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# **Strategic Management, Leadership and Governance of the University in Portugal**

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# **STRATEGIC MANAGEMENT, LEADERSHIP AND GOVERNANCE OF THE UNIVERSITY IN PORTUGAL**

JEL Classification – M10

## **Abstract**

Universities have a role in society different from other businesses or service industries. Universities as any human organizations are composed of people. And like any organization, they have a mission, objectives, goals, structures, roles and relationships of authority, decision-making processes and communication, interpersonal and intergroup dynamics, needs, values and interfaces.

The diversity of determinants implies that the strategic management of universities become a multifunctional system decisions, which must be formulated, implemented and evaluated in order to achieve their long-term goals. The process of strategic management in universities incorporates the development and strategy formulation, implementation, monitoring and feedback.

This article discusses the strategic management of organizations, especially universities, emphasizing the role that this process can have on the organization and how its implementation can help to enhance their leadership role in society to which it is addressed.

**Key words:** leadership, organization, planning, strategy, university.

## **Introduction**

The globalization of our times, where supply is exceeding demand and competition also exacerbated the spread of Japanese management techniques, the companies did recognize that quality has become critical to gaining and retaining customers. The strategic planning process in an organization should be worked initially at the level of awareness and knowledge of its concepts and goals, so that no barriers arise corporate and conservative.

Universities have a role in society different from other businesses or service industries. A public university is not for profit, while firms with few exceptions, have the primary motive is profit. Terms such as strategic planning, competition, competitiveness and others, though common in business, or not arisen or appeared so scarce in the universities.

In the course of these trends and new challenges that portuguese universities face, have to set new priorities for the future, starting a process of change and development.

Universities as any human organizations are composed of people. And like any organization, they have a mission, objectives, goals, structures, roles and relationships of authority, decision-making processes and communication, interpersonal and intergroup dynamics, needs, values and interfaces. The universities are different from other organizations in terms of values, goals, perceptions and not in terms of existence or organizational dynamics (Marcelino, 2000).

Therefore, strategic management in universities is mainly determined by: (a) strategic objectives, usually long-term, (b) models of leadership and behavior, (c) factors related to the external environment, (d) internal factors (mainly resources). The diversity of determinants implies that the strategic management of universities to become a multifunctional decisions system, which must be formulated, implemented and evaluated in order to achieve their long-term goals. The process of strategic management in universities incorporates the development and strategy formulation, implementation, monitoring and feedback. As strategic management is strongly bounded by the vision of the leaders of the organization, the influence and role, ambitions and choices within the organization, the leadership issues should be particularly emphasized and analyzed in the context of strategic management.

This article discusses the strategic management of organizations, especially universities, emphasizing the role that this process can have on the organization and how its implementation can help to enhance their leadership role in society to which it is addressed.

## **Methodology**

In general, the scientific method comprises a set of initial data and an operations system ordered suitable for drawing conclusions, according to certain predetermined objectives. The main activity of the methodology is research. Gil (2007:17) defines research as the "(...) rational and systematic procedure that aims to provide answers to the problems that are proposed. The research is developed through a process consisting of several stages, from problem formulation to the presentation and discussion of the results."

The methodology followed in preparing this article was based on qualitative research, exploratory research and literature review. Qualitative research is concerned with aspects of reality that cannot be quantified, with the emphasis on understanding and explaining the dynamics of social relations. To Minayo (2001), quoted by Gerhardt and Silveira (2009) qualitative research encompasses a universe of meanings, motives, aspirations, beliefs, values and attitudes, with the deepening of relationships, processes and phenomena that cannot be limited to operationalization of variables. In turn, the exploratory research aims to provide greater awareness of the problem, to make more explicit the construction of hypotheses. The literature search is made from the review of theoretical references and published by written and electronic media, such as books, journal articles and web pages sites.

## **The modern strategic management**

According to a survey by the Association of Management Consulting Firms, cited in *The Economist*<sup>1</sup>, the big question that would worry company directors, teachers and management consultants over the coming years, would be the strategy (Brilman, 1998:145).

Etymologically, the word strategy originates from the Greek "strategos", meaning, first, "the action of driving forces," then, "the art of the general", passing at the time of Pericles has to be understood as the ability to manage, lead, coupled with the rhetoric and power. This strategy demonstrates that, not only now, but since then, has been the target a variety of different settings, many of them full of ambiguity (Rosa, 1995:175 / 6).

Silva (2004:11) argues that:

"Where science ends and art begins in strategic planning is difficult to determine. Strategic planning is based on a well mixed science and art. There are success stories in both spectra guidance from the strictly scientific intuitively those who interpret their environment and can have an above average performance."

For Mintzberg (1991) strategy may be a plan, a direction, an action guide who shows the way, in the future, to go from one given position to another desired. It can also be seen as a pattern, that is, consistent behavior over time.

Stacey (1994), cited by Marques de Almeida (2000:246) defines strategy in a very general sense, as "models perceived over a prolonged period of time, following actions taken by the directors of the company."

