solving academic issues, and strong coordination at the institutional level (Knyazev, 2005). At that, two approaches to strategic planning and management became the most popular – complex and problem. The first one offered full study of the future picture of university development. The second one is peculiar for the focus on limited set of strategic problems of development of educational organization. The models of development of the system of strategic management of universities were borrowed from the military sphere. At that, they were poorly oriented at the education as a system.

In European countries, strategic planning and management developed within clear division of academic and organizational and administrative spheres in university management. Despite the independence of academic staff in R&D and pedagogical activities, strategic solutions of general management character are solved by university's administration together with public authorities (Morgan, 2004). The key problem of most of European universities is achievement of balance of state support with university autonomy. Due to that, from the beginning of 1990s, the leading approach to university management has been entrepreneurial one which is aimed at the necessity for development and realization of systemic strategy of making money (Clark, 1998).

Strategic university management became one of the main topics discussed at the conferences, seminars, and programs of various levels (Bayenet *et al.*, 2000; Thys-Clement and Wilkin, 1998). There were many programs realized with the financial support of different international organizations (such as Tempus-TACIS program of the European Commission, funded by the National Training Foundation of the World Bank loan for Reconstruction and Development, Program “Support for the administration of higher education institutions” of the International Council for Research and Exchanges Board (USA), and the program of the Salzburg Seminar (US-funded)) (Grudzinski, 2005).

Strategic management of universities and their development is a relatively new phenomenon in Russia. The socio-economic state paradigm and the control system predetermined the appearance of strategic management methods and implementation of their tools in the practice of university management. Currently, strategic planning is the most important component of the strategic management which is methodologically worked out and popular in university practice. Considering the content, tools, and legislation of evolution of strategic planning and management of the university in a broad historical context, we note that certain elements of strategic planning existed in the command socialist economy.

In the early 1990s, the theoretical and methodological basics of program development of university education began to form in the Russian Federation. The initial phase was characterized by the numerous anti-crisis-oriented federal targeted programs of education, which were more reminiscent of the intention of political power, but were not balanced and not resourced, and therefore doomed. Essentially, this period can be characterized from the framework of medium-term planning.

Since the beginning of 2002, the process of development and approval of the active modernization programs (development) education of the Russian regions has started. Regionalization of higher education management and the transition from budget financing to diversified off-budget sources led to expansion of universities' academic freedom, activation of educational management in the search for sources of sustainable development, cost optimization, and economic security of the institution. Changing the status of the university was due to the reason of the rejection of previously accepted models of non-economic behavior and adoption of development of modern management concepts as a business enterprise. In this period, increased attention was paid to strategic components such as resource supply, management structure, marketing complex, financial management, human resources development, quality system of education, etc. All of them put sufficient influence on the effectiveness of educational activities, but the nature, content, and degree of practical implementation of designated market tools of management was largely determined by the specificity of the regional market of educational services, market research, and development of the university. There was a high management activity during this period of time, which was largely explained by the rapid growth of non-state higher education sector which constituted a serious competition to state universities.

The role of government regulation in the strategic development of universities

During 2002-2005, many groups of scientists from leading universities of Russia (Moscow State University, St Petersburg State University, Nizhny Novgorod State University, Tomsk State University, Ural State University, etc.) explored the problem of forming a new university which was adequate to prevailing model of socio-economic conditions.

These universities formulated the first development program in order to modernize the university, intensify educational programs, promote academic mobility, and develop new functions and more dynamic system of management in the framework of the national project "Education" (2005) for state financial support. Analysis of the project documents showed that the intensity of the planned activities of the universities, especially regional, was unequal. The prepared development projects did not contain comprehensive elements of the strategic planning methodology; they were designed of the standard sample which did not always capture the regional characteristics, constructive approach, and innovation events due to the preferred orientation in the field of training and education. These processes predetermined further orientation of the state support of full thorough development programs of powerful universities. Such higher education institutions, called federal universities, were established within the collaborative relationship of regional universities and aimed at achieving the key objectives of the territory.

