

## Research Review on Defensive Strategies in Higher Education

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### ABSTRACT

Competition in a less conducive macro environment has an impact on the decline of universities that are unable to compete. A study on the application of defensive strategies to 23 articles selected from 86 articles concluded that the threat of university decline was influenced by internal environmental factors (inaccuracy of the promotion mix), industrial environmental factors (changes in interest and competition) and macro environmental factors (college-age demographics, political policies, economic downturn, neoliberal education policies and pandemics). In a disadvantaged environment, universities are required to be observant, patient, and cautious in their awareness of crisis situations, so that they are able to take advantage of opportunities that are in line with the limitations of their strength to rise in new situations

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## INTRODUCTION

The increase in the number of universities brings universities into the dynamics of competition (Sihite, 2018). Even the competition between universities is getting tighter (Rhendica, 2022), to the point of being very fierce in the red ocean which produces discomfort (Suhendi, 2022). Universities that are unable to compete are affected by the declining admission of new students (Pratama et al., 2021). So that not a few universities ended up closing because there were no more students who wanted to register (Sihite, 2018). Therefore, educational institutions must always pay attention to the environment of educational organizations and manage them properly so as not to experience setbacks and bankruptcies (Rhendica, 2022).

A prolonged decline in the number of new students will pose financial risks for universities, especially the private sector (Novita, 2018). The decline in the number of students in private universities is influenced by the promotion mix such as in the field of advertising and direct marketing (Abdi & Hariyadi, 2017). Various external factors that can hinder the achievement of the target number of students, such as increasing the level of competition, the pandemic, and the development of similar institutions (Lestari, 2024), political and policy directions in the era of economic downturn (Gidimi et al., 2023).

Thus, universities must be able to predict and seriously respond to the decline in the number of students. Universities need a business strategy to be able to survive so that they can rise and develop again (Sarkawi et al., 2015). The accuracy of strategy selection is very important considering that inaccuracy in using strategies can result in a decrease in the number of new students (Lusiana & Rahmiati, 2016). This study intends to review several studies on strategies carried out by organizations in a defensive situation. This study is expected to provide benefits for organizational managers, especially small universities, in dealing with changes in the internal and external environment that are increasingly dynamic which can have a serious impact on the existence of the organization.

## LITERATURE REVIEW

### *Decline in the Organizational Cycle*

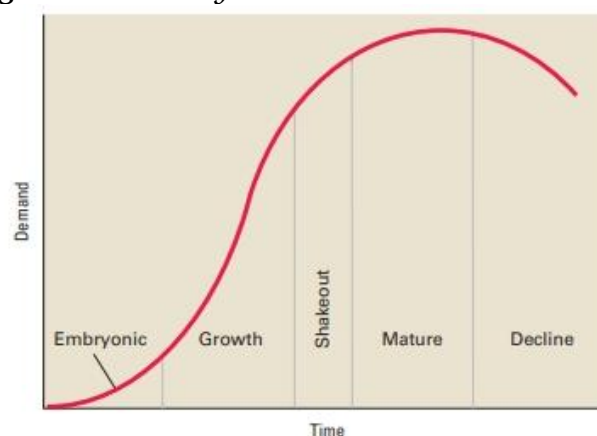


Figure 1. Stages in the Industrial Life Cycle (Hill, 2019)

The industrial life cycle model identifies five sequential stages in the evolution of an industry that lead to five different types of industrial environments: embryonic, growth, shock, maturation, and decline (Hill et al., 2020). The downturn phase takes place when growth becomes negative for a variety of reasons, including technological substitution, social change, demographics, and competition (Hill et al., 2020). Downside symptoms are detected from: decreased profitability, reduced dividends due to reinvestment, decreased sales, increased debt, decreased liquidity, delayed issuance of financial results, decreased market share and repeated manager turnover, panic of peak managers, decreased planning or strategic thinking (clarity of direction) (Thompson et al., 2023).

**Crisis Management**

**TABLE 10-2** Organizational Life Cycle

	Stage I	Stage II	Stage III*	Stage IV	Stage V
<b>Dominant Issue</b>	Birth	Growth	Maturity	Decline	Death
<b>Popular Strategies</b>	Concentration in a niche	Horizontal and vertical growth	Concentric and conglomerate diversification	Profit strategy followed by retrenchment	Liquidation or bankruptcy
<b>Likely Structure</b>	Entrepreneur dominated	Functional management emphasized	Decentralization into profit or investment centers	Structural surgery	Dismemberment of structure

Figure 2. Organizational life cycle (Wheelen et al., 2018)

Crisis management involves managing certain risks and uncertainties in the future, handling opportunities and surprises, as well as managing resources to cope with unexpected and unlikely events in the organizational environment (Thompson et al., 2023) Sometimes top managers are unwilling to acknowledge the existence of serious weaknesses, may be unaware of crisis situations, are aware of the existence of problems but respond as temporary environmental disturbances, avoiding liquidation in the hope of a miracle, until entering a cycle of regression, which ends in passivity and helplessness; so it needs a board of directors that can tell top management when to quit (Wheelen et al., 2018).