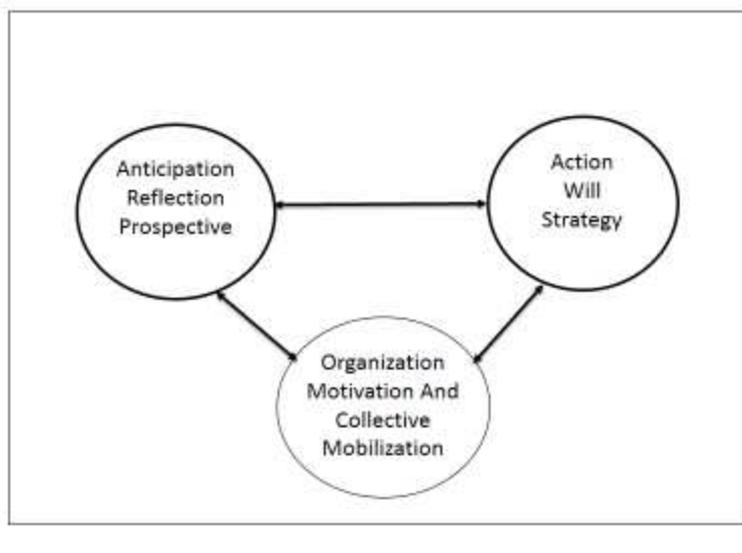
Strategic decisions are those relating to policy and organizational direction over a longer period (Dearlove, 2000:30). Strategic decisions are those that, once implanted, it is unclear whether they will be profitable, but there realize that for strategic reasons (Lubián, 2003:52).

Marques de Almeida (2000:247) distinguishes between prospective and strategy:

"While prospective analyzing the possible futures, the strategy focuses on what must be done in order to overcome the challenges of the future. The prospective lets not predict, but lets clarify ideas about the future. "

The interaction between prospective, strategy and organization, can be analyzed as follows:

Figure I - Interaction between prospective, strategy and organization



Source: Marques de Almeida (2000:247)

There are obvious links between prospective, strategy and organization, where human resources play a key role. According to Marques de Almeida (2000:247), "are always men and organizations that make the difference between successful companies and businesses in decline."

Several strategies have been formulated by generic companies, namely (Marques de Almeida, 2000:249): strategies costs; differentiation strategies, strategic segmentation, strategic portfolio; specialization; relational strategies.

This author argues that, once the chosen strategy, we move to the implementation phase, where we put the following questions: who will implement the strategy? What should be done? How will implement the strategy? Which organization is necessary to adopt?

For that action be guided by success, it is necessary to find the right people to implement the strategy, a proper layout of programs, budgets and procedures, and also find the correct organization for their development. The final phase is the evaluation and control, ie "the extent to which the organization's performance matches the desired" (Marques de Almeida, 2000:250). Here, it is essential to establish standards, seen as key variables which reflect the success or failure of the organization in this area.

Peter Drucker, quoted by Silva (2004:13), believes that "the administration has only two tasks:" "marketing and innovation." And stresses "the company's future success depends so much knowledge of the factors that led to what the company is today, which in turn helps to project the future performance based on a course for the business (strategy)", yet recognizing that the economy has the last word.

Brilman (1998:145) states that the strategy essentially consists of four steps:

- Know your company and the starting situation: the environment, activities, strengths and weaknesses, know-how resources, skills, material, financial and human, competition and key strategic assets.
- Decide where the company wants to go: what activities (continuity, refocusing or regermination, concentration or diversification), what opportunities (new products, new services, enhancements or both), clients (loyal, new, selected), which proposed value (attributes that price), which exploit competitive advantages that image (same or new), in which country?
- Invent and choose how to get there: that technology, innovations, that "marketing" that sales organization, which means that investments that term, that talent, that knowledge alone or in partnership or through acquisitions or alliances that form of organization, new risks?
- Implementing the strategy: how to pass to the action teams, which methods of developing strategy and deployment method.

Brilman (1998:146) argues that "good strategic management is, first, the art of putting the right questions." It is the lead creative spirits dare to imagine new jobs or new media and almost always validate decisions. However Alert for court style behaviors that may discourage the submission of ideas or undertake.

The doctrines and strategic models help leaders understand how competitive battles are won and how it ensures the continuity of the company. Choose the target customers, ie positioning, is the basis of all strategic initiative. Then you must choose which offers will be made to different segments chosen. One of the basic principles of strategic choices is to focus on the segments for which the company can keep, so durable, a distinctive value to the customer than the competition and try to consolidate and increase that advantage (Brilman, 1998: 149; Madeira, 2002:45).

In this context, Silva (2004:13) argues that:

"Beyond the constraints social, cultural, aesthetic, demographic, behavioral and everything that makes predicting the future an exercise in probabilistic analysis of the occurrence of possible scenarios and managing a mix of art and science, (...) priorities strategic emerging for companies in the future focus on responsiveness, customization of products and services (mass customization), information networks and extensive search of top quality standards."

It therefore seems obvious to deduce that organizations too slow and cannot motivate their employees, cannot strive for success, especially in an era of globalization, where markets are highly competitive.

There is a long time, the idea that a product or service describes "a cycle of phases of life" (Brilman, 1998:149; Almeida, 2000:305), which corresponds to: research, experimentation, off,

expansion, maturity and decline. Generally, it is well known statistically, for each sector, in that period of time unfold these different phases. There are exceptions to this knowledge, they are just that: exceptions. This leads us to conclude that a company that does not launch new product is destined to decline.

According to the famous Curve Experience Boston Consulting Group (BCG), the unit cost of a product decreases from 20 to 30% each time the cumulative production doubles from origin. This effect is explained by improved methods of learning and economies of scale. Thus, the companies intend to have increasing market share, which implies frequent mergers and acquisitions.

