

## **Building competitive advantage: a study of core competencies in private higher education institutions.**

*Building competitive advantage: a study of core competencies in private higher education institutions*

Andressa Salvador<sup>1</sup>

### **SUMMARY**

The aim of this research was to identify, describe, and analyze the essential competencies that generate competitive advantage in private higher education institutions. The main reason for this investigation was to open up space for the study of factors not contemplated by the classical view, adopting the concepts of the Resource-Based View (RBV) in the generation of competitive advantage in the private higher education sector, through the set of resources and competencies.

To this end, the VBR approach, as highlighted by Penrose (1959), Wernerfelt (1984), and Barney (1991), was used as the main theoretical framework, complemented by Mills et al. (2002) regarding the concepts of resources and competencies, and by Prahalad and Hamel (1990) regarding...

Essential competencies. Methodologically, the study is configured as qualitative, of the descriptive-analytical type, through a multiple case study. The data collected through unsystematic observation, document analysis, semi-structured interviews, and questionnaires were applied to students and the administrative-financial and academic management of the selected private higher education institutions. Data processing was carried out through content analysis (BARDIN, 1977) and the Likert scale (MATTAR, 2001), in order to illustrate and corroborate the qualitative research. The results point to resources and competencies directly linked to the pursuit of quality education, supported by academic and administrative aspects.

**Keywords:** competitive advantage; core competency; higher education institution.

### **1 INTRODUCTION**

Higher education in Brazil underwent a transformation in the late 1990s and early 21st century.

Rapid growth, and Private Higher Education Institutions (PHEIs) are the largest.

responsible for this growth. Of the total of 2,252 existing Higher Education institutions in

In 2008, higher education institutions represented 89.52% and enrollments 74.92% (INEP, 2008). This marked growth, explained, among other factors, by the opening to private initiative resulting from

The enactment of the Law of Guidelines and Bases of National Education (LDB) in 1996 caused the sector public, considered responsible for higher education, should open space to private initiative (SILVA JUNIOR; MUNIZ; MARTINS, 2006).

The increase in supply in the sector means that private higher education institutions (PHEIs) face significant challenges in the global context.

leading them to review their management in order to remain competitive in the market, driving companies to a

A study of the conditions for operating in the markets, seeking to reveal, in fact, the factors that generate competitive advantage for organizations (MEYER JUNIOR; MANGOLIM, 2006).

Penrose (1959) initiated the study of an alternative theory to the classical theory to explain growth.

---

<sup>1</sup>Formed in Business Administration and Specialist in Business Management and Didactics in Higher Education

He holds a degree from Faculdade Capixaba de Nova Venécia and a Master's degree in Business Administration from FUCAPE.



of the firm. Later, in the late 1980s, several works in the field of strategy addressed the differences in firm performance within the same sector in relation to differences in Performance across sectors (FROEHLICH; BITENCOURT, 2007). Presented as In contrast to Porter's theory (1989), these works gave rise to an alternative approach to Strategic thinking, focusing on the organization's internal competencies, originating from the Vision. Resource-Based View (RBV) (PENROSE, 1959; WERNERFELT, 1984; PRAHALAD and HAMEL, (1990; BARNEY, 1991). These internal competencies were conceptualized by Hamel and Prahalad. (1995, p. 229) as "core competences," composed of "a set of skills and technologies that enable a company to offer a specific benefit to "customers".

Thus, supported by VBR theory, the aim is to answer the following question: What are the Essential skills that contribute to generating a competitive advantage in institutions of Private higher education institutions?

The representativeness of VBR's current work reinforces its importance for studies on competitiveness. According to the work of Walter, Baptista and Augusto (2008), in the period between Between 1997 and 2007, 55 papers were published at EnANPAD that addressed the theory based on resources in the area of strategy.

The rationale for choosing the relationship between competitive advantage and core competencies. The methodology used in this work comes from the study by Serra, Ferreira and Pereira (2008), which analyzed the evolution from research on VBR in Brazil between 1997 and 2006. The study identified, among other things aspects that competency-related studies, in general, sought to justify or identify competitive advantage from them. Thirteen of the 54 studies analyzed by Serra, Ferreira and Pereira (2008) focused on core competencies. One of the results of Walter and's work Silva (2008) also pointed to competitive advantage as one of the main approaches used. in VBR's work during the period from 1997 to 2007. For a theoretical justification, the work of Vasconcelos and Cyrino (2000) explain that the theory of organizational resources and competencies is One of the four theoretical models of the competitive advantage approach.

To clarify the choice of the higher education sector, the following was considered: a) its unique management characteristics highlighting the extensive regulation by the Federal Government regarding its creation, accreditation, authorization, recognition and its form of operation, and the institutional isomorphism that hinders generation of competitive advantage (SILVA JUNIOR; MUNIZ; MARTINS, 2006); and b) the work of Walter and Silva (2008) found that of the 47 theoretical-empirical articles on VBR presented

In the EnANPAD (National Meeting of Graduate Studies and Research in Administration) from 1997 to 2007, only 4 presented Higher Education Institutions as... application site.

Without intending to exhaust the subject, the **overall objective** of this work focuses on identifying, Describe and analyze the essential competencies that generate competitive advantage in institutions of private higher education. As specific objectives, the following are proposed: a) To investigate the factors that generate value for the student, based on the government's assessment instrument (competitive advantage); b) Identify the resources available to institutions, based on VBR theory; and c) Identify and to analyze the skills used to gain a competitive advantage for institutions. (essential skills).

This study aimed to contribute to the development in the field of organizational studies and, moreover, Specifically, for the competitiveness of organizations. The relevance of the proposal lies in opening... space is being created for factors that were not considered in the classical view, by incorporating the concepts of VBR. to the generation of competitive advantage for organizations. As a further contribution, it also presents the The importance of research for the private higher education sector in Brazil, when analyzing the IESP's behavior regarding the generation of competitive advantage through the use of competencies. essential.

In addition to this introductory chapter, the work is organized into four more chapters. In Chapter 2, The theoretical basis that supports the discussion of the problem and the proposed objectives is presented, through a more specific analysis of VBR theory and its relationship to the generation of an advantage Competitive through core competencies. Additionally, a presentation on university management, as well as on the current context of higher education in Brazil, and specifically regarding Higher Education Institutions of Public Interest (HEIs). Chapter 3 presents the methodology, including its... classification, data collection instruments and the method of data analysis, as well as the scope and limitations, in addition to the techniques for validity and reliability of the research. Chapter 4 contains a A brief presentation of the units surveyed and a discussion of the results. Chapter 5 presents the... Research findings on the contribution of core competencies to generating competitive advantage. competitiveness in the IESP under study, as well as recommendations for future work. Finally, there are The bibliographic references for the research.

