Competitive advantage, what does it really mean in the context of public higher education institutions?

Received 21 July 2013
Revised 19 October 2013
10 January 2014
Accepted 24 January 2014

Haijing Helen de Haan
Research Group Governance, Finance and Accountancy, Inholland University of Applied Sciences, Rotterdam, The Netherlands

Abstract

Purpose – The purpose of this paper is to critically investigate the discourse on "competitive advantage", a concept that has been widely applied in the public higher education sector, but rarely defined and conceptualised.

Design/methodology/approach – In order to get some insightful understanding about how "competitive advantage" is actually manifested in the life and activities of public higher education institutions (PHEIs), it is necessary to obtain data about the perceptions held by education practitioners in different sub-sectors and at various job function levels. In total, 73 interviews at 16 Dutch PHEIs were conducted in the period of 2009-2011.

Findings – By studying the diversified meanings, 13 elements were identified in constructing the competitive advantages sought by PHEIs, and, more importantly the significance of each element is rated and ranked. Furthermore, this research discovered that the research universities and universities of applied sciences perceive this concept differently; also, the practitioners holding different job functions gave divergent meanings to this term. The clarification of this container concept "competitive advantage" leads to the conclusion that the business way of defining "competitive advantage" should be critically reviewed and verified in the context of the public higher education sector.

Research limitations/implications – This study used just two parameters for the selection of individual respondents: their job function and the length of their working experience. Further studies that adopt different selection parameters are, therefore, encouraged as offering the potential to further enrich our knowledge about how competitive advantage is perceived and put into practice. It is hoped that the findings from this research offer some guidance in developing a framework for such further studies.

Practical implications – The sectorial differences revealed by this study can help research universities and universities of applied sciences design their competitive strategies more suitable with their specific characteristics. The job function level differences shown by the research findings can help institutions to identify and close the gaps between the central level and faculty level in their strategic planning and implementation.

Originality/value – The clarification of the container concept "competitive advantage" is unique in the current educational management literature, particularly in both qualitative and quantitative ways. The comparisons between two institutional types and two job function levels may help PHEIs to effectively design competitive strategies according to their specific institutional characteristics and by understanding the gaps between the central and faculty level.

Keywords Competitive advantage, Educational competition, Educational marketing, Public higher education

Paper type Research paper

Introduction

Public higher education institutions (PHEIs) are increasingly characterised worldwide by the new dimension of commodification and marketisation (Eckel, 2007; Jiang, 2008; Martin and Lázaro, 2011; Erickson, 2012), and confronted with a big challenge in finding a balance between traditional academic operation and the new but increasingly

International Journal of Educational Management
Vol. 29 No. 1, 2015
pp. 44-61

0951-354X
DOI 10.1108/IJEM-07-2013-0115

dominant market-driven dimension of global competition (Marginson and van der Wende, 2007; Kim, 2009; Cheung and Chan, 2010). In this context, PHEIs are increasingly required to gain competitive advantage in both national and international markets in order to create or maintain a competitive position (Arambewela and Hall, 2006; Chan and Dimmock, 2008; Wilkins and Huisman, 2011).

The notion of "competitive advantage" and related competitive theories were developed originally in the private business sector, but are claimed to be applicable in the public sector (e.g. Porter, 1980; Barney and Arikan, 2001; Powell, 2001). This claim is based on the supposition that PHEIs and firms face the same kind of competition and have the same need to survive and prosper by achieving/realising a better "fit" with their environment (Drazin and van de Ven, 1985; Jenster, 1987; Johnson and Scholes, 2002; Bryson *et al.*, 2007). Particularly when PHEIs are viewed as service providers in a marketplace, the business conceptualisation of "competitive advantage" has been taken as granted (Eckel, 2007; Marginson, 2007; Mazzarol and Soutar, 2008). However, as Knight (2003) pointed out, many business concepts have been widely used in educational administration and management, but little attention has been paid to defining them and understanding their application and implication in the context of higher education. If there is a single lesson that holds true from the business and management literature of the past century, it is that context matters (Volberda and Elfring, 2002). Therefore, the contextual differences between the public higher education sector and the private business sector cannot be put aside by assuming that marketplace, competition and competitive advantage mean the same in both.

This study with both qualitative and quantitative characteristics aims to clarify three questions:

RQ1. What competitive advantages do PHEIs seek?

RQ2. In what ranking do they perceive the importance of various competitive advantages?

RQ3. How to verify the concept "competitive advantage" in the context of public higher education?

In order to answer these questions this paper starts by briefly commenting upon the concept studied by the business and education sector. Second, a brief description of the Dutch higher education sector is provided where the study was conducted. Third, the research method and data analysis results are presented. This research took an empirical approach by interviewing a large number of practitioners ($n = 73$) in 16 Dutch universities chosen from the 43 PHEIs in the Netherlands. By comparing the interview data along two dimensions (sectorial and job function), the elements that construct the meaning of "competitive advantage" and their significance in the Dutch PHEIs context are presented. Finally, the findings from data analysis led to a discussion on how the business way of defining "competitive advantage" can be verified in the context of the public higher education sector.

Definitions of "competitive advantage" in the business and education sector

As the building block of competitiveness, the concept of "competitive advantage" was first described by Ansoff (1965) as the "properties of individual products/markets

which will give the firm a strong competitive position" (p. 79). Uyterhoeven *et al.* (1973) referred to competitive advantages as the manner in which a firm applies its skills and resources to gain superior return on investment in a product market. The term "competitive advantage" has gained popularity mainly in the private sector because of the work of Michael Porter during the 1980s of the last century (Mooney, 2007). The essence of Porter's (1980) "five forces model" is that the structure of an industry determines the state of competition within the industry. The five structural forces are threat of new entrants, bargaining power of suppliers and buyers, threats of substitute products and competitive rivalry within an industry. These forces collectively determine the ultimate profit potential of a firm and the competitive position of that firm within an industry. Porter did not give a definition of the term "competitive advantage", but linked it with the concept of "value" by arguing that creating value for buyers is the means to attain competitive advantages. Therefore, a firm has a competitive advantage when it creates more economic value than its rivals, and this competitive advantage in return will enable the firm to earn greater economic value than its competitors. The notion of "competitive advantage" is made more precise by equating it with "added value" to a firm because the added value might increase more chances of firm survival (Adner and Zemsky, 2006). The added value comes from a firm's high performance, therefore a link is also created between high performance and competitive advantage (Greve, 2009).

