

ANALYSIS OF THE EXTERNAL COMPETITIVE ENVIRONMENT OF PITEȘTI UNIVERSITY

MĂDĂLINA BRUTU

UNIVERSITY OF PITEȘTI, BULEVARDUL REPUBLICII 71, COD 110014, PITEȘTI, ARGEȘ,
ROMANIA

madalinabrutu@yahoo.com

Abstract:

The strategic objectives of the university are in harmony with those of the Romanian higher education. In the analysis of the competitive external environment we used the Porter Structure, and after the evaluation of the five competitive forces we reached the conclusion that some of these are quite strong, representing dangers for Pitesti University (The risk represented by the entrance into the market of some new competitors; the rivalry degree; the “buyers” power of negotiation), and the other ones are weak (the power of negotiation of the companies providing the materials and services inputs (suppliers); the threat generated by the substitution products), fact that represents great opportunities for Pitesti University.

Key words: external competitive environment, Pitesti University, strategic objectives, competitive factors.

JEL classification: M0, M19.

In 2007, Pitești University celebrated 45 years of activity, years which represent a continuous development. After 48 years since its setting up, 11 faculties operate within Pitesti University.

The identity of Pitesti University is fixed by (Pitești University Charter):

- a) Name: Pitești University;
- b) Emblem, seal, flag and ceremony outfit (cap and gown), established by the Senate;
- c) The Days of the University will be celebrated on a yearly basis, in the first decade of the month of May (Friday, Saturday and Monday), by the organization of some scientific and cultural, artistic and sportive manifestations;
- d) Vice-chancellorship Office: Pitești, str. Târgu din Vale, nr. 1, Argeș county, Romania.

The Pitești University is a distinct academic community functioning in accordance with the Romanian Constitution, with the educational legislation and develops its activity in full autonomy and academic liberty within its own space, with a budget made up of the amounts allotted by the Ministry of Education and Research and of its own incomes.

Pitești University functions as a state institution with legal personality.

Pitești University complies with the principles recorded in the Universal Declaration of Human Rights, adheres to The Lima Declaration on Academic Freedom and Autonomy of Institutions of Higher Education (1988) and to The Magna Charta of European Universities (Bologna, 1988), to the Declaration of Bologna regarding the European area of education and research and is affiliated to the European University Association.

The strategic objectives of Pitesti University are in harmony with the strategic objectives of the Romanian higher education, because the quality of the Romanian higher education represents the main preoccupation of the Ministry of Education, Research, Youth and Sport with which Pitesti University is in perfect agreement.

The Prague Reunion organized on May 2001 and assembling the ministers of education from the European countries, the Documents approved at the European universities meeting from Salamanca (April 2001), The Declaration from Bologna signed on June 1999, preceded by the Declaration from Sorbonne on May 1998, analyzed and explicitly received the essential problems of the academic education, aiming at the performance of the European space of higher education. As a signatory part of these declarations and documents, Romania is interested in implementing the European policies in the field, in rendering the Romanian higher education system compatible to the European one. Besides, the complete approval of the legislation and of the directives in the educational field is provided in Romania's Position Document, under chapter 18 regarding the introduction of the communitarian Acquis, fact that demonstrates our country's desire to perfectly integrate the European space of academic education and to actively participate to its construction. (Ministry of Education, Research and Youth).

This desire, explicitly expressed with time, cannot be transformed into reality, unless the approach of the Romanian higher education problems is analyzed in a realistic manner, without any overvaluation or undervaluation of this phenomenon. Starting from this essential idea, the Ministry of Education, Research, Youth and Sport has the entire interest to present the problem as it is, unveiled, to emphasize, first of all, the lacks of the Romanian higher education, and afterwards its advantages. (THE STRATEGY OF THE ROMANIAN HIGHER EDUCATION DURING 2002-2010).