## 2. THEORETICAL FOUNDATION

### 2.1 Theory on Resource-Based View (RBV)

According to Mintzberg, Ahlstrand, and Lampel (2000), the discussion about competencies Organizational concepts originate from the Resource-Based View (RBV) approach. Studied by authors such as Penrose (1959), Wernerfelt (1984), Prahalad and Hamel (1990), Barney (1991), among

In other cases, the approach sought to explain the profitability of a company in one sector relative to others. sectors, through the ability to utilize available internal resources. The VBR approach considers that the company possesses a set of tangible resources (financial, organizational, physical and technological) and intangible (human, innovation and reputation) factors, and that competitive advantage It stems from the ability to develop essential skills for the proposed purpose (PENROSE, 1959; WERNERFELT, 1984). According to Fernandes (2004), the concern with the classification of an organization's resources, in The VBR approach is present in all works that portray the theory and consists of... Understanding the fundamentals of organizational performance. Penrose (1959) classified resources into two categories: physical resources (buildings, equipment, land, inventory, etc.) and human resources. (people in organizations). Barney (1991) detailed the resources and classified them into three categories: (1) physical capital, (2) human capital, and (3) organizational capital. Mills et al. (2002) proposed a a more comprehensive classification, which involves tangible and intangible factors (as per Table 1) and which cannot be considered separately, since, in practice, the resources are found mixed. In this work, we opted to use the concept of resources defined by Mills et al. (2002), because it is considered broader and more detailed, with greater ease of classification.

| <i>Resource Category</i>                   | <i>Description</i>   |
|--|--|
| Tangible resources                         | Buildings, plants, equipment, employees, exclusive licenses, geographic location, patents.   |
| Knowledge, skills and experience resources | A set of things that are often tacit, which holders may not know they possess.   |
| System and procedural resources            | A set of tangible documents for systems, ranging from recruitment and selection to performance evaluation, reward systems, purchasing systems, etc. Although tangible, they require intangible resources, such as knowledge and experience, to function efficiently. |
| Cultural resources and values              | An intangible resource often developed over a long period and dependent on the attitudes of the founders and past events. This category includes the memory of critical incidents, as well as values, beliefs, and... preferred behaviors etc.                       |
| Relationship networking resources          | Interest groups within the company, networks involving people from the company and from suppliers, clients, legal authorities, or consultants. In this category, This includes brand and reputation.   |
| Key resources for change                   | A key feature related to recognizing when valuable resources become obsolete and need to be changed or even destroyed.<br>Examples: beliefs of influential workers and managers, availability of resources to implement change (such as money and investment).       |

Table 1: Categories for identifying resources

Source: Mills et al. (2002, p. 20-21)

According to Takahashi (2007) and Fernandes (2004), the resource approach and the concept of These skills gained prominence starting in the 1990s, with the introduction of the core concept. competence, as formulated by Prahalad and Hamel (1990). Defined by the authors as the set of

skills and technologies that give the company the ability to provide a distinct benefit.

For clients, essential skills are formed as a result of collective learning.

of the organization. As criteria for identifying core competencies, the authors highlighted

at least three tests: an essential skill should provide access to a wide variety

of markets; it must be perceived by the customer; and, finally, it must be difficult for others to imitate.

competitors.

Mills et al. (2002) also studied competencies and created a categorization that expands the

Prahalad and Hamel's (1990) classification, going beyond the concept of core competencies,

including distinctive organizational or business unit competencies and competencies

of support, and which, being considered easy to understand, was adopted, in part, in the classification.

of the competencies identified in this empirical work. The competencies in the classification of Mills et al.

al. (2002) were summarized in Table 2:

| <i>Competency Category</i>                 | <i>Description</i>   |
|--|--|
| Core Competency                            | These refer to highly skilled activities that are important at the corporate level, fundamental to the organization's survival, and central to its strategy.   |
| Distinctive Competence                     | This refers to highly skilled activities that customers recognize as differentiating them from competitors and providing a competitive advantage.  |
| Organizational or Business Unit Competence | A small number of key activities, typically between three and six, are expected from each of the company's business units.   |
| Support competence                         | A valuable activity to support a range of other activities.<br>For example, the ability to build and work productively in a team can have a greater impact on the speed and quality of many activities within the company. |

Table 2: Categories of competencies

Source: Mills et al. (2002, p. 13)

The tree analogy raised by Prahalad and Hamel (1990, p. 82) clarified the importance of

Competencies that contribute to an organization's competitive advantage:

A diversified corporation is like a large tree. The trunk and branches are the products.

The essential parts are the branches, and the smaller branches are the business units; the leaves, the flowers, and the fruits.

These are the products. The root, which provides nutrition, support, and stability, is the competence. essential.

According to Barney (1991), the drivers of competitive advantage from the perspective of VBR are related to the heterogeneity and immobility of resources. The author explains that heterogeneity resides in the fact that different companies may possess distinct resources and capabilities, even when operating in the same country. same business sector and, according to Penrose (1959, p. 75), "[...] it is heterogeneity, and not the homogeneity of available, or potentially available, productive services, based on resources that give the firm its unique character." Immobility, according to Barney (1991), reveals,

Essentially, it becomes impossible to develop or transfer resources and capabilities when you don't...

He possesses them.