According to Marques de Almeida (2000:306), for BCG "the company's overall strategy should seek a balance between the different business activities, or between products." Argues that the interest of the model lies in its pedagogical dimension. However, for an adaptation to the current reality the model had to be revised<sup>2</sup>.

Michael Porter has made remarkable contributions to strategic thinking (Brilman, 1998:151), highlighting the value chain and the relationships between future profitability and structure of an industry with the following characteristics: intensity of competition between firms in the industry; bargaining power of customers and its position of strength, bargaining power of suppliers and their position of strength; threat of arrival of goods or replacement procedures, modification of the legal or regulatory environment; potential new competitors, which could destabilize the business.

Porter, quoted by the author previous winners identified three generic strategies, which may choose:

- The domination by lower costs, primarily due to volume;
- Differentiation by designing a product that is referenced as a single;
- Focusing on a niche.

The globalization of our times, where supply is exceeding demand and also heightened competition, particularly due to the recessions of the early 1990s, which affected many countries, and the spread of Japanese management techniques, did recognize the companies that quality has become critical to gaining and retaining customers.

To survive in the twenty-first century and not be excluded from the market, a company needs to provide superior value to its customers. Providing value is to give customers everything they want - the best quality at the best price, quickly and with a smile (Stan Maklan et al, 2008:6). Current customers, sophisticated and attentive, make four judgments when deciding to do business with an organization: quality, service, cost and time [Band (1997), cited by Madeira, 2002:45].

In a context of low prices for numerous products subject to competition or the overall quality or reengineering, have become strategic imperatives that have led to new forms of organization, more flexible and more competitive.

Therefore, strategic decisions have a different impact depending on when they are taken, hence the importance of "timing" (Dearlove, 2000:99). One must question the status quo permanently. Even successful organizations do not constantly question the rationale of success, may be endangered or disappearing.

Also the concepts of efficiency and effectiveness<sup>3</sup>, i.e., doing things right and doing the right things, other criteria are fundamental to the strategic success of organizations. The speed and determination are also important strategic attributes in successful organizations. At this point it is important to be quick to innovate, produce and distribute. Is that the change in the world of organizations is, nowadays, dizzying. And we are not just talking about technological changes, but the monitoring of market trends.

It should be stressed that as stakeholders of an organization, all have vested interests and are customers of each other. Only thus can improve services, stimulate innovation and become more competitive. Moreover, the vertiginous pace of change, fragmented markets, fashion and variety, along with increasing competition, are making organizations and their strategies obsolete.

## **The strategic management at the University**

### **The context of Public Administration**

According to Fonseca (2003:66) one of the critical success factors in the management of any modern organization is leadership<sup>4</sup>. The leader, in collaboration with the people he leads, must think strategically, guide strategy for action, monitor and improve the performance of the organization. Hence, today, the models that reflect an effort to adapt the theories of management in the public sector, give great importance to the leadership, associating it with the strategy and planning.

As indicated by Johnston (1998:355), the Australian public sector, for example, adopted broadly strategic planning models originally developed by academics and management consultants such as Ansof (1987), Andrews (1971) and the Boston Consulting Group in the United States. Although several versions have been applied to models of strategic planning over the years, the Australian public sector, the process always tried to involve an environmental analysis and stakeholder; articulation of the strategic direction of the organization, including mission and values, objectives or outcomes, strategies or implementing rules intended to achieve the desired results.

In Portugal, the idea that the government can manage itself strategically identical to the private sector is still innovative. The strategy, as the engine of an organization, represents three fundamental aspects. That is, the actions guided by a strategy planned, implemented and evaluated on a cyclical basis, enable the organization to seize opportunities to meet the needs of its customers. This means that the organization notes measurable results, allowing the systematic monitoring and evaluation of performance achieved through comparisons with predetermined standards. It also means that the actions implemented not only produce results (outputs), but also outcomes (impacts) more satisfactory (Johnston, 1998:358; Díaz Zurro, 2001:22; Fonseca, 2003:66).

While companies use strategic planning to maintain a competitive advantage over the competition, public organizations use it to improve efficiency and effectiveness. However, not always meet the differences between the public and private sectors and the difficulties that put this form of management (Watkins, 2003:91; Díaz Zurro, 2001:20).

McGuire (1989), cited by Johnston (1998:352) argues that:

"The critical difference compared to the private sector is that public management requires collective action and cooperation between government departments and agencies, which are separate entities but functionally interdependent. Thus, strategic management in the public sector requires social coordination."

It also maintains that there are problems in implementation of strategic management models in the public sector because there is a conflict between the goals and efficiency in achieving social ends (Bodini, 2004:2). From the point of view of accountability in the public sector, the normative models of strategy, although limited in terms of underlying conceptual assumptions are typically applied in the public sector. The CEO in the public sector, for example, rarely have the same level of strategic autonomy, which is assumed a significant extent, the models toward the private sector.

A key issue that managers must be aware, is the political influence on the organization and how it can affect their strategic management, manifested by the various conflicting stakeholders. We thus have the government (which funds and controls), numerous networks of authority and political influence, entities that control the activity, permanent scrutiny of citizens, specificity of goals (obligatory activities and sometimes monopolistic; activities guided by interest public), the expectations of justice, receptivity, honesty, openness and accountability, and the legislative constraints that limit the discretion of managers (Fonseca, 2003:67; Watkins, 2003:92).

