

# The Analysis of the Internal and External Environments of Private Institutions of Higher Education in Iran and Providing Optimal Strategies Based on SWOT

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## Abstract

The government policies of Islamic Republic of Iran in the framework of Development Plan Law, on the one hand, and the activation of private sector in the country's educational structure, the sphere of higher education in Iran is faced with dramatic changes in the last decade. Meanwhile, the rapid development of non-governmental private institutions of higher education due to the increasing social demand for entry to higher education in Iran is important. But soon the problems and challenges faced by institutions such as the reduced quality of education, seats left empty and financial losses incurred eventually lead to bankruptcy and closing of a number of them.

In this research, due to the special role of private higher education institutions in providing educational services, the need of the country to establish specialized institutions and also the wave of migration of students to the universities with poor quality abroad, the current situation of the country and the challenges faced by private higher education institutions in Iran are described. Through interviews with 10 expert teachers, the strengths, weaknesses, opportunities and threats of these institutions based on SWOT are determined and the optimal strategies for the excellence of them are introduced that Defensive position non-profit institutions of higher education in Iran have been achieved.

**Keywords:** Private Higher Education Institutions, Analysis of SWOT, Optimal Strategies

## Introduction:

Higher education, as a social elevator (M. J. Javadi, 1994) [5], is the main means of promotion and social mobility for the children belonging to the low levels of the society. Thus, access to education is one of the most important factors in improving the status of justice in society. Especially the third level of education (higher education) significantly increases one's social and economic benefits. Higher education, over the last few decades, has passed the elitism and turned into a common process, and in this regard, the advent of the knowledge-based economy, "education for all," has become one of the most important objectives of educational policies in many countries and Iran is no exception to this rule. On the one hand, due to the population growth and growing demand for university entrance, the needs of society such as employment and staffing, and on the other hand, the restrictions of government facilities for the expansion of higher education, it is natural that public participation in development of higher education, and establishment of the institutions which have come to help universities in the area is appreciated.

In order to analyze and classify the activities of higher education in both public and private sectors, we can say: where the state higher education is limited in terms of scope and, to some extent, selection, the private sector, as public institutions to meet social demand, take a step forward. Thus, the private-public sector is formed and generally covers the majority of those accepted in higher education, and where the public and private educational institutions enjoy equal status and role, both move in parallel. And, when the government chooses higher education sector to meet the main roles, the share of private institutions is limited to playing a marginal role (Geiger, 1993).[4]

In recent years, the increasing demand for higher education was responded through the issuance of permits for the establishment of private higher education institutions, and these institutions played an important role in increasing access to higher education, making use of the private sector potentiality.

Although quantitative development of private institutions of higher education has been remarkable in the past years, after two decades of their activities in our country, the evaluation of their performance and consideration of the prospects of their activity for the next decade seem to be necessary, because the breathtaking confrontation of these institutions with the existing challenges may in not too distant future, leave nothing but abandoned buildings out of them.

## 1-1 History:

Three years after the Cultural Revolution, in 1985, the Supreme Council of the Cultural Revolution approved the general regulations of establishment of private institutions of higher education intended for participation of private section and increasing access to opportunities in education. The goals of these institutions as mentioned in the Regulations are as follow:

A) Promoting knowledge and culture B) Supplying the needed skilled manpower C) Expanding the

higher education in a way that satisfies the needs of scientific community D) Helping Basij and employing all teachers of the society in higher education E) Establishing suitable all-inclusive grounds for people to take part in development and promotion of knowledge and research.

In this regulation, institutions were divided in two types: the first type are institutions who are required to follow all rules and regulations of higher education, have the same entrance exam of state universities, and issue formal certificates for the graduate.

The second type of institutions will follow certain rules and their certificate is local and unworthy for employment. Thus, in the academic year 1995, the first type could take admissions through entrance exam and in compliance with all rules and regulations of higher education and training to take admissions. [16]

From 1984 to 2001, 48 universities, colleges, and private institutions of higher education initiated their activities after obtaining final approval from the Ministry of Science and have been endeavoring toward quality and quantity development of their activities. At present, over 113 institutions are statistically reported to be scattered in 73 provinces. Of all student population of private institutions of higher education, 150 thousand students in Engineering, 370 thousand in Humanities, 73 thousand in Arts, 9 thousand in Agriculture, and 3 thousand in Science are studying (Gholam Ali Naderi, 2013). [20]

The distribution of universities and private institutions of higher education up to the 89-90 academic year, with 292 centers across the country, shows that the provinces of Kurdistan, Southern Khorasan, and Chaharmahal and Bakhtiari do not have private institutions of higher education. Moreover, these 292 universities and private institutions of higher education are based in 8 regions. According to Table 1 the regions two and one of the provinces including Golestan, Guilan, Mazandaran, Tehran, Qom, Qazvin, and Semnan and have the highest number of private universities.