## 2.2 The Trajectory of Higher Education in Brazil and the Current Context

### DAS IESP

Brazilian higher education has undergone significant changes throughout its history. It has been predominantly represented by public institutions until the first decades of the 20th century (TEIXEIRA, 1989), when, according to Cunha (1999), in the 1960s, the Federal Council of Education, comprised mostly of leaders from private higher education institutions, They put an end to the process of federalizing the higher education institution and coordinated the... Relaxation of rules for creating courses, expansion of places, and granting of *status*. University to IESP. According to Corbucci (2007), the expansion of private higher education in Brazil This occurred due to the inability of the public sector to meet all the demand for higher education. which had been occurring since the early 1980s. In the 1990s, there was some deregulation. within the sector, providing flexibility for the creation of private courses and institutions. In the process, the Federal Council of Education (CFE) was dissolved and the National Council was created. Education Council (CNE), conferring upon the Ministry of Education (MEC), according to Corbucci (2007), greater autonomy to conduct the process of expanding higher education, with the aim of not increase federal spending on the sector. According to Silva Junior, Muniz and Martins (2006), this opening led to the public sector, considered as the entity responsible for higher education, it should cede space to private initiative, responsible currently due to the predominance of job openings and enrollments in the higher education sector, as revealed by data from the National Institute of Educational Studies and Research Anísio Teixeira Teixeira (INEP, 1998, 2008) presented in Table 1:

Table 1: Summary of the higher education landscape

| Graduation            | Grand total |           | Administrative Category |           |         |           |
|-----------------------|-------------|-----------|-------------------------|-----------|---------|-----------|
|                       |             |           | Public                  |           | Private |           |
|                       | 1998        | 2008      | 1998                    | 2008      | 1998    | 2008      |
| Institutions          | 973         | 2,252     | 209                     | 236       | 764     | 2016      |
| Courses               | 6.950       | 24,719    | 2,664                   | 6.772     | 3.980   | 17,497    |
| Job openings          | 803.919     | 2,985,137 | -                       | 344.038   | -       | 2,641.099 |
| Registered candidates | 2,858,031   | 5,534,689 | -                       | 2,453.661 | -       | 3.081.028 |
| Tickets               | 651,353     | 1,505,819 | -                       | 307.313   | -       | 1.198.5   |

|               |           |           |         |          |           |         |
|---------------|-----------|-----------|---------|----------|-----------|---------|
|               |           |           |         |          |           | 06      |
| Registrations | 2,125,958 | 5,080,056 | 804.729 | 1,273.96 | 1,321,229 | 3.806.0 |
|               |           |           |         | 5        |           | 91      |
| Graduates     | 300,761   | 800.318   | 105,360 | 187,758  | 195,401   | 612.56  |
|               |           |           |         |          |           | 0       |

Source: Adapted from INEP (1998) and INEP (2008)

As observed in Table 1, in 1998, there were 2,125,958 students enrolled in 973 higher education institutions.

They offered 6,950 undergraduate courses; in 2008, the number of enrolled students more than doubled to 5,080,056 and the number of undergraduate courses increased to 24,719, representing an increase of more than 200%. IESPs are primarily responsible for this growth. In 1998, they were...

1,321,229 students were enrolled in 764 IESP institutions; however, in 2008, this number of enrolled students...

The total increased to 3,806,091, and the number of IESPs almost tripled, totaling 2,016. Of the total of 2,252

Of the existing higher education institutions (HEIs) in 2008, private higher education institutions (HEIs) represented 89.52% of the total and 74.92% of enrollments, while...

The number of public institutions increased by only 12.92%, accounting for 25.08% of enrollments in 2008.

The data also reveals that, in 2008, higher education institutions accounted for 88.47% of the vacancies offered, 79.60% of students who entered higher education and 76.54% of graduating students.

### 2.3 FUNCTIONAL STRUCTURE AND EVALUATION OF IESP IN BRAZIL: IN SEARCH OF Competitive advantage

Higher education institutions are extensively regulated by the Federal Government regarding their creation, accreditation and reaccreditation, authorization, recognition, and mode of operation (SILVA JÚNIOR; MUNIZ; MARTINS, 2006). According to Decree No. 5,773 of 2006 (BRAZIL, 2006), HEIs depend authorization from the Ministry of Education (MEC) to begin offering an undergraduate course. There are exceptions to this process. Universities and university centers, however, must disclose the courses offered for enrollment purposes. of supervision, evaluation and subsequent recognition. Regarding the recognition process, In order to validate the issuance of diplomas to students, the higher education institution (HEI) must request it from the Ministry of Education (MEC) when the course of... The degree program must have completed 50% of its coursework. Finally, the renewal of recognition also applies. It must be requested by the higher education institution at the end of the evaluation cycle. The extensive regulation faced by higher education institutions causes them to adopt generic characteristics of a certain nature. common structural and dynamic characteristics, defined by Dimaggio and Powell (1983) as isomorphism, which They conceptualize it as a restrictive process that forces a unit within a population to resemble the... other units, which face the same set of environmental conditions. For Silva Júnior, Muniz According to Martins (2006), higher education institutions (HEIs) are subject to this process of isomorphism, among other factors, in function of the regulations imposed by educational legislation, which determine the types and

The structures permitted for institutions make it difficult to generate a competitive advantage. This rapid expansion of private higher education, according to Dias, Horiguela and Marchelli (2006), This highlighted the need for evaluation and the definition of the structure of the instruments designed for That's right. In that sense, in November 1995, based on law no. 9,131, the National Examination of Courses (ENC) popularly known as the "big exam" and, additionally, in October 1996, According to decree no. 2,026, the Evaluation of the Conditions for Offering Undergraduate Courses that had duration between 1996 and 2003, when the Special Commission for the Evaluation of Education was established. Superior (CEA) with the objective of reviewing the methodologies used until then and proposing reformulations. a system capable of emphasizing the social commitments and responsibilities of institutions. Thus, In April 2004, Law No. 10,861 (BRAZIL, 2004a) came into effect, establishing the System in its place. National Evaluation of Higher Education (SINAES) (CORBUCCI, 2007) established by three integrated subsystems: (1) institutional evaluation carried out in internal and external instances; (2) the evaluation of undergraduate courses and (3) evaluation of students through the ENADE – Examination National Student Performance Index, established after the discontinuation of the Provão (National Student Performance Exam). According to Ordinance No. 2,051/04 (BRAZIL, 2004b), which regulates the procedures established by Law No. 10.861/04 (BRAZIL, 2004a), the evaluation of educational institutions takes place through self-assessment and external evaluation. The self-assessment, coordinated by The Self-Assessment Committee (CPA) of each institution is carried out through guidelines. general guidelines developed by INEP and made available electronically, based on directives established by the National Commission for the Evaluation of Higher Education (CONAES). The Commission External Evaluation assesses documents, such as the Institutional Development Plan (PDI). reports from the self-assessment process, data from the Higher Education Census and the Registry of Higher Education Institutions, and data on student performance in the ENADE exam. The evaluation criteria for undergraduate courses are determined by External Committees. Course evaluations take into account ten indicators: 1) the mission and plan of institutional development; 2) planning and evaluation, especially in relation to institutional self-assessment; 3) the policy for teaching, research, postgraduate studies, extension and respective operational rules; 4) the institution's social responsibility; 5) the communication with society; 6) personnel policies; 7) the organization and management of the institution; 8) the physical infrastructure; 9) student support policies; 10) financial sustainability (BRAZIL, 2004b). According to Section III of Ordinance No. 2051 (BRAZIL, 2004b), ENADE applies procedures participation for students in the final year of their first and last year of undergraduate courses, which are Students are selected each year to participate in the exam. The evaluation of each course must take place in