PHEIs have to face competition with respect to obtaining governmental and/or research funds, which implies the possession of specific qualities of teaching and research in the institution; in attracting students, which implies specific marketing capability in gaining recognition of their quality (Knight, 2004; Marginson, 2007); and "in building a reputation which depends on a volatile combination of factors involving everything from Nobel prizes to athletics" (Edwards, 2007, p. 379). PHEIs do not only compete with each other, they are also confronted with the competition formed by private education institutions and companies for market share in the recruitment of international fee-paying students; offering for-profit education and training programmes; or selling education services like language testing or accreditation (Naidoo, 2010; Knight, 2011).

The concept "competitive advantage" and the related theories have expanded their application from product to service, from profit generation to value creation, from the quality of specific product/service to the overall performance of an organisation. While this concept is expanding, at the same time there is a profit-seeking/profit-making area that PHEIs have been pushed into because of government budget cutting, marketisation of the public sector, increasing student mobility, and the growing knowledge economy. As a result of these external factors, competitive advantages theories have gained their popularity in the public education sector; terms like "competitive advantage", "competitive position", "competitive strategy" have often appeared in the policy paper, promotion materials and university web sites. The popularisation of this concept in the education sector might also be attributed to the internal factors. Higher education institutions have always had the "gene" of being competitive in trying to reach high academic standards, to achieve academic excellence, and to obtain international reputation and status. Also students' engagement in a learning community and the success of their future career increasingly make up a great part of growth strategy at many PHEIs, and this also implies the use of new tools such as internationalisation, marketing and promotion for enhancing competitive advantages (Chan and Dimmock, 2008; Naidoo, 2010).

Although we may find the popularisation of "competitive advantage" has naturally evolved, surprisingly, there is little to be found in the education or public management literature on what the concept "competitive advantage" actually means for PHEIs. Among the scarce published work covering this term (e.g. Mazzarol and Soutar, 1999, 2008; Lynch and Baines, 2004), education researchers seem to accept the business definition of the term and apply it to the education context without further clarification. Some studies can be found in the business school literature, but the central theme seems to be "how" to achieve and develop competitive advantage, rather than defining "what" this term means (e.g. Lash and Wellington, 2007; Greve, 2009; Reeves and Deimler, 2011; Peterson, 2013).

The competition in the PHEIs' context is not pure market competition, but a mixture of traditional academic competition and the newly introduced market competition. The limited research that can be found in the education and business school literature in defining this concept in the specific context of PHEIs, shows that the complexity of education market competition has not been fully recognised. Therefore the potential effects and costs of intensified competition on the development of higher education has not been sufficiently considered, although many scholars (e.g. Kirp, 2004; Luijten-Lub *et al.*, 2005; Marginson and van der Wende, 2007; Eckel, 2007; Marginson, 2007; Lovegrove and Clarke, 2008; Larsen *et al.*, 2009) expressed their concern some years ago. As long as PHEIs rely on modes of economic rationality from the business sector, such as economies of scale to maintain competitive advantage (Pratt and Poole, 1999-2000; Welch, 2002), the relatively low level of theoretical development on the business concepts remains a weakness in the education sector (Huisman, 2007).

The context of Dutch higher education sector

This research studies the concept "competitive advantage" by studying its current applications in the Dutch higher education sector, where, in common with many countries, the government is the principal financier and chief provider of higher education. The Netherlands has two main types of higher education institutions: research universities (RU) and universities of applied sciences (UA). Among the 14 RUs and 39 UAs, the UA sector enrols almost two-thirds of Dutch higher education students (Nuffic, 2011a). The RUs and UAs are regarded as "equal but different" (Goedegebuure, 1992; De Boer *et al.*, 2010). They are equal because both sub-sectors are indisputably part of the Dutch higher education system; they are different because some general features distinguish them from each other. For example, most RUs have a longer history (the first Dutch research university was established in 1575), carry out fundamental research, and primarily offer academically-oriented programmes. RUs strive for a greater autonomy, and academics are in a stronger decision making position *vis-à-vis* managers (Theisens, 2004). The UAs were set up much later with a strong regional focus and the intention to offer study programmes with a strong vocational orientation. Not having a tradition of academic self-governance, the state control has always been much tighter for the UA than for the RU sector (De Boer and Goedegebuure, 2007).

Although these two sectors are gradually growing closer, this binary system has remained relatively stable in recent years. The distinction between "higher professional" and "academic" education has been perceived as an important form of differentiation that matches the prior education of students as well as labour market needs (Lepori and Kyvik, 2010). The division of the UA and the RU sector not only

exists in the Netherlands, but also in many other European countries such as Germany, France, Belgium and the UK. Many of the sectorial characteristics described above can be found in the studies of other countries (e.g. Lepori and Kyvik, 2010; Witte *et al.*, 2008; Theisens, 2004). In common with many other countries, the Dutch higher education system has been subject to numerous reforms, many with the aim of reducing costs, to increase efficiency or to enhance quality, to become more performance driven, to adopt methods from the private sector, to strengthen institutional independence and managerial technologies (De Boer *et al.*, 2007; Leisyte *et al.*, 2008). Because of these commonalities, the Dutch case can provide us with information and insights that are useful for PHEIs in many other countries that have a similar binary system.

Research method

Semi-structured interviews offer respondents the opportunity to tell lengthy stories and answer more on their own terms, thus allowing deeper probing into the topic (May, 2001). Therefore, this method was chosen to collect authentic statements and meaningful information of personal experiences and contextual factors, in order to achieve a better understanding of the meanings given to "competitive advantage" by education practitioners. In total 73 interviews were conducted in the period of 2009-2011. Furthermore, the qualitative interview data were analysed with a quantitative method. The added value of applying a quantitative method to qualitative research is that it helps to focus on "measuring the parts in an issue" (Tavallaei and Talib, 2010, p. 571). For example, this research applies quantitative methods to determine the relative importance of different elements (these are the parts) in contributing to competitive advantage enhancement (this is the issue); as well as to clarify the different weights given by respondents to the elements (these are the parts) that construct the total perception of the three key concepts (these are the issues).