Table 1: The regions of Universities and Private Institutions of Higher Education, non-profit

Region	The provinces covered in the Region	Number of universities and Private Institutions of Higher Education in the Region
1	Tehran, Qom, Qazvin, Semnan	61
2	Golestan, Guilan, Mazandaran	70
3	East Azarbaijan, West Azarbaijan, Ardabil	29
4	North, Razavi, and South Khorasan	30
5	Isfahan, Chaharmahal and Bakhtiari, Markazi, Hamedan	44
6	Bushehr, Fars, Kohgiluyeh and Boyer-Ahmad	16
7	Sistan and Baluchistan, Kerman, Gormozgan, Yazd	26
8	Ilam, Khuzestan, Kermanshah, Lorestan	16

In table 2, the five provinces with highest number of private institutions are mentioned.

Table 2: Provinces with Highest Number of Private Institutions

rank	province	Number of Institutes
1	Mazandaran	42
2	Isfahan	31
3	Razavi Khorasan	28
4	Qazvin	23
5	Tehran	15

Of more than four million students in the country, 22.7 % in Associate's Programs, 65.8 % in Bachelor's Programs, 9.2 % in Master's Programs, 1.2 % in PhD Programs, and 1.1 % in Professional Ph.D. Programs are studying. In fact, more than 10 % of students are studying in Postgraduate Courses. 13.7 % of them are studying in universities of Ministry of Science, Research, and Technology, 24.6 % in Payam-e-Noor University, 9.8 % in University of Applied Science and Technology, 3.4 % in Technical and Vocational University, 0.13 % in sub-branches of Ministry of Education, 0.52 % in other state organizations, 3.1 % in Ministry of Health and Medical Education, 35.8 in Azad Islamic University, and 9 % in private institutions of higher education (H. Naderi, 2012). [19]

### 1-2- Analysis of the Current Situation and the Future Challenges

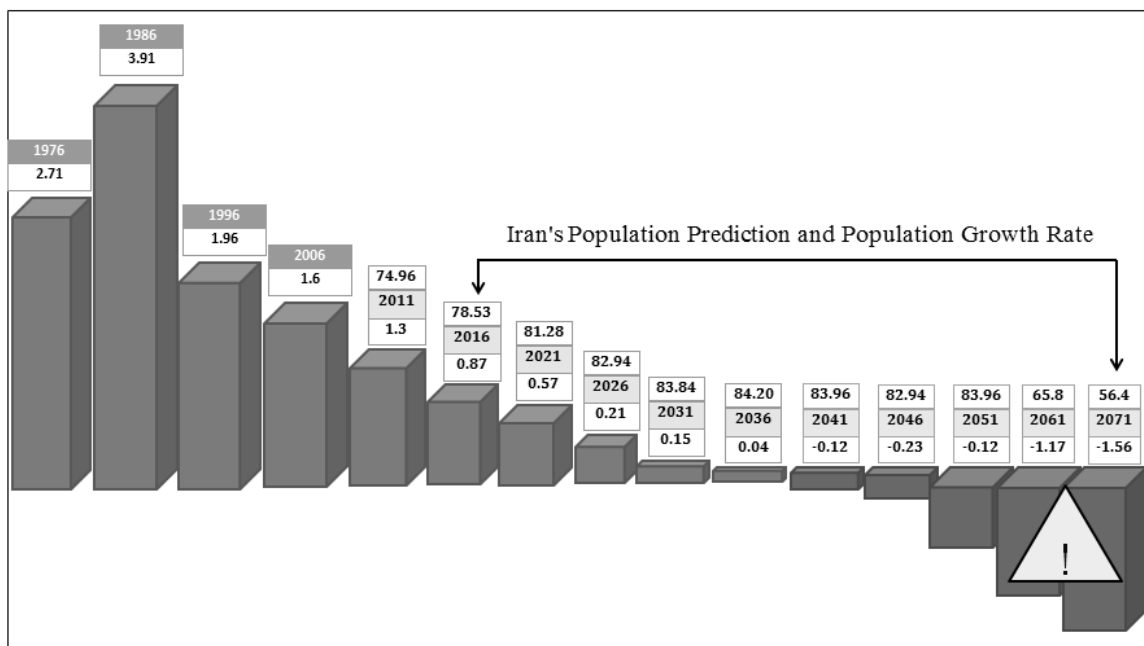
In recent years, a significant part of the intellectual capital of higher education with the establishment of private institutions of higher education has provided opportunities for the higher education to accelerate the development of higher education and pave way for realization of quantitative and qualitative objectives of

development plans. Currently, a significant percentage of the existing institutions, since being new, are in need of financial and spiritual support of special in the face of challenges such as the number and capacity of majors, facilities so much so that neglecting them would mean putting at danger continuation of their activities and survival and confront the development policies of this sector with serious limitations. In the following, the most important challenges of the institutions are discussed:

**1-2-1 Reduced Demand**

Paying a look at the tatistics, we can perceive that the main challenge threatening these institutions is their seats being left empty. In 2010, 69 % of the seats in Bachelor level remained empty. Besides, of 31 thousand and 238 capcaity declared free by these institutions, only 14 thousand and 351 students had enrolled for the semester 2010 (Ahvan Manesh).[18] In fact, the decline in demand is due to the decline in young age pyramid. Because, right now, we have a population of 18 million and 270 thousand aging 18, which will follow the same decining process, and in the prospect of 1405, this population will reach one million and 260 thousand (Ibrahim Khodaei, 2012). [14]

Studying this process, we find that in future years, the 18-34-year-old population will decline, especially in 95 predicting that we would have a population of 81 million at that time. And, the number of 18-30-year-olds would decline from 21 million to 19.5 million. It is also predicted that in 95, the population of 18-24-year-olds would decline from 12.5 million to 9 million, hence facing the problem of reduced number of 18-year-old population. The age pyramid of Iran's population in 2016 indicates that the populations of 15-19-year-olds and 20-24-year-olds will undergo a relative reduction caused by the reduced rate of fertilities in 90s (Mohammad Javad Mahmoudi, 2012). [14]



**Graph 1: Iran's Population Prediction and Population Growth Rate**

Although every institution is required to have 2000 students in the end of the fourth plan, we are witnessing that dute to the downward direction of age pyramid, of 200 instutions actively working in 2010-2011, only 700 students are spared each institute which is in contradiction with the fourth development plan (Hossein Naderi, 2011) [17].

Table 3: the Number and Process of Changes in University Entrance Exam Applicants

year	Applicants	Difference with the preceding year
2012	1066191	-66839
2011	1132877	-153824
2010	1286813	-153824
2009	1392000	+47022
2008	1344978	-47022

The points mentioned testify to the lack of any plans for predicting the age pyramid of demand of the applicants of these institutions and also indicates the managers' merely paying attention to quantitative and short-

term objectives and their failure to consider future studies for their institutions.

But, the reasons for the falling of reduced demand, in addition to the reduced age pyramid of the youth are the increase in daily and nightly capacity of universities, the creation of inclusive, semi-direct, modular, and Applied Science and Technology, and Associate Continuous courses and programs.

### 1-2-2- Poor Educational Quality

Another factor without which the higher education system cannot cope with their tasks and goals is the quality of education. The main problem of this section is the failure to internalize an endogenous self-evaluation in the private institutions of higher education institutions. And, this problem makes it impossible to satisfy the objectives of the beneficiaries and to answer the general satisfaction. Therefore, in order to maintain and improve the quality of academic institutions, we need to pay attention to them. Also, the international experience about the issue of evaluation of quality in higher education shows that the developed countries such as the U.S., France, and ... have assigned organizations to monitor, assess and evaluate the quality of their academic centers, a list of which is given in the table below.

Table 4: International experience in assessing the quality of higher education

Row	Country	Evaluator
1	US	National, Regional, or Specialized Associations -1895
2	France	National Assessment Committee - 1985
3	UK	Council for Higher Education Accreditation -1997
4	Australia	Accreditation Council - 2001
5	India	Quality Assurance Agency -1994
6	Malaysia	Quality Assurance in Higher Education as an Organization in the Ministry of Education -2001
7	Argentina	National Assessment and Assurance Commission -1996
8	Chile	National Assessment Commission - 1999

The experience of assessment of higher education in Iran dates back to 1996 which was aimed at improving the quality of medical education. The same plan was carried out in Tehran University, as a non-medical university for the first time, and since then, various efforts have been made in this respect. For the first time in 2011, by the Office of Monitoring and Evaluation Department, the evaluation of universities and private institutions of higher education were carried out and its results in terms of the ranking of these institutions will be announced in 2013. Till now, six of the private institutions though have been dissolved because of reasons such as differences amongst founding board members, the quality, and space of education.

