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*Research Paper*

## **The Value Co-creation in HEI Organizational Management**

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### **ABSTRACT**

The management of Higher Education Institutions (HEIs) must equip themselves with tools to achieve better results in an increasingly competitive market. Value co-creation is increasingly present in various studies and in a wide variety of contexts and is a fundamental tool for acquiring greater quality in the provision of services such as teaching. The main objective of this research was to analyse the process of value co-creation in Polytechnic Higher Education Institutions in the interior of Portugal, to see how management in this sense is being developed or not, and to look for solutions focused on value co-creation.

The empirical study adopted the case study methodology, defined in terms of space and time, and chosen for the convenience of the researcher. Structured questionnaires were administered to students and teachers in the first cycle of higher education at five Polytechnic Institutes, resulting in a sample of 286 students and 85 teachers.

The results allow us to characterize students and teachers in terms of satisfaction, motivation, collaborative behaviour and co-creative thinking. The data shows how they try to contribute to their institution, although not always consciously.

The research is considered to have contributed to a better understanding of the importance and influence of value co-creation as an integral process in the management of HEIs, as a lever for development in the provision and marketing of educational services.

**Keywords:** Value co-creation, School Organizational Management; Polytechnic Higher

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## 1. INTRODUCTION

Value co-creation has become a prominent focus in research across diverse contexts, serving as a vital strategy for enhancing service quality, including in education. Higher Education Institutions (HEIs), operating in ever-changing environments, must adapt to their surroundings and develop strategies to attract and retain students effectively.

Globalization and technological advancements have made students more demanding, informed, and selective (Vega-Vazquez, 2013), pushing institutions to respond swiftly and innovatively to avoid being perceived as outdated.

This study investigates the role of value co-creation in higher education, particularly in Portuguese Polytechnic institutions. It examines how this approach can support better management practices, helping institutions in Portugal's interior adopt more sustainable strategies and improve student satisfaction.

Over the years, higher education has been adapting to the needs of the market. In this sense, the purpose of this study is to understand and analyse the relevance of value co-creation in this environment and how this concept can be a fundamental tool for better institutional management, particularly in Portuguese Polytechnic Higher Education, seeking to help Polytechnic Higher Education Institutions (IESP) in the interior of Portugal to adopt a more efficient stance in the market and provide greater satisfaction and benefit to their students.

HEIs, in a constant process of change, need to keep up with the contexts in which they operate and find solutions to reach and retain students. Institutions need to adapt to a global panorama, where they can find services that go beyond education, and which can be available on demand and meet society's demands, even though the choice of HEI often rests on its academic prestige.

It is therefore essential that they strive to involve their stakeholders throughout the educational journey, with special attention to students and teachers, so that they can overcome the difficulties and challenges that arise as society evolves, encouraging them to meet the needs and demands of the public.

## 2. LITERATURE REVIEW

The provision of services is an integral part of daily life, compelling organizations to ensure their offerings meet consumer needs and expectations as effectively as possible. Vargo and Lusch (2017) describe service as the utilization of human resources to benefit all parties involved in the process.

The link between service and value is crucial for determining service value, where value production shifts to focus on the delivery of the service through the product (Vargo and Lusch, 2008). Organizations differentiate themselves by transmitting value that resonates with customers, enabling them to surpass competitors and enhance customer satisfaction.

Prahalad and Ramaswamy (2004) argue that value co-creation originates from the consumer's desire to interact, turning this collaboration into a performance driver. This participative process fosters satisfaction for both the consumer and the organization. Similarly, Vargo and Lusch (2008) emphasize that customers are always co-creators of value, underscoring the bilateral nature of value co-creation.

Education exemplifies a service where knowledge, skills, and behaviors are imparted to equip students with new competencies (Alves, 1995). The education service seeks to generate value for students, who are essentially customers sustaining the institution's economic viability. Cobra and Braga (2004) highlight education as a mutually beneficial service, with both parties deriving value, while also noting its pivotal role in fostering economic development and regional growth.

Higher Education Institutions (HEIs) align closely with the principles of value co-creation (Díaz-Méndez and Gummesson, 2012). Understanding how this process unfolds within educational contexts is critical, requiring an in-depth analysis of challenges that can be mitigated through co-creation strategies.

Managing student satisfaction is a core responsibility for HEIs, necessitating services that align with student expectations and adapt to evolving demands. Identifying the aspects students value and their role in co-creating that value is essential, as their perceived value stems from comparing outcomes with expectations (Yang and Peterson, 2004). The level of satisfaction students achieve not only influences their evaluation of the teaching provided but also strengthens the HEI's reputation, thereby enhancing its overall performance.

