

- Fourth, intellectual initiative in strategic planning, as well as the final say regarding university strategy, should not belong to the central agency, but should be decentralized. Error is human, and the probability that the central agency will make a strategic mistake that will affect every university in the system negatively is very high. Local experiments, on the other hand, foster innovation, and mistakes made locally do not affect the whole sector. For Russia, the way to do this might be strengthening local boards of trustees, comprised of lay members and representatives of key stakeholders. This would again establish links between university governance and the public, students, alumni, and faculty. Currently, boards of trustees in Russian universities merely act as audit committees that spend most of their “board time” approving financial and legal transactions. Instead, their main function should be ensuring their universities’ accountability to stakeholders. In order for this to become possible, boards of trustees must be given, in particular, the power to select, appoint, and dismiss the executive head of the institution. ■

DOI: <http://dx.doi.org/10.6017/ihe.2018.94.10531>

Competitive Strategies of Vietnamese Higher Educational Institutions

Do MINH NGOC

Do Minh Ngoc is management lecturer at the Faculty of Management and Tourism, Hanoi University, Vietnam. E-mail: ngocdm@hanu.edu.vn.

In an unrelenting effort to renovate the educational system, the Vietnamese government has embarked on a Higher Education Reform Agenda (or HERA) for the period 2006–2020, which grants institutional autonomy to universities and colleges, allowing them to decide their own size and finances. While the Agenda is nearing its end and tertiary institutions have completed a pilot project from 2014 to 2017 as part of HERA, it is time for Vietnamese higher education institutions to start reflecting on strategies to prepare for necessary changes moving forward, ensuring their sustainable development and existence.

THE REVOLUTIONARY AGENDA

Since the *Doi Moi* (Renovation) policy of 1986, the Viet-

namese higher education system has gone through groundbreaking changes, including eliminating the monopolistic control on education by the state, and the permission to open private universities and colleges. However, academic institutions are still subjected to centralized planning and financially reliant on government funding. Understanding that a transformation was inevitable in order to improve the quality and relevance of its higher education institutions in a market-driven economy, the Vietnamese government approved HERA (known as Resolution 14/2005/NQ-CP) in 2005. One of the key elements of HERA is allowing universities to decide on student quotas and program content and to manage their own budgeting activities. In general, HERA has been well accepted by the public and by the universities themselves, and is expected to completely renovate the tertiary education system. So far, as a result of HERA, all institutions in the country have been granted independence and the quality of research and teaching staff has improved.

Although the government still partially finances their operations, the autonomy of tertiary institutions continues to be the ultimate goal, as confirmed by the deputy prime minister at a recent conference reviewing the pilot project for the period 2014–2017. Ultimately, universities and colleges will not be any different from independent enterprises, and thus, this article adopts a strategic management perspective to analyze their common strategies. Generally, universities serve mainly domestic students and their strategies at both corporate and business levels aim to facilitate growth and expansion.

CORPORATE LEVEL STRATEGY

Many institutions have been implementing a strategy of cooperation at the corporate level by developing joint academic programs with foreign counterparts. This is a result of the 1987 government policy to leverage international collaboration in order to diversify the financial resources of the education system. The first such alliance was made in 1998 and the number of international joint programs has increased ever since. Joint program options range from diplomas to undergraduate and graduate degrees, and to PhD degrees. Students enrolled in these programs pay very high fees, get access to foreign curricula, receive degrees from foreign institutions, and can choose to spend half of the program in Vietnam and the other half abroad. International joint programs generate significant income for the institutions, help improve academic quality, enhance reputation, and attract more students through an improved offer of programs.

BUSINESS-LEVEL STRATEGIES

The *market penetration* approach intends to increase sales of current services on the current market, which means recruiting more students to existing courses. Vietnamese

universities and colleges have increased their student quotas throughout the years. From 1999 to 2013, the total enrollment in tertiary education has increased, stimulated by government policy with the aim to provide adequate human resources for the labor market. Despite that, the alignment between skills and market needs has not been addressed systematically.

Market development involves introducing a current service to a new market, which here means expanding the offer of existing courses to new groups of students. Vietnamese academic institutions have developed courses in English for domestic students and are admitting foreign students to these courses to study side by side with their domestic peers. Attracting international students has been an explicit government policy, with initiatives such as adopting an expensive scheme in 2008 to offer undergraduate courses in English and bring high-profile professors to Vietnam, or, more recently, allowing universities to decide on their own admission requirements for foreign students. Nevertheless, the lack of diversity of the course offer in English and relative low quality are major obstacles to recruiting international students and scholars.

Product development entails offering new services to the current market, which here means developing new courses for domestic students. This is the most prominent strategic move made by Vietnamese universities and colleges. Higher educational institutions in Vietnam are either mono- or multidisciplinary, and the number of multidisciplinary universities has reportedly increased. New courses are offered in increasing numbers and options in order to reach more students. This most clearly reflects the nature of Vietnamese universities and colleges as teaching institutions relying on tuition fees as their main source of income.

Product diversification means moving into new market segments with new services. Here, the approach involves attending to new groups of learners. Many universities offer training for adults (on languages, computer skills, practical skills, etc.) At the same time, some institutions diversify to reach earlier stages, or different segments, of education. Hanoi National University of Education is comprised of the High School for Gifted Students, Nguyen Tat Thanh School (middle and high school), and Bup Sen Xanh Kindergarten. Hoa Sen University recently launched the Foreign Language & Overseas Studies Center, which serves both adults and younger learners (primary, elementary, and high school students), providing English courses and consultancy on overseas studies.

STRUGGLING TO BECOME FULL-FLEDGED

So far, the strategies of Vietnamese academic enterprises have been largely oriented by government plans, and their moves have been mostly responsive rather than proactive.

Being part of a centralized system for so long, universities and colleges are not equipped with adequate management capabilities to meet the demands of the labor market and align themselves with international standards. Should total autonomy be granted, Vietnamese higher educational institutions would fare no better than baby birds falling from the nest—the safe haven where the state used to provide all the solutions; some may fall hard, others will learn and soar. Until then, the government should continue addressing the system's shortcomings to better facilitate the course to independence of Vietnamese tertiary education. ■

DOI: <http://dx.doi.org/10.6017/ihe.2018.94.10532>

The Boston College Center for International Higher Education (CIHE)

At the forefront of international higher education.

Subscribe

International Higher Education

<https://ejournals.bc.edu/ojs/index.php/ihe>

Explore

Master of Arts in International Higher Education

<https://www.bc.edu/IHEMA>

Evolve

Graduate Certificate in International Higher Education

<https://www.bc.edu/IHECert>

Participate

Consider writing for one of our publications:

International Higher Education

<https://ejournals.bc.edu/ojs/index.php/ihe>

The World View

<https://insidehighered.com/blogs/world-view>

Educación Superior en América Latina

<http://rcientificas.uninorte.edu.co/index.php/esal/>