The domain of impact of ranking the academic centers is so vast that many experts believe that by rating of the country's universities and increasing competition among higher education institutions which unconsciously takes place after the ranking, higher education system will move in the direction of sustainable development. In this regard, it cannot be confined to the global ranking, because the focus of attention of these rankings is on the academic status of universities, paying little attention to other cultural, artistic and physical facilities. Therefore, the necessity of implementation of a comprehensive national plan for ranking universities in Iran is felt more than ever. In general, the financial problems of Ministry of Science, time-consuming, and different opinions, and as a whole, disregarding the issue of ranking of universities as a priority by the authorities, are the reason which hinder assessment and ranking of the universities (A. Zolfi Gol, 2013) [15].

### 1-3- Review of Literature

#### - Mansour Ardeshiri's Research

Mansour Ardeshiri [3] in his research titled "The Privatization in Higher Education: Objectives, Methods, Financing and Financial Analysis," studies the objectives and key forms of privatization in higher education sector including liberalization, getting school fees, property transfer, and provision of educational services by private enterprises, reviews application of some methods, discusses about financing in higher education, and finally analyzes the cost of higher education. He argues that due to the importance of education and its large impact upon economic, social and cultural development, as well as the growth in demand for education services, and the government restrictions on the issue, explaining the privatization process is very important.

#### -Salehi, Ebrahimi, and Hosseini's Research

Ebrahim Salehi Omran, Ghorbanali Ebrahimi, and Maliheh Hossein Zadeh [9], in their study entitled "The Study of the Factors and Motivations of Emergence and Expansion of Universities and Private Institutions of Higher Education in Iran" have expressed that in the past years, Iran's higher education sector has seen quantitative expansion and vast participation of private sector in higher education.

The developments such as the relative and notable increase in contribution of private sector in education, has changed the face of Iran to some extent. In their study, using experimental data obtained from the survey, they have studied the reasons and motivations of emergence and expansion of private higher education in Iran. Finally, they have come to the conclusion that social pressures, professional and economic needs of society, disparities between supply and demand for higher education, demand-driven higher education, demand diversity and intellectualization of demands are the most important factors and motivation behind the development of private higher education in Iran.

The same authors in another study, entitled "Factors Affecting Students' Academic Motivation in Private Institutions of Higher Education," have tried to examine the impact of ten variables (age, gender, marital status, employment status, and education level, field of study, university, father's education, mother's education, and family's income) upon motivation for studying at private institutions of higher education. The results of the research have shown that economic incentive of education in the students is at the highest level, and also of ten variables, only the variable of name of the university on dependent variable is significant.

#### **-Seresht's Research**

Hosain Rahman Seresht [11], in a study, entitled "Tendency toward Privatization of Iran's Higher Education and Private Higher Education in the World," after making comparison between statistics of higher education in several countries, has shown that the private sector is responsible for more than forty percent of higher education in Iran. The researcher aims to briefly explain about this issue that if we don't want to increase the number of students in the private sector and prefer to keep the same ratio of state students to the total in social, political and international terms, Iran's higher education funding should be significantly increased in the second five-year plan.

### **1-4- The Situation of Private Institutions of Higher Education in Other Countries**

#### **1-4-1- Turkey**

The history of Republic Turkey was born from the ashes of the Ottoman Empire, though its professional higher education schools were established in the nineteenth century. Turkish universities today have not evolved from Islamic institutions that existed in the past, but are universities as institutes linked with the West for the replacement of schools by the new republic. Consequently for many years, universities have been considered as government agencies, and higher education as part of the public service. This attitude is still valid among great egalitarian society in Turkey with the important impact of governmentalization of Turkish universities upon the development of private higher education.

A historical exception, Robert College was in Istanbul - the first American institution of higher learning outside America in 1863. Middle East Technical University was founded in 1956, modeled after American state universities with presidents and managers appointed by a board of directors.

#### **State Institutions in 1960s**

With the development of a free market economy and population growth, the existing higher education institutions fail to meet the growing demand. The registration growth rate rose to 1 percent during the sixties. This vacuum was quickly filled by 51 profit institutions and enrollments rapidly rose to 51,111.

Against the constitution laws, these institutions were excluded in 1971 and joined the faculties of the industry. In the same year, Robert College was transferred to a state university. In the 70s, similar to legal arguments based on the traditional approach to higher education, various judgments were issued by the Supreme Court for reducing the power of the Council of Higher Education of and METU faculty. This Council was created in response to the growing demands throughout Turkey far and wide.

