

The Application and Importance of Internal Factors Evaluation Matrix in Strategic Management for Higher Education

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Abstract— The Internal Factor Assessment (IFE) matrix is a strategic management tool designed to help organizations assess their internal strengths and weaknesses. This article provides an overview of the IFE matrix, its methodology, its application in higher education, and its importance in strategic decision-making. The IFE matrix offers a systematic framework for assessing the key internal factors that affect a university's performance. By assigning weights and ratings to these factors, higher education institutions can quantitatively analyze their internal environment and identify areas of competitive advantage as well as areas that require improvement. The insights gained from the IFE matrix serve as a foundation for strategic planning and decision-making for universities. The IFE matrix is a valuable tool for higher education institutions seeking to better understand their internal dynamics in a competitive environment and formulate effective strategies to achieve their strategic goals. The article uses analytical and systematic approaches to examine the IFE matrix as one of the main tools for internal monitoring of higher education institutions.

Keywords— *internal factors evaluation (IFE) matrix, strategic management, internal analysis, higher education.*

I. INTRODUCTION

In strategic management, organizations constantly navigate a complex landscape shaped by both internal dynamics and external forces. To thrive in this environment, businesses must effectively leverage their internal strengths while addressing their weaknesses. The Internal Factor Assessment (IFE) matrix emerges as a powerful tool designed to assist organizations in this endeavor by providing a structured framework for assessing the internal factors that are critical to their success [6].

In the ever-evolving and intensely competitive landscape of higher education, institutions are continuously in pursuit of innovative strategies and methodologies to foster strategic growth and ensure long-term viability. Strategic management is essential in steering educational organizations toward their objectives by harmonizing resources with available opportunities, tackling challenges, and enhancing operational efficiency. Among the diverse array of tools employed in strategic management, the Internal Factors Evaluation (IFE) matrix has proven to be an effective framework for the systematic assessment of an organization's strengths and weaknesses.

The IFE matrix serves as a foundation in the strategic management toolkit, offering a systematic approach to assessing the internal factors that directly impact an organization's performance. By conducting a comprehensive internal analysis, organizations can gain valuable insights

into their strengths and weaknesses across a range of dimensions, from financial resources and operational efficiency to marketing effectiveness and technological capabilities.

The IFE matrix allows higher education institutions to evaluate their internal environment by concentrating on essential factors, including academic performance, faculty qualifications, resource distribution, infrastructure, and organizational culture. By measuring these internal components, the matrix offers valuable insights that assist decision-makers in developing effective strategies aimed at improving institutional performance and competitiveness [8].

II. THE IMPORTANCE OF STRATEGIC MANAGEMENT IN HIGHER EDUCATION

Strategic management has emerged as an essential component of managing higher education institutions, particularly as they confront various challenges, including budget reductions, sharp competition, and evolving student demographics [11]. Through the implementation of strategic management practices, higher education institutions can improve their decision-making processes, maximize resource distribution, and increase their responsiveness to evolving educational trends and policies [5]. For example, institutions that successfully incorporate strategic planning into their operations are more capable of tackling issues such as decreasing enrolment figures, advancements in technology, and limitations in funding [10]. To effectively address these complicated issues and fulfil their objectives, institutions must formulate and execute strong long-term strategic plans. Nevertheless, the successful execution of these plans often encounters obstacles, such as a lack of an integrated vision, difficulties in connecting individual performance to the strategic framework, and the failure to align processes and resources with the strategic objectives [12].

Thus, strategic management also promotes innovation and collaboration, allowing universities to enhance their academic programs, research contributions, and involvement with the community.

III. THE FUNDAMENTAL PRINCIPLES AND METHODOLOGY OF CREATING THE IFE (INTERNAL FACTOR EVALUATION) MATRIX

The history of the Internal Factor Evaluation (IFE) matrix is associated with the development of strategic management frameworks and tools aimed at helping organizations assess their internal strengths and weaknesses. While the specific details of its origin may differ, the concept of the IFE matrix

emerged as part of a broader evolution of strategic management theory and practice.

