

## INCLINATION OF HIGHER EDUCATION INSTITUTIONS TO ADOPT BLUE OCEAN STRATEGY: EVIDENCE FROM UNIVERSITIES IN KINGDOM OF SAUDI ARABIA

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### ABSTRACT

*This study magnifies the importance of adoption of the Blue Ocean Strategy (BOS) in the universities of Saudi Arabia. The core idea is to identify the strategic tendencies of such universities to develop unique market spaces for attaining a competitive edge. The study employed a qualitative research methodology in the shape of conducting semi-structured interviews with senior faculty members, researchers, and policy makers/administrators from both public and private universities. This is in addition to strategic consultants associated to higher education sector. The research findings reveal an increasing interest among these Higher Education Institutions (HEIs) to adopting BOS principles as a way of recognizing themselves in a competitive academic marketplace and align with the objectives of Saudi Vision 2030. Some of the key results indicate that universities have attempted to prioritize innovation and new market development, but encountered obstacles such as bureaucratic administration, centralized decision making, cultural opposition, and the requirement for a more structured and sustainable approach to strategic innovation. This study calls upon the importance of resilient strategic management practices in higher education by offering suggestions for improving the implementation of BOS in a more effective way. It is highly recommended for the policy makers and strategic consultants to promote an innovative culture, through developing a participative decision-making management style and by reinforcing a proactive approach to come in partnership with the industry. Best practices of the developed and western world may ideally be replicated in the form of adoption of BOS in public and private universities of Saudi Arabia.*

**Keywords:** Blue Ocean Strategy (BOS), Higher Education Institutions (HEIs), Kingdom of Saudi Arabia, Strategic Management.

### INTRODUCTION

Higher Education Institutions (HEIs) all over the world are confronting huge challenges related to strategic management in scholarly environments both at public and private levels. Kingdom of Saudi Arabia (KSA) is not an exception. Kim and Mauborgne (2004, 2005) introduced the concept of Blue Ocean Strategy (BOS) in the mid-2000s. This strategy represents a significant departure from traditional strategic management practices that have dominated the field for many a decades. Denning (2017) depicts the impact of Kim and Mauborgne's work as a 'revolution' in the space of strategy. The fundamental principle of BOS is straightforward: rather than engaging in severe competition in saturated markets. Saturated markets are dubbed as Red Ocean Markets. The organizations should instead emphasis on categorizing and capitalizing on available market opportunities in unconcealed areas which are declared as Blue Oceans. The concept has become one of the most broadly

utilized and discussed narrative in the realm of strategic management, and is often referenced by professionals and consultants widely (Madsen & Slåtten, 2019). This approach permits organizations to work freely and without open competition (Madsen & Slåtten, 2019). BOS has achieved significant momentum and importance within the business community during the last 10 years (Agnihotri 2016; Holiday 2017; Denning 2017).

In a seminal work, Al-Abd Al-Latif and Ben Saif (2020) determined that the strategic vision of the Saudi Arabia 2030 highlights the kingdom's position with its internationally high-quality products and services. This is demanding the adoption of institutional distinction as a strategic choice for achieving the objective of competitive advantage. This research intended at proposing a strategy for attaining competitive advantage in universities of Saudi Arabia. This is in the light of Vision 2030 by using the descriptive

method to analyse the intellectual and conceptual frameworks for creating competitive advantage in these universities. This research ensued in a proposed concept to achieve a competitive advantage in the universities of Saudi Arabia under Vision 2030 (Al-Abd Al-Latif & Ben Saif, 2020). We are also interested in progressing the academic performance of Higher Education Institutions (HEI) and achieve a competitive edge (Bataineh & Aga, 2023).

Scholars have studied and examined the higher education sector over the last two decades so as to evaluate its compatibility with current technical and sociological developments. As for instance, Bragança's research endeavour (2016) on the application of BOS to higher education is considered a key contribution in this field. The author criticizes the sector's modernization efforts and highlighting their flaws because they follow an out-dated 19th-century paradigm. The study uses conceptual analysis to assert that HEIs are falling behind in incorporating technological breakthroughs and pedagogical innovations. Bragança proposes that the industry shift its focus from competitive, saturated markets (known as "red oceans") to unexplored, value-laden areas (dubbed as "blue oceans"). This change would involve implementing disruptive technologies and new business models that are significantly different from conventional educational frameworks (Bragança, 2016). His research is persuasive in advocating for significant change in higher education but lacks in certain aspects. The study does not have actual evidence to support its findings and instead relies on a general conceptual critique.

