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## Societal Orientation of Universities

### Achieving More for Less

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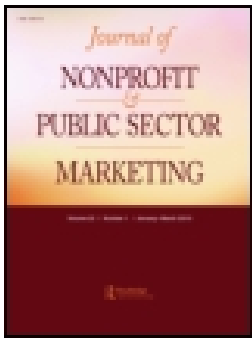
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# Societal Orientation of Universities: Achieving More for Less

Rajeev D. Sharma

**ABSTRACT.** "Societal Orientation" of non-profit organizations during situations of shrinking resource base is assessed in this paper, with reference to the appropriateness of "retrenchment or cost containment strategy." One aspect of the examination procedure of universities from Australia and New Zealand is assessed for effective resource management. [Article copies available for a fee from The Haworth Document Delivery Service: 1-800-342-9678. E-mail address: [getinfo@haworthpressinc.com](mailto:getinfo@haworthpressinc.com)]

## INTRODUCTION

"Marketing concept" and "customer orientation" have been recognized as management philosophy which create a "win-win" situation. This concept has argued that customer satisfaction and organizational goals can be achieved simultaneously. Although many organizations find it hard initially to reconcile the two distinct sets of objectives, increasingly most successful organizations have recognized that such an approach is a critical component of long term strategy for survival and growth (Narver and Slater, 1990).

Societal orientation is basically marketing orientation with an added dimension of long term societal welfare (Kotler and Andreassen, 1987). Organizations are expected not only to satisfy their own and customers'

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expectations but also demonstrate long term societal well being. This could imply, for example, upgrading overall quality of stakeholders' life; concern for the environment; conservation and judicious use of non-renewable resources.

There is growing evidence of the acceptance of this philosophy among many successful organizations worldwide. Increased use of recycled paper by McDonald is just one example of such a move. Recently, Telstra (formerly known as Australian Telecom) has introduced reusable envelopes in order to cut down on paper consumption.

Australian society expects that its corporate sector generally, and the publicly funded institutions in particular, behave as socially responsible citizens. This could imply better utilization of allocated resources, or less resource requirements by these institutions, to achieve more for less. This is indeed in line with the philosophy of societal orientation.

Implementation of such a philosophy is less difficult when organizational resource base grows in line with the additional societal commitments. In situations of declining resources, however, its implementation as a business philosophy could become difficult, if not entirely impossible. This is not a rare situation. There is a growing recognition that the competition for finite, and in some cases, diminishing resources within the public sector is on an increase (Fowler, 1994, 46). In the 1996 Australian budget, for example, spending cuts of 7.2 billion Australian dollars have been announced, spread over a two year period. Some of the worst affected institutions include the universities which would lose 5% of their funds and the Australian Broadcasting Corporation, trimmed by 15% (The Economist, 1996, 21).

In a situation of shrinking resource base, some organizations tend to compromise their customer service as a response to the resource crunch. This obviously is undesirable for long term survival of the organization.

One possible strategy to overcome the resource problem is by committing more resources for growing markets and growth products and divesting from other low priority sectors. Professional opinion seems to be divided on the effectiveness of this approach. The other strategic option is to achieve economies of operation in a socially responsible manner, i.e., by achieving more for less in a manner so that the overall satisfaction of all the participants is maximized.

Keesling and Kaynama (1996) have assessed the strategic responses to the situation of funding cuts. Accordingly the three possible options available are: (a) new revenue strategy; (b) legitimization strategy; and (c) retrenchment strategy. While the first two options are used more fre-

quently, "retrenchment strategy," which involves the effort to contain cost, is used to the least extent.

As the existing literature on societal orientation has inadequately addressed practical aspects of achieving more for less particularly in service organizations, this paper looks into the appropriateness of one of the adjustment strategies (retrenchment strategy) to implement societal orientation under conditions of constrained resources.

### **HIGHER EDUCATION SECTOR**

A key characteristic of all higher education institutions is their examination system. Despite the increasing popularity of alternative methods of student assessment, pen and paper examinations continue to be the most popular method of student assessment.

Exams are perhaps the most commonly used form of assessment adopted by universities and other educational institutions. A key feature of the examination system is the provision of answer booklets in which students write answers to various questions raised by the examiner. On average, a typical full time student from a tertiary institution, enrolled in an undergraduate program in Australia, writes about three to six exams during each semester (excluding mid-semester exams). Educational institutions therefore make provision for at least an equivalent number of answer booklets for each student.

Depending upon factors such as the nature of exam (open versus close book; descriptive versus short answers); nature of subject (quantitative versus qualitative); student preparedness (extensive versus no preparation); exam duration (short versus long) and number of questions to answer (few versus many), students in many instances require additional answer booklets also. All these factors add up to enormous quantity of paper requirement in order to organize any examination successfully.

It is difficult to precisely assess the exact quantity of paper consumption for examinations at any given point of time. However, in order to estimate the extent of paper usage for examinations, a survey of all Australian and New Zealand universities was conducted. Due to the difficulty associated in evaluating the actual consumption of examination booklets in all tertiary institution, a surrogate factor, critical in examination behavior, was identified. Two aspects of this factor that were analyzed included:

- a. What instructions, if any, were provided to students to make use of the examination answer booklets and
- b. How do students respond to specific instructions.

The first factor was investigated for all Australian and New Zealand universities. Students' behavior to examination instructions (the second factor) was analyzed at only one institution. Behavior patterns of a wide range of students enrolled in different subjects at various levels of the Faculty of Business programs of the Northern Territory University was analyzed.