### 3. METHODOLOGY

The use of a case study provides the ability to analyse a specific situation, defined in terms of space and time, often chosen to suit the researcher's professional situation, allowing them to monitor the environment under study more closely and in real terms. This is a methodology that can be applied in situations such as defining an object of research in a broad way, when there is a need to better understand the context in which the phenomenon takes place and to better define its contours, in response to the need to use more than one source of information to better explain the phenomenon (Yin, 2018).

The study therefore used a case study methodology based on a non-probabilistic convenience sample (Bravo & Einsman, 1998) of 286 students enrolled in the 1st cycle of higher education at the Polytechnic Institutes of Bragança, Guarda, Castelo Branco, Portalegre and Beja during the 2019/20 academic year. In addition, the sample included 85 teachers from these institutions.

These Polytechnic Higher Education Institutions in the interior of Portugal were selected because of their challenges in attracting students. The reason for the choice was the difficulties in terms of human resources and time that would allow for a practical application of probabilistic sampling.

The choice of data collection instrument should be based on knowledge of the different instruments available, as well as the advantages and disadvantages of each one, and it is important to consider whether the research objectives can be met through the chosen instrument. Fortin (2003) states that a questionnaire makes it possible to collect information about known events or situations, attitudes, beliefs, knowledge, feelings and opinions.

Thus, the data collection instrument was developed using the Google platform, allowing it to be applied remotely, endeavouring to be brief and simple, with a maximum response time of 10 minutes. It is divided into two evaluation branches (teachers and students), and the questions were developed according to the characteristics of each of these audiences and the information they wanted to collect. Various scales were adapted for this case study, to include the items that collect the main characteristics, and statistical and empirical validation was also sought.

A case study allows data to be collected in a variety of ways, without having to rely solely on a qualitative methodology, which is why it is advantageous to use multiple sources of data (Yin, 2018). Data was collected using a questionnaire with open and closed questions. The collaboration of the Polytechnic Higher Education Institutions selected for the study was requested, so that they could send their students and teachers the link to fill in the questionnaire anonymously.

The data obtained from the questionnaires applied to students and teachers was processed using SPSS (Statistical Package for the Social Sciences), a computer programme specialising in statistical data processing, which allowed for a more precise analysis of the results obtained. This quantitative analysis used various statistical techniques to explore the relationships between the variables, answering the research questions.

#### **4. RESULTS**

The study results align with the literature reviewed, supporting the development of a value co-creation model emphasizing collaborative behaviour, service delivery experiences, and learning to help HEIs gain a competitive edge, particularly those facing geographic challenges.

Regarding value co-creation, students displayed heterogeneity in their responses, with 42.3% stating they had participated in such actions and 57.7% stating the opposite. When asked about specific activities, their answers were often vague or unclear, suggesting a limited understanding of the concept. Notable examples included solidarity initiatives, mentoring programs, events, research projects, and regional development activities. This inconsistency in attitudes and knowledge highlights the need for better dissemination and clarification of the value co-creation paradigm. However, regardless of awareness, students tended to adopt a positive and facilitating stance toward co-creation.

Teachers provided diverse definitions of value co-creation, with most emphasizing "a partnership that fosters evolution, value, and satisfaction for all parties involved." Other responses highlighted "developing student competencies," "creating or disseminating knowledge," and "generating value for the institution's surrounding region."

The data indicated that 65.9% of teachers had engaged in value co-creation actions with students, including research projects, event organization, community-focused activities, course design or dissemination, pedagogical improvements, and guidance on final projects. These initiatives underline a shared understanding among educators of the importance of collaborative efforts.

Consistent with Payne, Storbaka, and Frow (2008), the involvement of students in their learning processes enriches their educational experiences, fostering satisfaction and encouraging collaborative behaviour in future endeavours. Overall, the findings suggest that both students and teachers contribute actively to their institutions, even if not always consciously within the framework of co-creation. This reflects a generally positive level of satisfaction, with ratings

consistently above the midpoint of the evaluation scale for both groups across all analysed parameters.

## 5. DISCUSSION

As this research is a case study, its main assumption is to understand how the process of value co-creation is used by students and teachers and how it can enrich the strategic management of institutions. It is important to realise that students are an integral part of the educational process, and that they both affect and are affected by the results of the service they receive (Chung & McLarney, 2000), so the research aims to value and encourage their participation, as well as that of teachers, in the process of creating value for the institution, thus making them co-creators, enabling better performance and growth for the institution and consequently for them.

The aim of the study was to understand how students and teachers perceive their role in the process of co-creation of value for the HEI, since from an educational point of view, co-creation aims to develop an increase in value through the collaboration and relationship of the various actors, in order to benefit the process and its users.

The co-creation of value is a reflection of the interaction of individuals (Ramaswamy & Gouillart, 2010), so it is interesting to know to what extent the actors under study perceive their importance in this process and what can result in their behaviour.