In order to produce a synthesis that represents the whole Dutch public higher education system, the institutions were selected from various geographical locations; comprehensive and specialised universities (business school, technical university, agricultural university, etc.). Eight institutions were chosen from each sector among 14 RUs and 39 UAs. The selection of eight institutions represents institutional diversity while remaining practically manageable. Moreover, there is a greater homogeneity among institutions in the UA sector compared with the RUs in terms of study subjects (Nuffic, 2011b), organisational management structure and culture (Theisens, 2004), therefore choosing the same number of institutions from the UA sector has little impact on the comparative representativeness of the two samples.

The selection of interviewees is based on two parameters. First of all, wherever possible, respondents were selected on the basis of the length of their working experience at their functions, which suggests that they will have sufficient knowledge of their institutions and adequate experience with their functions. Second, the interviewees were selected from the central level (e.g. board members, marketing managers, administrators, policy advisors) and faculty level with or without management functions (e.g. deans, coordinators, lecturers and researchers). These two parameters were used primarily because the focus of the study is their role as institutional functionaries in different sectors and at different job function level. It was anticipated that differences between private individuals (age, gender, academic background, etc.) might influence their perceptions. However, such differences at least are subservient to the professional contextual parameters of position and experience

when their opinions were sought in relation to their professional practice. Further studies that adopt different selection parameters are, therefore, encouraged as offering the potential to further enrich our knowledge. The interviews were elaborated based on the core question "what is your understanding of competitive advantage in the context of PHEIs?" In total more than 120 hours of interviews were recorded and transcripts were approved by the interviewees before being used for data analysis. The interviews were conducted in English for the convenience of data processing and to avoid the risk of losing authentic expressions of the interviewees after translation.

Atlas-ti computer programme, a tool that supports qualitative social research activities involving the interpretation of texts and discourse analysis, is used to help the data analysis. As the result, a large group of codes were created based on the words and expressions spoken by the interviewees. According to the similarity of these words and expressions, they were brought together under one code. Frequency table was then constructed by identifying each interviewee who made reference to each of the elements and recording them in the appropriate cell according to their function level and institution type. Any individual referring to one of these elements is recorded once only in the appropriate cell, no matter how many references (s)he made to it in the interview. Throughout the 73 interviews the difference in terms of frequency was not extreme, by which I mean that, for example, one interviewee mentioned one element once, while another mentioned it only twice or three times more, rather than ten. Since the difference of frequency is not significant, no additional weighting factor was introduced. Through continual comparison with the raw data, core categories were distilled down into constructs which enabled the links between categories to be established (Charmaz, 2000) and the data to be situated into a meaningful whole (McCann and Clark, 2003). This data analysis process led to the identification of 13 elements constructing the concept "competitive advantage" (Table I). The data analysis went further to make the comparison between the sub-sectors (UAs and RUs) as well as function levels (the central and faculty level). These research findings are presented below.

Research finding 1: perceptions of "competitive advantage" in the UA and RU sector

Although the division of two sub-sectors (UA and RU) exists in many European countries, the current education literature seems to treat them similarly when talking about institutional competitive advantage. The interview data reveal some interesting differences between interviewees from these two sub-sectors in perceiving institutional competitive advantage (see Table II and Figure 1).

The greatest differences between the RUs and UAs are in Element 6. Ranking position, the 47 per cent more value given by the RU interviewees than the UA interviewees appear the highest among all other elements. It is worth noting that the RU interviewees referred the ranking mainly to the international ranking lists, while the UA interviewees talked about the national ranking. Knowing that the most popular world rankings (e.g. Times World University Ranking, Shanghai Jiaotong's Academic Ranking of World Universities Shanghai JiaoTong ranking) only include the RUs, I conclude that the RUs see their international ranking position as marks for their competitive advantage, and they intend to establish and strengthen their international position through promoting this competitive advantage. Neither of these ways is commonly applicable for the UAs because they are not included in the international rankings and their priority target group is still the local students in the surrounding

Elements	The number of interviewees at central level in both sectors: 37 In the UA sector: 19	The number of interviewees at central level in both sectors: 37 In the RU sector: 18	The number of interviewees at faculty level in both sectors: 36 In the UA sector: 20	The number of interviewees at faculty level in both sectors: 36 In the RU sector: 16
1. Quality: education and/or research (82%)	16	13	17	14
2. Reputation/brand/image/attractiveness (75%)	14	14	14	13
3. Unique selling point, being different (60%)	14	10	10	10
4. Growth of student numbers (52%)	12	12	6	8
5. Quality: buildings, facilities and services (49%)	8	13	8	7
6. Ranking position (37%)	3	10	3	11
7. International partnerships/cooperation (36%)	9	8	3	6
8. Geographic location/living environment (29%)	8	3	8	2
9. Doing better, being the best (26%)	3	4	6	6
10. Experiential knowledge (23%)	4	7	4	2
11. Competitive position of the Netherlands (22%)	5	4	6	1
12. Alumni network (10%)	1	2	1	3
13. Accreditation certificate (4%)	1	2	0	0

Note: The percentage is the proportion of the total number of interviewees within each category who made at least one reference to a particular element

Table I. Elements of "competitive advantage" and their significances

	UA (%)	RU (%)	Difference (%)
1. Quality: education and/or research	85	79	6
2. Reputation/brand/image/attractiveness	72	79	−7
3. Unique selling point, being different	62	59	3
4. Growth of student numbers	46	59	−13
5. Quality: buildings, facilities and services	41	59	−18
6. Ranking position	15	62	−47
7. International partnerships/cooperation	31	41	−10
8. Geographic location/living environment	41	15	26
9. Doing better, being the best	23	29	−6
10. Experiential knowledge	21	26	−5
11. Competitive position of the Netherlands	28	15	13
12. Alumni network	5	15	−10
13. Accreditation certificate	3	6	−3

Table II. Data analysis on "competitive advantage" along the sectorial dimension

regions of the university. This means that they have no independent means of measuring their relative international position, thereby reducing the significance of this element.