**Defensive Strategy - Damage Control**

The defensive strategy in SWOT is in the WT strategy, the defensive quadrant position (bottom left) in SPACE, the third quadrant position in GSM (David et al., 2023). The defensive strategy in BCG is the dog position (Thompson et al., 2023). Defensive strategies include retrenchment, i.e. regrouping through cost and asset reductions to reverse declining sales and profits; divestiture is the sale of a division or part of an organization; and liquidation i.e. the sale of all the company's assets, in some parts, to obtain real value (David et al., 2023). There are also other efforts through bankruptcy strategies (Wheelen et al., 2018).

The lower right quadrant (WT) of the SWOT matrix presents a situation that may be very destructive, even catastrophic for the organization, that is, when the organization in a weak state is not prepared to face the threat that comes its way, so the situation is very vulnerable, then the strategic option that may be available is damage control operations (Kearns, 1992). WT (damage control) strategy to minimize weaknesses and avoid threats (Yuniarti, 2015). Until there is a small chance for a more optimal scenario if the organization has the time and resources to turn its weaknesses into strengths (Kearns, 1992).

		EXTERNAL FACTORS	
		Opportunities	Threats
INTERNAL FACTORS	Strengths	Comparative Advantage	Mobilization
	Weaknesses	Investment/Divestment	Damage Control

Figure 3. Four strategic issues in SWOT analysis: (1) Comparative Advantage, (2) Mobilization, (3) Investment/Divestment, and (4) Damage Control (Source: Kearns, 1992)

## METHODOLOGY

This descriptive research uses a qualitative approach. This literature review uses document data in the form of journal articles (Satori & Komariah, 2014). Search for articles related to the theme of soft self-management skills is carried out through browsing using google scholar and the Publish or Perish 7 application. The stages of literature review follow Nakano & Muniz (2018). The treatment of the study on the results of the article collection includes reduction, data presentation and conclusion (Sugiyono, 2018).

## RESEARCH RESULT

The results of the article search study through google scholar and Publish or Perish 7 resulted in 86 articles related to defense strategies in universities. Content analysis of these articles leaves a total of 28 articles. The results of the study based on literature related to the implementation of the defence strategy will begin with an excerpt of previous research on the implementation of the defence strategy and the results of the evaluation.

### *Decline of Higher Education Institutions*

There are several examples of cases of declining student achievements. The number of students in Poland has decreased by 31 percent in a period of 11 years, from 2006 to 2017 (Ostrowska, 2018). Universities in the UK saw a 65 percent decline in the 2021 academic year, with a more severe decline in certain groups of institutions and certain fields, particularly in health and life sciences and arts and languages (Neville et al., 2024). Sardiana & Fitriani (2020) recorded

a 76 percent decline in students in the economic education program from 2015 to 2019. Leadbeater & Kiernan (2021) also reported a 60 per cent decline in students in the fine and applied arts and humanities in Southern Ontario from 2006–2017. An example of a graph of the decrease in the number of students is presented in Figure 4.