Maximum, every 3 (three) years. The ENADE results are expressed on a five-level scale, Levels 4 and 5 indicate strengths, levels 1 and 2 indicate weaknesses, and level 3 indicative of the minimum acceptable for the authorization, recognition and renewal processes of Recognition of courses and accreditation and reaccreditation of institutions. When the If the results are unsatisfactory, the Ministry of Education will establish deadlines and goals for the completion of the actions. adopted to overcome the difficulties detected.

However, in September 2008, the Institution's General Course Index (IGC) was created, whose index, According to Barreyro (2008), it belongs to the axis of student assessment, established by law no. 10.861/04 (BRAZIL, 2004a). The IGC, through a single concept, aims to measure the quality of all undergraduate, master's, and doctoral programs at the institutions. With regard to For undergraduate studies, the Preliminary Course Concept (CPC) is used, and for postgraduate studies, it is... The CAPES score (Coordination for the Improvement of Higher Education Personnel) was used. The result The final value is in continuous values (from 0 to 500) and in ranges (from 1 to 5) (INEP, 2010).

In July 2009, the MEC (Ministry of Education) instituted Normative Ordinance No. 10 (BRAZIL, 2009), in which the IGC (General Course Index) is... identified as a criterion for authorizing higher education courses without *on-site* evaluation by the relevant bodies. competent authorities. For this exemption to occur, it is necessary, after document analysis, by means of a reasoned decision, that the HEI obtains a satisfactory evaluation, expressed in the concept of the external institutional evaluation – CI – and in the General Course Index – IGC – most recent, equal to or higher than Three (3) criteria are applied cumulatively. The highest proportion of recognized courses is also considered as a criterion. Regarding authorized courses.

With the purpose of measuring the quality of Higher Education Institutions, the IGC was used in this Work as a source of competitive advantage for organizations.

### 3 METHODOLOGICAL ASPECTS OF THE INVESTIGATION

The research was developed through a multiple case study, with three units of analysis. (YIN, 2001). The choice of HEIs used was based on the following factors: a) that they It has established itself as a private higher education institution, due to its expansion in recent years; b) that offered an on-campus undergraduate degree program, as this was the focus of this research. (considered as the highest degree of government regulation for its operation); c) that it was located in the State of Espírito Santo to limit the scope of the research; d) that it possessed superior performance (considering bands 4 and 5) measured by the quality indicator of Higher Education Institutions (HEIs) created by the Ministry of Education (MEC) - the General Course Index (IGC) - evaluated in three-year period 2006, 2007 and 2008 and disclosed in the year 2010 (defined as competitive advantage obtained)

by the HEIs before the government); and e) availability of the HEI to participate in the research. In the survey Initially, all educational institutions located in the State of Espírito Santo were identified, and Subsequently, each institution was assigned the IGC (General Course Index) published by the MEC (Ministry of Education) in 2010. In this context, Ten higher education institutions (HEIs) with the highest scores were identified. Of these, public institutions were excluded. Of the eight remaining IESPs, three were selected for the research. Aiming to preserve the... The selected IESPs are identified as "IESP Alpha", "IESP Beta", and "IESP Omega".

As data collection instruments, the convergence of various sources of evidence was used. the following methods were selected: unsystematic observation, document analysis, semi-structured interview and the questionnaire (YIN, 2001).

Regarding the semi-structured interview, the subjects researched were administrative management, financial and academic resources, with the goal of identifying the resources available to the company and its ability to transform them into essential skills for generating competitive advantage.

perceived by its target audience. The script was adapted from the model used in its creation.

used in Takahashi's work (2007) and the following criteria were considered: (a) the classification of resources developed by Mills et al. (2002) presents itself as more detailed and simpler (b) understanding; the concept of core competence developed by Prahalad and Hamel (1990); (c) and the competences required by HEIs based on the assessment instrument formulated by MEC – taking into account the evaluation of institutions, courses and student performance students (SINAES) (BRAZIL, 2004b). In each unit surveyed, a total of

Two interviews: one with the academic management and another with the administrative-financial management, with With the exception of IESP Beta, where only one interview was conducted with the General Directorate, which responds by both administrations.

Regarding the questionnaire, the subjects surveyed were students enrolled in the higher education courses offered. at the HEI (since this is the focus of the research), in order to highlight aspects that confer an advantage. competitive with these courses. A Likert-type scale was used to construct the questionnaire.

with the aim of having respondents indicate their degree of agreement or disagreement with

Regarding the statements (MATTAR, 2001). For the sample calculation, the statistical formula was used.

for the finite population proposed by Stevenson (2001). In the calculation, the following was adopted for each IESP

Based on the research, the confidence level was 95%, with a probability of success and failure of 50% each.

Margin of error of 3%.

The technique used to process the data collected in the semi-structured interview was analysis.

of content (BARDIN, 1977), in which the themes and patterns were organized in the following categories: (1) factors that generate value for the target audience (student); (2) resources available in



company; (3) core company competencies. Regarding the questionnaire applied to the students, The analysis was performed using the Likert scale (MATTAR, 2001), considering the levels of Agreement and disagreement in their entirety, in order to corroborate the qualitative research. The sample The number of students was statistically calculated with a 95% confidence level, probability of success and with a 50% failure rate and a 3% margin of error. Thus, the following random sample was surveyed, Stratified by course and entry period: IESP Alpha – 711 students (population of 2,125 students); IESP Beta – 344 students (population of 507 students); and IESP Omega – 559 students (population of 1,169).

(students). Subsequently, the essential competencies in the academic and social spheres were analyzed. administrative and financial aspects, as revealed by the students.