The argument for the BOS lacks empirical evidence or case studies and thus making its practical implementation in higher education seems uncertain. Furthermore, the study lacks a precise framework or guidelines for higher education institutions to follow when implementing the strategy. Future research can concentrate on investigating universities' tendencies to employ the BOS as a means to achieve competitive advantage. This novel investigation will help understand the strategic motivations, processes, and outcomes of adopting such innovative approaches within the higher education sector. By focusing on this aspect, the study will shed light on how universities are navigating the competitive landscape through differentiation and value innovation, contributing to a deeper understanding of strategic management practices in higher education.

In another context, the effectiveness of the application of BOS in educational institutions has been investigated by Fitri (2022). He concluded that BOS helped Islamic educational institutions in finding breakthroughs and innovations in creating a market space without competitors. He further stated that innovations created in educational institutions have succeeded in improving the quality of education, especially in terms of output, which would enhance the graduates' placement. In order to uphold their position as frontrunners in their respective domains, universities strive to broaden their customer base through the implementation of mechanisms that enhance their advantage over other institutions offering similar services. Additionally, they endeavour to establish strategies that set them apart from their local counterparts. This differentiation is critical for universities to sustain their competitive edge and retain their status as field leaders. Emerging universities in developing countries may raise the calibre of their offerings and provide their students with a more engaging learning environment by focusing on creative leadership, specifically Blue Ocean Leadership (Dill, 2003).

The study focuses on the context of underdeveloped nations, specifically Jordan, using a case study of Jadarah Private University. But it may not be widespread to further countries with diverse contexts, types of HEIs, and challenges. Furthermore, the study does not cite challenges and limitations encountered during the study to offer a balanced view of the findings. This interest is obsessed by the need for academic institutions to differentiate themselves in a competitive market and to contribute meaningfully to the global and local economies. In context of Saudi Arabia, investigation on the application of the BOS in higher education, particularly in the context of emerging economies like that of SA, has been expanding over the past two decades.

Bin Othman (2020), which examined how the BOS could perform as a lever for competitive advantage in the graduate programs of universities in Saudi Arabia. The research used a survey data methodology in which expert views on the strategy's application across four dimensions were sought. This is how its role in getting competitive advantage was identified. This study determined that there was a moderate to strong correlation between the competitive advantage and BOS dimensions. And there is no significant variation in responses across different demographics. The research endeavours of Bin Othman offer foundational

insights into the applicability of the BOS in Saudi Arabia postgraduate programs. But we need to focus on areas where the study could dig deeper: These aspects contain unique socio economic context, These are describing with specific strategic moves, and bias due to dependence on expert opinions.

The study's conclusions are drawn from a homogeneous cultural and economic context, limiting its applicability beyond Saudi Arabia. Lastly, the study lacks explicit suggestions for further research and does not mention other limitations that could be detrimental for future studies. Addressing these limitations would enhance the generalizability and usefulness of the findings in other contexts. To address the identified gaps and contribute to the body of knowledge on this topic, the following steps could be considered: studying in-depth case studies of graduate programs that have implemented the Blue Ocean approach to provide insights into the specific circumstances and the concrete impacts of the approach. Secondly, it is necessary to build more precise hypotheses to analyze the strategy's ability to create a competitive advantage. Using a mixed-methods research methodology that combines qualitative interviews with quantitative analysis will provide a more comprehensive and detailed knowledge of the effectiveness of the plan. Cross-cultural comparisons in various geographic and economic contexts will reveal how cultural and economic variables affect the implementation and outcomes of the approach. Finally, new research should clearly outline its limits and propose future research possibilities, such as examining the long-term sustainability of Blue Ocean efforts or their impact on graduates' employment. Future research could also provide practical direction for Saudi Arabian educational institutions by refining methods and focusing on flexibility to meet local and global difficulties. It can create a model that can be adjusted for use in similar places worldwide.

This literature review combines multiple studies on the strategic plans of higher education institutions, specifically focusing on the BOS. The research analyses whether the sector is keeping up with current trends, evaluates initiatives to modernize, and explores the specific uses of BOS in educational institutions. This analysis identifies research gaps to guide future research projects that aim to enhance strategic management techniques in higher education, particularly in the context of Saudi Arabia. The main target is to examine whether HEIs in Saudi Arabia adopt BOS to gain competitive advantage.

It has been noted that the acceptance of BOS at Saudi universities is a significant paradigm shift in the higher education system of the country. Previously, universities in Saudi Arabia have often directed within the limits of a red ocean which is described by intense competition and a. emphasis on existing market boundaries. Various universities have accepted the principles of BOS to shape out new opportunities and create open market space while recognizing the need for differentiation and innovation, (Guerrero et al., 2016).

