

Personnel Differentiation for Competitive Advantage in the Private Tertiary Education Institutions in Botswana

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Abstract

The primary objective of the study was to describe the extent to which personnel differentiation strategies may be used to gain competitive advantage among Private Tertiary Education Institutions in Botswana. The study examined how personnel differentiation may be employed by private tertiary education institutions in order to achieve competitive advantage. The study used descriptive survey research and the findings revealed that the private universities have to a certain extent employed personnel differentiation strategies. However, institutions have not done enough to clearly stand out as differentiated universities. The study recommends that the universities must appeal to prospective employers; hire, train and retain competent staff, and also get involved in activities that will enhance institutions' credibility. Institutions need to work together with key stakeholders and continually seek ways to attain competitive advantage through personnel differentiation.

Keywords: personnel differentiation, competitive advantage, private tertiary institutions

1. Introduction

In this era of globalisation and tertiary education landscape becoming highly competitive, only those institutions that are competitive and differentiated are more likely to withstand the competitive pressures within the industry. Private tertiary education institutions are wrestling with decisions of how to effectively compete in local and international markets and students in some institutions have occasionally voiced their concerns regarding the operations of the institutions, poor facilities, poor quality lecturers (Obasi, 2008), among other things. In Botswana most students prefer to enrol in programmes offered by international and public institutions over private institutions. Students and the public at large continue to rate private tertiary education institutions second to public and international due to poor quality of personnel. Critics indicate that the government's investment in private tertiary education only serves to saturate the market with graduates who do not possess the competencies that appeal to prospective employers. The need arises to investigate and analyse personnel differentiation strategies private tertiary education institutions can employ to gain competitive advantage. Competitive advantage is defined as what makes a company better than its competitors in customer's minds (Tanwar, 2013; Amadeo, 2011). The aim of this research study is to describe personnel differentiation strategies tertiary education institutions may employ to achieve competitive advantage. According to Amadeo (2011) and Sharp et al. (2001) differentiation means the firm delivers better benefits than anyone else by providing a unique or high-quality product, faster and in a way that reaches the customers better. Porter (1990) and Gabauer et al. (2011) argued that differentiation is the only source of competitive advantage in an economy where only certainty is uncertainty. This study therefore seeks to explore how tertiary education institutions may gain competitive advantage through pursuance of personnel differentiation strategies.

2. Literature Review

2.1 Overview of the Botswana Tertiary Education Sector

The Botswana Tertiary Education sector has grown quite significantly over the past eight years (2010–2018). To-date, tertiary education in Botswana is provided by 35 registered (private and public) institutions and operates under the Tertiary Education framework, guided by the Ministry of Tertiary Education, Research,

Science and Technology. According to NDP11 report (2017), education is considered the most critical factor in Botswana's transformation to knowledge economy and society and has been a key priority development for the country receiving the highest budget. Botswana's Tertiary education is offered through a combination of public and private universities and colleges who offer various qualifications ranging from certificates, diploma, graduate and post graduate qualifications. Private sector education plays an integral part of the higher education landscape enrolling about 42.6% of students as compared to the 57.4% in public sector during 2014/2015 (HRDC, 2015). The Botswana's tertiary education sector is highly regulated by two key institutions, namely the Botswana Qualifications Authority (BQA) and the Human Resource Development Council (HRDC).

To survive and remain competitive, private tertiary education institutions need to keep abreast, adapt to the competitive landscape and differentiate their institutions to attract both local and global students and satisfy industry and national needs (Smith, 2013). The tertiary education environment has become competitive and many public and private have begun to adopt market-oriented strategies as a result (Leland & Moore, 2007). There is need for Botswana private tertiary education institutions to operate like any other consumer driven markets, introducing new demands, recruiting top brains and retain key staff. Competition places great pressure on the business models of most colleges and universities. Over the past years, several institutions were faced with low or no enrolment in certain programmes and have relied on certain key segments or programme to sustain their business models. Universities have traditionally doing mass recruitment of staff without considering work experience of staff. There is need to build institutions that clearly understand which consumers they are targeting, what those consumers need, and how they prefer to be serviced (Ernst & Young, 2011). The main challenge for tertiary education institution is to unleash strategies to set themselves apart from competition and increase competitiveness in the market in a bid to position themselves to stakeholders as a "university of choice".

2.2 Differentiation Strategies Used by Tertiary Education Institutions

Kotler (2010) argues that education institutions can differentiate their offerings by using strategies such as product (programme) differentiation, service differentiation, personnel differentiation, channel differentiation and image differentiation as indicated in Table 1.