In order to increase the validity of the construct, the guidelines of Yin were adopted.

(2001), several sources of evidence already made explicit. To encourage lines of convergence in

In the investigation, the research subjects, considered 'key informants', were asked to review the

A draft of the case study report was created, and a chain of evidence was developed between the

The questions formulated, the data collected, and the conclusions reached. As a criterion to ensure the

To ensure the reliability of the research, the procedures adopted were documented, and a database was developed.

data for the case study.

When considering the limitations of the adopted method, the following stand out: a) the scope of a case study,

since, according to Yin (2001, p. 29), case studies “[...] are generalizable to theoretical propositions

[analytical], and not populations and universes” and, b) the location of the researched institutions that

It focuses solely on one state of the Brazilian Federation, which may lead to an analysis.

regional, given the particular reality in which they are embedded.

## 4 RESEARCH RESULTS

### 4.1 BRIEF HISTORY OF UNITS OF ANALYSIS

**IESP Alpha:** 11 years in the market. Serves 17 municipalities in the state. Offers 11 undergraduate courses.

with 2,125 students enrolled, and offers specialization courses in the area of expertise. The framework

The total staff consists of 120 employees, distributed among 38 administrative technicians and 82 teachers.

**IESP Beta:** 10 years in the market. Serves 5 cities in the mountainous region of the state. Offers 5 courses.

It has an undergraduate program with 507 students enrolled and offers specialization courses in the areas of expertise.

The team consists of 55 employees: 17 in the technical-administrative area and 38 teachers.

**IESP Omega:** 15 years in the market. Primarily serves the metropolitan region of the state.

It has only one undergraduate course, with 1,169 students enrolled, and offers postgraduate *specialization* courses.



and *strictly speaking* in the area of operation. The total staff consists of 128 employees, of which 59 technical and administrative staff and 69 faculty members.

#### 4.2 ANALYSIS OF RESULTS

In this section, the aim was to integrate the results collected from the three institutions studied, in order to identify possible analytical generalizations, according to the qualitative approach and the method of case study (YIN, 2001). However, at no point was there any intention to compare the cases, a since the methodology adopted does not presuppose a comparative case study, but rather to verify common elements across the three institutions that could bring theoretical and practical contributions to the construction of this work.

It became clear that each institution has a unique history that, in itself, explains the generation of resources and the transformation of those resources into core competencies. These particularities, These issues definitely could not be ignored in the research and are therefore addressed, and when Possible, although some reported differences are justified in light of the reality experienced by each one. An attempt was made to group together all the resources considered common to the faculties surveyed and which, Therefore, they can be understood as support for the generation of skills, aiming to guarantee the competitive advantage. For better understanding, it was decided to present the resources and competencies, whenever possible, in two management spheres – administrative-financial and academic –, understood here as the main spheres of the education sector.

In the administrative-financial sphere, it is possible to highlight 6 (six) important resources: 1)

1) Physical infrastructure suitable for the performance of the sector's activities; 2) Selection process and 1) Faculty development; 2) Use of formal planning; 3) Use of marketing. targeted; 5) Management and financial control tools; 6) Recognized need for Constant updating; 7) Cultural traits of persistence, organization, and methodology.

In the academic sphere, 8 (eight) major resources were found in the institutions: 1) Collection of

1) More books and periodicals than required by the Ministry of Education; 2) Faculty qualifications; 3) Procedures used in the construction of course projects; 4) Institutional evaluation system; 5) Procedures for engaging and engaging faculty in pedagogical management; 6) Policies for student support; 7) Use of the MEC visit as external consulting; 8)

The institution's connection with society through social and research projects.

According to Penrose (1959), Wernerfelt (1984), Prahalad and Hamel (1990), and Barney (1991), it treats-

It is the ability to transform available resources within companies into core competencies.

which generate a competitive advantage for these companies. Thus, with the purpose of explaining these



competencies were presented, in the two spheres considered in this work, as the main ones in management of education. In the academic sphere, considered in this work as the core activity of the sector of In education, a classification of essential and distinctive competencies was adopted, according to the category. de Mills et al. (2002). In the administrative-financial sphere, considered a support activity, adopted- if the support competence category, according to the classification of Mills et al. (2002).

#### Academic sphere: Essential and distinctive skills

It was identified that the IESPs developed the *essential competence — offering higher education in quality — through the skills, knowledge and experiences acquired throughout their careers trajectories, grounded in their cultural values*. This competence allowed institutions, of According to Barney (1991), the development and implementation of value creation strategies, generating a competitive advantage.

It was still possible to understand that from the moment the essential competence of offering education superior quality has become recognized: a) by students and society (affirmed through the factors influencing the choice of institution as reported by students in the survey) and; b) by government (through the IGC achieved by the three cases studied), the institutions achieved a very important *distinguishing skill* for differentiation in the market – ensuring the Recognition of this quality of education by students, society, and government.

To build and maintain this quality of education, institutions rely on the support of three important *distinguishing competencies*:

- a) To guarantee the qualification and commitment of the teaching staff. This competency arose from The development of system and procedural resources is achieved through experience. acquired over time and consolidated through resources created for constant change. It is interesting to mention that IESP Alpha does not yet have a guarantee of academic qualification. of the faculty, as desired. This, in part, can be explained by the shortage of staff. work in the region where the institution is located, a deficiency already identified and understood by IESP. by the Ministry of Education in light of its reality. To address this deficiency, the Alpha institution encourages financially, teachers are encouraged to enroll in *stricto sensu graduate programs*.
- b) To ensure the development of innovative educational projects, integrating theory and practice. This skill has been developed over the years through the creation of course projects. The considerations consistently made by the team were important in this improvement process. MEC and through integration with teachers committed to and engaged with the project's practice, In addition to research and a constant spirit of improvement and change, characteristics of the traits cultural aspects of the institutions surveyed.



c) To constantly evaluate oneself, recognizing the need for renewal and continuous improvement.

This competence was verified in all higher education institutions as a strong cultural trait of the owner/director.

A distinctive feature that is already part of the procedures of the colleges surveyed.

Finally, in this academic sphere, it is important to highlight a specific distinctive competence of

IESP Alpha: to offer a competitive edge to the MEC (Brazilian Ministry of Education) regarding the development of course projects.

focused on social reality. According to the Academic Director of IESP Alpha, the MEC (Ministry of Education) does, in fact, have...