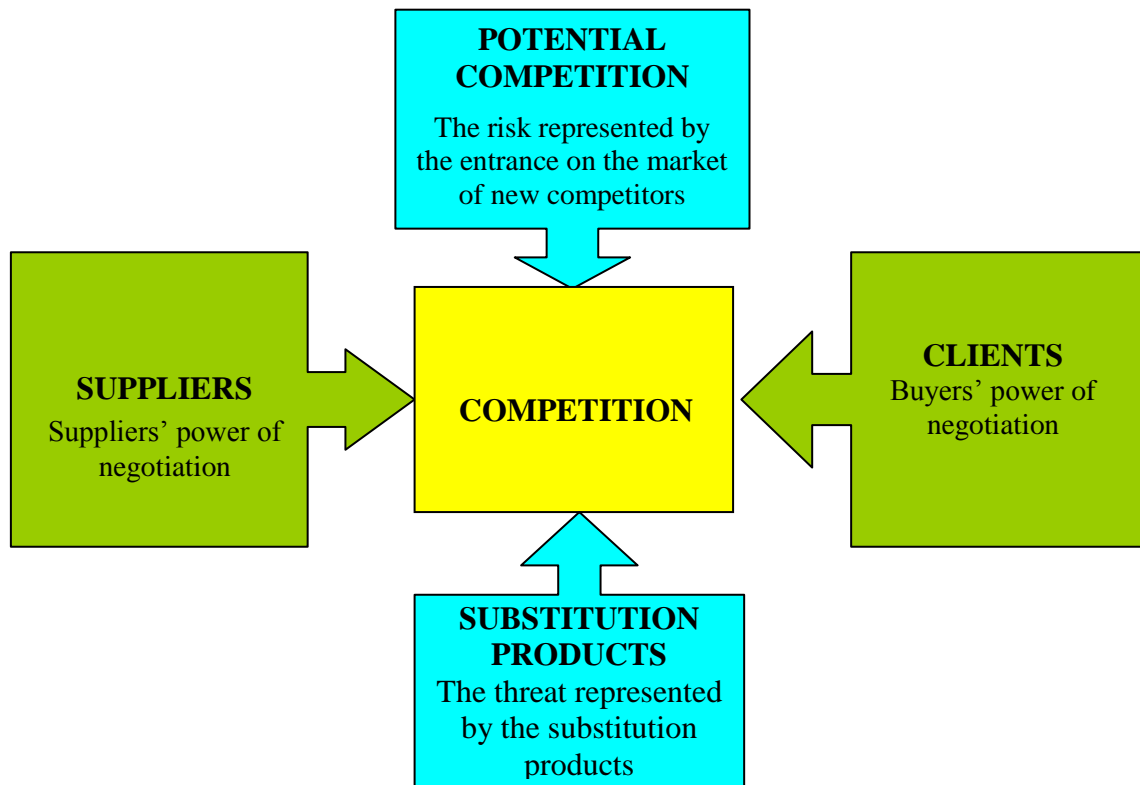
Therefore, Pitesti University understands the importance of the present situation of the entire university education system and proposes the following as strategic objectives during this stage:

- 1. Improving the performances in the students' and teachers' activity.**
- 2. Improving the university infrastructure.**
- 3. A better correlation of the higher education with the labor market.**
- 4. Reorganizing the teaching process.**
 - a. the constitution of the modular systems in university courses packages .
 - b. a new weight center – the discipline associate professor (module).
 - c. the initiation and the development of the educational policies of the type “e-Learning” in the field of communication technologies and the modernization of the infrastructure corresponding to the institutions and to the education units.
 - d. the institution of the experience exchange at a national level (invited professor) and of the interuniversity cooperation in the field of education
 - e. The clear structuring on cycles, with exit gates from the system for the students. The alignment to the changes interfered in the European education system (due to the Declaration from Bologna) implies the structuring on the three basic cycles : cycle I (equivalent to „bachelor”), with a duration of 3-4 years; cycle II (equivalent to „master”), with a duration of 1-2 years; cycle III, represented by a doctor's degree. Such a structure assures exit gates from the system for a student who is not capable of getting through the entire itinerary established by the three cycles.
 - f. the increase of the importance of transferable credits within the university activity
- 5. Stimulating the integration of the Romanian higher education into the European one and the international collaborations.**
- 6. Consolidating the university autonomy, in parallel with the increase of the entire higher education system's synergy and coherence.**

The competitive external environment is much more limited than the general external environment, including those organizations which, by the provided products and services address to the same market segment. Because these organizations

retrospect to the same categories of consumers, their products and services enter into a competition on the market and can, in proportion to the same requirements of the consumers, substitute to one another. This possibility leads to the generation of some new specific competitive forces and to a permanent rivalry between the companies. (Brătianu, 2007).

Porter proposed an approach based on the perspective of the organization within its corresponding sector, on the character of the environment in which the organization develops its activity and competes. This approach is known as „*The Structure of the five competitive forces*”: real competition, potential competition, clients, suppliers and substitution products (Ciobanu, 1998, page 79) (Picture 1).