In "positional" terms, the RUs have the option of explaining their competitive advantages derived from their academic position, marked with the international rankings, which explains why the ranking position (Element 6) is given much higher value (47 per cent) than the geographic location (Element 8). In opposite, the UAs, having a competitive advantage from an academic position is not an obvious option because they have been largely excluded from the international ranking competition. Instead, the geographic location of institutions can give certain advantages to their

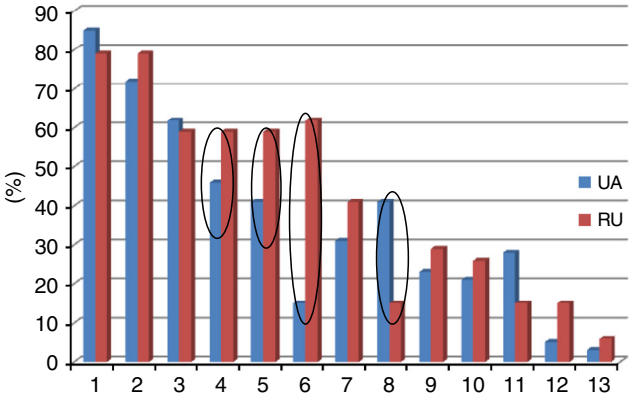

Figure 1.
Perception differences along the sector dimension

marketing activities, for example: the fame of London and Amsterdam can add value to the branding of institutions which locate in these cities. If the institution's name entails a well-known geographic location name (e.g. INHolland University), the association that potential students make with "Holland" may also be advantageous.

This also explains the second highest difference (26 per cent) between these two sectors on Element 8 geographic location/living environment. The UA interviewees to geographic locations and living environment over the ranking position indicates that the UAs are less interested in using ranking position for their competitive advantage. This may be explicable by the fact that the 39 UAs are more widely spread across the country than the 14 RUs, and are located in cities which are less likely to be well known by international students. As IP2 (UA) said "students always ask 'where is the city of your university?'", the UAs need to clarify their location and stress the living experience to emphasize their competitive advantage.

Interestingly, 13 per cent more weight is given to the importance of Competitive Position of the Netherlands (Element 11) by the UA interviewees than those from the RUs. This comparison reveals that the UAs that do not source competitive advantage from the ranking position, search for more opportunities in tapping into other sources that may bring them competitive advantages, such as the geographic location and living environment of the university, nationally specific advantages of the Netherlands (e.g. English speaking country, large number of English taught programmes).

The proportion of RU interviewees mentioning the growth of student numbers (Element 4) and the quality of buildings, facilities and services (Element 5) exceeded that of the UA staff by 13 and 18 per cent. The growth of student numbers partly depends on how well the buildings and facilities and services satisfy students; meanwhile good quality buildings and facilities and satisfactory services can help to increase student numbers. In addition, the interviewees from the UA sector mentioned that the programmes developed and provided by the UAs are similar in terms of subjects. This can be confirmed by the fact that the RUs together offer 432 Bachelor and 901 Master programmes, while UAs, having almost two-thirds of Dutch higher education students, offer only 347 programmes in all (Nuffic, 2011b). Therefore, the growth of student numbers in the UA sector depends comparably more on the facility/service level and student satisfaction with their overall experience at the university and outside of it. This finding also confirms the

26 per cent more weight given by the UA interviewees to Element 8 Living Environment, as claimed by IP22 (UA):

> If you take a look at the building, the accommodation, the library, they all have been adapted to the presence of international students. The study environment has to be adapted to the international students. Also the possibility for making graduation ceremony, lecturers on-line, for students from different campus sites to do video conferencing. Before we had international students, we hardly had any non-Dutch food in the canteen. Now there's a canteen with all kinds of food. Those kinds of practical things. The signs within the building are mostly bi-lingual now.

The RUs on the other hand are more specialised in certain subject areas which makes them quite different from one another. Also, because the RUs focus on attracting the higher level Master students/PhD candidates and researchers, they are more discriminating in their selection of students, just as the students are when choosing a RU. So the RUs' student numbers depend more on subject specialisation, ranking position, reputation, etc., but less on services.

Furthermore, facility/service quality (Element 5) is acknowledged as a key performance measure for excellence in education and a major strategic variable for universities as service providers to increase their market position. This is in line with the claims from literatures that service functions of higher education institutions, including student housing, registry, fund-raising, alumni, information technology, library, counselling, cross-cultural training, visa advice, etc., will play an increasingly important role in the building of competitive advantages for PHEIs (Knight and de Wit, 1999; Osei-Kofi, 2011). By addressing relevant service quality elements that are important to students, universities are able to improve student satisfaction, a key factor contributing to benefits such as student retention, positive word of mouth communication and competitive advantage (McFadyen *et al.*, 2001). However, the fact that both sectors give much more weight (44 per cent more in the UAs and 20 per cent more in the RUs) to the education/research quality (Element 1) as they did to the buildings, facilities and services quality (Element 5), indicates that both sectors generally attach more importance to the "real" quality of education and research, which is seen as the core function of PHEIs, while the role of "service provider" is "additional and lately added" (IP38).

Research finding 2: perceptions of "competitive advantage" at the central and faculty level

According to the interview data, dissimilarities also exist among the education practitioners at the central and faculty level (see Table III and Figure 2).

The greatest differences between the central and faculty level are in Element 4 growth of student numbers with a difference of 26 per cent. The central level placed much more strategic emphasis on the growth of the number of students; this "growth" was also equated with the "growth" of the university. Ironically, the faculty members who have more (although not very significantly) concern about student recruitment equate their institutional competitive advantage less with the growth of student numbers. This can be illustrated with the numbers in Table III, among the 13 elements that construct the concept "competitive advantage", Element 4 growth of student numbers is given the third place by the central level (after Element 1 and 2) while the faculty level gives it only the fifth place (after Elements 1, 2, 3, 5). The difference is 13 per cent (78 per cent minus 65 per cent) in the central level, while at the faculty level

	Central (CE) (%)	Faculty (FA) (%)	Difference (CE-FA) (%)
1. Quality: education and/or research	78	86	−8
2. Reputation/brand/image/attractiveness	76	75	1
3. Unique selling point, being different	65	56	9
4. Growth of student numbers	65	39	26
5. Quality: buildings, facilities and services	57	42	15
6. Ranking position	35	39	−4
7. International partnerships/cooperation	46	25	21
8. Geographic location/living environment	30	28	2
9. Doing better, being the best	19	33	−14
10. Experiential knowledge	30	17	13
11. Competitive position of the Netherlands	24	19	5
12. Alumni network	8	11	−3
13. Accreditation certificate	8	0	8

Table III.
Data analysis on "competitive advantage" along the job function dimension

