

## A Study on SWOT Analysis's Application in Privately-Owned Kindergarten

LEI Jing<sup>[a],[b],\*</sup>

<sup>[a]</sup>Ph.D., Faculty of Education, Southwest University, Chongqing, China.

<sup>[b]</sup>Lecturer, Education College of Preschool Education, Chongqing University of Education, Chongqing, China.

\*Corresponding author.

Received 22 March 2015; accepted 7 May 2015  
Published online 26 June 2015

### Abstract

SWOT analysis is a method widely used in analyzing the internal and external environments of organization in enterprise management. From the perspective of educational management, this article discusses the theoretical basis of applying SWOT analysis in private kindergartens and the feasibility of its application; by case studies, this article explores the scope, procedure, function and issues need to be addressed of SWOT analysis, reveals the position and role of SWOT analysis in private kindergarten management, and explores a new idea and method for private kindergarten management.

**Key words:** SWOT analysis; Private kindergarten management; Educational management

Lei, J. (2015). A Study on SWOT Analysis's Application in Privately-Owned Kindergarten. *Canadian Social Science*, 11(6), 164-168. Available from: <http://www.cscanada.net/index.php/css/article/view/7190>  
DOI: <http://dx.doi.org/10.3968/7190>

### INTRODUCTION

In recent years, with the deepening of the educational system reform in our country, private educational institutions have sprung up all over the country. In the fierce competition of preschool institutions, some kindergartens are well-run and form their own operating characteristics; some kindergartens not only have running difficulties but also go against the intention, even run counter to preschool education idea; some kindergartens can not adapt to the social development, facing the danger

of closure... Kindergartens are the same, but they are different in operation and management. The operators of private kindergartens are facing some confusions in determining management direction, management strategy and implement of action plan, etc. Secondly, in the research field of organization management in recent years, SWOT analysis has been widely discussed and applied in enterprise management, but are not much known in the field of educational management. For this reason, this paper will be titled in *A Study on SWOT Analysis's Application in Privately-Owned Kindergarten*, and make a systematic discussion on the above issues.

## 1. RAISE OF THE PROBLEM

### 1.1 Motivation of the Study

#### 1.1.1 Kindergarten Competitions Are Fierce, and Some Private Kindergartens Are Facing Difficulties in Running

The largest difference of private kindergarten to public kindergarten is that there is no financial allocation. Wages and benefits of staff, teaching facilities and other expenditures are all borne by the private kindergarten, and the income of most private kindergartens completely depends on recruiting, so students have become the focus of contention of private kindergartens. In recent years, faced with a declining birth rate of China's population and increasing number of kindergartens, the war for students has been intensified among private kindergartens... In the competition, some private kindergartens manage to stand out, but some others face a number of difficulties. To stay competitive, the private kindergarten managers dare not have the slightest slack, but pay close attention to competitors' every move, and concern about every change in their own organizations... Students, teachers, courses and equipment..., these concepts have been circled in the operators' brains all day. Success and failure

in competition, victory and defeat of the kindergarten are problems faced by many private kindergartens! These are the driving force to trigger this study.

### **1.1.2 Application of SWTO Analysis in Kindergarten Management**

SWOT analysis has been widely used in enterprise management, but has been less applied in kindergarten management. If there are more research results it will be beneficial to education management.

### **1.2 Significance of the Study**

By analyzing and considering relevant issues, this article reveals the position and role of SWOT analysis in private kindergarten management, enriches the educational management theories of private kindergarten, explores new ideas and methods for kindergarten management, and the results can provide to the relevant departments for reference.

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## **2. DEFINITION OF THE MAIN CONCEPTS**

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### **2.1 SWOT Analysis**

SWOT analysis is a systematic analysis method widely used in analyzing the internal and external environments of organization, wherein S stands for strength (advantage), W stands for weaknesses (disadvantage), O represents opportunities, and T represents threats. Among them, S and W are the internal factors, O and T are the external factors. The meanings of these factors: a) Strength is the advantage owned by an organization. In the process of pursuing goals and responding to competitions, it is a relatively favorable internal environmental factor; b) Weaknesses means the shortcomings need to be addressed by the organization, which is an unfavorable internal factor to achieve the organization's goals; c) Opportunities refer to the external environmental factor which is favorable for the organization to achieve its goals. The organization should take the initiative to look for every possible opportunity; d) Threats are the external environmental factor hindering development of the organization.