The environmental requirements and the basic organization type of educational institutions determined the transformation direction of the university organizational structure – from the classical professional organization to the framework of professional entrepreneurial organization (Grudzinski, 2005; Elmuti *et al.*, 2005). However, some problematic areas of management were still unsolved (Balobanov and Klyuyev, 2002; Freeman, 2010; Keller, 1983). They are as follows: unadjusted structures of university management to changing conditions, dominance of the operational challenges, lack of pro-active decision-making process, slow response to changes in the external environment, and blurred management procedures; which casted doubts on the achievement of designated change areas. Due to the lack of "freedom of maneuver," Russian universities were predominantly using emergent (Mintzberg, 1987) and unplanned strategy, which allows us to characterize this period of development of high school from the framework of strategic behavior and maneuvering as transitional period of strategic management at universities. There was neither strategic planning nor strategic management (Titov, 2008).

Since 2006, there was a growing initiative “from below” – federal government started creating a regulatory and legal framework of strategic planning of higher education development. These activities should have helped to improve the quality and management of university education. Such activation of the “top” was due to Russia’s accession to the Bologna Convention and the desire of the state to ensure that the Russian universities were world-class universities.

At the same period, the first federal universities were founded (Siberian and Southern Federal Universities). They combined several regional universities into one for strengthening the links of universities with the economic and social sphere of the federal districts. The mission of the federal university was to prepare modern specialists, bachelors and masters for the satisfying national interests. The university must not only prepare competitive specialists for its federal district but also provide the region with scientific, technical, and technological solutions and commercial innovations.

The stage of active realization of the university strategy coincided with the implementation of the goals and objectives of the federal target program of education development. According to the provisions of the “Concept of long-term socio-economic development of the Russian Federation until 2020” (2008), universities formulate their vision and mission and change the business models. The main emphasis of the strategic development of Russian universities is placed on innovative entrepreneurship which is carried out along with the academic activities.

At this stage, the peculiarity of the Russian higher education management was that many university leaders recognized the need to develop and implement strategies, but still retained the production mentality and internal management orientation. It means that they did not develop a marketing (market) approach with an “outside” focus in both the external and internal interactions of the educational institution. Similar results have been achieved during 2006-2008 in the research project conducted by Penza State University of Architecture and Construction. They monitored the activities of 140 rectors of higher educational institutions. The analysis showed that the most important priority for these rectors was the management of educational work, the second rank was economic issues, and the third was the management of the scientific work of the university. The remaining priorities were the following: innovation (rank 4), information (rank 5), and management of methodical work of the university (rank 6). External relations, upbringing work, pre-university preparation, and general questions were considered to be less relevant. Most rectors were positioned as scientists or teachers, but not managers. Key activities of the vice-rectors cabinet in universities are management of educational and methodical work (100 percent of universities), scientific research (90.3 percent), and housekeeping and organizational work (93.8 percent of universities).

Reported priorities could not affect the level and quality of strategic documents developed by universities. This is typical for the transitional period of the strategic management formation. Thus, some authors (Sukhenko, 2011; Hill *et al.*, 2014) noted their similar structure (the reason for the establishment of the federal universities, plans, and forecasts of university development, examples of the standard practice of western universities); lack of strategic indicators (quantifiable benchmarks) for the effective implementation of the objectives and tasks of the innovative development; and poor software to support the strategic initiatives of the universities. At that phase, analytical tools of strategic planning were the most popular techniques: SWOT-analysis (Dyson, 2004), integrated strategic analysis, technology of balanced development of R. Kaplan and D. Norton, “business intelligence” technology, McKinsey model, etc. Benchmarking was used to analyze the actions of competitors for the first time.

At that time, there were three approaches to the practice of building a system of strategic management in universities: target oriented; based on a balanced scorecard; and based on

the review of the university as an integrated two-level system (Veretennikova *et al.*, 2008; Groves *et al.*, 1997; Hill *et al.*, 2014). Basically, strategic planning activities developed in the framework of the first approach through the formation of programs and projects of an educational institution.

The main participants of the strategic planning process in higher school of Russia were becoming the representatives of the university management and academic community, independent experts and consultants (domestic and foreign), less often – representatives of business organizations, employers, citizens (parents and students), and the administration of the university.

