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10 YEARS ON: LESSONS LEARNED FROM THE INSTITUTIONAL EVALUATION PROGRAMME

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LESSONS LEARNED FROM THE INSTITUTIONAL EVALUATION PROGRAMME

Dr. Stefanie Hofmann

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PREFACE

What are the key success factors of EUA's Institutional Evaluation Programme? This question was raised during the 2003 annual training seminar of experts involved in the Programme. A wide number and variety of answers were given and discussed, one of which was provided by Klaus Dieter Wolff, former President of the University of Bayreuth and member of the Programme's Steering Committee. He stated that:

> *Each evaluation analyses many problematic aspects of strategic management. However, the majority of the universities that are evaluated are unaware of most of these issues. They do not realise that such problems exist within their university. This lack of awareness results in self-evaluation reports that are not precise or thorough; in turn, such incomplete self-evaluation reports affect the quality of the evaluations. A possible solution to improving the impact of the Programme and the individual evaluations could be to prepare - on the basis of all the evaluation reports that have been written - a compilation of frequently analysed problems and to put this compilation at the disposal of all EUA members.*

The Steering Committee endorsed this proposal.

We are grateful that Klaus Dieter Wolff, who is also head and chairperson of the university-based German accreditation agency ACQUIN (Accreditation Certification and Quality Assurance Institute) developed on behalf of the Steering Committee, a plan to invest resources from ACQUIN and HRK (the German Rectors' Conference) into the project as a joint venture of EUA, ACQUIN and HRK and secured the support of Klaus Landfried, the then President of HRK.

We are also grateful that Stefanie Hofmann, the then HRK expert in study course organisation and head of the HRK Department for Teaching and Learning, was interested and prepared to take on the project.

Stefanie Hofmann worked on the project between January and March 2003. She read and analysed a total of approximately sixty EUA evaluation reports. All problems analysed in the evaluation reports were synthesised according to the Institutional Evaluation Programme's objectives: to develop institutional self-analysis and strategic capacity for change. Stefanie Hofmann's survey is a summary of the individual problems faced by individual universities, which reveal, in their aggregate, an obvious degree of consistency and coherence.

Thus, the following report serves as an overview of the Programme and its benefits, as well as provides EUA with an important analysis in order to further develop it and better serve member institutions.
We hope that you will find it useful.

Henrik Toft Jensen, Chair, Programme Steering Committee
Rector, University of Roskilde

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Since 2003, **Dr. Stefanie Hofmann** has been working as a project manager for the Accreditation, Certification and Quality Assurance Institute (ACQUIN). After completing her PhD in 1998 at Mannheim University, Germany, she went on to work at Greifswald University first as a project manager for the University's "Implementing Bologna" project and then as an assistant to the rector for university development. Before joining ACQUIN, Dr. Hofmann headed the "Teaching & Learning, Study Programmes" unit of the German Rectors' Conference (Hochschulrektorenkonferenz HRK).

1. INTRODUCTION: 10 MILLION TREES – BUT WHERE IS THE FOREST?

One of the reports I surveyed is preceded by a brief profile of the university that was evaluated. In its possession are 10 million trees, planted by generations of students over the past decades. This idea fascinated me. What do the trees mean to the university? Do they result in additional costs? Or are they an "asset" that is evaluated in the university's marketing and thus refinance themselves? Are the trees a symbol of good alumni work, for example, as gratitude for good teaching? How many more trees will be planted? How will the tradition be preserved when land becomes scarce? A simple phenomenon raises a large number of questions. And we need to be careful – sometimes we cannot see the forest for the trees…

Stefanie Hofmann

The Institutional Evaluation Programme of the European University Association (EUA) was launched in 1993 and has evaluated over 110 universities in 35 countries. The evaluation reports offer a wealth of insights and recommendations which were waiting to be tapped. At the occasion of the Programme's 10th anniversary, EUA decided to do so with this survey of some sixty evaluation reports including follow-up evaluations.[1]

The following report aims at identifying the main current issues faced by higher education institutions and at disseminating them to the broad community of European universities, highlighting the challenges, the key areas for improvement as well as the main strategies, tools and implementation processes. Thus, the "frequently analysed problems" and the recommendations offered by the evaluation teams may contribute to the development of other higher education institutions.

Changes are underway in Europe that influence the ancient university's privilege of autonomy – while higher education institutions are calling for greater autonomy – which in turn, demands greater responsibility and accountability. Universities are confronted with different types of expectations: the demand for efficient and effective operations is symbolised in the concept of the "entrepreneurial university." Orientation towards clients and achievements is being met by the most varied steering and management instruments. This raises, however, questions such as: what instrument might be used for what purpose? How does one decide on the appropriate instrument? How does one determine its suitability?

It is not surprising that the majority of higher education institutions that decided to take part in the Institutional Evaluation Programme did so at a time when perceptible change was making itself known in their external surroundings. Amendments to a higher education act, changes in the "market" position brought about by a dramatic rise in the numbers of competing (private) education providers, or even the creation of a new State and society after a political crisis, such as the aftermath of a war situation, can be some of the reasons for looking at one's own institution with external assistance and for considering how to cope with the future over the next five to ten years.

All the evaluation reports can be read as a list of findings regarding widely-shared challenges. The follow-up reports are of particular interest in this respect because they demonstrate what the institution has learned from the procedure and identify which of the proposed recommendations have been implemented. Furthermore, these reports document the dynamics of time – showing that higher education institutions are confronted with new challenges again after just three to five years.