Based on the results of SWOT analysis, we should fully grasp opportunities, take advantage of the organization to resolve threats, correct its unfavorable strategies in order to achieve the organization's missions and objectives.<sup>1</sup>

### **2.2 Private Kindergarten**

A preschool institution which has been founded with non-state financial funds by social organizations or individuals other than state institutions, and operates in the face of the society.

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<sup>1</sup> The source is from Preschool Forum Network *A New Opinion on Kindergarten Evaluation - On the SWOT Analysis*. Retrieved from [http://www.w3.sce.pccu.edu.tw/preschool/19th/t\\_forum/forum](http://www.w3.sce.pccu.edu.tw/preschool/19th/t_forum/forum)

### **2.3 Management**

The management in this study refers to school management, namely based on certain institutions and systems, the school administrator adopts certain means and measures to lead and guide staff and students to make full use of resources and conditions inside and outside the campus, to optimize the school education comprehensively, and achieve the objectives of the school effectively (Zhang, 1990, p.22).

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## **3. THEORETICAL BASIS FOR SWOT ANALYSIS' APPLICATION IN PRIVATE KINDERGARTENS**

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### **3.1 Theoretical Basis of SWOT Analysis**

#### **3.1.1 SWOT Analysis and Enterprise Strategic Management Theory**

For the origin of SWOT analysis there are rare records in literature. Some scholars believe that the concept of SWOT analysis originated in the design school of strategic management theory in the 1960s, whose key concepts come from Harvard Business School, and whose representative is K. Andrews.

Strategy means the plan for an overall situation. It is derived from the military field, and in ancient Greek, this word means a general's resourcefulness, planning and use of military force; Competitive strategy is an enterprise's active response to environmental changes. Harvard Business School professor, "the father of competitive strategy," Michael E. Porter states that: The essence of competitive strategy lies in a company forming contact with the environment. Despite a broad range of definitions on the related environment including social and economic factors, the most critical part of a company environment refers to one or a few of the industries which the company is engaged to compete in. Industry structure strongly influences the establishment of competition rules and potential strategies for choice. Industry external forces have a significant role in a relative sense, because the external forces usually affect all enterprises within the industry. Therefore, the key lies in the strain capacities of these companies to external influences (Li, 2000, p.305).

SWOT analysis analyzes the internal and external environments of an organization, enables the organization to actively respond to environmental changes in order to achieve the organizational goals. Thus, enterprise strategic theory provides a solid theoretical foundation for SWOT analysis.

#### **3.1.2 SWOT Analysis and Educational Management Theory**

To the educational circles, SWOT analysis is a new term, but some statements in educational management theories have been found to be similar to SWOT analysis after literature studies, and most educational management

theories draw lessons from enterprise management theories. "The father of modern management" Drucker holds that "management is practice". Management is a social practice with strong purpose, and setting a clear and feasible management goal is the starting point of management (Wen, 2005, pp.75-79). Any kind of management, whether it is enterprise management or educational management, whether it is goal management, decision management, people management, quality management, or strategic management, the first step is to set goals. Goal is a starting point as well as a destination. Premise of setting goals is to make an objective analysis and judgment to the organization's internal and external circumstances. It is easy to find some traces of SWOT analysis in educational management theories, but they need further studies.

### **3.2 Feasibility Analysis on Private Kindergarten's Application of SWOT Analysis**

#### **3.2.1 Policy Basis**

The 2<sup>nd</sup> clause of the general principles of *Guideline of Preschool Education* promulgated by the Ministry of Education in 2001 states: "Various urban and rural kindergartens should start from the reality, implement quality education according to local conditions, lay a good foundation for the development of children". In the sentence, "from the reality, according to local conditions" requires kindergartens to carefully examine their actual situations, and implement their work according to environments and changes of conditions. This is consistent with the thought of strategic management. Kindergarten is the base where children have activities, live, play and learn. How to develop a kindergarten to be beneficial for children's physical and mental development, and how to establish the developmental direction in the reality have become a matter of concern.