Problems of universities strategic development

The researchers highlighted the following problems of the strategic development of Russian universities at the transitional stage (Veretennikova *et al.*, 2008; Lazarev, 2010; Sukhenko, 2011; Klyuyev and Corunna, 2003):

- global nature of the strategic objective was not relevant indicators of the macro-region development and did not reflect the university individuality;
- lack of audit of the competitive environment in the market of higher education in Russia and abroad;
- absence of sufficient financial, human, material, and information resources for the strategy implementation;
- insufficiency of necessary organizational and managerial innovations;
- absence of clear and universally recognized technology standards of strategic university management;
- no examples of successfully implemented strategies of university's development, presented to the scientific community; and
- weak connections to the business sector.

The lack of mechanism for the relationship of strategic and operational aspects of the university management has remained an important topic for the effective functioning of the higher education sector in Russia. In this regard, this phase could be classified as a transition to the strategic planning, and in some cases – to the strategic management. These features and problems are characteristic for the universities in developing countries.

Other authors (Titov, 2008) disclose sufficient details of such strategies of leading Russian universities as focus on the market segment in which there may be achieved competitive advantage that is difficult to copy; vertical and horizontal diversification; leadership in quality, cost, time, and image; etc.

One example of successful development and implementation of a unique, market-oriented development strategy is a practice of strategizing in VSUES. This higher education institution was positioned as an innovative entrepreneurial university, educational center of the international level in the field of business and service (Veretennikova *et al.*, 2008), the territory of new opportunities, and the University of the XXI century. VSUES competitive advantages are effective management system; wide branch network; developed material and technical base; intensive use of information technology; high reputation – not only in the region, but also in Russia; and international training program. The mission and goals of this university have been achieved by cascading them through the hierarchy levels and the decomposition in the framework of a balanced scorecard to a specific list of functions, objectives, and measurable indicators. An important factor for the VSUES successful strategy of development was the creation of research laboratories for the maintenance

and information support for strategic initiatives. VSUES regularly confirms its leadership among the universities of the far east.

At present, higher education in Russia is going through an institutional crisis (Strogetskaya, 2014). Currently, the university differentiation from the standard selection of multiple groups and the practice of organizational changes take place because of the reallocation of the usual institutional features of Russian universities. They are considered as benchmarks for the development of the entire national higher education.

Measures for enhancing the competitive position of Russian universities

Structuring of strategic management, strengthening its marketing orientation, formation of new organizational and management models in the framework of the network, and inter-institutional and international interactions are peculiar for this period in the organization of the strategic management of universities (Elmuti *et al.*, 2005; Perkmann *et al.*, 2011; Rowley, 1997; Shattock, 2010).

Sufficiently stable trends for modern universities are the development and implementation of international strategies and adjustment of adopted and implemented strategies in terms of enhanced international cooperation in education, science, and innovation. Example of such strategic initiatives is the creation of the League of BRICS universities. From the Russian side the following universities plans to enter the League of BRICS universities: HSE, Ural and Kazan Federal University, People's Friendship University, MGIMO, Moscow State University, and several other universities.

Recognition by the global analytical community of distinctive values of the indicators of the science and education of Russian university indicates the implementation impact of the strategic decisions at the state and university levels. These indicators are as follows: increase of the number of scientists (due to the university system) (Petrov, 2015); growth of quantity of publications in international citation databases; high quality of education and income from operating activities, the ratio of the number of teachers to students; and the number of foreign students (experts *Times Higher Education*, 2015). According to D. Salmi (former project manager for Higher Education of the World Bank (2006-2012), in order to achieve higher competitiveness, Russian universities should have the priority of autonomy management and quickness in decision making, as well as the "concentration of talent and resources."

This movement to the status of world-class university (super university) significantly accelerates internationalization, teaching, and managerial innovations, as well as offers "niche" (unique) programs or special institution specialization in general (experts of *Times Higher Education*, 2015).

The experts believe that the imitation of the recognized leaders of other universities is fraught with depersonalization of the past. The rate should be made to the "Blue Ocean Strategy" by formulating its own vision and mission and creating new markets where the services of a particular institution will be required.

As the conducted content analysis shows there is a blurring of the "mission-goal-strategy" complex. It destabilizes and leads to the loss of the origin.

This perception of the target beginning allows any "creativity" (on the verge of thoughtless experimentation), justifies any costs and leads to the dissipation of energy and resources (that are always limited).