A sample copy of the examination booklet used by all universities in Australia and New Zealand was obtained. All institutions were requested to indicate the general instructions they provided to students during the examinations. All universities responded to this request. The findings therefore apply to the entire higher education sector of Australia and New Zealand.

### ***FINDINGS***

Many interesting trends and specific practices emerged from the study of instructions listed on the answer booklets used by different institutions. Broadly, all universities can be divided into three classes. These three groups are identified at the end of this paper.

- A. Universities that provided "*no instructions*" for answer booklet usage,
- B. Universities that provided "*specific instructions to use only one side*" of the answer booklet, and
- C. Universities that provided "*explicit instructions to use both sides*" of the examination booklet.

### ***STUDENT BEHAVIOR***

It was interesting to analyze the students' response to "examination booklet usage instructions." The critical issue was to assess, "how students respond to examination instructions?"

An exploratory analysis of the cross section of Faculty of Business examinations at NTU (Northern Territory University), including any specific instructions in the question paper, revealed that while NTU does not provide any specific direction on the examination booklets, about 62% of the students used only a single side of the examination booklet and 38% used both sides.

It is difficult at this stage to profile the two groups but some indications are worth mentioning. Some of the features of the latter group suggest that

it included more students from senior classes of university education. There was also a much higher proportion of overseas students and ethnic Australians in this group. The propensity to use only one side was much higher for quantitative subjects such as statistics and accounting.

How do students respond to specific instructions? Do they behave as instructed? The answer would probably be "no." When asked specifically to use only one side, 18% still used both sides. In other words, presence or absence of usage instruction was not a guarantee to total compliance. In case of NTU this could also be attributed to "conditioning effect." Most students are used to writing on one side only. A sudden change in examination instructions would not result in a total change of behavior overnight.

This would also suggest that although three different sets of instructions are provided in Australia and New Zealand during examinations, there is undoubtedly a very large proportion of students who are either instructed by their respective universities or who deliberately choose not to make use the optimum use of this resource.

The reasons for non-compliance could be numerous. The two more frequently cited responses were (a) booklet usage instructions are not a critical factor for examination performance hence not taken seriously by many students. Personal convenience is more important to a large number of students, and (b) there are many students who do not read instructions anyway.

Quite clearly all New Zealand universities demonstrate much greater concern for the optimum utilization of this resource compared to only 24% of Australian universities which required students to use exam booklets in the best possible manner. While 42% left it to students to decide how they wished to utilize the booklet, clearly 34% seem to discourage students to write on both sides. For poor quality of paper, such instructions would seem understandable and students should indeed be encouraged to use only one side of the paper. However, given the reasonable strength and quality of paper used for examinations, this argument does not seem to hold. It appears to be based on the belief that reading and writing on one side only is generally more convenient and efficient. Obviously, there are institution-specific reasons for adopting a particular approach to examination instructions.

### **CONCLUSION**

The societal orientation of the majority of Australian universities based on this factor alone is low. This, however, could be misleading as any

index of societal orientation would invariably have many more factors than just the one discussed here. Many universities low on this factor presently could be much higher on other societal concern factors. As mentioned earlier, all New Zealand universities have done well on this factor.

The issues for the majority of Australian universities would therefore be, "Is it desirable to change this situation? Is it possible to change the situation? What impact will such change have on the stake-holders, i.e., examiners, students and the institutions?" The overwhelming response to these questions was very positive. Almost the entire group of examiners and students contacted expressed the belief that it might be slightly inconvenient initially but any positive move towards socially responsible change would be welcome.

There are three clearly identified groups of universities with very clear instructions on one aspect of paper usage. The overall situation in reality is much more complex. One aspect which is clear is that there is scope for improvement. Such improvements will not only be financially valuable but environmentally responsible too. In addition, there are many related areas that could also be targeted simultaneously to demonstrate the societal responsibility of organizations like the universities. These would include better utilization of (a) office stationery, (b) electricity and (c) water.

Modern offices tend to generate enormous amounts of wastepaper and other non-biodegradable waste. It is estimated that every 70 reams (bundles of 500 sheets) of recycled paper used saves a tree and up to a ton of greenhouse gas during manufacturing (Choice, September 1995, 37).

In addition, there are other opportunities available for non-profit sector organizations to improve their recycling behavior (Wright and Miller, 1996). It is not out of line to equate environmentally friendly practices of corporate citizens as an integral part of the societal orientation. By putting into practice the three green Rs—reduce, reuse and recycle—organizations can contribute towards discharging their social responsibility in a manner that all key players are better off. Telstra (formerly known as Australian Telecom) has been encouraging its customers to reuse the envelopes it provides for communicating with them. The savings generated through such a move, in monetary terms, may be small; however, the contribution it makes to the overall well being of the society and better utilization of the resources, is indeed great.

To sum up, the overall situation of societal concern on this factor could be easily improved. It is possible to be socially responsible without compromising the overall quality of the service being provided. It is a matter of mental conditioning. The instructions that would best reflect societal con-



cern would probably be, "use both sides of the examination booklet unless stated otherwise."

The publicly funded institutions according to Fowler (1994) do not exist solely to benefit only a small portion of the population. For their survival and growth, they must remain relevant in an environment which is changing rapidly. Further more, Kotler and Fox (1985) have argued that this should become the basis for the development of appropriate marketing mix strategies for effective societal marketing.

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