Today, the IFE matrix remains a widely used tool in strategic management practice and is used across organizations of all sizes and industries to assess their internal capabilities and determine strategic priorities.

The IFE (Internal Factor Evaluation) matrix is a strategic management tool used to assess a company's internal strengths and weaknesses. It helps organizations identify key areas of strength and areas where they need to improve. This matrix is constructed by performing the following steps [8]:

1. Identify key internal factors: These factors may include resources, capabilities, core competencies, organizational structure, leadership, marketing effectiveness, financial stability, etc. These are factors that directly impact the organization's performance. The number of factors has no effect on the range of the total weighted scores, as the weights always equal 1.

2. Assign weights: Assign weights to each internal factor based on its importance to the organization's success. These weights are usually represented as percentages and should add up to 1 (or 100%).

3. Rate each factor: Rate each internal factor on a scale of 1 to 4, where 1 represents a major weakness, 2 a minor weakness, 3 a minor strength, and 4 a major strength.

4. Calculate the weighted score: Multiply the weight of each factor by its rating to calculate the weighted score for each factor.

5. Summarize the Scores: Add all the weighted scores together to obtain a total weighted score.

6. Interpret the Results: The total weighted score provides an overall assessment of the company's internal strengths and weaknesses. A score of around 4 indicates strong internal factors, while a score of around 1 indicates weak internal factors.

7. Regardless of how many factors are included in the IFE Matrix, the total weighted score can range from a low of 1.0 to a high of 4.0, with an average score of 2.5. Total weighted scores that are significantly lower than 2.5 indicate an organization with internal weaknesses, while scores significantly higher than 2.5 indicate a strong internal position.

The IFE matrix is often used in conjunction with the External Factor Evaluation (EFE) matrix to form a comprehensive picture of a company's strategic position. By comparing the scores in both matrices, organizations can identify strategic impacts and develop strategies to leverage strengths and overcome weaknesses.

IV. AN APPLICATION OF THE IFE (INTERNAL FACTOR EVALUATION) MATRIX IN HIGHER EDUCATION IS EXPLAINED BY THE SAMPLE.

The Internal Factor Evaluation (IFE) matrix serves as an essential instrument in the realm of strategic management, especially in higher education settings. This tool enables educational leaders to methodically evaluate internal strengths and weaknesses, a process that is vital for formulating effective strategies that are in harmony with the objectives of the institution.

The development of an Internal Factor Evaluation (IFE) matrix necessitates the identification of significant internal elements that affect an institution's performance. These

elements may encompass resources like faculty qualifications, financial well-being, and technological capabilities. For example, the role of strategic performance management in higher education underscores that internal assessments can provide essential insights into an institution's operational efficiency and identify areas that require enhancement.

In the context of higher education, the Internal Factor Evaluation (IFE) matrix can act as a crucial component in the strategic planning process. By identifying and analysing internal strengths and weaknesses, educational institutions can more effectively align their resources with their strategic goals. For instance, the IFE matrix can be used to develop business strategies, indicating that a comparable methodology may prove advantageous for educational entities seeking to improve their competitive standing. Additionally, the combination of the IFE matrix with other strategic frameworks, such as SWOT analysis, facilitates a deeper comprehension of the interaction between internal dynamics and external circumstances.

Additionally, the IFE matrix serves as a valuable tool for pinpointing opportunities for enhancement within higher education institutions. By examining internal weaknesses, these institutions can formulate specific strategies aimed at advancing faculty development, refining student services, or modernising technological resources. Such a proactive method of internal assessment is essential for sustaining competitiveness in a rapidly evolving educational environment.

Below there is a table as an example for demonstrating the implementation of the IFE matrix for higher education.