Assessment of the strategic management level

We have added heuristic evaluation of the development level of strategic management at universities with quantitative indicators (method of rank evaluation): indicators of strategic development have been divided into two groups – productive and costly. Such ranking indicators have been performed in accordance with the general rule of efficiency (result indicators exceed expensive), as well as using the method of pairwise comparison of criteria

considering their importance and relevance. As a result, comprehensive regulatory system of indicators (RSI) has been formulated. RSI regulates the indicators by assigning the relevant consistent patterns of the ratio of their growth rates. The higher the growth rate, the higher the rank.

RSI does not include derivative indices, such as price and labor efficiency. The set of indicators were evaluated for their effect on the value of the controlled variable and its acceleration. Indicators, the periodicity of which accounting is larger than the regulation interval, are excluded from further analysis. It should be noted that the RSI can include a variety of both natural and cost indicators, because their relative value is recorded by the rate of growth. RSI is a dynamic system: indicator system can be changed because of the requirements of the changing priorities.

Application of this method led to the conclusion that if the actual values of growth indicators are correlated in order of the RSI importance, the efficiency conditions will be carried out. In this case, the objective of the numerical evaluation of efficiency was the ratio between the optimal and actual values of RSI growth indicators.

For example, the assessment of strategic development has been carried out in the North Caucasus Federal University. In 2014, the first phase of the Development Program of NCFU (2012-2014) was completed[2]. Analysis of its target indexes shows over fulfillment of 95.5 percent of them (21 indices).

The analysis has been based on the set of indicators from the development program of the university and its regulatory and actual rankings.

Effectiveness evaluation includes three steps:

- (1) Development of regulatory indicator system.
- (2) Analysis of the report data of RSI indicators. The rate of growth and their actual rank establishment were determined by analytical calculations.
- (3) Comparison of the best (as defined in the RSI) and the actual ranks. The following indicators were determined during the comparison: deviation of actual and optimal rank (excluding marks “-” and “+”) and inversion which shows the number of indicators that have violated the order of ranks regarding the index on which the calculation was performed. If the deviation from the ranks is with a “-” mark, then there is no violation (0).

Actual problems of organizing the university strategic management in Russia and possible ways of their solutions

The analysis shows that in the current conditions, many universities – especially the ones remote from the center – experience the following problems in the organization of strategic management:

- Lack of a clear division of administrative and academic management: rectors are largely responsible for all the questions and positions themselves, first of all, as scientists or teachers, but not managers (sometimes they have critical point of view about the profession of manager).
- University management does not have a clear understanding of the fact that with the growth of a set of critical tasks and pre-emptive actions on the growing market demands, the cost of management processes is growing rapidly, i.e. new methods, technologies, competencies are required for attracting additional “specialists-functionaries.”
- A small number of “functionaries” in the university organizational structure, who are responsible for marketing and general financial and operational issues.
- There are no analysts in the structure who are responsible for maintenance of the database and strategic decision making.

- Increase of administrative, organizational, and financial burden on lecturers and researchers, which is leading to decrease in the quality of education and research.
- Contradiction between the work “by force of habit” and new conditions of the university development: in spite of the demonstration of active marketing approach to the needs and interests of foreign contractors, domestic policy largely remained unchanged; there is no marketing orientation in the implementation of business processes of the university, where every employee knows the needs of their “internal” customers and tries to meet them well.
- Poor assessment of the market and administrative competences of the administrative staff at all levels (from the rector to the head of department), which determines the development quality and the strategy implementation. For example, a scientist-lecturer, performing responsibility of head of department, is often evaluated by his or her organizational and management skills, by the results of the department collective work, and by the publication activity of his or her lecturers. In this regard, the head of any university should decide to form a management model, in which will be clearly defined and agreed upon the competence and authorities, functions and responsibilities of all management subjects of higher education institution (rector, vice-rectors, deans, heads of departments, and heads of functional divisions), and its main functional activities (educational process, scientific work, educational work, and economic and legal support).
- The life-cycle stages of education institute and university and educational programs of some of its structural and organizational units are not considered in the processes of high school strategy development, i.e., dynamic analysis of all life-cycle components of the university as a self-developing, adaptive system is not conducted.
- Poor accounting of the university objective identity in the formation of key strategic orientations (values, mission, and goals), blurring the “mission-goal-strategy-action” complex.
- Practice of independent consultants and experts, including foreign ones, is not developed at all stages of strategic management and planning.
- Increasing bureaucratization of university management.
- Imbalance and inconsistency of pre-emptive actions of the internal business processes, which makes it difficult to achieve strategic alignment, i.e., synergies.
- The lack of (aborted) innovative entrepreneurial organizational culture, enhancing the internal processes of integration interaction, self-identity of the university, resulting in low involvement level of the faculty in the process of strategic planning and management and the realization of its targets.
- Insecurity programs, development strategies, and a transparent system of monitoring and support.
- Ineffectiveness of entrepreneurship within an organization of university lecturers in high school because of the unconscious need for their specialization. It is impossible to impose uniform requirements to all key personnel of entrepreneurial university, regardless of their functions and positions.