The aim of EUA's Institutional Evaluation Programme is to offer universities an external evaluation that takes account of their external and internal environment. It evaluates current conceptions of strategies and activities and promotes internal quality in universities. The central actors in the evaluation teams are university rectors and presidents, who have both knowledge of and experience with different European higher education systems (the peer review).

1 Universities that have been evaluated can request a follow-up evaluation a few years later.

Therefore, the aim of the procedure is to enhance the capacity of higher education institutions to identify strategic objectives and ways to reach them. The findings of this survey certainly confirm the importance of developing such a capacity as well as the usefulness of an "external support evaluation" for institutions: these evaluations contribute to the universities' better understanding of their own developmental potential and lead to a more effective implementation strategy.

The survey of the evaluation reports is built around the four questions forming the backbone of the Institutional Evaluation Programme:

1. What is the institution trying to do?
2. How is the institution trying to do it?
3. How does the institution know it works?
4. How does the institution change in order to improve?

These four questions are not simply a structure for writing the self-evaluation report – which is an essential part of the evaluation – but also constitute guidelines for the coherent re-organisation and restructuring of the institution, for analysing its strengths and weaknesses, its opportunities and threats and, last but not least, for determining the institutional capacity for change.

In so far as this analysis of sixty reports follows these four questions, it aims predominantly at describing the institutional ability to cope with current conflicting demands and anticipate future ones, some of which have a limiting effect (the real constraints) but many of which represent obstacles to be surmounted. The logic of the four questions requires the institution to be able to find its own answers. Through these four questions, the following text identifies "frequently analysed problems" in a two-fold manner:

- As they relate to the recurring **process** structured in the four questions (in the following order: determination of objectives – process control – monitoring quality – strategic dimension): Has the institution allowed for all stages of the process in its organisation? Has the institution understood the sequence of the questions and, thus, the correlations between the different tasks? Are there "typical" or systematic deficiencies in implementing the university quality structure set out in the four questions? Are the individual questions answered satisfactorily, knowing that if an individual question is not adequately covered, it still forms a constitutive part of a system? Are strategic decisions embedded in an extensive SWOT analysis (strength/weakness/opportunity/threat analysis)? Are the control processes adequate for the implementation of institutional objectives? etc.

- As they relate to the **substance** of the problems formulated: Are the institution's quality processes sufficiently developed in order to determine whether the pursued objectives are achieved? Has the institution identified the "right" objectives? How can appropriateness of objectives be measured? Are the objectives sufficiently precise? Are the university decision-making bodies organised in such a way as to enhance effective and efficient and purposeful action? What are the typical mistakes in the organisation? etc.

The following analysis identifies **recurring findings** such as "frequently analysed problems" as well as **individual findings**, when these represent a specific facet of a widely-shared issue.

The **recommendations** provided in the evaluation reports are obviously as interesting as the problems that are identified. Some recommendations are offered by the institution itself, but most are suggested to the institution by the evaluation team. The following text examines more particularly the extent to which the recommendations relate to the strengthening of the evaluation process itself – that is, the extent to which the Programme promotes awareness of the need for self-knowledge.

The report has been produced exclusively from material provided in the final reports of the Institutional Evaluation Programme. Quotations are generally used to illustrate and highlight the issues identified. They are all taken from the final reports and are stated "verbatim" or in a summary fashion. Any reference to the institutions has been deleted in the quotes: although most reports are public, they have been treated here as being strictly confidential.

II. WHAT IS THE INSTITUTIONAL EVALUATION PROGRAMME?

An audit is an externally driven peer review of internal quality-assurance, assessment, and improvement systems. Unlike assessment, an audit does not evaluate quality: it focuses on the processes that are believed to produce quality and the methods by which academics assure themselves that quality has been attained. Unlike accreditation, it does not determine whether an institution or a programme meets threshold quality criteria and, therefore, certifies to the public the existence of minimum educational standards. Audits do not address academic standards, or determine the quality of teaching and learning outcomes, but evaluate how an institution satisfies itself that its chosen standards are being achieved.

David Dill

The Institutional Evaluation Programme of the European University Association (EUA) is an independent and voluntary European evaluation programme which was launched in 1993. At the time only few countries in Europe had national quality assurance procedures in place. The Programme's initial objectives were to raise awareness of the need for quality assurance and to prepare the EUA membership to respond with an open mind to these procedures.

Its methodology represents an effective tool to promote strategic change and contributes to developing more systematic internal quality mechanisms in institutions. Through this programme, EUA wishes to contribute to the efforts of universities to act as coherent and cohesive units in the complex and sometimes turbulent higher education landscape.

The long-term aims of the Programme are to strengthen institutional autonomy and support institutional change in universities. The Programme represents a tailor-made approach to the internal and external evaluation in that it takes account of the specific context of each university, its needs, mission, and culture. EUA works with each university to set the framework for its evaluation by selecting the issues, faculties, activities, institutes and categories of staff deserving special attention.

In keeping with this contextual approach, the Programme has a formative orientation rather than a summative one (passing judgements for accountability purposes). That is, it aims to contribute to the development and improvement of the university's strategic and quality management. The Institutional Evaluation Programme does not aim to judge the quality of teaching and learning or that of research. It aims to reinforce institutional development by disseminating examples of good practices in the areas of internal quality management and strategic change.