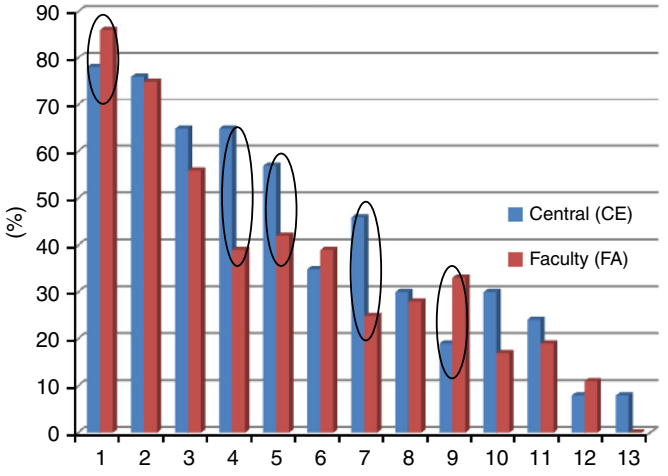

Figure 2.
Perception differences along the function level dimension

the difference is much greater (86 per cent minus 39 per cent = 47 per cent). These interesting contrasts are explained by the interview data as IP32 (at faculty level) said:

> As a teacher, you are not responsible for the number of students, that is what the central management cares. Your task is to strive for a good learning result of a students.

So faculty staff consider the number of students as an indicator of the success of marketing, but the student quality (not the quantity) as a much more important factor leading to real competitive advantage.

In Element 7 (Inter) national partnerships/cooperation, the difference is also noticeable. It is a general trend that Dutch PHEIs are working on establishing and/or intensifying (inter)national partnerships at institutional level. The existing partnerships at faculty level have been reviewed and selected; the information from

the most active and fruitful partner institutions is communicated throughout the home institution. The effort of identifying key partners and intensifying the cooperation with the key partners, is for the purpose of searching for a match between institutions instead of one or two research groups/faculties, and generating more benefits from each partnership. The 21 per cent more weight being given by the central level than the faculty level can be explained, since the centralisation of international contacts is viewed by the central level as being positive for the institutional competitive advantage, but a considerable number of faculty staff view this "improvement" as being gained at the cost of personal contacts, which are seen by the faculties as the real source of competitive advantage. The following quotes may demonstrate this contrast:

> We try to establish new partnerships in new markets between institutions, and be selective with the old partnerships. We need those that can offer us a broad possibility of cooperation with several faculties. Besides the benefit of getting more students from them, maybe in the future we can have joint programmes, we can exchange staff and students, we can do some joint research, we can become more famous via our partner universities, and we can borrow their credit to strengthen our market position in their home market (IP54, Central).

> So far as I know, there is no international contact that was originally established by the marketing department. The international connections they have now all start from the existing contacts built up by individual teachers. A lot of them are personal relationships for many years. But since the central office started to take away all international contacts and move up to the central level, all the personal interests and commitment were lost. (IP38, Faculty)

Another interesting differences can be found in ranking Element 1 quality of education and/or research and Element 5 quality of buildings, facilities and services. Particularly, by addressing relevant service quality elements that are important to students, universities are able to improve student satisfaction, which is an important indicator for showing performance and attracting new students. The central level stressed (15 per cent more weight) the importance of facility and service quality in contributing to their institutional competitive advantage, to which the faculty members gave much less weight. Conversely, the faculty staff give 44 per cent more weight to the quality of education/research over the quality of facilities/services.

The last noticeable difference between the central and faculty level in perceiving "competitive advantage" is Element 9 doing better, being the best. This element covers the meaning of "doing better than others", "being excellent", "to be on the top", "to be the best", and "having a leading position" as expressed by the interviewees. Such terms imply a comparison of some sort of advantage, but without reference to a formal ranking system. Such an advantage can be the daily works satisfaction felt by the faculty staff, reading from the following quote:

> We can really get the good students. […] Honestly I do not know why they come, I guess simply because we do our job well. Can I call that competitive advantage? (IP2: faculty).

Unfortunately, as long as these feelings cannot be converted into measurable indicators for showing the outside world, it is viewed as less valuable by the central level. This might explain the 14 per cent less weight given by the central level than the faculty level:

> To me good quality is our competitive advantage, it means satisfied students that can find a decent job easily with their degree. This is not written in any policy paper of this university, but this is what competitiveness should be end up with. (IP8: faculty).

Research finding 3: verifying the business concept "competitive advantage" in the public higher education context

The classification of education has been determined as a marketable service in a competitive environment, because it is based on the assumption that the education market is the same as a normal market (Mazzarol and Souta, 1999, 2008; Eckel, 2007). The point of this study is not to provide a new definition in what is an already crowded "competitive advantage" field, but to attempt to instil a previously missing sense of understanding the meanings given by education practitioners. Only after these meanings are clarified, does it become possible to verify this concept, that originated in the business sector, in the context of PHEIs.

Commonalities

Among these elements many commonalities can be found between the education and business ways of defining this term, for example: being better and/or unique (thinking of business terms like performance excellence, unique selling points), having a good reputation and recognisable name (in business term branding and marketing communication), increasing student numbers (like the size of customer group). Similarly, the competitive advantage of a PHEI is perceived to be heavily reliant on maintaining and improving their internal value which is decided by the external value judged in marketing terms like growth in student numbers, state-of-art buildings, upgrading in rankings, winning of prizes, employing prestigious professors, publishing in world leading journals, etc.

Two spectrums/sides of the same term

First, the fact that quality is seen as the most important element of "competitive advantage", does not differ much from the business literature (e.g. Broekhuis and Vos, 2003; Nyaga and Whipple, 2011). But the education practitioners make a distinction between education/research quality and service/facility quality, and weight them differently in their contribution to competitive advantage building. The central level stresses the importance of facilities and services quality in contributing to their institutional competitive advantages, to which the faculty members, especially the academics, gave much less weight. On the other hand, the faculty staff give more weight than the central level to the quality of education/research over the quality of facilities/services. Such distinction cannot be found in the business literature.