This list of problem areas is incomplete, because the situations of the academic autonomy (“freedom of maneuver”) with high density of state regulation are critical for the resolution of such problems.

These contradictions and “gaps” that have been identified in the strategic management of university education have proved that there is a problem of scientific substantiation of the strategic management process of the university in the theory and practice of higher education.

Conclusions

Acquisition of methods of strategic management has a key role in sustainable development of universities. However, through copying landmarks and strategies of activities of successful universities, it is impossible to reach large effect. Academic society has not elaborated the issues of pro-active reaction to current changes.

The foundation of strategic university education was as set in the late 1970s, where two approaches to strategic choice became the most popular – complex (full study of the future picture of university development) and problem (focus at limited set of alternatives of development of educational organization).

Establishment of strategic university management of various countries is related to formation of three models: market model (USA); academic model (Great Britain and Italy); state (bureaucratic) model (Russia, Sweden, and most of European countries).

In any approach and model, strategic decisions of general managerial character are realized by university’s administration together with public authorities, so it is important to achieve balance of state support with university autonomy and realization of the strategies of earning profits, as well as development of innovational entrepreneurship, conducted with their academic activities.

Study of evolution of strategic management by the higher school proves the presence of structural crisis in the system of university education.

The problems of management of strategic development of universities include the following: excessively global character of strategic goal; inadequacy of financial, HR, material, and informational basis for realization of the strategy; insufficiency of necessary organizational and managerial innovations; lack of mechanism of interconnection of strategic and operative aspects in university management; etc.

Analysis of efficiency of functioning of these universities and their positioning in the global scientific and educational environment allowed connecting the level of successfulness of their strategic management to the level of manifestation of academic autonomy with the growth of density of state regulation.

As the performed content analysis shows, there is fuzziness of the complex “mission-goals-strategy” which leads to loss of directing origin, growth of expenses, and scatter of limited powers and assets. Thus, the management of any university faces the task of formation of a model of management in which competences and authorities of all subjects of management of higher educational establishment and its main functional directions of activities are distributed and coordinated.

The results of the research show a possibility for solving the determined problems of organization of strategic management in universities, by means of creation of new working mechanisms of internal growth which correspond to external changes. They include the following:

- (1) selection of the strategies which allow achieving unique competitive advantages through vertical and horizontal diversification; leadership in quality, cost, time, and image, etc.;
- (2) achievement of the mission and goals of universities by means of their cascading as to the level of hierarchy and decomposition within the system of well-balanced indicators for specific list of functions, tasks, and measures indicators of university departments;
- (3) strengthening of marketing orientation of strategic management within network, inter-university, and international interactions and alliances with corporation;

- (4) development and realization of international strategies and through deep international cooperation in education, science, and innovations; and
- (5) focus on “blue ocean strategy” through formulation of own vision and mission and creation of new perspective markets.

Thus, the determined contradictions and “gaps” in strategic management of university education allow stating that theory and practice of higher education have to solve the problem of complex scientific substantiation of the process of strategic management of university development.