In formulating the strategy of public organizations, it must be borne in mind that planning activities be subject to a specific legal framework. In central administration, for example, one has to take into consideration, the Government Programme, the annual Major Planning Options, the State Budget, whose primary goal is the framework of the activity of public organizations.

Public organizations have different characteristics, different as are their powers and responsibilities (Marques, 2002:14), which poses some difficulties for the strategic management of these organizations. There is, however, that study how to adopt techniques that make strategic planning to be successful.

In order to achieve success in strategic planning, underlines the need for agencies to incorporate into the planning process, information flows with external and internal environment, which suggests that strategic planning is a democratic process, insofar which should reflect the representation of interests of a pluralistic environment.

In the public sector, the dynamics of strategic planning is the expression of the internal and external forces of the organization, especially those resulting from the interaction with the political authorities and other stakeholders. To Kaplan & Beinhocker (2003:71) the purpose of the strategic planning process will not only make the strategy but to build prepared minds that are able to make strategic decisions healthy.

The planning process in the public sector is less systematic than in the private sector, because the activity of the public entity is based on several complex interactions among multiple actors, with varying degrees of influence (more or less legitimate, variable over time and sometimes conflictual), felt more acute in the public sector. It follows, therefore, that the practice should meet up more processes, objectives and political strategies legitimate, that economic efficiency.

The involvement of public stakeholders of the organization is therefore a critical factor that must be taken into account. While in private organizations, planning is supported by a competitive posture (Hill and Gareth (2012), MA Hitt et al 2012) in public organizations the focus goes to the openness and cooperation with stakeholders and oversight bodies, a planning process inclusive and participatory. The attention given to the expectations and needs of stakeholders and to all who are affected or affect the activity of the organization depends on the success of strategic management.

As a public organization stakeholders are citizens, customers, employees, the general public, public organizations engaged in control functions (audit and general inspection services, for example), the media and the suppliers, and also, the Government itself.

Fonseca (2003:69) defines it as the first step in a strategic planning statewide organization, the identification of stakeholders and consideration of their interests and relative importance. In management sciences is called stakeholder analysis, a technique that allows us to identify and evaluate the importance of people or institutions that may significantly influence the success of the organization's activity. It will be thus possible to anticipate and develop strategies to increase the support and reduce obstacles along the way.

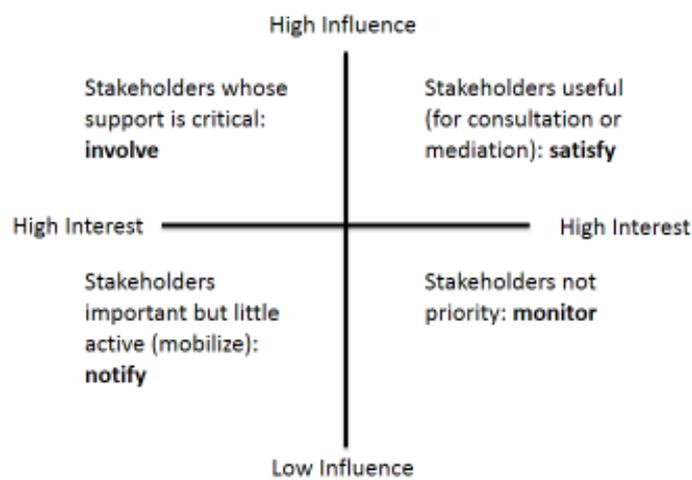
In the opinion of Fonseca (2003:69), for most authors the stakeholder analysis begins with the identification of stakeholders relevant to the subject and to the assessment of interest

(expectations, benefits, conflicts, etc.) And the influence of each group in the success of the activity in question. The placement of the stakeholders reveals the identification of priorities for each assigned one, reflected in the importance given to meeting their needs and interests.

For the organization are stakeholders whose support is critical, certainly the most important, those who seek to satisfy the activity and whose interests converge with the organization's goals. This is a technique that goes beyond the formal economic thinking, where the consideration given to stakeholders leads to the development of effective strategies and organizational outcomes.

The following figure shows the relationship of stakeholders with the organization.

Figure II - Stakeholder Relationship with Organization



Source: Fonseca, 2003:70

The involvement of stakeholders in the organization is advantageous, from conception to implementation of strategy. The organization shall take into account whether the needs and expectations of each group are being met and eventually modify the goals and priorities in order to meet the interests of stakeholders' priority. So how should seek to involve them with partnerships or even give them the opportunity to be informed and express their opinions.

The leaders of public bodies must have true management skills to enable them to develop a strategy, implement it and be accountable for results, although here it put some problems. It is fair to ask: how articulates a five years strategy with tours of duty three years? And with the possibility of the organization come to cease the activity or service commission's ruling falls? Experience in other countries on this issue might be a useful adjunct to chart the way towards a coherent set of management skills.

### **The University and the Challenge of Strategy**

Universities are in a relevant context and somewhat neglected for the study of strategic action. They also have some unique characteristics that may be of particular interest to the study of strategic management.