The first objective of the research was to understand how teachers and students interacted in order to co-create value, and whether this interaction resulted in benefits for the actors involved in the process, as well as for the institution they were part of, since, according to Prahalad and Ramaswamy, (2004) interaction arises through the process of co-creation of value.

The students confirmed that the teachers' interaction helped them succeed, with a positive level of agreement with this action in favour of school success. The teachers also showed a high level of agreement with this attitude of interaction with the students.

The study identified key pillars essential for developing a management strategy centered on value co-creation, consistent with elements previously highlighted in the literature as critical to institutional success.

One such pillar is the consumer experience, which enhances institutional visibility through "word of mouth" (Voss, Gruber & Szmigin, 2007; Qian, 2006). Another is collaborative learning (Athanasidou, 2007), which fosters engagement among students and teachers, driving better

outcomes. This collaborative process emphasizes experiences and relationships between stakeholders (Prahalad & Ramaswamy, 2000; Vargo and Lusch, 2004). These three pillars — consumer experience, collaborative learning, and stakeholder relationships — should be addressed collectively, promoting value co-creation through a perspective of exchange and collaboration, where resources are integrated into the process by all participants.

Higher Education Institutions (HEIs) should adopt marketing strategies that encourage value co-creation. Efforts should focus on providing students and teachers with positive service delivery experiences that foster collaborative behaviors, leading to enhanced learning outcomes. This approach can achieve satisfaction for both students and teachers, contributing to improved institutional performance and providing a competitive advantage essential for overcoming regional and competitive challenges in attracting students.

## 6. CONCLUSION

The main purpose of the study was to analyse the process of value co-creation in the educational context, at the level of polytechnic higher education in Portugal, particularly in the interior of the country, due to the greater difficulty these institutions have in attracting students, largely because of the limitations of the region in which they are located.

In order to find a management model focused on value co-creation, which would allow these institutions a competitive advantage that would then stand up to national competition, which is often difficult to compete with, given the limitations of the region in which they are located. Since higher education has been adapting to market needs, it is essential to analyse how value co-creation, if used efficiently, can become a beneficial tool for institutional management.

Given that whenever the customer is involved in a purchasing process, they are considered to be co-creators of value (Vargo and Lusch, 2004; 2008; 2017), and given the presence of various actors in this environment, such as students, teachers, employees and even the institution itself and the environment in which it operates, it is certain that the conditions are in place for everyone to collaborate and mutually share, through the application of value co-creation, to provide better results for the actors involved. The research question of this investigation centered on understanding how value co-creation can favour better management by HEIs located in the interior of Portugal, thus achieving competitive advantage in the market.

As this is a highly competitive sector, competition between the various HEIs is notorious, leading to the need to differentiate themselves from their main competitors (Judson et al., 2008). Thus, the variables suggested by the management model presented in the previous chapter, which define the three key pillars for better results, are identified as follows (Table I):

**Table 1.** Variables that make up the management model

<b>Collaborative behaviour</b>	✓ Contribution
	✓ Promotion
	✓ Communication
<b>Expertise in service delivery</b>	✓ Integration
	✓ Involvement
	✓ Partnership
<b>Learning</b>	✓ Attention
	✓ Enrichment
	✓ Sharing

*Source: Own Elaboration*

In view of these findings, it is necessary for HEIs to reflect and create strategies to overcome certain obstacles, so that institutional management can be developed more successfully. To sum up, considering the data collected and analysed in this study and all the literature previously reviewed, it is clear how simple it will be for HEIs to integrate students and teachers into the value creation process, making them co-creators.

To do this, it is only necessary for HEIs to focus on an oriented management model, not acting in the market as they see fit, but in a structured and coordinated way with these actors, so that everyone can benefit. We therefore suggest structured planning that integrates the necessary actions to be developed according to the indicators already suggested, which will thus make it possible to feed the three dimensions necessary for the best development of the HEIs, and it is also necessary to constantly monitor this process by assessing the evolution and needs of the publics in question.

The study thus focused on analysing and understanding how the co-creation of value can favour better management by HEIs located in the interior of Portugal, since the difficulty in attracting students is more noticeable here, and the search for a new management model that will enable better results for both the institution and the regions where they are located is more relevant. As this is a highly competitive sector, the competition between the various HEIs is notorious, leading to the need to differentiate themselves from their main competitors (Judson et al., 2008).



It is also important to emphasise the contribution that the study can make to understanding the attitude of the actors in the co-creation process in their educational context, at the level of Polytechnic Higher Education in the interior region, since it has not been taken into account by the institutions in the evolution of the teaching process (Díaz-Méndez & Gummesson, 2012).

The purpose of education is to generate value for its students (Cobra & Braga, 2004), and it is also one of the main factors in economic development, thus boosting regions. In this sense, it is important to understand on which fronts HEIPs can act, seeking to foster the co-creation of value in their community, allowing for better development and overcoming the difficulties experienced largely due to their location in the interior of the country.

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