Table 1. Major differentiation variables

	Major Differentiation Variables				
	Product	Services	Personnel	Channel	Image
Differentiation Variables	Form	Ordering Ease	Competence	Coverage	Symbols
	Features	Delivery	Courtesy	Expertise	Media
	Performance	Installation	Credibility	Performance.	Atmosphere
	Conformance	Customer Training	Reliability		Events.
	Durability	Customer Consulting	Responsiveness		
	Reparability	Maintenance & Repair	Communication		
	Style	Miscellaneous.			
	Design.				

Source: Kotler, 2010.

2.3 Personnel Differentiation

The human resource factor plays an important role in every service organisation, especially in satisfying customer needs and thus personnel differentiation has a vital role in all service organisations. Institutions can gain competitive advantage through better trained people (Kotler & Keller, 2009). Personnel differentiation is important when customers deal directly with employees and these employees act as a front-line defence against waning customer satisfaction (Kotler et al., 2010). Tertiary Education institutions need to gain competitive advantage to sustainable profit and growth by offering better quality service through hiring a good pool of employees. In tertiary education institutions, the quality and qualifications of personnel is just as important as their attitude toward work. Companies can gain competitive advantage by having better trained personnel. Better trained personnel exhibit distinct characteristics such as; competence, courtesy, reliability, credibility, responsiveness, and communication (Kotler & Keller, 2009; Gajic, 2012; Kis, 2005).

- i) **Competence**—refers to the strategic efforts to create the impression those personnel have all the required skills and knowledge and that skills are superior to competition.
- ii) **Courtesy**—refers to strategic efforts to create the impression that are friendly, respectful and considerate for customers.

- iii) **Credibility**—strategic efforts to create the impression those personnel are trustworthy.
- iv) **Reliability**—strategic efforts to create the impression that personnel are consistent and accurate.
- v) **Responsiveness**—strategic efforts to create the impression that are quick to respond to customer requests.
- vi) **Communication**—strategic efforts to create an impression that will make effort to understand and to communicate clearly with the customer.

With respect to tertiary education institutions, service personnel customers depend on what they see and hear to make judgement of the capability of the firm to render quality service. In particular, service customers assess the service by the dress of service personnel, their state of well-being, courtesy, skill levels and professional orientation (Egboro, 2009). In universities and colleges, the customer is in close contact with the service provider; the lecturers, student support and admissions personnel. The appearance and actions of personnel are very important points in achieving differentiation. Nicely dressed, friendly and sympathetic employees affect the customer perception of service quality (Bokhari & Chowdhury, 2014). Tertiary education institutions gain competitive advantage if the company's personnel have an outstanding chemistry, empathy, helpfulness and can offer pleasant gestures towards the customers; qualities that are hard to imitate by other institutions (Bokhari & Chowdhury, 2014). Chiguvu (2016) found that the ability of employees to apologise and react correctly to negative feedback can indicate a sense of professionalism and demonstrate that the customer is taken seriously. Bokhari and Chowdhury (2014) and Chiguvu et al. (2017) noted that personnel differentiation can satisfy customers and satisfied customers get more service from the organisation, which in turn helps to achieve competitive advantage. They noted that this competitive advantage increase organisation's profitability and growth.

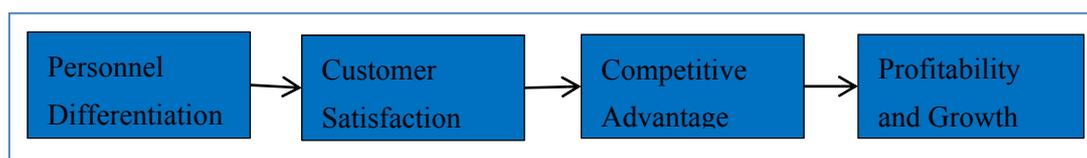


Figure 1. Personnel differentiation, customer satisfaction and competitive advantage

Source: Bokhari and Chowdhury, 2014.

3. Research Methodology

This research study employed a descriptive survey design. In this study, quantitative approach was employed. In this study, probability-stratified random sampling was used and the target population was stratified into two institutions, University A and University B and random samples were drawn among students and staff members in management position. The researcher targeted 200 respondents, distributed proportionately among the target population. Data were collected through the use of interviewee completed questionnaire using drop-and-pick method of questionnaire administration. Data were analysed using a Statistical Package for Social Sciences (SPSS) version 20.0 software. The questionnaire was piloted prior to the research to ensure that questions are clear, objective and easily understood by the respondents. Bar charts, cross tabulations and central tendency were used to present the data.