Its methodology consists of:

- a self-evaluation report by the university, requiring a descriptive and analytical assessment based on a SWOT analysis, answering four key questions;
- two site visits by an evaluation team;
- a report written by the team.

At the request of universities, a follow-up visit can take place two years after the initial evaluation.

The evaluation report details the evaluation team's findings and conclusions regarding:

- the university's capacity to improve its performance;
- the internal processes and mechanisms of quality that monitor the institution's current performance.

The evaluation team will note good practices, point to difficult issues and recommend practical improvements.

The Institutional Evaluation Programme is coordinated by a Steering Committee appointed by the EUA Board and managed and supported by the EUA Secretariat.

The evaluation teams are international (no national expert is used) and are comprised of current or former rectors. The key qualifications of team members are experience in successful university leadership and a thorough knowledge of European higher education systems. EUA has succeeded in building a highly qualified European pool of peers and developed a strong academic base for the Programme. Its concept rests on building a community of academic peers, consisting of institutional leaders, and distinct from a cadre of professional evaluators.

By its nature and aims, the Programme adds a European and international dimension to quality assurance. It offers a non-for-profit approach, fully geared towards the interests of the university: the Programme is neither linked to the allocation of funds nor to a control function on behalf of public authorities.

1. What is the institution trying to do?

Missions, aims and objectives and their appropriateness and how the University sees itself locally, nationally and internationally

What is the institution trying to do? This is the first key question of the Institutional Evaluation Programme. In fact, this question elicits information concerning the medium and long-term objectives and the appropriateness of these objectives. Thus, it is a question of how the institution sees itself, in its specific response to local, national and international challenges.

This question is a central one: its answer defines the organisation and strategic-decision making. The institution sets itself objectives and works towards achieving these as far as possible.

The institution must possibly accept limitations and restrictions in this regard which it cannot overcome on its own – at least not in the short term. The reports bring out a list of such "constraints", thereby describing the framework of action for higher education institutions.

In many cases, the obstacles are institutional in nature, though some can certainly also be regarded as being supra-institutional. Typical obstacles include:

- Higher education institutions often see the external conditions as being insuperable (e.g., "legal restrictions") while the evaluation teams generally identify the problem areas in the institution's internal organisation and recommend working towards resolving external problems through a proactive approach. In other words, many of the obstacles are not insurmountable constraints in the narrower sense; rather they actually illustrate the institution's weaknesses.
- There are a large number of obstacles that represent a major challenge for higher education institutions. A typical problem is the way in which money is allocated, which represents a clear obstacle in the functioning of universities. Although changes in funding procedures of (European) universities are noticeable, the detailed and earmarked budget allocation is a restraint on innovation. It goes without saying that universities have to be accountable for their expenditure; the expenditure must be justifiable. But instead of a lump-sum budget there is a line-by-line budget, which renders the universities very inflexible in reacting in a timely manner to challenges.
- Limitations or restrictions are identified in such areas as leadership/decision-making, organisation, management (academic and administrative autonomy, resources, staffing policy), teaching and learning, research, planning and development, infrastructure, internationalisation, competition, and, last but not least, quality.

The aim of the EUA Institutional Evaluation Programme is to offer universities external assessment and advice that also takes account of the above obstacles. It does this by disseminating good examples, assessing current concepts of strategic thinking and action, and elaborating common quality concepts in order to strengthen the quality culture in Europe's universities.

As mentioned earlier, the central actors in this process are university rectors and presidents, who have both knowledge and experience of different European higher education systems. While they come from different countries in Europe, they seem to share implicitely a university model which provides the backdrop for the evaluation. The long and medium-term objectives of the university are reviewed, and its mission and visions are assessed against a backdrop of basic principles resulting from the collective convictions and experience of rectors and presidents of Europe's universities.

Guiding Principles

- "Maintenance and improvement of quality should cover *all* aspects of the University's work (e.g., learning, PhD studies, management, and relations with the community)."

- "No university can be excellent in every area. This is the old dilemma between quantity versus quality."

In other words:

- "Priorities of excellence usually translate into the institution's *proven* fitness for purpose."

- "Diversity and diversification are now on the agenda for higher education all over the world."

- "Try to find a niche, define the institution's unique profile!"

- "Changing economic, social, cultural and demographic circumstances means that the university's traditional role needs to be re-examined in the light of the needs of the knowledge society."

- "Manage the transition from a teaching culture to a learning culture!"

- "There are a number of significant external factors and trends which should be recognised in the mission statement: the Bologna Declaration and its significance for the European and international profile of the University; a strong international push toward lifelong learning; the swift development of ICT-based learning in the context of globalisation and 'borderless higher education; the potential of the Internet for research connections; a massive expansion of knowledge and the drive towards transdisciplinary study; possible government attacks on efficiency of learning processes, e.g., high drop-out rate; expansion in scale and scope of the demands on the University from regional interests for more focused contributions."

- "Any policy is a quality-relevant policy."

- "Quality management is not only a matter of maintaining and enhancing academic standards of programmes and research, but should cover all aspects of the life of a university."

- "Quality assurance procedures should become a permanent process for the University and include a follow-up."

- "Activity precedes organisation."

or:

- "Institution follows function."

What is the institution trying to do? What are the university's medium and long-term objectives (i.e., the goals it wants to achieve within five to ten years)? Are these objectives clearly understandable? And are they founded on a systematic process of discussion and co-ordinated consensus involving as many actors as possible?