We also realize from literature that the key aspect of the assumption of BOS is the importance on value innovation. Universities can offer distinctive educational experiences that provide to the needs of other stakeholders and students in ways that traditional approaches cannot. This may include redefining the curriculum, developing new delivery methods that cater to diverse student populations, or leveraging technology for enhanced learning experiences (Khayati et al., 2019).

The adoption of BOS urges universities to shift their focus from competition to collaboration. Universities mainly seek to work together with government agencies, industry partners, and other educational institutions to expand the overall market and create synergies Instead of solely competing for existing resources and students. This collaborative approach allows universities to tap into new sources of support and funding, and fosters innovation (Khayati et al., 2019). We have also learnt that the application of BOS requires a cultural shift within universities, flexibility, emphasizing agility, and a willingness to challenge orthodox wisdom. This may imply empowering faculty and staff to research with new ideas, risk taking and fostering a culture of creativity, and reevaluating traditional processes and structures that may impede innovation (Guerrero et al., 2016).

General, the adoption of the BOS at Saudi Arabia universities holds the potential to revolutionize higher education system in the country, enhancing competitiveness, driving innovation, and eventually better serving the needs of students, and society. By accepting collaboration, innovation, and a culture of creativity, universities can position themselves as leaders in the global knowledge based economy and contribute to the long term sustainable development of Kingdom of Saudi Arabia.

### 1.1 Questions and Concerns

Regarding BOS is concerned; there are a range of questions and sub-questions swinging in the mind of policy makers and researchers. As for instance what are the implicit and explicit imperatives of BOS? What is the inclination among higher education universities in Saudi Arabia to adopt the BOS? How extensively do HEIs utilize the BOS? How do HEIs utilize strategies to improve their competitive advantage? Is there any need to make a comprehensive plan at national level to gradually launch BOS?

### 1.2 Research Objectives

In order of address the questions and concerns as mentioned above, the key objective of this research endeavor is to examine the higher education sector's tendency to employ BOS for gaining advantages with the potential to frame policy and strategic decision-making in the sector.

### 1.3 Hypothesis

**H1:** There is a considerable variation in the tendency towards adopting the BOS between public and private universities in Saudi Arabia

**H2:** Private institutions in Saudi Arabia are more likely to adopt the BOS than public universities because of their greater flexibility and autonomy in making strategic decisions.

### 1.4 Rationale

The higher education sector is experiencing a paradigm shift, requiring institutions to differentiate themselves from traditional competition and create unique value propositions. The Blue Ocean approach, which encourages exploring untapped market spaces, aligns with the Saudi Vision 2030, emphasizing quality and excellence in service delivery. This research is quite a timely attempt due to competitive pressures, the alignment of the Saudi 2030 Vision with innovation and quality, and the global shift towards non-traditional educational offerings. Comparative analysis between public and private universities will offer insights into how different institutions perceive and implement innovative strategies. The findings will inform policy and strategic decision-making, providing evidence-based insights into the benefits and challenges of adopting BOS. This research will also contribute to the academic discourse on strategic management in higher education by filling gaps in the literature on strategic management in higher education. By examining the tendencies and outcomes of BOS adoption in Saudi

universities, the study aims to contribute to strategic management practices that can lead to sustainable competitive advantages in the higher education sector.

## 2.0 Methodological Considerations

Hou (2012) analyzes the impact of quality assurance programs in Taiwan, providing a framework for our semi-structured interviews assessing Saudi universities adoption of BOS principles. Methodology normally revolves around three aspects including conceptual framework, data related imperatives and empirical framework. The literature reviewed in the last section demonstrates the utilization of various methods, such as conceptual framework, theoretical analysis, empirical research, case studies, literature reviews, and interviews. The review of literature revealed that the researchers incorporated a mixture of qualitative and quantitative methodology. Selected papers prioritize qualitative approaches, such as case studies and theoretical analysis, while others apply quantitative methods, such as empirical analysis.

It was concluded that the best method to adopt in our research was the qualitative method. This method can be more effective for gaining in-depth insights into participant's motivations, thoughts, and experiences. We also become able to understand the institutional influences and dynamics in a holistic way. The main approach for data collection involved conducting inclusive, semi-structured interviews with researchers, senior faculty members, and policy makers/administrators from both private and public universities, furthermore to strategic consultants associated in the higher education sector.

The study applied content analysis of the interviews to gain constructive insights into strategic decision making implementation and processes experiences in the higher education sector, providing a full understanding of the strategies efficiency. The objective of this methodology is to get a comprehensive comprehension of the rationales, motivations, challenges, and implications linked to the adoption of the BOS. Interviews provide participants with an opportunity to reveal confidential information in a personal context involving previous obstacles or setbacks encountered while formulating strategies for universities in KSA.