This more evident social reality is required in projects, and for that reason it would not be a

Distinctive competence, as it becomes a requirement and not a differentiator. However, according to Prahalad

According to Hamel (1990), this competence lies not in the action itself, but in its system of innovation and

Organizational learning, which provides and maintains it over the years. This competence is

recognized by the MEC in its interventions for the authorization and recognition of courses and in

reaccreditation of the institution, which occur at different times.

#### Administrative and financial sphere: Support skills

It was possible to identify three important support competencies in the administrative-financial sphere.

common to the institutions described below:

a) To provide a physical structure that allows for the proper development of specific academic activities.

of each course. This competence, observed in tangible resources, is recognized as important.

by the Ministry of Education, based on evaluation factors (BRASIL, 2004b), and by the students, as evidenced

because of its relevance as a deciding factor in choosing a college. Although it is not currently

Present at IESP Beta, this expertise is already under development, with the construction of the new headquarters.

and is understood by managers/maintainers and students as a limitation only

Temporary. The student clearly understood the limitations of this skill.

b) Utilize administrative tools that ensure the ability to attract and retain faculty.

qualified and committed. Developing this skill required...

adaptations and the implementation of new procedures for the selection and training of faculty.

throughout their career paths. This competence is emphasized in all the higher education institutions surveyed, as it is

recognized as a support function, directly linked to the core competency of ensuring quality.

teaching.

c) Utilize administrative tools that ensure managerial control with a forward-looking vision.

It was identified that, even with particularities regarding the depth of its use and

Understanding this, all the institutions surveyed use formal planning as their main approach.

strategic tool. In addition to that, at IESP Alpha, the understanding of the courses through... was mentioned.

of business units, enabling greater control over financial results.

These support skills presented far more particularities than the skills... essential and/or distinctive. It was found that the reality of IESP Alpha and Beta, with regard to the profile The socioeconomic background of the target audience is almost antagonistic. This led to observations... Two specific and very important support competencies for IESP Alpha and Beta, but perhaps irrelevant for institutions with a target audience similar to that of IESP Omega: a) Using a A targeted student recruitment system that seeks to understand and persuade its target audience by a) Through personalized marketing strategies; b) Using financial tools that They promote social inclusion for their target audience.

The need for these emphases may stem from various reasons. Without intending to exhaustively explain them. Among all of them, it is possible to list some identified in the unsystematic observation of the research with the students: a) the student is unsure about their desired course of study due to their own financial and social circumstances; b) The family is hesitant and limited by social and financial conditions to help the student in this. choice; e) the student needs financial aid to study. These skills are also recognized by students, who cite them as important factors in their decision to choose a college, as identified in the research.

Another support skill perceived at IESP Alpha and Beta, also specific to the reality Of these, it refers to being located in a geographically privileged area that provides access to a range of markets with low competition. Although IESP Ômega is also located in a The area of access to a range of markets does not constitute a support competence, because Competition is high, but this doesn't differentiate it from the others and doesn't become a deciding factor. from the student's perspective, unlike what happens with IESP Alpha and Beta, since this privileged location According to research, it is recognized by students as one of their main factors in choosing a university. Furthermore... Furthermore, societal recognition of the quality of education already constitutes a barrier to entry. for new competitors, bringing them closer to a monopoly and giving them an advantage. competitive.

For better understanding, a summary of the resources is presented in Table 3. competencies identified in the research:

| RESOURCES  |
|--|
| <b>Administrative and financial sphere</b>   |
| <ul style="list-style-type: none"> <li>- Adequate physical infrastructure for the performance of the sector's activities.</li> <li>- Selection and training process for faculty</li> <li>- Use of formal planning</li> <li>- Use of targeted marketing</li> <li>- Management and financial control tools</li> <li>- Recognized need for constant updating</li> </ul> <p>Cultural traits of persistence, organization, and methodology.</p> |
| <b>Academic sphere</b>   |
| <ul style="list-style-type: none"> <li>- Collection of books and periodicals larger than required by the Ministry of Education.</li> </ul>   |

|  |
|--|
| <ul style="list-style-type: none"> <li>- Faculty qualifications</li> <li>Procedures used in the construction of course projects.</li> <li>Institutional evaluation system</li> <li>Procedures for engaging and engaging faculty in pedagogical management.</li> <li>- Policies for student support</li> <li>- Using the MEC visit as external consulting.</li> <li>- Bringing the institution closer to society through social and research projects.</li> </ul>   |
| <b>COMPETENCIES</b>  |
| <b>Administrative and financial sphere – support skills</b>  |
| <ul style="list-style-type: none"> <li>- To provide a physical structure that allows for the proper development of the specific academic activities of the course.</li> <li>- Utilize tools that guarantee the ability to attract and retain qualified and committed faculty.</li> <br/> <li>- Utilize administrative tools that ensure managerial control and enable a vision for the future.</li> </ul>  |
| <b>Academic sphere – essential and distinctive skills</b>  |
| <p><b>Essential competence</b></p> <ul style="list-style-type: none"> <li>- To offer high-quality higher education.</li> </ul> <p><b>Distinctive skills</b></p> <ul style="list-style-type: none"> <li>- To constantly evaluate oneself, recognizing the need for constant innovation.</li> <li>- To guarantee the qualification and commitment of the teaching staff.</li> <li>- To guarantee recognition of the quality of education by students, society, and the government.</li> <li>- To ensure the development of innovative educational projects integrating theory and practice.</li> </ul> |

Table 3: General summary of the skills identified at work  
 Source: Research data (2010)

Finally, it is important to present the factors that generate value for the student and for the government. identified in this research. It was observed that the resources that generate value for the government, contained in the MEC assessment instrument (BRASIL, 2004b), the values are very close. emphasized by the students, which are focused on: a) quality of teaching, including, therefore, a) curriculum, faculty qualifications, and library collection; b) physical infrastructure adequate, including classrooms, recreation area, laboratories and library. Specifically for the In the Alpha and Beta colleges, two other important resources were identified in relation to the context in which These are included, which relate to: a) the location of the college itself; and b) inclusion factors. The social context of your target audience. These factors are present in the resources and competencies of the institutions. evaluated.