Mission Statement

A much-asked question is therefore: Does the university have a written mission statement? Do individual faculties also have mission statements, and are these compatible with the overall mission statement of the university? How did this mission statement come about? Is it based on democratic discussions involving all the groups concerned? Is the mission statement shared by all members of the institution? Do all actors in the university feel committed to this mission statement in their attitude and actvities? Does the mission statement contribute to a sense of identification with the institution? How is the mission statement used in the institution's (strategic and operational) actions? Is the mission statement plausible? Is it specific enough? Is it extensive enough? How is the mission statement updated? Is the mission statement based on a systematic analysis of the institution's strengths and weaknesses? What is the scope of the mission statement and does it aim to position the university locally, regionally, nationally or internationally? Does the mission statement define objectives that appropriately fit the university's situation? Does the mission statement take account of institutional conditions as well as local, national and international circumstances (or constraints)?

For a large number of higher education institutions, taking part in the Institutional Evaluation Programme provided a reason for writing, for the first time in the self-evaluation report, an (unofficial) outline of the university's mission statement and thus systematically approaching the question of *What is the institution trying to do?* Those universities that took up the offer of a follow-up had, as a rule, drafted a mission statement in the meantime or reconsidered and revised an existing one. In many cases, the individual university's mission and vision are also established in bylaws and basic regulations.

The reports identify the following issues:

- *Autonomy in determining objectives?* For example: "The university seems to see its mission as being defined by the country's higher education law."
- *Appropriateness and feasibility of the objective?* A recurrent example: "From the mission statement and, in particular, from the University's stated vision, it can be concluded that the University is involved in a *process of further expansion towards becoming a (more) comprehensive university*. As to the decision to expand the University, it is unclear to what extent the University will grow. If the University wants to expand the already existing faculties and create a number of new faculties far beyond the boundaries of the technology-oriented framework, then the Evaluation Team wishes to express doubts about the feasibility of such a huge project."
- *Binding nature of the objective?* An individual finding: "The mission statement as an informal set of institutional priorities, a 'gentlemen's agreement'."
- *Degree of precision?* A typical finding: "The University's mission is rather vague and does not help the University to define the priorities for strategic planning."
- *Coherence of the defined objective?* A frequently identified issue: "[the discrepancy between] The University's mission and vision versus the Faculties' and Departments' objectives."
- *Focus of the defined objective?* "The balance between teaching and research: The University is more than a collection of research institutes."
- *Will to implement and/or actually translate objectives into strategic and operational action?* "All of these objectives speak only of what should be done but we hear nothing about how and when they should be done. They are aspirational with no indication of a time scale for implementation or of the instruments that will be employed to implement them."
- *Attitude?* An issue raised repeatedly: readiness for proactive transformation versus reactive and protective defence of the present.

- *Level of identification?* In the form of a recurrent issue: "There were many people involved in the procedure and at all levels. Some of them regard this work as well as their involvement in it as a waste of time; others reported that they look at the mission statement as a very useful point of reference in their argumentation, e.g., for increased resource in their faculty."

This depending on

- *The level of involvement in and organisation of the discussion, communication?* Recurring question: bottom-up versus top-down? Participation and ownership of the objectives.

The evaluation teams make a series of recommendations in relation to the university mission and vision, and with regard to setting these out in a binding manner in a *mission statement*.

Recommendations addressed:

- the sources a mission statement could be based upon;
- the way in which the discussion process could be initiated and systematically structured within the institution;
- the necessity to raise awareness within the institution for the process of forming the mission statement;
- the necessary and helpful instruments that could support the strategic definition of objectives (SWOT analysis, development of different scenarios);
- the questions to be raised in a university *mission statement* (guidelines for future action and the strategy behind them); also including quantitative guides (e.g., optimum size of the university in terms of student numbers) and a self-commitment to prepare the institution for change necessitated by a possible or probable transformation of the university environment;
- An indication of how long-term objectives could be reached (e.g., through strategic partnerships).*

* More detailed information to follow, particularly under question 4.

2. How is the institution trying to do it?

Processes, procedures and practices in place and the analysis of their effectiveness

How is the institution trying to do it? What efforts is the institution making in order to reach its objectives? How is it organising these processes and procedures? Who is involved in them? What instruments is it using to reach the objectives? How are the processes and procedures safeguarded? What institutional norms and values guide the institution in its pursuit of objectives? How are the processes and procedures optimised? Who is involved in this? Who exercises power and control? Who makes the decisions and about what? Who is answerable for the results? What structures are chosen by the institution? What form of organisation is in place? How does it respond to the limitations and restrictions analysed? Does the institution act in a more proactive or more reactive way?

The characteristic of this approach is to consider that the university is more than the sum of its parts. Therefore, the evaluation looks at the university as a whole, rather than in terms of its constitutent parts. Individual reports show that this premise faces a fundamental challenge, or even the potential for conflict. Firstly, the complex form of the university is structured and organised into entities that have developed and grown through time. Secondly, by virtue of the competencies and decision-making and/or co-participation rights assigned to them, these structures and organisational entities impact on the strategic development of the overall institution – or not, as the case may be. In many instances, organisational principles and decision-making structures are not effectively coordinated. As an example:

"The role of the faculties and departments in sharing central (institutional) power is another important question. As the heads of the Faculties, the Deans possess more power at the institutional level than Department Chairs. The Deans are ex-officio members of the Senate as well as the University Planning Committee. According to the law, however, the Departments have the responsibility for organising the study programmes and for awarding the corresponding basic degrees. This means that the Departments have the academic power on the basis of the university system. But, at the same time, the collegial governing bodies, which hold power at institutional level, have a federal-like structure that includes Faculties and not Departments. Furthermore, not all the Departments are represented on all the Senate Committees. This results in an obvious inconsistency, which appears to be a weakness of the decision-making process. The evaluation team recommends that this inconsistency should be handled by the University through the rationalisation of the internal distribution of power."