**2.1 Interview Structure**

Fifty interviewees representing academic faculty, policy makers/administrators, researchers serving in the universities of Saudi Arabia, both public and private, some of whom are strategic consultants with vast experience in strategy formulation for universities discussed their perspectives on the tendency of universities to implement the BOS. The interviewers gave a brief introduction outlining the study's purpose and the respondents' contributions. They provided a general overview of the blue ocean approach, including its definition. Following which the interviewees provided examples of how they establish plans and the institution's inclination to utilize blue ocean strategies to attain a competitive edge.

**Introductory questions included:** What is your position at your university?, What is your expertise in formulating strategies for higher education institutions? And are you familiar with the blue ocean and red ocean strategies? Next, 8 overarching questions of semi-structured nature are presented as follows:

**2.1.1 Semi-Structured Questions**

1. How does your university strategize and implement innovative initiatives in response to changes in higher education?

2. Can you share any experiences or ideas about using novel strategies to create new markets in the higher education sector?
3. What are the advantages and difficulties of implementing the Blue Ocean Strategy in the competitive environment of academics, in your opinion?
4. Can you provide specific strategic initiatives your university has pursued to identify new market opportunities or redefine current market boundaries, in line with the Blue Ocean Strategy principles?
5. What challenges have you faced while implementing innovative strategic, like the Blue Ocean Strategy, in your university's operations or culture?
6. How does your university evaluate the effectiveness and influence of its strategic initiatives, especially those focused on providing distinctive value propositions to stakeholders?
7. How do you prioritize promoting innovation and creating new market segments in your university's strategic planning?
8. Has your university consulted strategic planning advisers to help align institutional goals with the Blue Ocean Strategy?

**2.1.2 Interviewees List:**

Based on the diversity of the below (see table 2.1) selected interviewees and their extensive experiences with higher education strategy development, we expect a dynamic discussion.

**Table 2.1 Distribution of Key Informants/Respondents**

Category	Public	Private	Total
Faculty	10	5	15
Researchers	7	3	10
Policy makers/Administrators	15	-	15
Strategic Consultants	7	3	10
<b>Total</b>	<b>39</b>	<b>11</b>	<b>50</b>

**3.0 Data Analysis, Findings and Discussion**

**3.1. Data Analysis, Validity and Ethical Consideration**

Fifty respondents were interviewed, and the data collected sought to uncover the background information of individual experts. The study sought to find out the Saudi universities inclination to adopt the BOS. The interviews were analyzed to identify the patterns and trends within the respondents' answers

using content analysis. Commonalities and differences between public and private universities as well as challenges faced by them were highlighted in the respondents' answers. To ensure the accuracy, reliability, and credibility of the analysis process and its outcomes, several checks and balances were applied. Prior to conducting the interviews, the interview questions were reviewed by two experts to ensure their alignment with the research question. During the interviews, an instant typing of answers was shared

with the participants during the session to solicit their confirmation of the accuracy of the feedback they were giving. Post interviews, interview analysis verification was made by comparing the analysis against the original transcripts to ensure that the analysis was error-free. The researchers have been involved in discussions with other researchers about the findings, interpretations, and analysis process to help identify potential alternative explanations and limitations. An overview of the themes, and their alignment with the hypothesis was rationalized to evaluate answers against the said hypothesis so as to qualify the same or disqualify it. During the interview, the participants were confirmed that their identities and responses will be kept classified and confirmed their anonymity through using codes rather than real names when reporting interview data. The researchers conveyed that participation in the interview is voluntary and that participants have the right to leave at any time without negative consequences. The interviews were performed according to the setting specified by the participants to make them feel relaxed and at ease of communication. All participants were treated equally and received close consideration for every point they made during the interview (BERA, 2018). Ethical authorization was obtained for fifty of the participants from the appropriate research center before conducting the interview.

### 3.2 Discussion of Findings

It is estimated that around 60 percent of respondents revealed that they have worked with public and private universities, as 40 percent have worked at private universities. The responses provided a valuable balance of views from the two categories of higher education institutions. Almost all the respondents indicated they have contributed in strategy formulation and implementation projects in their institutions. A large proportion of the respondents indicated that they have been in positions that involved strategy formulation to support the creation of new markets in the higher education sector. Most indicated experience ranging from 15 years and above in strategic planning. A considerable number of respondents also indicated that they have participated in strategy development and implementation at both public and private higher education institutions. Their insights provided a strong basis to conclude that their responses are authentic and based on experience. Importantly, the majority of respondents indicated that they are fully familiar with both Blue Ocean and Red Ocean Strategies.