**FINAL CONSIDERATIONS**

The purpose of this research was to identify, describe, and analyze the competencies. essential factors that generate a competitive advantage in private higher education institutions. The main one The reason for this investigation was to open up space for the study of factors not considered in the previous view. classic, assuming the concepts of VBR in generating competitive advantage in the education sector. Private higher education, through its set of resources and skills. To achieve the overall goal, it was necessary to establish some specific objectives, which are... They focused on: 1) investigating the factors that generate value for the student, based on the instrument of



1) government assessment (competitive advantage); 2) identify the resources that institutions have.

They have, based on VBR theory; and 3) identify and analyze the skills used by institutions in obtaining a competitive advantage (core competencies).

Regarding the results themselves, it was observed that the resources that generate value for the government-related aspects contained in the MEC evaluation instrument, included in Annex B of this document, are very close to the values emphasized by the students, which are focused on quality of teaching, built using academic tools and supported by administrative tools. The

The same occurs when these factors are compared to those observed in institutions, through the constitution of its resources and skills.

Thus, through the research results and supported by VBR theory, it was possible to weave the

Main conclusions: a) The generation of competitive advantage in higher education institutions depends on the perception of value.

built into institutions by their target audience (government and students); b) the generation of the advantage

Competitiveness in each IESP surveyed is much more ingrained in cultural values and skills.

generated more by organizational learning than by its procedures themselves. And it is

That's exactly what makes them both similar (processes) and different from each other.

(skills and methods); c) the key core competency found in IESP,

Regardless of whether the target audience belongs to the upper, middle, or lower class, the focus is on offering

higher education with quality teaching; d) distinctive competencies, directly linked to

core competencies focus on activities primarily geared towards management.

academic, primarily involving student learning through: 1) continuous innovation;

2) qualifications and commitment of the teaching staff; and 3) pedagogical projects that integrate theory.

and practice; and ee) the support skills, responsible for ensuring the construction, development

Maintaining core competencies involves the administrative activities of the sector and includes...

focused on: 1) infrastructure; and 2) managerial control that enables a vision for the future.

Based on the identification of the core essential competence found in IESP — offering education

with quality education —, It became clear that success in the sector begins with the

construction of pedagogical projects aimed at the appropriation of learning by the student, and the teacher,

Motivated and committed, he becomes the main player in the execution of these projects.

It was also possible to conclude that academic success requires the support of a management culture.

A systematized approach, with tools that enable future planning in the sector. This vision is essential.

to maintain the primary academic focus, which should concentrate on continuously discovering

How to build and develop new essential skills that will maintain your competitive edge.

competitive.

The adoption of social inclusion tools also represents an important contribution.

from research for higher education institutions that serve middle and lower class audiences. These tools

This includes raising awareness among the family and other influential figures in the future student's life, in order to...

to demonstrate the importance of studying for their professional future, as well as partnerships for

To make it financially feasible for the student to enroll in the institution.

Finally, based on the main conclusions of this work, it is important to raise the following points.

reflections:

a) Is it possible to state that the teaching quality indicators created by the MEC (IGC and ENADE)

They standardized the concept of quality for the students, despite being immersed in different realities.

What are the distinct socioeconomic differences? If these indicators didn't exist, how would the student measure this?

Quality? Would the resources and skills of higher education institutions converge on so many points?

b) How does a higher education institution that serves students from middle and lower classes manage to maintain the same quality?

observed in institutions that cater to the upper class, since this concept no longer seems to be the case.

Subjective? Should the managerial focus of the sector be directed towards understanding the...

The exact measure to be adopted for investing in quality education, aiming to increase profit, and never...

The opposite?

However, some inherent limitations of the study should be highlighted. Among others

Among these, the limitation of the method regarding the scope of the multiple case study stands out, because,

Although it allows for generalizations to theoretical propositions, it cannot be applied to each and every case.

This situation arises because the results are linked to the history of the institutions and how each one...

manages its competitive advantage. In this sense, it was observed that the method provided the

convergence of similar results between institutions, but, as they have different realities

different, peculiar and important characteristics were observed in the generation process of

competitive advantage in each unit analyzed. Another limitation concerns the difficulty of

Operationalization of the variables (resources and skills), due to the scope of the analysis.

possible, which is limited to the data collected through the research instruments. Because of the

Given that the selection of IESP (Higher Education Institutions) was made in only one state of the Brazilian Federation, it may occur that...

regional analysis, given the unique reality in which the institutions are embedded, reveals itself as

One limitation of the research. Finally, although the interview used had a qualitative focus, the quantity

The small sample size of HEIs surveyed can be considered a limitation in relation to the universe of HEIs involved.

in the research.

Thus, focusing on these limitations and the contribution to the stated objective, it is proposed that

Further studies could expand upon this research through longitudinal analyses in educational institutions.

superior. In this case, the studies would expand the findings on changes in resources over time.

from the company's history. With this approach, it would also be possible to understand how these resources



Competencies are linked to history, cultural values, and organizational learning.

Based on this work, it would also be appropriate to propose: a) a quantitative study to verify correlations and

The strengths of each resource and competence identified in generating the competitive advantage of...

organizations; and b) a comparative study of the results found in IESP that present

poor academic performance according to the MEC (Ministry of Education), in order to support, as well as better understand, the

Results already found. Finally, it is hoped that future studies can replicate this research.

extending this to other educational institutions, in order to strengthen and complement the results already achieved.

found

## REFERENCES

BARDIN, L. **Content analysis**. Lisbon: 70, 1977.

BARNEY, JB Firm resources and sustained competitive advantage—**Journal of Management**, v. 17, no. 1, p. 99-120, 1991.

BARREYRO, Gladys Beatriz. On exams, rankings and media. **Avaliação** (Campinas) [online]. 2008, vol.13, n.3, p. 863-868.

BRAZIL. Law No. 9,131, of November 24, 1995. Amends provisions of Law No. 4,024, of December 20, 1961, and provides other measures. 1995. Available at: <<http://portal.mec.gov.br/arquivos/pdf/9131.pdf>>. Accessed on: July 29, 2010.

\_\_\_\_\_. Law No. 10,861, of April 14, 2004. Establishes the National Higher Education Evaluation System – SINAES and other provisions. 2004a. Available at: <<http://www.mec.gov.br/legis/pdf/l10861.pdf>>. Accessed on: July 29, 2010.