In 1981, a new law was passed that caused a fundamental change in higher education in Turkey. The Council of Higher Education was authorized again as a national governor in choosing the presidents as well as establishing private higher education institutions. Several years before establishment of the first non-profit, Bilkent managed to use the title of "university" because the Supreme Court abolished the rules that allowed private schools to be called "higher education institution" and not "university."

In the past two decades, 24 private universities were established and they are now united among 53 state universities in higher education in Turkey. The total enrollment in private universities from 426 in 1986 to 91000 Registration Registration is increased.

The share of 4/3 percent of the total enrollment by 2/1 million students. The educational distance provided by a public university is about 700,000 students. And, private enrollments constitute 6/5 percent of the total full-time enrollments.

In 2004, Turkish academics have published more than 14,000 articles in reputable journals 1000 of



which written by faculty members of private institutions. Graduates of Turkish universities, in both public and private sectors, do not have any plans for admission to prestigious institutions worldwide.

Papers published by academics in Turkey constitute about 1/3 percent of the world total which had been 0.067 percent in 1981. Currently, 6 state universities and three private universities are recognized as international institutions because of quality of their research activities.

### **The Impact of Private Universities**

In the situation where both the number of nonprofit organizations and the share of total enrollments in higher education in Turkey have increased, yet the growth of private higher education is slow. Private universities use half the budget of any state university students. Although for being qualified for such governmental aids, nonprofits must show its performance on a par with state universities. To overcome the demand and supply imbalances, the private universities in Turkey have helped a little. In the early stages of the development of these institutions, faculty members from state university were hired, hence relying on part-time employees. But, some of these institutions succeeded at returning Turkish academicians and at recruiting foreign workers.

The positive impact of private universities is that they create a competitive and entrepreneurial atmosphere in sectors still regarded as public domain by many in Turkey. This change of atmosphere though may cost private institutions may even prevent their development in the future. The limited number of rules and laws and moderation of funding resources result in lack of legal tools of decisions concerning the state universities. The power that allows them to compete with private institutions of higher education in the country and with a variety of international institutions which are constantly looking forward to profitable markets of higher education in Turkey. The rage felt against the private institutions of higher education by the academics and executives of state universities is the real threat to fair competition and could be a hindrance for the development of private higher education in Turkey.

### **1-4-2- Arabic Countries**

Since 90s, many Arab countries such as Lebanon and UAE have been witnessing mushroom-like growth of free private institutions which apparently have been established with the aim of providing liberal education and various disciplines for the citizens of Arab countries. For example, among Arabic countries, Lebanon due to its strong background in liberal education is known for development of liberal education through development of private higher institutions of higher education.

At present, 18 private universities are recognized that adjust to the American higher education system.

These universities attract students mainly through variety in disciplines and adopt aggressive policies in recruiting market-oriented employees.

Despite the growth of private institutions in the Arabic countries, the quality of educational services to the student has been questioned due to the lack of professional training and the use of modern technology.

### **1-4-3- South-Eastern Asian Countries**

#### **1-4-3-1- The Role of Higher Education in the Private Sector in Malaysia**

In the years after independence of Malaysia, private education sector was exclusively established for teaching language and religions for minority groups. This issue is limited to 90s during which the private sector started to play a new role in the development of the educational system. From then on, private educational institutions have offered a variety of courses along with programs essentially professional, technical, and management. The majority of these institutions offer programs under the conception of the couple 0 through certificates and diplomas from foreign institutions.

Recently, 500 institutions with more than 115,000 registrations of students have been identified in the Ministry of Education. Previously, government limited the establishment of private education institutions. Some were created in the early nineties, but were not allowed to grant degrees, except for diplomas. Foreign universities were authorized to grant degrees through special communication plans. The 1996 article of private higher education, in a major shift in policy, allowed local private institutions to grant degrees and select foreign universities to establish local branches. Basically two categories of non-profit institutions of higher education were established under Article 1996. First, those recognized as a private college without a university or university college, and those with a college or university campus introduced as private university. Non-profit institutions of higher education are needed to help to reduce the financial costs of public higher education sector in Malaysia. Also, by restricting the outflow of students, it protects the foreign exchanges. Although private higher education provides more facilities for the third educational level, it is faced with the threat that due to the high cost of education and lack of government support, these facilities are available only to rich students. It is then estimated that fewer than ten students are receiving financial support from the private sector and the majority of enrollees in private colleges use personal funds, family support or a bank loan.