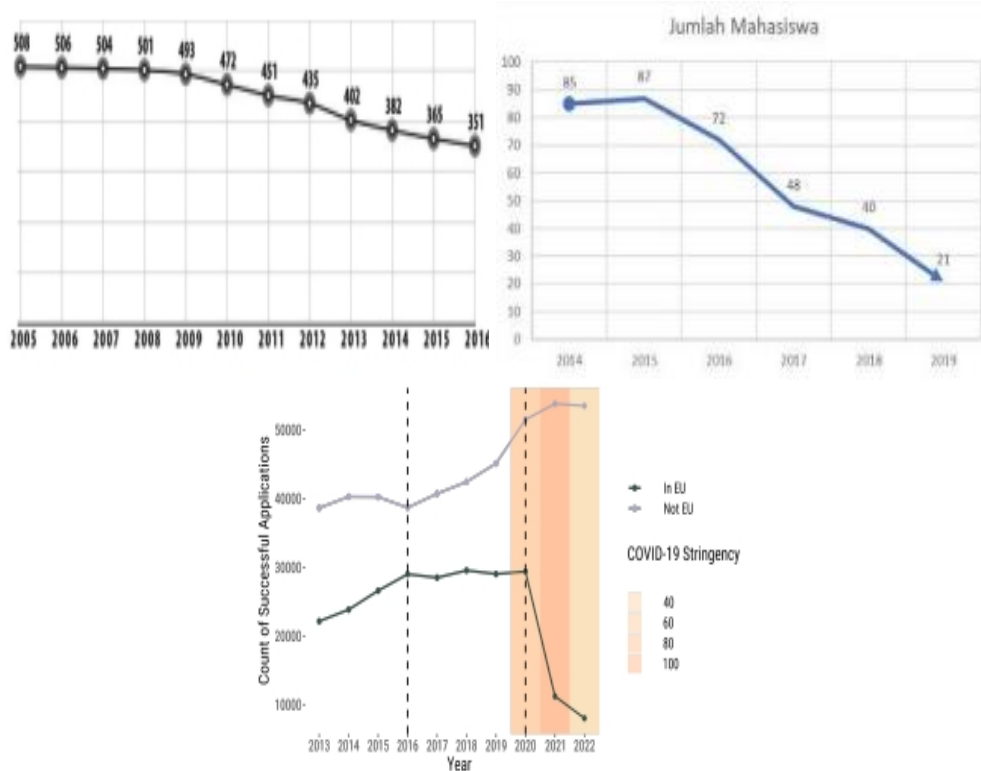


Figure 4. Example of a graph of declining student numbers (Source: Neville et al., 2024; Ostrowska, 2018; Sardiana & Fitriani, 2020)

### Causes of Decline

The decline in the number of new students can have an impact on the decline of the university, among other things caused by internal factors such as inaccuracies in the use of the promotion mix (Abdi & Hariyadi, 2017; Lusiana & Rahmiati, 2016). In the competitive environment, among others, it is caused by changes in students' interest in their fields of study (Leadbeater & Kiernan, 2021) and competition by increasing the number of universities (Lestari, 2024; Novita, 2018).

In the macro environment, the cause of the decline in prospective students registering for universities is due to a decrease in the college-age demographic (Ostrowska, 2018). Changes in political policies (Neville et al., 2024) and economic downturn (Gidimi et al., 2023). Furthermore, Leadbeater & Kiernan (2021) argue that neoliberal education management policies that shift social and cultural goals outside the education market have weakened universities. This is still aggravated by the pandemic problem (Lestari, 2024; Neville et al., 2024). An illustration of the problem of decline in higher education is presented in figure 5.

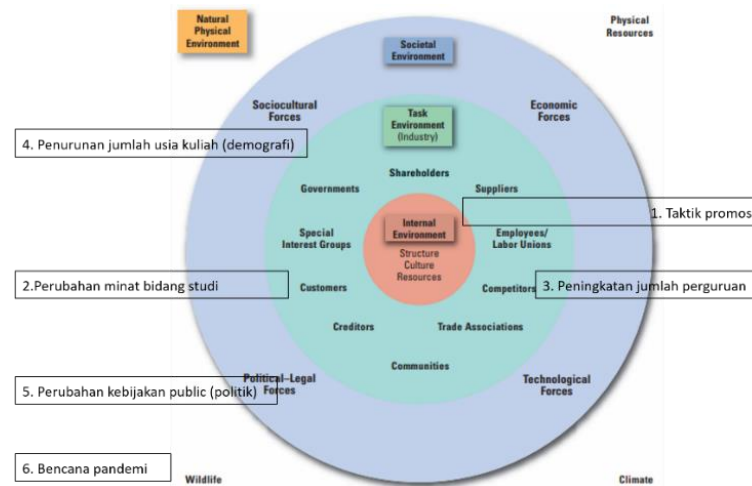


Figure 5. Map of the problem of declining student numbers (Source: Wheelen et al., 2018)

### Strategy Recommendations

There are several recommendations from previous researchers to overcome the problem of declining the number of new students that threatens the existence (decline) of higher education. Among these recommendations is the implementation of the right promotion mix (Abdi & Hariyadi, 2017). In the era of society 5.0, Lusiana & Rahmiati (2016) suggests focusing on websites and information of friends/relatives while still optimizing other strategies (Lusiana & Rahmiati, 2016). At the macro level, Neville et al. (2024) suggest strategic policy interventions to maintain the attractiveness of the study area for prospective students.

## DISCUSSION

The decrease in the number of prospective new students who are interested in registering at a university is a signal that needs to be watched out for by university managers. Because a prolonged decline in the number of new students will pose financial risks to higher education (Novita, 2018), which can have an impact on the decline of universities. Referring to the industry life cycle model (Hill et al., 2020), a decline stage can occur when growth becomes negative, which reflects that a product or service begins to be abandoned due to changes needed by consumers (Figure 1). Therefore, university managers must always pay attention to changes in the market environment, especially new candidates. Significant changes in market behavior need to be anticipated and addressed with aligned adjustments to maintain the matching value between the services offered and changing market needs.