\_\_\_\_\_. Decree No. 2,051, of July 9, 2004. Regulates the evaluation procedures of National System for the Evaluation of Higher Education (SINAES), established by Law No. 10,861, of April 14, 2004. **Official Gazette**, Executive Branch, Brasília, No. 132, p. 12, 2004b.

\_\_\_\_\_. Decree No. 2,026, of October 10, 1996. Establishes procedures for the process and the Evaluation of higher education courses and institutions. 1996. Available at: <[http://www.planalto.gov.br/ccivil\\_03/decreto/Antigos/D2026.htm](http://www.planalto.gov.br/ccivil_03/decreto/Antigos/D2026.htm)>. Accessed on: July 29, 2010.

\_\_\_\_\_. Decree No. 5773, of May 9, 2006. Provides for the exercise of regulatory functions, Supervision and evaluation of higher education institutions and undergraduate and sequential higher education courses in the federal education system. **Official Gazette**, Executive Branch, Brasília, no. 88, p. 6, 2006.

\_\_\_\_\_. Normative Ordinance No. 10, of July 2, 2009. Establishes criteria for exemption from evaluation. in loco and provides other measures. **Official Gazette**, Executive Branch, Brasília, no. 125, p. 17, 2009.

CORBUCCI, PR. Challenges of higher education and development in Brazil. Discussion paper, **IPEA**, no. 1287, Brasília, Oct. 2007.

CUNHA, LA. The public and the private in Brazilian higher education: a moving frontier? In: TRINDADE, H. (organizer). **Universities in ruins**: in the republic of professors. 3rd ed. Rio de Janeiro: Vozes, 1999.

DIAS, C. L.; Horiguela, ML M; MARCHELLI, PS. Policies for evaluating the quality of Higher Education in Brazil: a critical assessment. **Revista Educação e Pesquisa**, São Paulo, v. 32, n. 3, p. 435-464, Sept./Dec. 2006.

DIMAGGIO, P.; POWELL, W. The iron cage revised: institutional isomorphism and collective rationality in organizational fields. **American Sociological Review**, vol. 48, p. 147-160, 1983.

FERNANDES, BHR. **Competencies and organizational performance**: an empirical study. São Paulo, 2004. Doctoral thesis (in Administration) - Postgraduate Program in Business Administration – Faculty of Economics, Administration and Accounting, University of São Paulo.

FROEHLICH, C.; BITENCOURT, CC. The dynamics of organizational competencies: the trajectory of the Paquetá group. In: Meeting of Studies in Strategy, 2007, **Proceedings...** Rio de Janeiro: ANPAD, 2007.

HAMEL, G.; PRAHALAD, CK **Competing for the future**: innovative strategies to gain control of your sector and create the markets of tomorrow. Rio de Janeiro: Elsevier, 1995.

INEP. Statistical Synopsis of Higher Education 1998. Available at: <<http://www.inep.gov.br/superior/censosuperior/sinopse/>>. Accessed on: March 28, 2009.

\_\_\_\_\_. Synopsis of Higher Education Statistics 2008. Available at: <<http://www.inep.gov.br/superior/censosuperior/sinopse/>>. Accessed on: March 28, 2009.

\_\_\_\_\_. Quality indicator for higher education institutions, 2010. Available at: <<http://www.inep.gov.br/areaigc/>>. Accessed on: July 30, 2010.

MATTAR, Fauze Najib. **Marketing research**. 3rd ed. São Paulo: Atlas, 2001.

MEYER JUNIOR, V.; MANGOLIM, L. Strategies in private universities: case studies. In: Meeting of Studies in Strategy, 2006, **Proceedings...** Rio de Janeiro: ANPAD, 2006.

MILLS, T. et al. **Competing through competences**. Cambridge: Cambridge University Press, 2002.

MINTZBERG, H.; AHLSTRAND, B.; LAMPEL, J. **Strategy Safari**. Porto Alegre: Bookman, 2000.

PENROSE, E. **The theory of the growth of the firm**. New York: John Wiley, 1959.

PORTER, ME **Competitive advantage**: creating and sustaining superior performance. 21st ed. Rio de Janeiro: Campus, 1989.

PRAHALAD, CK, HAMEL, G. The core competence of the corporation. **Harvard Business Review**. V. 68, n. 3, 79-91, 1990.

SERRA, FAR; FERREIRA, MP; PEREIRA, MF. Evolution of Brazilian research in Resource-based view (RBV): A study of ENAMPAD in the area of strategy between 1997 and 2006. In: Glob Advantage - **Center of research in international business & strategy**. Working paper, no. 7: Portugal, 2008.

SILVA JÚNIOR, A.; MUNIZ, RM; MARTINS, P. O. Evolutionary process and university management: a comparative study between three family-owned higher education institutions. In: **VI International Colloquium on University Management in South America**, Blumenau, SC, November 15-17, 2006.

STEVENSON, WJ. **Applied Statistics for Business Administration**. Harbra. São Paulo: 2001.

TAKAHASHI, ARW. **Unveiling the processes of organizational learning in the development of competencies in educational institutions**. São Paulo, 2007. Doctoral thesis (in Administration) - Postgraduate Program in Business Administration – Faculty of Economics, Administration and Accounting, University of São Paulo.

TEIXEIRA, A. **Higher education in Brazil**: analysis and interpretation of its evolution up to 1969. Rio de Janeiro: Fundação Getúlio Vargas, 1989.

VASCONCELOS, FC; CYRINO, AB. Competitive advantage: current theoretical models and the convergence between strategy and organizational theory. **Revista de Administração de Empresas – RAE**, vol. 40, n.4, Oct.-Dec., 2000, p. 20-37.

WALTER, SA; BAPTISTA, PP; AUGUSTO, POM. Resource-Based View: an analysis of the methodological design and maturity of this approach in the area of strategy at EnANPAD 1997-2007. In: Meeting of Studies in Strategy, 2008, **Proceedings...** Rio de Janeiro: ANPAD, 2008.

WALTER, SA; SILVA, ED. Resource-Based View: a bibliometric and social network study of scientific production in the area of strategy at EnANPAD 1997-2007. In: Meeting of Studies in Strategy, 2008, **Proceedings...** Rio de Janeiro: ANPAD, 2008.

WERNERFELT, BA A Resource-Based View of the firm. **Strategic Management Journal**, 5, p. 171-180, 1984.

YIN, RK **Case Study**: planning and methods. 2nd ed. Porto Alegre: Bookman, 2001.