#### **1-4-3-2- The Private Higher Education in Indonesia**

The rapid growth of the higher education sector, including in several states in South East Asia, has had considerable development which is often caused by a mismatch between the limited capacity of local government on the one hand and growing demand on the other hand. External pressures for structural

adjustment, exerted more by some international organizations like the World Bank, especially after the Asian currency crisis in the late 90s, was another reason for the shift toward privatization. Moving towards private higher education prompted reactions such as humiliation, fear and warnings on a part of government agencies.

While the uneven growth of private higher education in Indonesia is intensified by the existing government problems, quality, equity and regulatory capacity of the government, the privatization of public universities and the development of transnational education have been added to the problems this sector is faced with. The ongoing financial constraints coupled with increasing demand for higher education founded the private higher education growth in public spending, which in turn, underpins the adoption of strategies for the private sector.

Added to this mix is the element of educational decentralization, which according to various sources, was summarily carried out, at least partly in response to the growing demand for regional autonomy in different areas. After passing of Act 22 of 1991, the principle of decentralization of education through government regulation 1999/61 was carried out on a pilot project for five public institutions of higher education. Under the new situation, HEIs noted were activated for creating new models to attract students. And, in this way, more financial support were gained from students and their families.

#### **1-4-3-3- The Private Higher Education in Japan**

Japan also has 400 private universities and 500 colleges and almost 75 percent of all students in this country are enrolled in private higher education institutions. Also, 75 percent of universities in Korea and 96 percent of colleges work in private sector. Both public and private higher education in Japan grew during the 50s and 60s. Higher education institutions relying on tuition, in competition with one another for more money, had much faster growth. The result was that in the late 60s, private institutions, while receiving exorbitant fees, had deservingly lower standards compared with the state sector. Following the financial and at some times thoughtless collapse of much of the private sector, the severe student protests and widespread resentment about the fees increased and government was forced to intervene. Private higher education undoubtedly was in public interest too that should not be forgotten. Compliance with minimum regulations and standards in response to receiving government donations, along with actual credits, prevented a decline in the standards and led to financial survival of the private sector.

#### **1-4-4- The Private Higher Education in Chile**

Before the development of the private sector in nearly 80s, some part of the privatization program GEN was carried out. In Pinochet's regime, Chile's higher education system consisted of eight universities, two state universities and six private universities which regardless of their different legal status showcased high harmony. The reform process began in 1980, including an increase in enrollment, diversity, and strengthen the competitiveness of the higher education system, the right to establish new private universities, and transformation of Chile's regional state university into fourteen independent state universities. The private sector rapidly responded to the applicants by increasing the number of institutions to more than 300 in the last decade. During the late 90s, and in the first year of the new century, a combination of strict rules and fiscal deficits led to 20% reduction of institutions.

Today, 16 state universities and 9 private universities exist in Chile which were established during the period 1888 to 1956 and 36 new private universities were established after the reforms of the eighties, along with 163 private tertiary institution, all of which private. The private sector represents 92 percent of all higher education institutions and 72 percent of all institutions in the university sector. More than 70 percent of students, over half a million people, have enrolled in private institutions in Chile. Private universities have enrolled more than 60 percent of the students, one of the highest relationships in Latin America.

Both public and private universities that were established before the 1981 amendments received direct subsidy funds from the state and offered public service missions. Private universities (established after 1982) are not quasi-public and provide their funding by receiving fee from students who are not eligible for subsidy assistance. All private universities in Chile are exempt from tax profit and are run with private mechanisms. As in other countries where private universities are required to yield profit, owners of a large number of universities in Chile are seeking ways to return their funds without violating the law.

Still, 20 years after establishment of private universities, they somehow manage to separate themselves from the stereotypes and to achieve that goal, they have established programs in natural sciences at the doctoral level, largely invested in infrastructure, equipment and medical schools and full-time research teams.

## **2- Methodology**

The present research is a descriptive study carried out in 2013. The research population is Iran's non-profit institutions of higher education and its statistical population are 10 teachers who have teaching experience in both public and private universities. In collecting further information, opinions and guidance from several administrators, practitioners, and students with a history of nonprofits are used.

## 2-1- Internal Factor Evaluation Matrix

This matrix is a tool for analysis of the internal organizational factors. In fact, it assesses the strengths and weaknesses of the organization units. Strengths are the factors of the organization which are regarded as advantages when compared with the history of the organization or the industry average or the competitors. Weaknesses are the points in which the organization does not have the necessary capability while its competitors are capable of them. Strengths and weaknesses of non-profit institutions of higher education are presented in Table 5.