According Jarzabkowski (2003:29), citing various authors, universities have traditionally featured as professional bureaucracies (Mintzberg, 1979), coupled systems (Weick, 1976), or organized anarchy (Cohen and March, 1974). From this point of view, universities are pluralistic organizations with varying goals that are not necessarily compatible with a corporate center or an arched strategic direction. However, the competitive environment that characterized the universities over the past 20 years, the trend is that pluralism can change to centralized forms of organization (Jarzabkowski, 2003:29). Recent discoveries arising from the New Public Management (NPM), suggest that they certainly need to be better managed and more influenced by market principles (Carvalho, 2004). However, Myton (2001), cited by Parker (2002:612) warns that "intensive commercial imperative used by universities in order to raise revenue in an attempt to protect its reputation, can deteriorate the intellectual climate, freedom and morale of academics."

The decision making processes of the universities are in the hands of many actors and most strategies belongs to the University as a whole, though sometimes only reach some of its parts (Van Vught y Maasen, 1994, cited by Fanelli, 1998:89/131). For this reason, a specific strategy can be followed either by a teacher as a structure or an administrative or collegial body.

Strategic management is a multidimensional process, which involves setting long-term goals, based on the entity's purpose (mission) and the future vision that the leader and his collaborators define. It also covers the management and implementation of these goals through planning, within the context of the structure and culture of the organization. For instance, we have:

Figure III - The importance of strategy



Source: Fonseca (2003:67)

The strategic plan, which provides direction in terms of development of the organization and its management goals, it is elaborated from the identification of opportunities and threats, based on an assessment of internal resources (people or internal customers, salaries, financial aspects , etc..) and external environment of the organization, using diagnostic tools such as PEST (analysis of Political, Economic, Social and Technological variables) (Fanelli, 1998; Fonseca, 2003:66) and SWOT analysis (identifying strengths and weaknesses, opportunities and threats). The most interesting is the meaning that has the planning process for a university and a company. The first considers the planning process as a means to resolve conflicts, while the second considers it as a tool to manage uncertainty and avoid risks. Nevertheless, both organizations consider it as a process of affectation resource: universities emphasize forecasting and planning, while companies highlight the financial aspects (Daniunas, A. & Radzeviciene, 2010:558).

The strategy adopted by the University will be one in which we exploit the opportunities that have the critical success factors in those who are stronger. Its strategic plan will include objectives and actions for each area, so-called operational plans, which are developed with the participation of various levels of management, workers and the various interested parties (stakeholders), who will be given knowledge, once completed.

### **The Strategy formulation**

The explicit goal of the planned activities was always contribute positively to the performance of organizations, mainly by setting long-term goals, and the creation of better conditions for achieving these objectives (Ravara, 1995:187). Set an appropriate strategy for the organization can result relatively complicated, but not impossible.

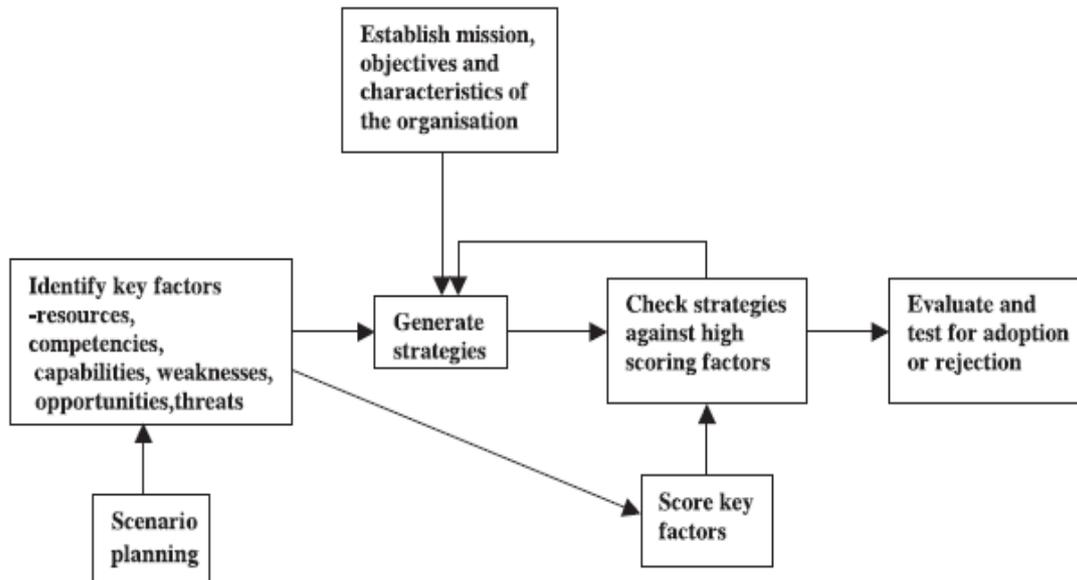
In the opinion of Viñepla (2002:267) on issues of strategy, generic models are not applicable in its entirety. Each organization has their different strategic perspectives and a fundamental step of a process of defining the strategy is its correct identification, for subsequent measurement and management effectively. The university is not oblivious of this assumption, so you must consider your own model, using the methods and techniques available, adapting them to their reality.

The mission of the University and its goals, as we have seen, there are two basic factors to support the university strategy. However, there is consensus on the inclusion or not of the strategy objectives. Bueno Campos (1986), cited by Marques de Almeida (2000:290) says that it is not peaceful inclusion in the definition of the objectives of the strategy, or if it starts with the definition of objectives.