Second, two types of competition are identified by the interview data, namely, market competition and academic competition. Since competition is the drive to strive for competitive advantage, for coping with the market competition, anything that can contribute to the market position of a PHEI is emphasised and promoted. While academic competition is considered as being deeply rooted in the tradition of higher education institutions, market competition is viewed as having been introduced from the external environment and planted in the public higher education system in recent decades. Academic competition is seen as helpful for the education quality of PHEIs and the knowledge development of individuals because it is the academics' own will to strive for academic excellence, and the students' own decision to reach a higher level of learning. Market competition is not always experienced by the interviewee as advantageous for the development of PHEIs. Many of the interviewed educational practitioners shared their concerns that public education can be harmed if academic competition becomes subjected to market competition. In their view, academic

competition is driven by academic rationales, in which social and cultural values of public education are kept as the priority when deciding what competitive advantage should be sought. However, market competition is driven by economic rationales. The primary goal of building competitive advantage is to realise superior economic values that are described by market position, market share, return on investment, financial accountability, etc.

Third, in the context of public education these two types of competition lead to two spectrums/sides of the same terms like "position" and "quality". Taking "position" as an example, in addition to the market position referred to by the business literature, a special aspect of "competitive advantage" – academic position – is identified in the PHEIs' context. The competitive position of PHEIs is mostly related by education literature to terms like "excellence", "reputation", "status", "prestige" (Marginson and Van der Wende, 2007; Kehm *et al.*, 2008). However, the key question is the excellence, reputation, status and prestige of "what"? Without a clarification of this "what", these terms cannot be simply used interchangeably with similar terms such as "market position" defined in the business literature, because they are different in terms such as excellence in research, academic freedom and an intellectually stimulating environment, internal self-governance by academics over key aspects of academic life and adequate supportive facilities, as Altbach (2004) suggests.

Although these specific aspects are academic in nature, when used as competitive advantage, they are to be converted into marketing value. It means that they are recognised and acknowledged only when they can be demonstrated, and to challenge government to provide more funding, or for more students and scholars to come to study or work, as IP66 claimed:

> "Competitive advantage" is not internally defined and decided by universities, but by the external parties. Only when it is recognised, appreciated and valued by external people, you may call it "competitive advantage". It has to be sellable.

Conclusions

The first question that this study aims to answer is to clarify the competitive advantages that PHEIs seek. According to the 73 practitioners interviewed, their institutions seek the following different but sometimes also inter-related "competitive advantages" in domestic and international markets. The second research question ranking the importance of various competitive advantages is answered by the percentage calculated based on the frequency of each element that was mentioned by the interviewees:

Element 1: quality of education and/or research (82 per cent);
Element 2: reputation/brand/image/attractiveness (75 per cent);
Element 3: unique selling point, being different (60 per cent);
Element 4: growth of student numbers (52 per cent);
Element 5: quality of facilities and services (49 per cent);
Element 6: ranking position (37 per cent);
Element 7: international partnerships/cooperation (36 per cent);
Element 8: geographic location/living environment (29 per cent);
Element 9: doing better, being the best (26 per cent);
Element 10: experiential knowledge (23 per cent);
Element 11: competitive position of the Netherlands (22 per cent);
Element 12: alumni network (10 per cent); and
Element 13: accreditation certificate (4 per cent).

The data analysis along the sectorial dimension shows that interviewees from both sectors have comparable views about what constitutes "competitive advantage". Among the 13 elements, eight are identified as being mentioned with similar frequencies in these two sectors. The main differences between the UA and RU sector regarding the understanding of "competitive advantage" come from the essential differences between the basic nature and functions of these two sectors. Consequently, RUs and the UAs seek different competitive advantages and value the same competitive advantage differently.

Along the job function dimension, data analysis reveals that nine from the 13 elements constructing "competitive advantage" are viewed similarly by different function groups. These differences illustrate a perception gap between the central and faculty level, which exists in valuing the number of students and the quality of education or service/facilities, structuralising strategic networks. The central level has the ambition and the strong will to improve their institutional competitive position in the (inter)national market, therefore, linking their institutional competitive advantages more with measurable and provable elements such as the growth of total student numbers, which is equalised with the institutional growth. In contrast, the faculty levels place much less emphasis on the growth in total student numbers, and more on student quality and learning outcomes.

Because the term "competitive advantage" originated in the business literature and the related marketing strategies are generally adopted by PHEIs, this paper sought to discuss further the applicability of this term in the context of PHEIs. Although educational practitioners express a general concern that striving for market position improvement increasingly overwhelms the traditional meaning of pure academic enhancement, they pointed out that today's "being competitive" has become a request from the external environment of PHEIs. The survival of their institutions depends on whether they can meet this request. It is true that PHEIs have to meet public requirements that may not have much value in the marketplace but are essential to local community and social developments, but many commercial activities and business management methods may provide the additional resources PHEIs can use to fulfil their public purpose (Eckel, 2007; Antikainen, 2010). It is also correct to argue that PHEIs do not only seek economic value, but view academic autonomy and status as an even more important goal in institutional decision making than financial reward (Slaughter and Leslie, 1997; Marginson and Considine, 2000; Enders *et al.*, 2013), but it is hard to imagine that status, reputation and prestige would be viewed as PHEIs' competitive goals if they do not also deliver value for money. Therefore, these two types of competition are intertwined and reinforce each other in reality, rather than have been traditionally placed as paradoxical to each other.

This study shows that there are important differences between the perceptions of "competitive advantage" in different sectors (the UAs and RUs) and different job function levels (central and faculty). Recognising these differences may help PHEIs to design their competitive strategies according to their specific sectorial characteristics and implement these strategies more effectively by understanding the perception gaps between the central and faculty levels. A suggestion for future research would be a comparison of this research with similar research carried out in other European countries which investigate the commonalities and differences between the perceptions of "competitive advantage" in different political and social contexts. This would further validate the results of this study, but more importantly, such broader comparative studies would help to develop a more robust theorisation of this concept in the context of public higher education.

References

Adner, R. and Zemsky, P. (2006), "A demand-based perspective on sustainable competitive advantage", *Strategic Management Journal*, Vol. 27 No. 3, pp. 215-239.

Altbach, P.G. (2004), *The Costs And Benefits Of World Class Universities*, International Higher Education, The Boston College Center for International Higher Education, March, available at: www.universite-toplum.org/text.php3?id=182 (accessed 9 January 2014).

Ansoff, I. (1965), *Corporate Strategy*, McGraw-Hill, New York, NY.

Antikainen, A. (2010), "The capitalist state and education, the case of restructuring the nordic model", *Current Sociology*, Vol. 58 No. 4, pp. 530-550.