In providing the matrix of internal factors evaluation, mainly intuitive judgments and opinions of experts are focused on. These instruments are frequently used for collecting intra-organizational data within the strategic planning process of public and private organizations. IFE matrix consists of 5 stages as follows:

1. After identification of internal factors, the points of strength and weakness are determined.
2. To each factor a weight ratio of between zeros (unimportant) to one (very important) is assigned. Normalization could be used for the weighting. As such, the assigned weighting coefficients in the sum must equal one. In order to determine weight of each of the factors, and make decision on the more important factors which should be mentioned on the table IFE, one can utilize the experts' opinion and then normalize the weights of factors between zero and one.
3. Current status of each agent with a score between 1 and 4 is determined by the following:



**Graph 2: score Titles**

Score 1 indicates very weak, 2 little weak, 3 strong, 4 very strong. The weak points would merely include scores 1 and 2, and strong points scores 3 and 4.

4. The weighted score for each factor is calculated. As such, the score of each row of the internal factors is multiplied with its normalized weight and then it is inserted in a new column.

5. The weighted total score is calculated which is at least 1 and at most 4. Their mean number will be  $2/5$ . If the final score is less than  $2/5$  it means the institutions are generally weak in terms of internal factors. And if the final score is more than  $2/5$ , it indicates that these institutions are generally strong in terms of internal factors.

## 2-2- External Factor Evaluation Matrix

The matrix is a tool whereby the strategists can assess the economic, social, cultural, ecological, environmental, political, legal, technological, and competitive information factors in a given time period. 5 Steps are used for preparing this matrix as follows:

1. After analysis and identification of the external factors, prepare a list of the known factors. These factors should be based on objective facts and as accurate as possible. This list should include the factors that will lead to opportunities or threats for the organization.
2. Assign a weight coefficient between zeros (unimportant) to one (very important) to each factor. Coefficients indicate the relative importance of one factor (in terms of being successful in the industry). Usually greater coefficients are assigned to the factors that may cause opportunity or occasion than the threat factors (if they are serious they will also have a high coefficient). The sum of these coefficients should be number one.
3. For each factor, a rank of 1 to 4, depending on the degree of compliance with the opportunities and threats of organization is assigned. This rank indicates the effectiveness of the organization's current strategies in showing react to the factor mentioned. The number 4 means excellent reaction, 3 higher than the medium, 2 medium and 1 weak.
4. Weighted score for each factor is calculated.
5. The sum of the weighted scores is calculated in order to determine the total score of the organization. In matrix EFE, regardless of the number of factors that lead to opportunities or threats, never does the final total score become greater than 4 and less than 1. Score 4 shows that the organization has a dominant position in the industry and an excellent response to the opportunities and minimization of the threats. And the score of 1 indicates that the strategy of the organization is not capable of using opportunities and avoiding threats.



**Table 5: IEF External Factor Evaluation**

<b>Strategic Internal Factors</b>	<b>Weight</b>	<b>Score</b>	<b>Weighted Score</b>
<b>Strength</b>			
1. The suitability of the cost of education in these institutions	09,0	3	27,0
2. Granting Accredited degree	07,0	3	21,0
3. Using experienced professors in graduate level	08,0	3	24,0
4. Active presence of these institutions in the capital	11,0	4	44,0
5. Financial transparency and reliance on private sector investment	02,0	3	06,0
6. Free admission for students with various activities	03,0	3	09,0
<b>Weak</b>			
1. Lack of access to scientific databases	08,0	1	08,0
2. Granting Accredited degree	12,0	1	12,0
3. Using inexperienced professors at undergraduate level	02,0	2	04,0
4. Lack of world certificates such as ISO standards, quality management and...	02,0	2	04,0
5. Failure to provide adequate new engineering disciplines,	1,0	1	1,0
6. Lack of communication with the industrians and labor market	01,0	2	02,0
7. Lack of specialized colleges in these institutions	1,0	1	1,0
8. No offer of PhD programs in many fields	06,0	1	06,0
9. Lack of scientific journals - Research and extension	06,0	1	06,0
10. Lack of an evaluating system for teachers and recruits' satisfaction	02,0	2	04,0
11. Incompleteness of Board of Trustees of private institutions	01,0	2	02,0
<b>Total</b>		<b>1</b>	<b>2,05</b>