Notes

1. Information about the functioning of the system of higher education. Open data of the Ministry of Education and Science, available at: http://opendata.mon.gov.ru/open_data/7710539135-VPO; statistics of international students in the world available at: www.unipage.net/ru/student_statistics
2. Development Program FSAEI HPE “North Caucasian Federal University” for 2012-2021 (Annexes), available at: www.ncfu.ru/progr_razv.html

References

- Antoinetti, J.-F., De Roten, F.C. and Leres, J.-F. (2002), “Experience of Swiss universities in public eyes”, *Higher Education in Europe*, No. 3.
- Balobanov, A.E. and Klyuyev, A.K. (2002), “Strategic planning of development of the university”, *University Management: Practice and Analysis*, No. 2, p. 21.
- Bayenet, B., Feola, C. and Tavemier, M. (2000), “Strategic management of universities evaluation policy and policy evaluation”, *Higher Education Management*, Vol. 12 No. 2, pp. 65-80.
- Borisov, I.I. and Zapryagaev, S.A. (2003), “Strategic planning and the development of classical university”, *Proceedings of the Workshop on Strategic Planning and Development of the Voronezh State University*, pp. 3-5.
- Bryson, J.M. (1995), *Strategic Planning for Public and Nonprofit Organizations*, Revised ed., Jossey-Bass, San Francisco, CA.
- Chaffee, E.E. (1985), “The concept of strategy: from business to higher education”, in Smart, J. (Ed.), *Higher Education: Handbook of Theory and Research*, Vol. 1, Agathon Press, New York, NY, pp. 133-172.
- Clark, B.R. (1983), *The Higher Education System: Academic Organization in Cross-National Perspective*, University of California Press, Berkeley, CA.
- Clark, B.R. (1998), *Creating Entrepreneurial Universities: Organizational Pathways of Transformation*, Pergamon Press, New York, NY.
- Cohen, M.D. and March, J.G. (1972), *Leadership and Ambiguity: The American College President. A General Report Prepared for the Carnegie Commission on Higher Education*, McGraw-Hill, New York, NY.
- Cyert, R.M. and Goodman, P.S. (1997), “Creating effective university-industry alliances: an organizational learning perspective”, *Organizational Dynamics*, Vol. 25 No. 4, pp. 45-57.
- Dyson, R.G. (2004), “Strategic development and SWOT analysis at the university of warwick”, *European Journal of Operational Research*, Vol. 152 No. 3, pp. 631-640.
- Elmuti, D., Abebe, M. and Nicolosi, M. (2005), “An overview of strategic alliances between universities and corporations”, *Journal of workplace Learning*, Vol. 17 Nos 1/2, pp. 115-129.
- Freeman, R.E. (2010), *Strategic Management: A Stakeholder Approach*, University Press, Cambridge.