4. Data Findings

Table 2. Personnel differentiation

Personnel Differentiation Variables	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
	1. Lecturers display competence in teaching.	7	4.5	15	9.6	54	34.4	73	46.5	8
2. The university employs suitably qualified lecturers	8	5.1	19	12.1	61	38.9	56	35.7	13	8.3
3. The university staff is friendly, respectful and considerate to customers	12	7.7	20	12.9	48	31	52	33.5	23	34.4
4. The university delivers services as promised (trustworthy)	11	7	36	22.9	55	35	41	26.1	13	8.3
5. The university staff is consistent and accurate in-service delivery.	10	6.5	22	14.3	50	32.5	60	39	12	7.8
6. The university staff is quick at responding to student's academic needs and problems.	22	14.4	36	23.5	47	30.7	40	26.1	8	5.2
7. The university staff communicates clearly with students on academic issues.	15	9.7	33	21.4	43	27.9	47	30.5	16	10.4

Results in Table 2 indicate that 46.5% and 5.1% of the respondents agreed and strongly agreed respectively, that staff display competence in teaching, against 9.6% and 4.5% who disagreed and strongly disagreed respectively. This is a good indication that students and staff value teaching as the core service in tertiary education. Staff competence is key in tertiary education as there is need to develop and prepare students with innovation skills and with the capability to foster innovation at the place of work (Kasule, Wesselink, & Muldler, 2014). This means that for Private Tertiary Educators in Botswana to gain a competitive advantage, they need to hire personnel of highest calibre like PhDs and Professors in order to gain a competitive advantage against rivlas and to attract more students within and outside the country. A total of 48.3% agreed and strongly agreed that the university staffs is friendly, respectful and considerate to customers while a total of a total of 20% disagreed and strongly disagreed with the notion. These findings indicate the need for universities to address the customer service issues in order to remain competitive since personnel are key resources in all service industries. Findings also show that a significant number of respondents still question the qualifications of staff. Akareem and Hossain (2016) found that the qualifications of teaching staff are the most important factor affecting the perception of education quality and the promises made by universities. This means that institutions should invest in staff training in order to attain competitive advantage. Students need to be treated with courtesy to reduce student attrition. This is only possible when staffs are friendly. Students prefer institutions with staff that are friendly and respectful. This means private tertiary institutions in Botswana can gain a differential advantage if employees are considerate, friendly and respectful to learners.

There was an almost fair distribution among those that disagreed and strongly disagreed (total 30.2%), neutral (35.3%) and those that agreed and strongly agreed (total 34.5%) that the university delivers services as promised (trustworthiness/credibility). Qualified international staff enhance image (Kettunen, 2003, 2005) and communicate quality education. The study also found out that the tertiary education institutions are not doing enough to win the confidence of their students and staff. Thirty nine percent (39%) and 7.8% of respondents agreed and strongly agreed (respectively) that the university staff are consistent and accurate in-service delivery, while 14.3% and 6.5% disagreed and strongly disagreed respectively. The majority of students agreed and strongly agreed (31%) that the university staff is responsive to students' academic needs and problems, while 38% disagreed and strongly disagreed respectively. Clear communication on students' academic issues was deemed to be important among the respondents with 21.4% disagreeing, 9.7% strongly disagreeing, while 30.5% agreed and 10.4% strongly agreed. It can be assumed that in order to gain competitive advantage, private tertiary education institutions must address human resources element and train staff in order to improve service quality and gain competitiveness. This means that for private tertiary institutions to gain a competitive advantage issues of credibility is essential. The learners must trust the staff and the staff must show empathy whenever, possible in order to strengthen relationship with the learners. The study results show that employees in private tertiary institutions are not student centric and this strain the staff-student relationship hence decreasing the competitive advantage of the institutions.