Identifying the mission and goals must be set so dynamic and continuous connection with their surroundings. Furthermore, in order to deploy a strategy is necessary to have the support of the entire organization. The reality, in the face of uncertainty, turbulence and complexity of the business environment, which continuously transmits signals of threats and opportunities, leads one to question the whole time the mission and objectives, ie, the basis on which the strategy is based.

Marques de Almeida (2000:291) distinguishes overall goals and operational objectives. As a general point goals: profitability, efficiency, market share, growth, risk, stability, economy, customer satisfaction, social responsibility, etc., which must be quantified, consistent and coordinated. The operational objectives, in turn, are determined for all decision-making levels, and are designed to achieve the overall goals and make them operational. As Dyson argues the current and the new strategy should be incorporated into a single process to move towards the planning and decision making. The following figure gives us this perspective:

Figure IV - The strategy generation process



Source: Dyson, 2004:637

Once equated opportunities and threats underlying the external environment, it is necessary to develop an overview of the key strategic factors, which results in a matrix that will form the basis of a deep reflection on the mission and goals of the University, making it the holder of formulation strategies. The analysis performed can point to a planning gap [Hunger (1996), cited by Marques de Almeida, (2000:293)] between the planned and the organization's objectives, which may induce a change in strategy. Usually, adjustments are made to the strategy during management decisions or conditions of the environment in which the organization operates.

Tena (1992) cited by Marques de Almeida (2000:293), points out the following scheme for the formulation of the strategy:

- Know what is the function in a competitive environment desirable future different from the present. It is a creative step, in which the use of the scenario method is a valuable tool prospective.
- Identify the impact that has the desired position for the organization internally and carry out the corresponding changes.
- Ensure the maintenance and defense of basic competence or distinctive advantage.

Bueno Campos (1996), cited by Marques de Almeida (2002:293) argues that the previous scheme has some underlying principles such as the *principle of opportunity*, which requires freedom of choice of goals and prudent decisions in their definition, the *principle scarcity*,

which is based on scarcity of resources and alternative employment in the same, so it must meet the relationship between objectives, resources and constraints, the *principle of efficiency*, ensuring that the overall efficiency of the organization is related to strategic efficiency and operating efficiency, the *principle of flexibility*, by which the organization must be flexible in order to adapt to changing strategic and continuous redefinition of its goals.

The process of strategy formulation must have its origin in the existence of a real strategic problem, i.e., it must have an underlying need. Moreover, a fundamental requirement of this process is the balance between organizational goals and objectives for all human resources, and integrate all dimensions techno-economic and human process (Viñegla, 2002:267).

For the author there are several previous key aspects to consider in the process:

- The commitment of managers from the stage of designing the strategy and its measurement and control systems;
- Alignment of the organizational structure and functional;
- Communication and training;
- The adequacy of the organizational culture.

Since this is a public entity, with the particular approach that we have taken previously, these aspects have to be well weighted if the University follow the path of strategic management. Therefore, the key to success is in the process have the best team of professionals, working in a climate that enhances innovation and creativity and have a culture taken and valued by all. It is imperative to implement a policy of human resource management that favors the development and implementation of the strategy effectively.

### **The Path to Success Strategies in University**

Parker (2002:612) argues that the multiple pressures to experience measurable results in academic performance, determined a more isolationist approach and focused on the work of teachers as individuals – so that direct their efforts to measurable tasks and possible reward, while lowering or decline further involvement in school tasks, such as referee for magazines, writing texts, organization of conferences, seminars and other academic tasks.

The current economic context, turbulence and uncertainty, determined profound changes in the design of structures and University subsystems and its management mode. The "core value" of the University now includes financial viability vocation relevant, industry relations, market surveys, public interest responsibility and customer / consumer. This attitude means that they are increasingly being imported into the University of the principles and practices adopted in the private market.

These pronounced values change promote resistance of academics and subsequent frustration and disillusionment [(Warwick (1999; Stevens (2000); Gaile (2001), cited by Parker

(2002:613)]. This author raises the question: can the "paradise" academic return to be gained, the answer is "probably not." New ways of being of the University are starting to build up. If we are not careful and committed to their construction, others will as we are too busy protecting our heads. If change is unquestionably productive and inclusive, it requires a return to a vigorous and free speech among key stakeholders, which include academics, management of the University, students and government, having as target to draw a fruitful and evolutionary management model.

Change, by definition is good. Resistance to change is bad (Huy and Mintzberg: 2003.79). Change is possible through evolution and revolution (Parker, 2002: 614). As a precursor to the commitment, the academic community needs to reflect on some key strategic issues:

- Where we come from? What was our historical identity as academics and what was the historical identity of the universities? What changed the paths to where and what their metamorphoses over time? To what extent preserve their role mystic and its values?
- What do we want to be? What part of the past we must preserve? What new roles and interpretive schemes must assume? The new state that we can aspire safely?
- How do we get there? What are our goals attainable and safe, and what are the strategies and approaches to implement them?