### 3.3 Universities strategies and Implementation of Innovative Initiatives

All respondents indicated that both public and private universities use both modern and traditional strategies in response to changes in the internal and external environment. However, the respondents argued that modern strategies such as the BOS are used more successfully in the corporate world than in the higher education sector. The universities develop a diverse range of strategies and initiatives, such as mid- and long-term strategies, a mix of traditional and modern strategies, the use of traditional and modern tools and models, enhanced capacities, and collaboration with partners. Majority of the respondents observed that both public and private universities often have different approaches to strategizing and implementing innovative initiatives in response to changes in higher education. Public universities tend to face more bureaucratic hurdles and budget constraints compared to private universities. For example, private universities can easily leverage technology and adopt new strategies compared to public universities, partly due to fewer bureaucratic tendencies and less budget constraints. However, both public and private universities focus on the domains of research as per desire of student and faculty rather than that of community needs. These obstacles mirror issues identified in other studies on strategic innovation in higher education, where the need for structured and sustainable approaches is critical for success (Rodgers, Grays, & Jurich, 2012). While public universities have stronger access to collaborate with government agencies to leverage resources and expertise, private universities have a weaker network with industry. However, they do occasionally prioritize market-driven initiatives with private companies or small-scale projects with government entities that cater to the needs of students and employers. While predominant centralized and single decision-making at public universities hinders a consistent and fast BOS implementation, private universities tend to have more flexibility and autonomy in decision-making processes, which tends to enhance their pace of strategy implementation but not in a consistent manner. This approach not only facilitates innovation but also helps in mitigating cultural and administrative resistance (Odell, Korgen, & Wang, 2005).

### 3.4 Use of Novel Strategies for Creating New Markets in Higher Education Sector

The findings reveal that both public and private universities are leveraging existing capacities in strategy by pursuing consultancy support as appropriate to strategize and implement innovative initiatives in Saudi higher education. In terms of the competitive landscape, the respondents' observation is that the market in KSA is now highly competitive with multi-course delivery options (on campus, hybrid, and online). Equally, most public and private universities that use a variety of strategies tend to customize learning pathways rather than one-size-fits-all. Universities need to develop a distinctive offering that can successfully compete in the market. The institutions have increasingly leveraged technology to offer virtual or hybrid learning experiences. This is in line with the goals of most universities, which are seeking more efficient and effective learning approaches. Another important observation is that higher education institutions are increasingly forming partnerships with industry to help them tailor their programs to meet the demands of the job market, further expanding their reach and appeal to prospective students.

A number of respondents argued that some HEIs are aware of modern strategy models such as the BOS but efforts do not continue because of the centralized decision-making that depends on individuals' visions and not on sustainable institutionalized practices. Around 20 percent respondents observed that in strategy development, there is no vision for entering new markets rather more traditional approach is generally followed. This observation is fairly valid for public and private universities. Due to restrictions on attracting international students, respondents also observed that this situation presents limitations in the number of opportunities offered to private universities. Some respondents cited several barriers to innovative strategy development, including limited opportunities for international students, high entry barriers, and the high cost of accreditation. Twenty percent respondents indicated that the universities face challenges in strategy development and implementation because they underutilize the knowledge and expertise of faculty. This might be associated to certain hurdles in the way of freedom of thought and freedom of speech in KSA.

Respondents indicated that the higher education sector can benefit from the deployment of strong brand differentiation strategies. For instance, they can

leverage employability branding associated with prominent employers, bolstered by robust B2B marketing and verified alliances. The market can enhance its attractiveness by applying the overseas deployment model of the UK or USA which enables taking the brand online or physically to new attractive markets overseas. We can use branding differentiation statements to draw overseas students to our existing university campus.

Public universities have been successful in implementing innovative ideas by establishing companies that yielded profits, which aligns with the BOS principles. While several public and private universities have a successful track record of implementing innovative mega projects with public and private entities, there is still an untapped market with great potential, which requires a proactive and modern approach. It is important to note that insights from the interviews revealed that many partnerships made by the Saudi public universities are primarily with the public sector rather than the private sector.

Implementing novel strategies in higher education involves creating unique learning experiences, such as hybrid courses or competency-based programs, targeting niche student demographics, and forging partnerships with industries for specialized training. These initiatives help universities tap into untapped markets and differentiate themselves competitively (Aithal & Maiya, 2023).

### 3.5 Advantages of and Difficulties in Implementing BOS

The respondents concurred that HEIs face several advantages and difficulties in implementing the BOS in the competitive environment of academia. The advantages accruing to HEIs include the ability to offer unique programs and services that set them apart from other universities. This also includes creating a niche market for themselves, attracting more students; improve student satisfaction levels; build a reputation as innovative institutions, attracting more faculty; specialization where they can be known in a specific area or discipline that would yield high results; well positioning of the HE institutions; high profit levels; better strategic focus; first mover advantage by setting up exclusivity in alliances that the copycat follower struggles to compete with; and sustainable income. For example, twenty percent respondents cited the complementarity of universities rather than competition, which would benefit society with high-quality educational services.