#### **3.2.2 Differences Between Private Kindergarten and Public Kindergarten**

The largest difference of private kindergarten to public kindergarten is that there is no state financial allocation. Running of private kindergarten is completely self-supporting, and the income depends on students. To attract students, a private kindergarten must be competitive, and strives to demonstrate its competitive advantages compared to public kindergartens and other private kindergartens, namely needs to form its core competencies. "Core competence refers to a knowledge system which constitutes an enterprise's competitive abilities and competitive advantages, combines multifaceted skills, complementary resources and operational mechanism, identifies and provides competitive advantages." (Guo, 2002, p.413) If a private kindergarten wants to be dominant in the competition, it should make analysis on the internal and external circumstances based on its developmental blueprint, so

as to make full use of strength, suppress or eliminate weakness, seize opportunities and reduce threats, striving to achieve its intended target. In other words, private kindergartens take SWOT analysis because of the need for competition.

Another difference between private kindergarten and public kindergarten is that: The management mechanism of private kindergarten is more flexible than public kindergarten. Whether in terms of educational planning, personnel recruitment, curriculum setting, financial management or material disposal, the principal of a private kindergarten has more self-management and decision-making powers than a public kindergarten. If a private kindergarten wants to apply SWOT analysis, there will be greater autonomy.

Competitive strategic theory provides a theoretical basis for "SWOT analysis", but the above theories, policies and data analysis provide a theoretical basis for "SWOT analysis's" application in kindergartens.

#### **3.2.3 Application of SWOT Analysis in Our Country**

By searching on the Internet and literature studies to learn the application of SWOT analysis in China, after careful analyzing the retrieved information we find that: SWOT analysis has been widely discussed and applied in enterprise management, but in the field of educational management its recognition and application are not much.

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## **4. PRIVATE KINDERGARTEN'S EXPLORATION ON SWOT ANALYSIS'S APPLICATION**

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### **4.1 The Questionnaire on the Application of SWOT Analysis**

In order to learn private kindergarten's attitude on the application of SWOT analysis, and function of SWOT analysis in kindergarten management, etc., the author made a survey regarding private kindergartens' application of SWOT analysis from May 10, 2014 to June 16, 2014. The surveys have been conducted with comprehensive questionnaires.

The survey selected 18 urban private kindergartens in Sichuan Province as the target, and distributed a total of 120 questionnaires to 18 principals and 102 teachers, with 112 valid questionnaires returned, 8 teacher's questionnaires not returned, and an effective rate of 93.3 %.

The survey results show that: A majority of principals and teachers have never been heard of SWOT analysis; all principals and a majority of teachers indicated that they had conducted brief analysis on the kindergarten's strengths, weaknesses, opportunities and threats. More than half of principals and nearly half of teachers considered that SWOT analysis was useful to the kindergarten management, and expressed willingness to use SWOT analysis.

## **4.2 Private Kindergarten's Exploration on Applying SWOT Analysis**

After the survey of SWOT analysis, a number of private kindergartens in our city expressed their willingness to use SWOT analysis, and to provide the usages as the materials for case study. Considering that the results should be promotive and representative, the author chose three large, medium and small sized private kindergartens for case study, and the study period was from May 2014 to June 2014. Based on the application of SWOT analysis in the kindergartens, the author explored the scope, procedures, functions as well as the issues to be noted of SWOT analysis's application in private kindergartens.

### **4.2.1 Scope of SWOT Analysis Application**

Referring to the scope of SWOT analysis in enterprises and relevant literature of kindergarten management, SWOT analysis's application in private kindergartens should be classified into two aspects including internal and external environments. According to the analysis of the case kindergartens, a kindergarten's internal environmental scope includes: leader's leadership style and ability, principal and teacher's professionalism, principal and teacher's qualities, parents and children's needs, organizational structure and division of labor, organizational culture, salary and benefit system, curriculum and teaching, financial management, marketing, construction, equipment, teaching aids and so on. A kindergarten's external environment scope includes: policy environment, economic situation, society and culture, science and technology, community, peer's performance and other factors.