Arambewela, R. and Hall, J. (2006), "A comparative analysis of international education satisfaction using servqual", *Journal of Services Research*, Vol. 6, July, pp. 141-163.

Barney, J.B. and Arikan, A. (2001), "Resource-based view: origins and implications", in Hitt, M., Freeman, R. and Harrison, J. (Eds), *The Blackwell Handbook of Strategic Management*, Blackwell, Malden, MA, pp. 124-188.

Broekhuis, M. and Vos, J.F.J. (2003), "Improving organizational sustainability using a quality perspective", available at: http://som.eldoc.ub.rug.nl/reports/themeA/2003/03A43/ (accessed 20 December 2013).

Bryson, J.M., Ackermann, F. and Eden, C. (2007), "Putting the resource-based view of strategy and distinctive competencies to work in public organizations", *Public Administration Review*, Vol. 67 No. 4, pp. 702-717.

Chan, W.W.Y. and Dimmock, C., (2008), "The internationalisation of universities: globalist, internationalist and translocalist model", *Journal of Research in International Education*, Vol. 7 No. 2, pp. 184-204.

Charmaz, K. (2000), "Grounded theory: objectivist and constructivist methods", in Denzin, N.K. and Lincoln, Y.S. (Eds), *Handbook of Qualitative Research*, Sage Publications, Thousand Oaks, CA, pp. 509-535.

Cheung, H.Y. and Chan, A.W.H. (2010), "Education and competitive economy: how do cultural dimensions fit in?", *Higher Education*, Vol. 59 No. 5, pp. 525-541.

De Boer, H.F. and Goedegebuure, L. (2007), "'Modern' governance and codes of conduct in Dutch higher education", *Higher Education Research & Development*, Vol. 26 No. 1, pp. 45-55.

De Boer, H.F., Enders, J. and Leisyte, L. (2007), "Public sector reform in Dutch higher education: the organizational transformation of the university", *Public Administration*, Vol. 85 No. 1, pp. 27-46.

De Boer, H.F., Kolster, R. and Vossensteyn, H. (2010), "Motives underlying bachelors-masters transitions: the case of Dutch degree stackers", *Higher Education Policy*, Vol. 23 No. 3, pp. 381-396.

Drazin, R. and van de Ven, A.H. (1985), "Alternative forms of fit in contingency theory", *Administrative Science Quarterly*, Vol. 30 No. 4, pp. 514-539.

Eckel, P.D. (2007), "Redefining competition constructively: the challenges of privatisation, competition and market-based state policy in the United States", *Higher Education Management and Policy*, Vol. 19 No. 1, pp. 1-17.

Edwards, J. (2007), "Challenges and opportunities for the internationalization of higher education in the coming decade: planned and opportunistic initiatives in American institutions", *Journal of Studies in International Education*, Vol. 11 Nos 3/4, pp. 373-381.

Enders, J., de Boer, H. and Weyer, E. (2013), "Regulatory autonomy and performance: the reform of higher education re-visited", *Higher Education*, Vol. 65 No. 1, pp. 5-23.

Erickson, R.A. (2012), "Geography and the changing landscape of higher education", *Journal of Geography in Higher Education*, Vol. 36 No. 1, pp. 9-24.

Goedegebuure, L.C.J. (1992), "Grapes, grain and grey cats: binary dynamics in Dutch higher education", *European Journal of Education*, Vol. 27 Nos 1/2, pp. 57-68.

Greve, H.R. (2009), "Bigger and safer: the diffusion of competitive advantage", *Strategic Management Journal*, Vol. 30 No. 1, pp. 1-23.

Huisman, J. (2007), "Research on the internationalisation of Higher education: the state of the art", paper presented at the seminar on the Internationalisation of Higher Education, Department of Education, University of Bath, Bath.

Jenster, P.V. (1987), "Using critical success factors in planning", *Long Range Planning*, Vol. 20 No. 4, pp. 102-210.

Jiang, X. (2008), "Towards the internationalisation of higher education from a critical perspective", *Journal of Further and Higher Education*, Vol. 32 No. 4, pp. 347-358.

Johnson, G. and Scholes, K. (2002), *Exploring Corporate Strategy*, 6th ed., Financial Times Prentice Hall, Harlow.

Kehm, B.M., Huisman, J. and Stensaker, B. (2008), *The European Higher Education Area: Perspectives on a Moving Target*, Sense Publishers, Rotterdam.

Kim, T. (2009), "Transnational academic mobility, internationalisation and inter-culturality in higher education", *Intercultural Education*, Vol. 20 No. 5, pp. 395-405.

Kirp, D. (2004), *Shakespeare, Einstein and the Bottom-Line: The Marketing of Higher Education*, Harvard University Press, Cambridge.

Knight, J. (2003), "Updated internationalization definition", *International Higher Education*, Vol. 33 No. 6, pp. 2-3.

Knight, J. (2004), "Internationalization remodeled: definition, approaches, and rationales", *Journal of Studies in International Education*, Vol. 8 No. 1, pp. 5-31.

Knight, J. (2011), "Education hubs: a fad, a brand, an innovation?", *Journal of Studies in International Education*, Vol. 15 No. 3, pp. 221-240.

Knight, J. and de Wit, H. (Eds) (1999), *Quality and Internationalisation of Higher Education*, OECD Paris.

Lash, J. and Wellington, F. (2007). "Competitive advantage, on a warming planet", *Harvard Business Review*, Vol. 85 No. 3, pp. 95-102.

Larsen, I.M., Maassen, P. and Stensaker, B. (2009), "For basic dilemmas in university governance reform", *Higher Education Management and Policy*, Vol. 21 No. 3, pp. 1-18.

Leisyte, L., Enders, J. and De Boer, H. (2008), "The freedom to set research agendas – illusion and reality of the research units in the Dutch universities", *Higher Education Policy*, Vol. 21 No. 3, pp. 377-391.

Lepori, B. and Kyvik, S. (2010), "The research mission of universities of applied sciences and the future configuration of higher education systems in Europe", *Higher Education Policy*, Vol. 23 No. 3, pp. 295-316.

Lovegrove, B. and Clarke, J. (2008), "The dilemma of the modern university in balancing competitive agendas: the USQ experience", *Higher Education Management and Policy*, Vol. 20 No. 2, pp. 1-14.