Picture 1. Porter's Structure – of the competitive factors (Porter, 1985)

1. The risk represented by the entrance into the market of some new competitors. This risk exists and the organizations already in competition fight in order to decrease and to control respectively this risk, because, irrespective of the new organization entered in the competition arena, it will do everything in order to win a segment as important as possible from the already divided market.

The competition in the university environment increased during the years passed after the revolution along with the entrance into the market of the new actors. Pitesti University is aware of the competitive environment in which it develops its activity and of the fact that the present competition can intensify by the setting up of new universities. The entrance into this sector is difficult enough, but, as I consider, the consolidation of new universities is even more difficult, because tradition is a particularly important element within this sector. There are, nevertheless a series of new universities that managed to obtain a good positioning on the market and intensified in this sense the competition within the sector.

The evolution of the educational institutions during the period after the revolution is presented in Table 1 :

Table 1:
The Evolution of the Institutions of Higher Education
(adaptation according to www.insse.ro)

	1991/ 1992	1995/ 1996	2000/ 2001	2003/ 2004	2004/ 2005	2005/ 2006	2006/ 2007
Universities							
Total number of universities	56	95	126	122	117	107	107
Bucharest	15	29	44	41	37	34	34
Pitești	2	2	1	1	2	2	2
Faculties							
Total number of faculties	257	437	696	754	742	770	755
Bucharest	70	135	193	197	191	184	184
Pitești	5	6	11	16	15	16	16

As it comes out from the table hereinabove, the academic competition in Romania intensified during the post-revolution period, the number of universities reaching 107 in 2007, and the number of faculties reaching 755. For Pitești University, the main competitors are the universities in Bucharest and the second university of Pitești (Constantin Brâncoveanu University, an accredited private university).

Therefore, having the example of the prior years, Pitești University is aware of the fact that other competitors as well can enter this market, but especially of the fact that it will be able to resist and to obtain a better position by means of a strategy oriented towards: **PERFORMANCE, QUALITY AND CONTINUOUS IMPROVEMENT.**

The rivalry degree. The second force considered by Porter is the rivalry degree or level that exists between the companies already within the external competitive environment (Brătianu, 2007).

Pitești University considers that the academic rivalry should be combined with the university collaboration, this is the only way to a quality education, at the standards required by the European union. Consequently, Pitești University considers the other competitor-universities to be first of all collaborators and only afterwards competitors, concluding with them a series of partnership agreements (e.g.: AFER-the Association of the Economic Faculties in Romania).

In Romania, during the academic year 2009-2010, the following institutions develop their activity:

- 1. 56-State Institutions of Higher Education;**
- 2. 28-Accredited Private Institutions of Education;**
- 3. 21-Private Institutions of Higher Education, authorized to function temporarily;**
- 4. 5-Private Institutions of Higher Education, authorized to function temporarily, which are in course of accreditation .**

Therefore, in Romania, during the academic year 2009/2010, 110 institutions of higher education develop their activity. All the universities in Romania are potential

competitors for Pitesti University, nevertheless, the main direct competitors are the universities from Bucharest and the other university from Pitesti (Constantin Brâncoveanu University).

“Buyers’ “power of negotiation. The high school graduates, especially those residing in Arges county, but also those from the adjoining counties : Olt, Vâlcea, Teleorman etc. represent the potential clients of Pitesti University. The main problem that Pitesti University, and not only it, has to confront with, consists in the reduction of the number of high school graduates, due to the diminishing of the birth rate registered immediately after December '89. Still, Pitesti University hopes that, in the years to come, the high school graduates will choose one of its 11 faculties.

The power of negotiation of the companies providing the materials and services inputs (suppliers). In the case of universities, this competitive force is less important, but it must be taken into account as well, Pitesti university being preoccupied with the conclusion of advantageous contracts with the suppliers..

The threat generated by the substitution products. For the higher education there are practically no substitution services. There is, nevertheless, a series of post-high school classes that a series of high-school graduates attend, but without having the force and the prestige of a university.

Therefore, after the analysis of the five competitive forces, we concluded that some of them are powerful, representing dangers for the Pitesti University (**The risk represented by the entrance into the market of some new competitors; the rivalry degree; the “buyers” power of negotiation**), and the other ones are weak (**the power of negotiation of the companies providing the materials and services inputs (suppliers); the threat generated by the substitution products**), fact that represents great opportunities for Pitesti University.

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