The difficulties accruing to the higher education institutions include: universities may not be open to change by implementing BOS strategies; universities sometimes particularly public universities must follow strict government rules that could limit their ability to make big changes and act fast; the traditional norms in Saudi Arabia may make it difficult for universities to try new innovative strategies; centralized decision making systems in most institutions; weak initiatives to engage with national entities/ companies; weak network between universities and entities/companies. Others include the lack of ambassadors from universities to strengthen the presence and positioning of the universities; there are many success stories in several public universities but they are not marketed well; a weak understanding of the strengths and identity of the university, which is a pre-requisite to implementing any strategy; traditional strategic thinking and implementation; weak or bureaucratic governance; the high cost of BOS; and companies' preference to collaborate with institutions of international expertise over local universities. Shouse and Ma (2015) address the difficulty inherent in promoting leadership/creativity within a hierarchical educational system. Their experience is of relevance to our research since Saudi universities face numerous similar administrative obstacles in incorporating BOS.

The BOS offers academia opportunities to innovate and create uncontested market spaces. Advantages include differentiation from competitors, enhanced student and faculty engagement, and the potential for sustainable growth (Erekson & Williams, 2022). However, challenges such as resistance to change from traditional structures, resource constraints, and the alignment of diverse academic interests may hinder implementation, requiring strong leadership, sustainable governance, and strategic alignment efforts.

### **3.6 Specific Strategic Initiatives in Universities**

The general response from respondents is that their universities have pursued diverse strategic initiatives to identify new market opportunities or redefine current market boundaries, in line with the BOS principles. First, the universities have invested in technology and infrastructure, as well as creating innovative platforms to reach new targets. However, both public and private universities, although they intend to follow BOS principles, are still traditional in their approach. Second, both public and private universities have sufficient flexibility and resources to implement innovative ideas, but the issue is the predominant single

decision-making—rather than institutional decision-making—that hinders sustainability. The success of the initiatives is anchored on the efforts of the project managers; once they are changed, the efforts go in another direction. Third, several universities have invested considerable resources in R&D to support capacity building and expansion. Fourth, public universities have been successful in developing their competitive advantages by being prominent in the offerings of specific majors, registering patents, forming strong collaborations, and achieving high rankings on the global university ranking platforms. Both private and public universities are successful in their strategies but differ in terms of their level of success. Both private and public universities are weak at following innovative strategies for positioning themselves at international level. Both have considerable success in leveraging consulting and training from other sectors.

Public universities have launched startups that offer consultations and training to other institutions. According to the majority of respondents, private universities had several initiatives for collaboration with prominent institutions, but they lacked focus and sustainability. Finally it was realized that neither private sector nor public sector universities in KSA have a strong recognition and reputation that would enable them to grow to emerging markets as per testified principles of the BOS.

The universities have applied strategic initiatives such as initiation interdisciplinary research centers to address developing societal challenges, creating flexible degree programs tailored to industry requirements, and establishing corporations with local businesses for empirical learning opportunities (Steffensen et al., 2000). These initiatives intend to differentiate the university's offerings, invite diverse student populations, and expand its presence in available market segments.

### **3.7 Cultural and Operational Challenges in the Implementation of Innovative Strategies**

It was revealed from interviews that applying innovative strategies like the BOS in Saudi Arabia university operations can face challenges such as confrontation to change from traditional structures, absence of buy in from stakeholders, resource limitations, and difficulty in positioning diverse academic interests (Sergeevna, 2022). The respondents revealed the challenges of risk avoidance, resistance to change, regulatory and government and constraints,



market credibility and acceptance, leadership alignment, business and funding agility, and organizational culture. Public universities may face increased inquiry due to their government accountability, while private institutions may have constrained financial resources for risky investments. Familiar of this study, Perchinunno, Bilancia and Vitale (2021) also identified factors that promote to HEIs drop-outs due to lack of strategic innovation and administrative inefficiencies.

No one can deny regulatory and Government constraints which may deter flexibility. The market credibility and acceptance can be substantially challenging. Establishing credibility and increasing awareness through data-based proof and efficient marketing is necessary condition for creating a success story. Leadership alignment is essential for successful implementation, as it requires leading management to be aware of market support innovative ideas and dynamics. Public universities may have greater financial stability but may be weak in the adaptability and flexibility that private institutions have. Business responsiveness is important for executing successful global plans, as it may require speedy changes. The punch line is that both public and private universities face different challenges when implementing innovative strategies like the BOS. To overcome these challenges, aligning strategies, effective leadership, and prioritizing the development of adaptable and innovative culture should be ensured through strategic policy measures.