According to what criteria should the international distribution of responsibility be rationalised? One fundamental hypothesis in the reports is that *the university's objectives are implemented by those responsible for the university as a whole.* Or to put it differently: the university's objectives are decisive for its continued future existence and competitiveness; there must be a level within the university that effectively controls this process – for the entire institution.

University leadership and decision-making structures, bodies and strategies

The reports give accounts of different models for the institutional organisation and structuring of decision-making responsibility. They are regarded *without* exception as being capable or worthy of improvement.

One traditional basic type dominates. This *traditional* (sometimes even described as conservative) *basic type* of leadership is described in a large number of reports as follows:

- It results from the principle of collegiality or a collegiality culture.
- It is based on the principle of forming a consensus.
- It provides for a distinction and differentiation between (hierarchic) levels of competence: at university level, for example, the senate with

competence for academic matters, the *administrative council* with competence for general strategic matters; at the decentralised level the faculties with competence for teaching and study, plus the *departments* with competence in the area of research; teaching and research at the university level are reflected in appropriate committees.

- It generally implies a "relatively weak senior leadership and management structure, which has limited instruments for change."

- It is linked to a strong culture of devolution and links up with the expectation that initiatives emerge on a bottom-up basis.

- It bases the legitimacy of the senior leadership on democratic decision making (elections).

In many cases, collegial structures and attitudes are suspect in hindering a more entrepreneurial spirit as well as in carrying out the necessary change. As one report stated: "Finally, its institutional strategies are based on four major principles: democracy, efficiency, accountability and quality. During our interviews, we heard some reservations about whether it is possible to combine all these principles together. We quote from the last paragraph of the Self-Evaluation Report that 'these democratic processes sometimes cause unwarranted delays and limited efficiency in both decision-making and policy implementation.'"

What is so difficult to implement in such a traditional organisational structure? Quite a few reports start with a diagnosis of the problem areas emerging from a fragmented and (over) decentralised system. The following developments in universities are seen as being hampered by the fragmentation of higher education institutions:

- university-wide quality processes;
- the development of inter- or trans-disciplinary study programmes, especially as applied to lifelong learning;
- organisational and administrative preconditions for implementing ECTS across the institution in order to ensure smooth transfer of study credits;
- effective use of scarce resources;
- development of a university-wide international profile;
- etc.

Where do these problems stem from? Besides these substantial items, a series of challenges are diagnosed in the university's decision-making structures and internal organisation. An overview of these issues produces the following picture:

- The level of strategic vision and leadership is distributed very unevenly across the university, with a tendency towards preserving the status quo.

- Excessive complexity and lack of transparency in the decision-making process: "decision-making is characterised by lobbying and bargaining, by balancing the power of formal bodies with that of informal ones."

- Inconsistency between the ideal and actual state of affair: "The decision-making process, although clear on paper, is in fact not very transparent."

- Informal and unsystematic communication: "the establishment of clearer communication channels between the different entities at the University would help. More efficient sharing of information would make the decision-making quicker. For instance, this would help to minimise the chances of losing research contracts for administrative reasons, as well as to improve knowledge among staff and students about policies and initiatives."

- Non-transparent allocation of responsibility and reporting lines.

- Despite a good decision-making culture, there is no adequate decision-making structure: "discussions mainly seek consensus instead of conflict… The University is advised to consider the possibility for creating a more condensed structure for decision-making to better integrate the different levels and processes within the University."

In addition to the examples listed above, the vast majority of reports also attempt to identify the root cause of difficulties: that is, *the constant threat of loss of equilibrium,*

(1) across the organisational entities (university, faculty, department);
(2) across the decision-making levels (centralised - represented, for example, by the rector, rector's office, senate, university council, administrative board, senate committees, etc. - and decentralised - represented by the dean, dean's office, faculty council, etc.);
(3) across the individual decision-making bodies within a given decision-making level;
(4) between academic and executive competence.

The reports identify fundamental areas of tension under the headings of "balance of power", "centrifugal forces", etc. The problems originate at the dividing lines between the university, faculties and departments. The greater the autonomy of the smallest entity, the more danger of fragmentation there will be as well as the likelihood for numerous conflicting individual interests standing in the way of institutional objectives. It is not only the structure that is decisive in this regard but, above all, the allocation of power, functions and resources. In addition, the more removed the decentralised entities are, the more non-transparent and complicated the organisational structure will be.

Relationship between "central" and "decentralised" entities (university leadership, e.g., represented by the Rector's Office or Senate vs. Faculties and Departments):

Why does the subdivision of the university all too often present a challenge? A simple answer points the way: "In the view of many academic staff, it is the faculties that are the autonomous units within the higher education system, and the universities largely have only a ceremonial and international representation role."