TABLE I. SAMPLE TABLE OF IFE MATRIX ANALYSIS FOR HIGHER EDUCATION

Key Internal Factors	Weight	Rating	Weighted Score	Description
<i>Strengths</i>				
High-quality faculty staff	0.15	4	0.60	2.49 The presence of highly skilled educators significantly enhances the university's standing and fosters student achievement. Alumni networks play a crucial role in providing financial support, mentorship, and job opportunities for students. Offering a wide range of programs appeals to various student interests and career paths. Modern classrooms, laboratories, and libraries contribute to an enriched
Strong alumni network	0.10	3	0.30	
Varied academic offerings	0.12	4	0.48	
Contemporary infrastructure and facilities	0.10	4	0.40	

				educational experience.
High research output and funding	0.08	3	0.24	Research achievements attract funding and boost the university's academic reputation.
Global collaborations and partnerships	0.05	3	0.15	Partnerships provide students and staff access to global opportunities and resources.
Efficient integration of technology in education	0.08	4	0.32	The incorporation of technology in teaching practices enhances both educational results and operational effectiveness.
<i>Weaknesses</i>				
Insufficient financial resources	0.05	1	0.15	Insufficient funds delay the ability to expand programs, hire staff, or maintain facilities.
Low student retention rates	0.08	1	0.08	High dropout rates affect the university's rankings and reputation.
Ineffective marketing and outreach efforts	0.05	2	0.10	Ineffective marketing diminishes visibility and hampers the ability to draw in top-tier students and faculty.
Delayed adaptation of the curriculum to industry trends	0.08	2	0.16	An old-fashioned curriculum may not align with the demands of employers, thereby affecting the employability of graduates.
Limited online presence and digital engagement	0.06	1	0.06	An underdeveloped online presence limits global reach and engagement with prospective students.
Total	1.00		3.04	

As it is seen above, the total score of 3.04 out of 4.0 indicates a strong internal position. This means the university is utilizing its strengths effectively to overcome its weaknesses. However, there are still areas for improvement.

By investigating the table, the key insights of the analysis can be listed as follows:

- Strengths: The university demonstrates exceptional academic and technological competence, supported by a highly qualified faculty and robust infrastructure. These elements contribute significantly to its esteemed reputation and overall success.
- Weaknesses: Financial constraints, challenges in student retention, and issues related to digital engagement pose significant obstacles that must be tackled to ensure ongoing development.
- Areas for enhancement: There is a need to prioritize the improvement of financial strategies, to enhance student retention through targeted support initiatives, and to strengthen the university's online visibility to attract a wider audience.

V. CONCLUSION

In summary, the Internal Factor Evaluation (IFE) matrix serves as a crucial instrument for higher education institutions aiming to improve their strategic management methodologies. By methodically assessing internal elements, these institutions can formulate specific strategies that capitalize on their strengths while addressing any weaknesses.

The application of the IFE matrix within higher education does present certain challenges. A notable concern is the subjective nature of the ratings assigned to internal factors, which may result in evaluation inconsistencies. It is undeniable that the success of the IFE matrix is significantly dependent on the precision and objectivity of the data incorporated into the matrix.

Moreover, the significance of the IFE matrix excels simple assessment; it is also essential for effective strategic communication within higher education institutions. By clearly outlining internal strengths and weaknesses, educational leaders can foster a common understanding among stakeholders, such as faculty, staff, and students. This level of transparency is critical for establishing trust and collaboration within the institution, as it harmonizes the strategic vision with the collective actions of the academic community.

The IFE matrix serves as a valuable tool for resource allocation decisions in higher education institutions. By pinpointing significant internal strengths, these institutions can focus their investments on areas that promise the greatest returns regarding academic performance and student satisfaction. This strategic distribution of resources is especially crucial in a context where funding is frequently constrained and competition for students is intense. The combination of the IFE matrix with other strategic tools, such as the External Factor Evaluation (EFE) matrix and SWOT analysis, further enhances the strategic planning framework.

Thus, it is imperative for institutions to engage with the IFE matrix in a disciplined and objective manner to ensure that the insights gained are both actionable and appropriate. As the higher education sector continues to transform, the IFE matrix will remain an essential element of effective strategic management.

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