### 3.8 Evaluation of the Effectiveness and Influence of Strategic Initiatives

In this research effort of in-depth interviews, the respondents offered a wide range of methods that their universities utilize to evaluate the influence and effectiveness of their strategic initiatives. Some universities use Key Performance Indicators (KPI) such as student satisfaction rates, graduation rates, staff engagement levels and assessing faculty, job placement rates and retention rates. This finding matches with Hicks (2022) in her study about *performance-based university research funding systems*, in which she stated that a university may assess the effectiveness of its strategic initiatives by tracking KPI such as student satisfaction scores, enrolment numbers, industry partnerships, and faculty research output. In addition, quality enhancement and periodic reviews and their impact on the university's competitiveness, reputation, and capacity to attract and hold stakeholders are found to

be effective tools as well. Both public and private universities are using accreditation systems to achieve standards and practices that match global standards and optimize value creation. Therefore, both types of institutions have good instruments to evaluate the efficacy of their initiatives. For example, tools such as the strategy maps, Balanced Scorecard (BSC), and automation are commonly used in HEIs to ensure effective execution of their strategies. Public HEIs are progressively leveraging the country's image, brand, and values, while private universities are focused on rand, quality, and financial returns.

### 3.9 Creating New Market Segments and Promoting Innovation in Strategic Plans

Some of the policy makers and strategists reported that prioritizing new market segments and innovation in the university's strategic plan involves nurturing a culture that values creativity, which is fostering interdisciplinary collaboration, allocating resources for research and development, and establishing mechanisms for identifying developing opportunities. It requires constant assessment of market trends and needs, as well as flexibility to adapt strategies accordingly. Public sector universities often focus on fulfilling the needs of the community and pushing economic development in their region. They may prioritize research and development ideas that have practical applications for the benefit of society. Public universities may also collaborate with local prominent businesses and government entities to identify opportunities for innovation and market growth. On the other hand, private universities tend to prioritize creating new market segments by focusing on niche areas of expertise or developing unique programs that appeal to specific target audiences. Private universities may also invest in marketing strategies and tactics to position their brand and pave the way for entering new market segments.

However, both institutions concur that research focuses on fulfilling the students' and faculty needs, not the market's needs, as it should be. As some respondents noted the need for universities to approach innovation from the market need perspective rather than from the student and faculty perspective, it is important for the universities to ensure that they regularly check with potential clients on the project or product needs in the market. Moreover, respondents reported that the availability of the required resources plays an important role in guiding the prioritization and promotion of innovation and the creation of new

markets. It is worth noting that national strategies influence what the priorities are. Consistent to the findings of this study, Becker and Lauterbach (2019) explored the concept of education as a positional good and its impact on market competition within the German Socio-economic context.

Finally, it was indicated that although innovation is now a buzzword in HEIs as it is a national strategic direction, however, Saudi HEIs are relatively new to this concept in comparison to the rest of the world. Public and private universities are both in the race to build their capability in create new market segments and innovation. Further, both universities are engaging external consultants to help develop their strategies, challenge their current performance and improve business efficiency.

### **3.10 Consultation with Strategic Experts for aligning Institutional Mission with BOS**

This study deduces from the opinion of researchers and academicians that public universities and private universities have distinct strategic planning priorities. While public universities focus on regional economic development and community needs by collaborating with government agencies and local businesses to identify opportunities for innovation and market growth. Private universities, conversely, create new market segments by concentrating on niche areas of expertise or developing unique programs. They may invest in branding and marketing to distinguish themselves and attract students willing to pay for specialized education. It was also revealed that while both types of universities may engage with external advisors, they rely on internal resources like administrators and faculty. Finally, approximately 20% respondent mostly faculty members added that innovation is progressively emphasized in higher education, with public universities having more resources and expertise. Yi, Kwak, and Kim (2015) show how financial incentives influence institutional performance in South Korea. This suggests that successful BOS adoption in Saudi universities may require similar performance metrics and incentives.

## **4.0 Summary, Conclusions and**

### **Recommendations**

#### **4.1 Summary of Findings**

We can summarize the findings that public and private universities of Saudi Arabia are increasingly motivated

to adopt the BOS due to inherent capabilities to revolutionize their competitive positioning and drive innovation in higher education by following western model of education. This study is fairly supported to the findings of Ariffin and Ng (2020) who pointed out the role of education in driving sustainable development through innovative practices in HEIs of Malaysia. Saudi Arabia universities recognized the need for distinction and the creation of unique value propositions. The BOS resonates with Saudi universities objectives to separate from traditional educational models and discover new markets, yet they are faced with domestic challenges that hinder sustainable and consistent performance in implementing the BOS. Interviews with strategic experts who either worked with or in private and public universities have discovered no considerable variation in the inclination towards adopting the BOS between public and private universities in Saudi Arabia. Both categories of universities are willing to adopt the BOS strategy but face different limitations in adapting this approach to strategy implementation. Public universities have a rigid approach to sanctioning budget allocations and decision-making, whereas private universities have a weaker network with industry, which negatively marks both types of universities ability to implement BOS in an effective manner.