There can be an (excessively) *high degree of autonomy on the part of the faculties and departments.* The countries of Eastern and South-Eastern Europe, although not exclusively, represent an extreme example of this model: the faculties have sovereignty with regard to staff, curricula and study programmes, are responsible for student registration and are funded directly by the ministry.

The finding of a relatively traditional structure is associated with the following observations and comments:

- In practice, the autonomy of the decentralised entities often does not present a problem thanks to the excellent relations among all the parties involved.

- Problems arise when the institution as a whole has to take focused strategic decisions and is called to account for such decisions (autonomy and accountability of the university). Greater demands are placed on the academic leadership, which then requires assistance from the decentralised entities.

- Many warnings are given about the effect of *centrifugal forces*, with the following trend evident: the higher the degree of autonomy of the decentralised smaller entity, the greater the urge for still more autonomy, going even so far as to claim institutional independence.

- A special case in this regard is the *geographical distribution* of an institution – identified in many cases as a "serious constraint" in the corresponding reports. In the vast majority of cases, universities spread over several locations have to accomplish particularly demanding feats with regard to integration. As an example: "When more autonomy is given to the university campuses in other towns, experimenting with different decision-making arrangements for different locations would be recommendable. Possibly, the learning experiences of several campuses can be used for future reforms of the decision-making structures for the whole University."

An analytical assessment of the strengths and weaknesses as well as the opportunities and threats entailed in deciding on a specific structure of university control processes also includes searching for the *causes of the problems*. How do ineffective organisational structures come about? They can result in part from laws that stipulate the hierarchy and structure of the institution, thus depriving it of the possibility to determine autonomously the best way to reach its objectives. For example, "until the new 'architecture' of Italy's higher education system comes into force, the main bodies of the University's decision-making are prescribed by national law: faculties are responsible for education, which is organised in courses (*corsi*); whilst departments are the building blocks with responsibility for research. Both lines of organisation are represented at the university level in the Senate (*Senato Accademico*)."

Division of functions between Faculties (teaching) and Departments (research)

The widespread *division of functions between Faculties (learning and teaching) and Departments (research)* causes a series of problems: individual reports generally evaluate as successful the integration of teaching and learning and research in overall university bodies (e.g., the Senate). The problem appears primarily to be one at the level of the decentralised entities:

- How can interfaces be coordinated?
- How do decision-making processes develop? How does the allocation of resources function? How are priorities set?
- How can the characteristics of a discipline be described in generic terms?
- To whom, for what and in what way is the director of a research institute responsible?
- Where does the actual identity of a faculty lie: is it simply a collection of study programmes or is there value added?
- How is the allegedly "integral link" established between teaching and research?
- How can staff development be organised coherently?

Preliminary results

In their recommendations, the evaluation teams follow, in turn, a series of *principles*. Adherence to these principles should enhance the effectiveness of the control processes, thus strengthening the quality culture of the overall institution. Just how these principles are translated into strategic action is a task that each institution has to solve according to its own requirements and, above all, with regard for its own objectives:

- What is decisive is that everyone, at all levels, adopt the decisions made by the university ("ownership").
- This implies full transparency of the decision-making processes.
- It is a case of finding the right balance ("balance of powers") across the decision-making levels (in the sense of a hierarchic system) – in other words, a balance between the aims of flexibility and coherence - and re-examining this balance at regular intervals.

- Nothing endures forever; with regard to external constraints, e.g., in legislation, a fundamentally proactive stance is recommended.

In order to enhance the efficiency and, in particular, the effectiveness of this leadership model, the evaluation teams recommend measures or welcome measures taken by university management:

Overall, strategic, targeted action within the context of the entire university appears to be successful only to a limited extent in this organisational form. The dynamics of time, the changed "environment" of the higher education institution, the increased autonomy and increased accountability demands confront higher education institutions with new challenges.

Proceeding from the premise that strategic planning is central to the university, the evaluation teams recommend:

- Shaping the *decision-making structures* in such a way that they are able to translate the university's objectives into practical reality.

- Selected bodies (normally at university level) to be responsible for *implementation and further development of the mission statement* - (where possible) one body having responsibility for maintaining and updating the university's mission statement.

- The *management level* ("senior management" or "senior leadership") must be in a position to take responsible decisions ("autonomy and accountability"). Placing excessive strain on individual functions (normally the rector's) should be avoided in this regard. This can be achieved through various types of organisation: (1) management team/vice chancellor's office consisting of the rector, vice-rector(s), administrative director/vice-chancellor; (2) large senate – small senate model ("as practised in other European settings, in which the former operates primarily as a big-policy forum and the latter as a purposive decision-making body"); (3) installing a strategic steering committee involving the deans together with the rector's office with the objectives of reducing the psychological distance between university management and the faculties, thus linking together academic and resource decisions and improving cooperation across faculties.

- Reconsidering the role of the vice-rectors: the recommended model provides for portfolio-based vice-rectors (one finding: "Three Vice-Rectors, who by virtue of being elected, seem to reflect Faculty interests, no specific portfolios"), with responsibility for framing policies coupled with monitoring their implementation and chairing relevant committees.

- Clarifying how key positions can be filled effectively. (One finding: "The rectorship being an elected office, with professors as the voters, may make the rector over-influenced by the collective preferences of professors. Some rectors are said to see this as a hindrance for proactive strategic decision-making at the university level, pushing the national authorities to make decisions that they cannot themselves make").