### **4.2.2 Procedure of SWOT Analysis Application**

Combining the views of enterprises and the educational circles, based on the characteristics of kindergarten management and the applications in the case kindergartens, a kindergarten's exploration of applying SWOT analysis should have following procedures:

#### **4.2.2.1 Vision Construction**

The so-called vision is an organization's blueprint, which outlines its future goals, missions and core values, is an intention or sight which the organization will fight for. Vision is classified into personal vision and common vision. What is vision construction? It gathers personal visions to construct a common vision, and shapes the image of the organization as a whole (Senge, 1998, pp.238-245).

#### **4.2.2.2 Implement SWOT Analysis**

According to the kindergarten's vision, we can implement SWOT analysis on the kindergarten's internal and external environments, and clarify the inner strengths and weaknesses and external opportunities and threats.

#### **4.2.2.3 Make an Action Plan**

Based on the SWOT analysis results of the kindergarten, we should develop the advantages and avoid the disadvantages, explore internal potentials, seize

opportunities, and develop a practical plan of action. Developing an action plan includes rebuilding a vision, and developing an action plan.

### **4.2.2.4 Make Short-Term and Medium-Term Development Plans**

The kindergarten's short-term and medium-term development plans are closer to the organization's vision than the action plan. The purpose of developing the development plans is to lead the direction, and the purpose of developing the action plan is to implement actions.

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## **5. FUNCTIONS OF SWOT ANALYSIS APPLICATION IN PRIVATE KINDERGARTENS**

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During the process of applying SWOT analysis in the case kindergartens, the principals and teachers initially knew quite vaguely about it, and lacked for a proper understanding; After several explorations, their thinking has been gradually clear. The case kindergartens have become aware of the benefits of applying SWOT analysis to varying degrees. During the process, three kindergartens have gradually expanded the scales, improved running efficiency, and enjoyed a certain popularity and reputation in our city's preschool education circles.

According to the applications in the case kindergartens, we can conclude with a theoretical thinking: Introducing SWOT analysis widely used in enterprises into education management may not be a creation, but to provide a clearer thinking and framework for analyzing the internal and external environments of the school and the situation. The position of SWOT analysis in private kindergarten management can be considered to be the premise or basis to make the management goals and developmental plans. SWOT analysis in management is like a mirror to help managers clearly understand their own organizations. The significance of SWOT analysis's application in private kindergartens is: firstly, having a standing management tool; secondly, helping the kindergarten understand the internal and external environments, identify the rational developmental direction; thirdly, promoting to achieve the kindergarten's vision or management goal.

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## **6. ISSUES NEEDED TO BE ADDRESSED DURING THE PROCESS OF APPLYING SWOT ANALYSIS IN PRIVATE KINDERGARTENS**

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There have been many problems in the process of applying SWOT analysis in the case kindergartens, which are briefly summarized as follows:

Firstly, SWOT analysis is just a analysis method in management, which should be treated with a normal state of mind rather than be exaggerated blindly, and can not be regarded as the "panacea" able to change the current status or save the organizational crisis.

Secondly, we cannot isolate the four factors of S, W, O, T, but consider the inherent links among them. The key of SWOT analysis is to use a systematic thought to combine these seemingly independent factors for an inclusive analysis, so as to promote the organizational strategic plan to be more scientific and comprehensive.

Thirdly, SWOT analysis can not be used as a independent and isolated part; Upon the SWOT analysis results, we should make action plans and strategies to complete and systematize the process, otherwise it will be a mere formality without any practical significance.

Fourthly, we should pay attention to the limitations of SWOT analysis, and when list the facts for judgment, we should try best to be realistic, objective, accurate, and provide certain quantitative data to make up for the deficiencies of SWOT analysis.

Fifthly, the results of SWOT analysis are the strategic secret of the kindergarten, and should not be published in order to show off to peers or to please superiors, but should be strictly confidential.

By studying SWOT analysis's application in private kindergartens, this article reveals the position and role of SWOT analysis in private kindergarten management, and explores new ideas and methods for private kindergarten management. This article aims to break the ice, and we hope that more researchers will pay attention to private

education, concern about preschool education, and make efforts to promote the development of education in China.

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