Luijten-Lub, A., van der Wende, M.C. and Huisman, J. (2005), "On cooperation and competition: a comparative analysis of national policies for internationalisation of higher education in seven Western European countries", *Journal of Studies in International Education*, Vol. 9 No. 2, pp. 147-163.

Lynch, R. and Baines, P. (2004), "Strategy development in UK higher education: towards resource-based competitive advantages", *Journal of Higher Education Policy and Management*, Vol. 26 No. 2, pp. 171-187.

McCann, T.V. and Clark, E. (2003), "A grounded theory study of the role that nurses play in increasing clients' willingness to access community mental health services", *International Journal of Mental Health Nursing*, Vol. 12 No. 4, pp. 279-287.

McFadyen, K., Harrison. J., Stephen, K.J. and Scott, D. (2001), "Measuring service quality in a corporatised public sector environment", *Journal of Nonprofit and Public Sector Marketing*, Vol. 14 No. 2, pp. 34-48.

Marginson, S. (2007), "University mission and identity for a post post-public era" *Higher Education Research & Development*, Vol. 26 No. 1, pp. 117-131.

Marginson, S. and Considine, M., (2000), *The Enterprise University: Power, Governance and Reinvention in Australia*, Cambridge University Press, New York, NY.

Marginson, S. and van der Wende, M.C. (2007), "To rank or to be ranked: the impact of global rankings in higher education", *Journal of Studies in International Education*, Vol. 11 Nos 3/4, pp. 306-329.

Martin, V. and Lázaro, L.M. (2011), "The race to educational reform in the USA: the race to the top", *Language and Education*, Vol. 25 No. 6, pp. 479-490.

Mazzarol, T. and Soutar, G.N. (1999), "Sustainable competitive advantage for educational institutions: a suggested model", *The International Journal of Educational Management*, Vol. 13 No. 6, pp. 287-300.

Mazzarol, T. and Souta, G.N. (2008), "Strategy matters: strategic positioning and performance in the education service sector", *International Journal of Nonprofit and Voluntary Sector Marketing*, Vol. 13 No. 2, pp. 141-151.

Mooney, A. (2007), "Core competence, distinctive competence, and competitive advantage: what is the difference?", *Journal of Education for Business*, Vol. 83 No. 2, pp. 110-115.

Naidoo, V. (2010), "From ivory towers to international business are universities export ready in their recruitment of international students?", *Journal of Studies in International Education*, Vol. 14 No. 1, pp. 5-28.

Nuffic (2011a), "Instellingen overschatten sociale media (in English: institutions overestimate social media)", *Tranfer*, Vol. 19 No. 2, p. 7.

Nuffic (2011b), "Selectie is in Europa heel normal (in english: selection in Europe in quite normal", *Transfer*, Vol. 19 No. 2, pp. 8-11.

Nyaga, G.N. and Whipple, J.M. (2011), "Relationship quality and performance outcomes: achieving a sustainable competitive advantage", *Journal of Business Logistics*, Vol. 32 No. 4, pp. 345-360.

Osei-Kofi, N. (2011), "Junior faculty of color in the corporate university: implications of neoliberalism and neoconservatism on research, teaching and service", *Critical Studies in Education*, Vol. 53 No. 2, pp. 229-244.

Peterson, E.A. (2013), "Compliance and ethics programs: competitive advantage through the law", *Journal of Management and Governance*, Vol. 17, pp. 1027-1045.

Porter, M.E. (1980), *Competitive Strategy*, Free Press, New York, NY.

Powell, T.C. (2001), "Competitive advantage: logical and philosophical considerations", *Strategic Management Journal*, Vol. 22 No. 9, pp. 875-888.

Pratt, G. and Poole, D. (1999-2000), "Global corporations "R" us? The impacts of globalisation on Australian universities", *Australian Universities Review*, Vols 2/1, pp. 16-23.

Reeves, M. and Deimler, M. (2011), "Adaptability, the new competitive advantage", *Harvard Business Review*, Vol. 89 Nos 7/8, pp. 135-141.

Slaughter, S. and Leslie, L. L., (1997), *Academic Capitalism: Politics, Policies, and the Entrepreneurial University*, John Kopkins University Press, Baltimore.

Tavallaei, M. and Talib, M., (2010), "A general perspective on role of theory in qualitative research", *The Journal of International Social Research*, Vol. 3 No. 11, pp. 570-577.

Theisens, H.C. (2004), "The state of Chang: analysing policy change in Dutch and English Higher Education", PhD thesis, Twente University, Enschede.

Uyterhoeven, H., Ackerman, R. and Rosenblum, J.W. (1973), *Strategy and Organisation*, Irwin, Homewood, IL.

Volberda, H.W. and Elfring, T. (Eds.) (2002), *Rethinking Strategy*, 2nd ed., Sage Publications Ltd, London.

Welch, A. (2002), "Going global? Internationalizing Australian universities in a time of global crisis", *Comparative Education Review*, Vol. 46 No. 4, pp. 433-471.

Wilkins, S. and Huisman, J. (2011), "Student recruitment at international branch campuses: can they compete in the global market?", *Journal of Studies in International Education*, Vol. 15 No. 3, pp. 299-316.

Witte, J., van der Wende, M. and Huisman, J. (2008), "Blurring boundaries: how the bologna process changes the relationship between university and non-university higher education in Germany, the Netherlands and France", *Studies in Higher Education*, Vol. 33 No. 3, pp. 217-231.

Further reading

Alvesson, M. and Willmott, H. (2002), "Identity regulation as organizational control: producing the appropriate individual", *Journal of Management Studies*, Vol. 39 No. 5, pp. 619-44.

Coates, H., (2007), "Excellent measures precede measures of excellence", *Journal of Higher Education Policy and Management*, Vol. 29 No. 1, pp. 87-94.

Fredman, N. and Doughney, J. (2012), "Academic dissatisfaction, managerial changeand neo-liberalism", *Higher Education*, Vol. 64 No. 1, pp. 41-58.

Watson, D. (2003), "Universities and civic engagement: a critique and a prospectus", keynote address for the 2nd Biennial "InsideOut" Conference, University of Queensland, Ispwich, available at: www.uq.edu.au/~csrc1/pdfs/davidwatson.pdf (accessed 14 April 2012).

Corresponding author

Dr Haijing Helen de Haan can be contacted at: helen.dehaan@inholland.nl