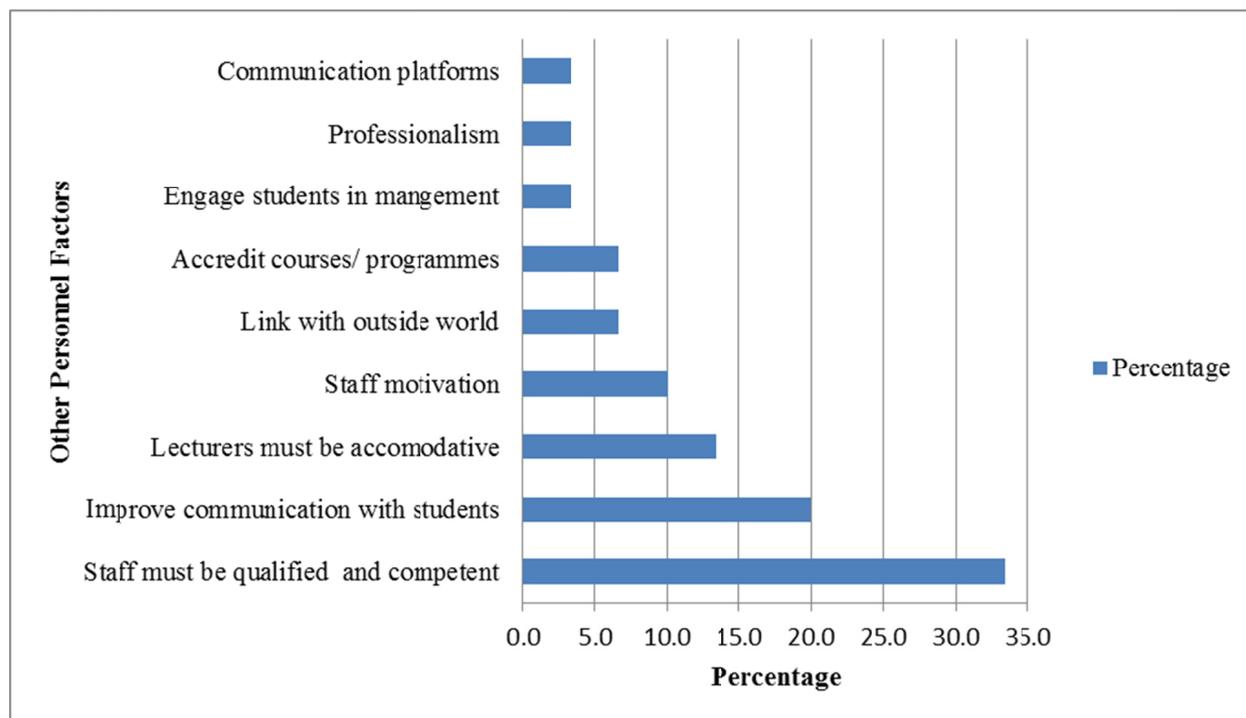


Figure 2. Other personnel factors

Respondents were also asked to state other personnel factors they considered critical in differentiating tertiary education institutions. Thirty-three percent of the respondents highlighted qualifications and competence of staff and 20% indicated communication with students. While the majority of students highlighted student welfare issues such as management of the institution; that lecturers must be accommodative and professionalism of staff; the management staff were mainly concerned with staff welfare such as sponsorship to pursue further studies, and staff motivation among other as depicted in Figure 2. Findings of this study concur with those of Bhokhari and Chowdhury (2014) who found that credibility and communication were some of the dominating factors in differentiation of personnel in the banking sector. Kettunen (2005) found that the superiority of the differentiated education may be based on extensive research, high quality teaching, and intensive support for student, a strong reason why it is important to hire qualified and competent staff, motivate them and engage students in management. Durkin et al. (2016) emphasised the need for competent and qualified staff and suggested that without adequate training and/or recruitment of staff with appropriate set of skills, there will be a tendency for the entire process (service delivery, innovativeness, programme design and research) to be sub-optimal. This infers that tertiary education institutions seeking to achieve competitive advantage must pay attention to its human resources element, recruit, select, train and retain suitably qualified and competent teaching and administrative staff.

5. Conclusions and Recommendations

The study sought to analyse personnel differentiation strategies private tertiary education Institutions in Botswana may employ in order to gain competitive advantage. The study revealed that private universities under study have applied personnel differentiation strategies to some extent, yet it is still evident that they have not done enough to ensure that their institutions stand out from competition. The study revealed that personnel differentiation can be achieved though hiring qualified and competent staffs, who demonstrate courtesy and trustworthiness in service delivery. Consistency, responsiveness and communication are key to achievement of competitive advantage. It is recommended that private tertiary education institutions who seek to achieve competitive advantage through personnel differentiation must improve on personnel variables, in terms of qualifications, courtesy, competence, reliability, credibility /trustworthiness, consistency and communication, by hiring staff that possess the right attributes. Training and retaining qualified and competent staff are also essential to achievement of competitive advantage through personnel differentiation. This is a clear indication that there is need for improvement of service quality. It is therefore, recommended that private tertiary education institutions should seek to attract the right caliber of staff, both locally and internationally in order to

differentiate themselves and create competitive advantage. Qualified international staff enhance image (Kettunen, 2003, 2005) and communicate quality education. Future research should be done using larger samples to increase representation of private tertiary education institutions.

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