These seemingly simple questions have recently been equated by the academics, and certainly, the answer is complex. The commitment alone is not enough, it becomes necessary debate, involving all those involved in university life, for change management, through an action-oriented approach. This commitment to the university management change, according to Dawson (1994), cited by Parker (2002:615), requires a lot of attention from the process and outcomes of change. For this, Dawson argues is necessary to add three essential elements:

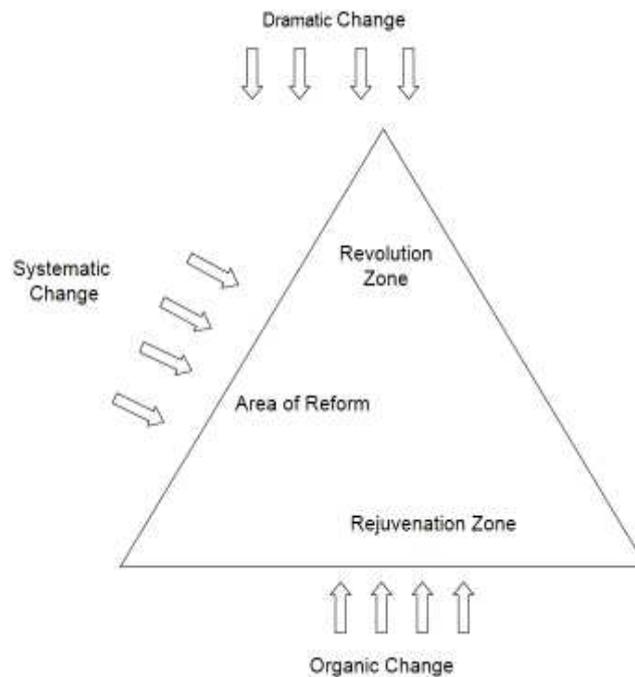
- Substance - the type and scale of the proposed / possible change;
- Context - the engaging internal and external historical influence current practices;
- Policies - the politics of consultation, negotiation, conflict and resistance occur inside and outside the organization.

By recognizing these agents of change, it is possible to observe that the change of the University is a continuous, non-linear, dynamic and full of contingencies, where modification of goals and reviewing strategies are a reality. The long-term changes lining up also practices complex, hard and sometimes painful, troubling and stressful for all members of the organization. Empathy, sensitivity and determination are needed by all.

The dynamic pace of organizational change was always one constant: change dramatically descends from the top (from senior management), the systematic change is generated laterally and organic change emerges from the ground. These three forces interact dynamically and each

provides the necessary strength to the transformation process. The dramatic change incites revolution, providing impetus; changing orchestra systematic reform, which instigates the order; rejuvenating and nourishing organic change, which fosters initiative (Huy, Mintzberg, 2003:80). The figure below graphically depicts these three forces.

Figure V - The triangle of change



Source: Huy, Mintzberg (2003:80)

For these authors nor dramatic change, nor systematic change nor change Organic work well alone. The dramatic change has to be balanced by the order and the commitment of the organization. The systematic change requires leadership and also depends on a wide commitment. The organic change, although perhaps the most natural of the three approaches will eventually manifested via systematic, sustained leadership.

Because the dramatic change alone could be a drama, a systematic change by itself can be fatal, and organic without changing the other two may be chaotic, they must be combined, or even better, sequenced and alternating over time, creating a rate of change (Huy, Mintzberg (2003:80). When working in a kind of dynamic symbiosis, dramatic change provides impetus, the systematic change order and install organic change can generate enthusiasm.

To optimize the strategic management becomes necessary to use a system of measuring and monitoring the performance of individuals and the organization, multidimensional character, not staying by mere financial control. This review (Díaz Zurro, 2001:22) should be carried out continuously, using tools like the tableaux de bord, or the balanced scorecard, through financial and non-financial indicators (Viñegla, 2002:267; Lawrence & Sharma, 2002 : 663/675), thereby allowing feedforward control, ie prospective control. Among the possible indicators are customer satisfaction and employees, excellence in internal processes, etc. whose purpose is to connect the operational activity to strategy (Fonseca, 2003:66).

The system there-to be gifted with clarity, wisdom and agility that seldom succeed if the institution does not develop a methodology associated with a tool that suppose an added value and not an increase in the management and internal bureaucracy. So if advocates the introduction, at the University of procedures leading to the implementation of strategic management thereby to set a course of excellence for the future.

### **The leadership factor in university strategy**

Higher education faces a powerful combination of pressures to change. It is necessary that institutions become more flexible and operational, although it is not clear to everyone. To initiate the process of reform, higher education must do so in an informed and strategic way. For Geoff (2003) the best method to do this is to have a much clearer image of both the "what" of change (identifying good ideas) and "how" of change (implementation of these ideas). The ability to successfully combine the "what" and "how" of change result (or not) in the success of this reform, especially with regard to public higher education.

Acting is communicating. And do it effectively involves looking at the different interests at stake and analyze to whom is the communication (Friedman, 2008:97). The leadership is closely related to the skills of communication and transmission of ideas (Smith et al, 2005).

The leadership has to do with the ability to influence people to engage in voluntary tasks aimed at achieving common goals. Implies the ability to influence others through a communication process with the goal of performing a task.

It is important to reflect on how the leader is seen by others in their role to lead and as well the perception that he has of himself and how he use his leadership. Leadership is not solely the personal characteristics of the leader. The exercise of leadership is also dependent on the situation and context. There is no unique valid leadership style for all situations and for all individuals. Consequently, it is important to take into account three factors: the leader (values, beliefs, trust in subordinates, form of lead, etc.), the subordinate (taste for work, receptivity to the leader, expected to participate in decisions, experience in solving problems, etc.), the context (the situation: type of business, values, guidelines, goals, complexity, organizational structure, etc.).