We testified that hypothesis quite carefully. We may reject the first hypothesis (H1) that there is a considerable variation in the tendency towards adopting the BOS between Saudi public and private universities. This is first time such difference in KSA universities was identified. We may also disqualify the second hypothesis (H2) that private institutions in Saudi Arabia are more likely to adopt the BOS than public universities because of their greater flexibility and autonomy in making strategic decisions. This is so because both public and private universities have their own capabilities and strengths that empower them to accept this strategy in the same manner. And we must note the point that they are both in the race to building their expertise in create new market segments and innovation for gaining a competitive edge at national and international levels.

## 4.2 Conclusion

As a punch line, we can conclude that the tendency of Saudi universities to adopt the BOS demonstrates their recognition of the need for strategic differentiation and innovation while reducing costs in a rapidly evolving higher education landscape. By adopting this approach, universities in Saudi Arabia would be able to position themselves for focusing both local needs and global trends. This is the way they become able to position their goals with the national urgencies as outlined in Saudi Vision 2030. Saudi universities should prioritize cross-disciplinary collaboration so as to foster a culture of innovation amongst students and faculty, and to invest in research and development. Furthermore, they should leverage technology to improve educational delivery and student engagement while exploring partnerships with industry participants to identify emerging and new market opportunities. Generative Artificial Intelligence (AI) solutions might be more efficient and effective for achieving a complete edge in the years to come.

It is imperative to realize that establishing a governing system in higher education institutions (HEIs) that ensures the sustainability of BOS, regardless of leadership changes, is essential for competitiveness and sustained growth. This governing system determines a framework for the steady execution and monitoring of BOS, guaranteeing their alignment with the institution's primary mission, vision, and objectives. By implementing these strategies as part of its standard practices, a university can establish a culture that urges ongoing enhancement and innovation, cultivating a mindset that dynamically pursues new prospects for expansion and distinctiveness. Besides, a strong governance framework helps to reduce the risks associated with changes in leadership, ensuring that the implementation and vision of strategy competitiveness are consistent.

The policy makers should note that by embracing the principles of the BOS, Saudi universities can unlock new possibilities for growth, increase their global reputation, and contribute significantly to the Kingdom's drives for economic diversification and knowledge-based development. Through the adoption of the BOS strategy, Saudi Arabia universities can demonstrate and define a course towards sustainable leadership and excellence in higher education at par with the world standards. Moreover, continuous monitoring and evaluation are necessary to ensuring that strategic plans to keep the same aligned with societal needs and evolving market dynamics and.

Regular evaluation of performance metrics would enable universities to adapt their strategies accordingly and assert a competitive edge in the long term.

## 4.3 Recommendations

A lot of strategic wisdom comes up from this research endeavor. The findings lead us to some practical policy recommendations that include the establishment of a framework for incentivizing research and development in universities and endorsing cross-disciplinary collaboration to spur the solutions tailored to emerging challenges and development of unique educational programs. The institutional culture should foster continuous improvement and adaptation, encouraging ongoing feedback and evaluation to refine the implementation of the BOS. The policy makers and academic managers should provide comprehensive training and professional development programs to equip university stakeholders with the skills and knowledge necessary for an effective executive of BOS. All such efforts should be recognized and rewarded through awards incentivizing creativity, innovation, and successful value creation. There is a dire need to foster an environment of conducive nature for stimulating innovation and entrepreneurship, which should be supported with the offering of mentorship, financial funding, and networking opportunities for students, faculty, and alumni. There is also a dire need for universities to be progressive and proactive in forming strategic partnerships among universities, industry players, and community stakeholders to co-create socio-economic value and thus address societal needs through collaborative research projects and knowledge exchange initiatives.

## 4.4 Limitations and Future Vision

The key limitations faced in this study include the small sample size, which could affect the generalizability of the findings. Cultural nuances or institutional differences may also be fully accounted for so as to have credibility of this research endeavor. The applicability of the findings is restricted to the HEIs of KSA which could be replicated in other countries for gaining comprehensive policy wisdom. Future research may explore how public or private universities can implement the BOS strategy in a more effective manner or perform a case study on a specific university in its respective approaches to implementing the BOS strategy.

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