- The *duties* of the bodies derive from the university-wide mission statement, which is broken down into strategic and operational areas of responsibility ("We have heard that too much time and energy are consumed at the Senate's sessions by rather trivial matters at the cost of important strategic issues. This, in our opinion, raises the question of whether some decision-making power of the Senate could be delegated either to the Rector and the Rectorate Council or to the Faculty level").

- Strengthening the centralised entities is to be welcomed in principle in this regard: decentralisation (e.g., financial sovereignty) may on no account jeopardise the cohesion of the university.

- The bodies need suitable *control instruments* to be able to perform their duties effectively (recommended on repeated occasions in this context: the introduction of target agreements in conjunction with a new financing system based on cost centres. This requires integration into the strategic planning processes, an extensive information system [controlling, monitoring], administrative support at faculty level, budget management transparency).

- The *competences* of the various bodies and management groups must be clarified and be made clear (i.e., transparent).

- The *lines* between the individual bodies must be clarified and made clear; impasses are to be avoided.

- *Integration* of the bodies into the overall structure must be guaranteed. This can be achieved in different ways, e.g., thematically, covering and having an integrative effect for all areas of the university across the entire structure ("The internationalisation policy, for example, is perfectly suited for such a thematic approach").

- *Continuity* between (policy) decision-making and (administrative) implementation must be guaranteed.

- The *number* of bodies, especially commissions and committees, which merely perform an advisory function, should be effectively limited ("The University is overly organised, with too many committees, committees which must overlap significantly given the requirements of broad representation").

- It should be kept in mind that commissions and committees are instruments for organising the broad *participation* of different groups (one example of a problem analysis: "To a great extent, the University is run by committees associated with the Senate. This means a high degree of participation has a very positive effect, but also means protracted procedures have a negative one").

- The *size* of the bodies should be such that effective work is possible, especially and also with regard to the time aspect.

- *Appropriate participation* in the bodies by various groups must be guaranteed ("the Senate is dominated by faculty interests; the Scientific Research Council is dominated by department interests").

- *Vertical and horizontal channels of communication* must be established which function in all directions, thus enabling everyone to have an input into the decision-making process.

- The *administration* should be organised in such a way that it serves to achieve the institution's objectives.

- The structures must be safeguarded via *bylaws*; the possible amendment of existing bylaws is recommended.

"Separation of Powers"

Increased autonomy means greater *responsibility* for the higher education institution. This greater responsibility requires improved transparency both externally and internally and the clarification of competencies: "With the University's new autonomy in financial matters, the situation has drastically changed. There is an immediate and pressing need for the University to address the relationship between the Senate and the Board, and to define in a clear and unambiguous manner the role of each."

Which body is to decide on what matters? There is no clear answer to this question.

One report argues that the responsibility between the academic function and the allocation of resources should be kept strictly separate ("as a basic principle it is important to maintain the division of responsibilities between the academic function on the one hand and resource allocation on the other. The challenge to the University is to organise a methodology that will achieve this purpose in

an effective and non-divisive way"). Two other reports, however, fundamentally criticise spliting the decision making across different bodies. The dual system of decision making and leadership (represented on the one hand by the senate, with primary responsibility for academic matters, and on the other hand by the university council – including representatives from the university, industry, politics, etc. – with responsibility for economic and administrative decisions) influences the "capacity for change", and not necessarily in a positive way.

This is countered by the concern that the balance between the two bodies could be solely determined by the conduct and ethos of the leading personalities, whose management responsibilities are possibly not specified, thus resulting in time and labour-intensive clarification processes.

Consultation between the bodies can function, but does not have to be mandatory. Irrespective of this, it needs to be clarified who will finally make and take responsibility for the decision.

Rector and Rector's Office ("senior leadership")

- How much decision-making power does the rector have?
- How big is the rector's office? How many vice-rectors assist the rector?
- How is the rector's office organised, what powers are conferred upon it? Is the administrative director represented in the rector's office?
- What sanctioning options does the rector have? Does s/he have financial incentives to support implementation of the university's strategies?
- What is the duration of the rector's/vice-rectors' regular term of office? How is continuity preserved?
- How is the leadership prepared for its official duties?

Strengthening "the central entities"

The following recommendations are made with the view of making decision-making processes more focused, more dynamic and more flexible in order to ensure university-wide coherence in the establishment and implementation of a common vision and particularly in setting priorities:

- Examining to what extent strengthening the centralised level (e.g., the rector's office) can give rise to opportunities and benefits with regard to defining and implementing university-wide strategies (one supporting argument is, for example: "Moreover, a stronger central power structure could provide greater leverage for the institution to negotiate a more advantageous legal framework to support its autonomy assured by law").
- Examining the status quo in this light, especially the role of the senate as a central decision-making body at many universities.

Trend towards decentralisation ("devolution")

Besides the trend towards strengthening the "central level" as discussed, a number of reports state what aspects should be taken into account when strengthening the "decentralised level" (especially the faculties). The reports deal with the decentralisation ("devolution") of decision making and responsibility in the same way.

How is the optimum degree of autonomy for decentralised decisions (i.e., at faculty or department level) measured? What matters should the decentralised entities be able to decide upon autonomously? Why is "decentralised" autonomy usually less effective within the context of the overall university? Empirically it is shown that, as a rule, departments and faculties organise their decision-making processes in a rather democratic manner and according to the "bottom-up" principle. How are organisational forms safeguarded? (Bylaws).