Scrutiny needs to be carried out on various factors that are the cause of the decline in the number of prospective new student applicants. Looking at the theory of environmental scanning in strategic management, the existence of an organization is influenced by internal environmental factors, the industrial environment (competition) and the macro environment. According to some of the results of previous studies, as shown in Figure 2, the influential internal

environmental factor is the promotion mix, while the industrial environmental factor is a change in interest in the field of study and competition by increasing the number of universities, while the macro environmental factor is a decrease in the college-age demographic, changes in political policies, economic decline and neoliberalistic policy management and the pandemic. Thus, these factors need to be a concern for university managers to be addressed with adjustments that are relevant to changes in the organizational environment.

Evaluation of the promotion mix that has been implemented needs to be relevant to changes in the market environment of prospective new students. The promotion mix in the era of society 5.0 with the massive use of social media, especially in generation z, requires a relevant promotion strategy, with adjustments to communication materials, communication techniques and communication channels that are familiar to prospective new students. Flat communication materials with unidirectional communication techniques through offline media channels need to be changed to more attractive communication materials, with more communicative techniques through online media channels; For example, suggestions from Lusiana & Rahmiati (2016) to pay more attention to online media and worth of mouth.

Innovation in alignment with the communication of developments according to the expectations of potential customers is also expected to be a consideration for prospective students to register. Looking at Porter's generic matrix, innovation is also needed to build uniqueness that can be excelled in the midst of an increase in the number of new universities, in order to avoid deadly competition in the red ocean. On the other hand, to maintain the role of universities in educating the community, government policies are also needed to maintain the conduciveness of the macro environment. As Leadbeater & Kiernan (2021) argues, government policies greatly determine the existence of the role of educational institutions, where neoliberal policies will weaken certain fields of study and vice versa, policies that position education in non-market social and cultural goals will strengthen the role of educational institutions.

In the situation of an unfavorable educational organization environment, related to changes in the behavior of the generation of prospective students, in the midst of fierce competition due to the impact of the post-pandemic economic downturn and neoliberalization of education, small universities are required to fight hard to be able to survive. In such a situation, universities must be more careful in monitoring changes in the educational organization environment and be more careful in taking management leadership so as not to experience setbacks and bankruptcy (Rhendica, 2022). University leaders must be honest about the situation they are facing, and based on awareness of crisis situations, they are able to manage risks and uncertainties (Thompson et al., 2023). Damage control strategies (Kearns, 1992) need to be applied when organizations are in a weak state and are not prepared to face the threats that come their way, so the situation is very vulnerable. An unfavorable situation where the decline in the number of prospective new students lasts for a long time to have an impact on the financial health of the organization can have an

impact on the decline of the organization. Organizations need to be managed very carefully and carefully, where small mistakes in management can exacerbate weaknesses and weaken resistance to threats (Yuniarti, 2015). Foresight and prudence need to continue to be carried out until they are able to take advantage of opportunities that are in harmony with the strength of limited resources to turn weaknesses into strengths (Kearns, 1992). Thus, foresight, patience, and caution are important to be applied within the framework of awareness of crisis situations so that they can survive and the unfortunate period is passed safely in order to be able to rise and return to take part in the new situation.

## **CONCLUSIONS AND RECOMMENDATIONS**

Changes in the market behavior of prospective new students need to be constantly observed by the management of educational institutions. A prolonged decline in the number of prospective new students can have an impact on the decline cycle of universities. The threat of university decline due to a decrease in the number of prospective new students can be influenced by internal environmental factors (inaccuracy of the promotion mix), industrial environmental factors (changes in interest in fields of study and competition) and macro environmental factors (declining college-age demographics, changes in political policies, economic slump and neoliberal policy management and pandemics).

Innovation is needed to build uniqueness that can be excelled in the midst of an increase in the number of new universities, in order to avoid deadly competition in the red ocean. Constructive government policies are needed to maintain the conduciveness of the macro environment and strengthen the position of education in social goals and on the contrary, it will be increasingly burdensome on neoliberal policies. In the situation of an unfavorable educational organizational environment, universities are required to be more careful and objective in monitoring changes in the educational organizational environment and be more careful in taking management leadership so as not to experience decline and bankruptcy.

University leaders must be honest about the situation they are facing, and based on awareness of crisis situations, they are able to manage risks and uncertainties by implementing damage control strategies. Carefulness, patience, and caution are important to be applied within the framework of crisis situation awareness to avoid small mistakes that exacerbate weaknesses and weaken resilience; to be able to take advantage of opportunities that are in line with the limited strength of resources to rise and return to take part in the new situation.

## **ADVANCED RESEARCH**

In writing this article the researcher realizes that there are still many shortcomings in terms of language, writing, and form of presentation considering the limited knowledge and abilities of the researchers themselves. Therefore, for the perfection of the article, the researcher expects constructive criticism and suggestions from various parties.

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