- Groves, R.E.V., Pendlebury, M.W. and Stiles, D.R. (1997), "A critical appreciation of the uses for strategic management thinking, systems and techniques in British universities", *Financial Accountability & Management*, Vol. 13 No. 4, pp. 293-312.
- Grudzinski, A.O. (2005), "The social management mechanism innovation University", doctoral dissertation, St Petersburg State University.
- Hill, C., Jones, G. and Schilling, M. (2014), *Strategic Management: Theory: An Integrated Approach*, Cengage Learning, Mason, OH.
- Keller, G. (1983), *Academic Strategy: The Management Revolution in American Higher Education*, JHU Press.
- Klyuyev, A.K. and Corunna, S.M. (2003), "Strategies for university development (based on the pilot workshop of the project 'Strategic Planning in Russian universities')", *University Management: Practice and Analysis*, Vol. 3, p. 26.
- Knyazev, E.A. (2005), "Regarding universities and their strategies", *University Management: Practice and Analysis*, No. 4, pp. 9-17.
- Lazarev, G.I. (2010), "On the selection of a vector of innovative development of the far Eastern federal university", *University Management*, Vol. 1, pp. 17-22.
- Mintzberg, H. (1987), "Crafting strategy", *Harvard Business Review*, July-August, pp. 66-75.
- Morgan, A.W. (2004), "Higher education form in the balens: the Bologna proceform in the balens: the Bologna process", *International Higher Education*.
- Parakhina, V.N., Maksimenko, L.S. and Panasenko, S.V. (2010), *Strategic Management*, KnoRus, Moscow.
- Perkmann, M., Neely, A. and Walsh, K. (2011), "How should firms evaluate success in university-industry alliances? A performance measurement system", *R&D Management*, Vol. 41 No. 2, pp. 202-216.
- Peterson, M.W., Dill, D.D. and Mets, L.A. (1997), "Using contextual planning to transform institutions", in Peterson, M.W., Dill, D.D., Mets, L.A. and Associates (Eds), *II Planning and Management in a Changing Environment: A Handbook on Redesigning Postsecondary Institutions*, Jossey-Bass, San Francisco, CA, pp. 127-157.
- Petrov, V. (2015), "Is it possible without mergers? MPs do not agree with the Ministry", Poisk, available at: www.poisknews.ru/theme/edu/16531/
- Poole, D. (2001), "Moving towards professionalism: the strategic management of international education activities at Australian universities and their faculties of business", *Higher Education*, Vol. 42 No. 4, pp. 395-435.
- Rhoades, G. (2000), "Who's doing it right? Strategic activity in public research universities", *The Review of Higher Education*, Vol. 24 No. 1, pp. 41-66.
- Rowley, D.J. (1997), *Strategic Change in Colleges and Universities: Planning to Survive and Prosper*, Jossey-Bass Higher and Adult Education Series, Jossey-Bass Inc., San Francisco, CA.
- Shattock, M. (2000), "Strategic management in European universities in an age of increasing institutional self-reliance", *Tertiary Education & Management*, Vol. 6 No. 2, pp. 93-104.
- Shattock, M. (2010), *Managing Successful Universities*, McGraw-Hill Education, London.
- Strogetskaya, E.V. (2014), "The development of Russian universities in terms of the institutional crisis of the national higher school", *University Management: Practice and Analysis*, Vol. 6.
- Sukhenko, N. (2011), "Problems of strategic development of Russian high schools: the sociological analysis", *Monitoring of Public Opinion: The Economic and Social Changes*, Vol. 6.
- Thys-Clement, F. and Wilkin, L. (1998), "Strategic management and universities: outcomes of a European survey", *Higher Education Management*, Vol. 10, pp. 13-28.
- Times Higher Education* (2015), "The quality of education – the strongest party of Russian universities", *Times Higher Education*, available at: <http://5top100.ru/news/22209/>
- Titov, N.L. (2008), "Strategic development of Russian universities", Higher School of Economics, Moscow.

-
- Veretennikova, O.B. *et al.* (2008), "Development of a strategy of educational institution: guidelines", *University Management: Practice and Analysis*, Vol. 4, pp. 3-403.
- Weick, K.E. (1976), "Educational organizations as loosely coupled systems", *Administrative Science Quarterly*, Vol. 21, pp. 1-19.

Further reading

- Fedorov, P.V. and Zhukovsky, M.E. (2012), "Rankings: international and Russian approaches", *Higher Education in Russia*, pp. 8-9.
- Filippov, V.M., Agranovich, B.L., Arzhanova, I.V. *et al.* (2005), *Management in Higher Education: Experiences, Trends, Prospects*, Logos, Moscow.
- Glazyev, S.Y. (2008), "On the strategy and concept of social and economic development of Russia until 2020", *The Economy of the Region*, Vol. 3.
- Nayeri, M.D., Mashhadi, M.M. and Mohajeri, K. (2000), "Strategic management in European universities in an age of increasing institutional self-reliance", *World Academy of Science, Engineering and Technology*, Vol. 37 No. 1, pp. 332-334.
- Reznik, S.D., Sazykina, O. and Fomin, B. (2012), "Features and ways to optimize the management institution of higher education", *General Issues*, Vol. 9, pp. 6-3.
- Strogetskaya, E. (2009a), "In search of a model of the modern university", *Higher Education Today*, Vol. 3, pp. 15-17.
- Strogetskaya, E. (2009b), "The idea and the mission of the modern university", *Education*, Vol. 4.
- Strogetskaya, E.V. (2013), "Evaluation of univeryrisks of modern higher education in Russia", *Power*, Vol. 5.
- Titov, N.L., Andreeva, N.V. and Balaeva, O. (2014), "Strategy of development of Russian universities: the answers to the new challenges", *Deutsch als Fremdsprache*, Vol. 4, pp. 224-233.

Corresponding author

Valentina Parakhina can be contacted at: parakhinavalentina@yandex.ru