Leadership must also be aware of the characteristics mentioned above, concerned with the motivation of subordinates. Drucker (1999) argues that organizations should focus their learning process on empowering people, referring that an organization that invests in continuous development of leadership, reaches more effectively the results. Learning leadership should be a continuous and ongoing process, part of everyday life of the organization.

The leadership allows innovation procedures, the continuous updating of the members of the company and leads to the motivation of the people, who thus contributes to improved productivity.

### **The process of leadership at the University**

The major challenge of current university administrators is to combine a whole range of ideas, creativity and people who are unique, with different perceptions within the organization and whose main objective is the fulfillment of its mission. The complexity of the problem of leadership is the same in various branches of activity. However, the university is a complex organization, so the leadership is particularly important (Abbate, 2010:35, Brown, 2001:4).

The development of a leadership process in a university is not a quick fix, but rather a procedure that is intended to be durable, strong and suitable for the institution (Gloria D. et al, 2013).

There are important steps to fulfill to initiate a reform program, such as:

- Determine the effects of the program
- Define the objectives
- Define the skills to develop
- Get feedback on behavior
- Advise managers
- Design strategies to develop
- Assess and commit to continuous improvement.

The organizational leadership requires be effective at the time to act. The fast pace of a process of change and permanent needs of stakeholders, encourage university leaders to move forward and this gives strength to be a leader in academia.

### **Strategic planning in Portuguese public universities**

There is a strong strategic alignment between universities and their environment. The legislation governing the sector is a key and major impact of this environment. Currently, the Legal Regime of Higher Education Institutions (RJIES) Portuguese universities devoted to the existence of a strategic plan for medium and long term action plan for the four year term of the Rector, to prepare and submit to the General Council.

Through a survey conducted by us on the Internet during the first week of January 2013, in the website of the Portuguese public universities (UPP), it was observed that, although with different names and different time horizons, there are strategic plans in most of these institutions, as can be seen in the table below.

Table I - Strategic Planning of UPP

<b>University / Faculty</b>	<b>Document</b>	<b>Time Horizon</b>
Open University	Strategic Plan	2011-2015
University of the Azores	Medium Term Strategic Plan	2009-2011
Algarve University	Strategic Plan	2010-2013
Aveiro University	Strategic Plan	2011-2015
Coimbra University	Strategic Plan	2011-2015
University of Évora	Strategic Plan	2010-2020
University of Lisbon	Strategic Area of Social Sciences	2010-2013
University of Madeira (to be submitted to the General Council)	Strategic Plan	Not defined
Minho University / School of Engineering	Plan of the School of Engineering	Agenda 2020
New University of Lisbon	Strategic Plan	2012-2016
Porto University	Strategic Plan and Major Lines of Action	2011-2015
University of Porto / Faculty of Sport	Strategic Plan	2011-2015
University of Porto / Faculty of Psychology and Educational Sciences	Strategic Plan	2011-2015
Technical University of Lisbon / IST	Strategic Plan	Not defined
University of Tras-os-Montes and Alto Douro	Strategic Plan	2011-2014

Source: Own elaboration

Regarding the content of these plans however there was some diversity, although there is unanimity on some key points concerning strategic planning, namely: Mission, Values, Vision, Context Analysis, Strategy Formulation, Strategic Guidelines, Infrastructure Research, Education, Finance and Internationalization.

Through this research, it was not possible to obtain information on the strategic plan of the ISCTE-Lisbon University Institute.

## **Conclusions**

A fundamental aspect of strategic planning in universities is the involvement and commitment of the parties involved. Whatever the organization, participation is essential to achieve synergy in the implementation of actions that emerge from the strategic plan. To that strategic planning is an integration tool, it must have the participation of employees, while the top management communicate to them the objectives and priorities contained therein.

Also the government has an important influence in the strategic decisions of universities. For example, by adopting legislation for the sector, as well as the funding system for universities, which has been increasingly reduced.

A successful strategic management involves coordinating and balancing the interests of various external agents such as the government (which provides much of the funding), state agencies (research funding and / or others), interested stakeholders, such as industrial or commercial (interested in the quality and price of services), and international students and agencies.

But the increased participation of internal agents is probably more important and promising when compared with the participation and influence of external actors for many universities.

The ability to react and manage change is related to the ability of universities to adapt to complex external environment and its capacity to anticipate change. These features should be part of the strategic plan of modern universities, which can only be developed if universities can overcome the formal and hierarchical approach that still characterizes most of these institutions.

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<sup>1</sup> The Economist, "Making Strategy", 1 March 1997, in Brilman, 1998: 145.

<sup>2</sup> The model of the Boston Consulting Group data early sixty.

<sup>3</sup> Efficiency: defines the relationship between outputs (outputs) of a service or activity and the volume or value of the "inputs" consumed in generating these "outputs". The yield is positive if it produced a reduction of inputs for a given output quantity and quality, or if given a number of inputs, there was an increase of outputs. Effectiveness: refers to the connection between "outputs" and the organization's goals, i.e., the degree of success or failure in achieving the goals (Lopez, 1995: 28).

<sup>4</sup> Leadership refers to the influence exerted on people to carry out certain activities, which relates to delegating formal direction, allowing specific people carry on those activities. An executive who is in a hierarchical position can delegate tasks, but their ability to make effective delegation, largely depends on their competence and leadership skills.