**Table 6: External Factor Evaluation Matrix**

<b>Strategic External Factors</b>	<b>Weight</b>	<b>Score</b>	<b>Weighted Score</b>
<b>Opportunity</b>			
1. Holding seminars and conferences with the attendance of industry experts and directors	0,06	2	0,12
2. Signing agreement of cooperation with domestic and foreign accredited universities and institutions	0,08	1	0,08
3. Making use of techniques of customer orientation such as giving the customer added value cards	0,1	1	0,1
4. Use of existing potential in industrial zones adjacent to universities	0,06	2	0,12
5. Participation and playing a role in social and environmental activities reflecting the image of a responsible institution	0,02	1	0,02
6. Advice and support for student papers published in scientific journals	0,03	1	0,03
7. Designing marketing programs in order to create sufficient awareness and marketing programs to attract applicants from lower levels	0,04	1	0,04
<b>Threat</b>			
1. Cheap Universities Abroad	0,12	2	0,24
2. Lack of assessment and ranking system	,014	1	0,14
3. Reduced number of students applying for universities due to the reduction of age pyramid	0,16	1	0,16
4. No role in innovation, Student Inventions, Holding Scientific Competitions	0,08	2	0,16
5. No Appropriate Plan for the Graduated	0,1	1	0,1
<b>Total</b>		<b>1</b>	<b>1,31</b>

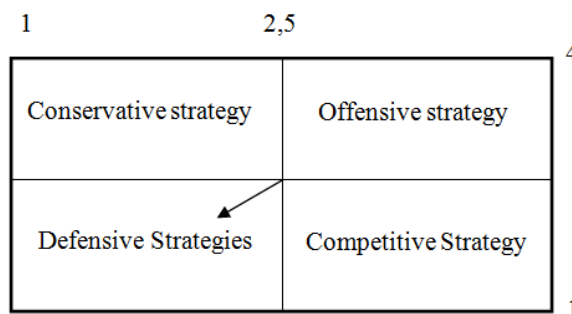
### **Internal and External Matix (IE)**

This matrix is used to determine the best strategy (desirable). In this matrix, the sum of the scores of the internal factors is placed on the horizontal axis and that of the external factors on the vertical axis

### **3- Results**

After calculating the scores of the matrix of internal factors, since the final score is less than 2/5 it can be expressed that private higher education institutions in Iran are weak in terms of internal factors. The final score of the matrix table of the external factors is also much less than two which shows that these institutions are severely weak in terms of external factors.

According to the information obtained from private institutions, the internal evaluation matrix has a total score of 2.05 and the external evaluation matrix 1.31. Thus the place of these institutions in the internal and external matrices (IE) is as follows.



**Graph 2: The Internal and External Matrices of Iran's Private Institutions**

Figure 2 shows that these institutions are part of a defensive strategy. Defensive strategies for the organization are: 1. participation 2 reduction. Resignation 4. Dissolution.

**4- Conclusion and Implication**

Due to the pressure of demand for higher education, in the past two decades, the authorities' main focus has been on raising the quantity of non-profit institutions, but considering the young age pyramid reduction and quality of education in these institutions, it seems that time has come for improving the quality of education for the decades to come. Otherwise, the crisis already begun for these institutions will finally force them to close.

The present research confirms the defensive strategy of non-profit institutions of higher education in Iran. Thus, since the new wave of graduate volunteers is on the way, implementation of the strategies of resignation and dissolution is not recommended. In reverse, we have the opportunity to collaborate with other nonprofits in order to cope with existing threats and challenges. In this mechanism, nonprofits will put together their points of strengths and advantages and reach a synergistic in their function, hence achieving competitive performance against the leading universities. The main purpose of the partnership strategy is, on the one hand, increasing the facilities, equipments, and educational space of these institutions along with applying the approach of establishing specialized colleges and reducing the low demand majors, and, on the other hand, adopting market-oriented policies, and paying attention to new demands of the labor market. The following table shows the final recommendations presented to the government agencies.

**Table 7: Recommendations to State and Institutions**

<b>To State</b>	Paying Attention to the issue of assessment of private institutions and putting serious will into implementing it
	Supporting the private sector through long-term, low-interest loans besides passing new laws for improvement of quality of education
	Encouraging top institutions by granting them PhD programs
<b>To Institutions</b>	Using customer-orientaed techniques such as giving surplus value cards
	Signing agreement of cooperation with domestic and foreign universities and institutions for holding academic courses
	Advice and support for publication of student papers in scientific journals
	Cooperation with technology parks and elite foundation for commercialization of inventions and creative ideas
	Use of teachers and experts in international seminars and conferences
	Promoting the public image by designing a marketing plan aiming to create sufficient awareness and attracting applicants from lower levels and planning appropriate programs for the graduated

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