Limits of centralisation?

A strengthened central leadership – primarily at overall university level being alternatively the rector and the rector's office, or the dean and the dean's office in the sometimes competing relationship between department and faculties – appears to be a necessity for a university's competitiveness. However, the reports state unanimously that a strengthening of the central level must be accompanied by greater transparency and improved communication.

The boundary between the central and decentralised levels seems to run along the line of "leadership" versus "ownership/commitment". One of the reports contains a real warning vis-à-vis the concept of strong leadership as it appears to be defined in the "entrepreneurial university" model. Although the report may not be representative, the succinct warning not to lose sight of grass-roots involvement (i.e., of each individual member of the academic and administrative staff) in all reform processes is contained at least implicitly in all the reports: "It is illuminating to read some considerations written by Harry de Boer à propos the recent change in the governance structures of the Dutch universities:

> ***"The 'managed university' – stressing vertical relationships among a minimal number of powerful persons or bodies – has various advantages, which is no surprise since hierarchies have many respected qualities. At the same time, the managerial dilemmas associated with hierarchies… can only be resolved by establishing 'cultures of trust', in which both executives and employees are willing to abandon the permanent pursuit of self-interest. Based on four years of experience following the reforms of university governance, one is left with the impression that, in general, these 'cultures of trust' do not exist. This is a serious problem because… trust facilitates stability, cooperation and cohesion.***
>
> ***"The most striking problem in the 'managed university' concerns the low levels of involvement and commitment of staff and students, and the poor lines of communication and interaction between executives and councils and between councils and their constituencies. Involvement and communication are interrelated, that is, low levels of involvement hamper efficient lines of communication and vice versa, since poor communication does not stimulate participation. As a consequence, valuable information and knowledge may not be available to decision-makers. This decreases the quality of the decision-making process...***
>
> ***"Low levels of commitment not only influence the quality of decision-making, but also decrease the level of trust because actors will not have the opportunity to get to know each other. This can easily lead to the emergence of 'different worlds' in which different groups function in isolation from each other, and this, of course, does not increase coherence and consistency. To prevent situations of 'unknown, unloved' in which trust cannot flourish, frequent interaction needs to be established. If not, it will be impossible to create 'characteristic-based trust' or a setting in which shared moral values are important" (Bacharach et al., 1999; Birnbaum 1989).***
>
> ***(Source of the quoted passage: an Institutional Evaluation Programme report)***

Participation and interest groups ("stakeholders")

Which groups need to be involved in the decision-making processes and with what quotas? In which bodies? How is a distinction made between consultation and decision-making power?

To answer these questions, it is, once again, the objectives of the institution itself that guide the reports. Furthermore, the following recommendations can be found in the reports:

- One report mentions that broad participation is desirable for preparing decisions; two other reports note that the actual decisions should be

made by the competent decision-making bodies responsible; three reports point out that broader involvement is then desirable once more in the implementation phase. The strong involvement of interest groups in actual decisions is, however, characteristic of a traditional organisation model.

- Students should be involved in the decision-making processes (one finding, for example: "But the University should not just offer students good possibilities, it should also give students responsibilities and duties. Decision-making structures should provide them with real responsibility… According to the diagram on the University's governance system, the Student-Teacher Committees in the faculties report to a university-wide Student-Teacher Committee. However, the university-wide Student-Teacher Committee is not linked to any other decision-making body of the University… To make students (and academic staff, for that matter) committed to the educational evaluation activities under the Student-Teacher Committees, they should have a real responsibility to inform and advise the Senate, or the Faculty Board, on a regular basis."

- The participation of *representatives* from *industry*, *politics* and *society* is welcomed in principle, especially with the majority of reports referring to a regional mandate for the university. One finding, for example: "External perspectives seem to be missing from the major university councils, which for a university apparently committed to regional development and stakeholder interaction is an anomaly. We recommend the University to consider a) regional representatives (public and private sector) on the Administrative Council and b) a regional strategic think-tank." However, everything has its limits: "It was noted that it has been the practice to invite representatives of the media to Senate meetings. This is not the normal custom in other countries and the team expressed its doubts whether this practice should be continued."

Strengthening the central level through commissions or authorised representatives

As the duties and responsibilities of the centralised leadership level increase, higher education institutions are tending to strengthen management levels with experts. The task of these staff positions is, in many cases, to prepare drafts and proposals for decision-making bodies in an effective and professional manner. This step, which would appear to be reasonable and advisable, can only succeed, however, if certain rules are observed:

- Clarifying the area of responsibility and authority of the central leadership level and the main actors (vice-rectors and staff positions).

- Clarifying the assistance required from relevant administrative entities.

- Clarifying and defining objectives and tasks that require attention (e.g.: "no specialised body/committees are apparently set up to develop policy in such areas as continuing education/lifelong learning or international policy; no didactics committee charged with quality improvement, teaching and learning; there are three committees charged with distributing research money – which seems excessive. Overall research strategy seems neglected").

- Clarifying the relationship with the faculties.

- Clarifying the reference system as well as clearly specified responsibilities and control instruments (including internal financial audit functions).

Central control instruments

What instruments does the executive use to reach its objectives? The principal challenge is to manage costs in order to ensure effective action. This genuinely practical matter can only work on the basis of institutional *coherence* and *cohesion* – that is, generic definitions of indicators leading to com-

parable standards. On this basis, "economies of scale" appear to be possible. For example: "why not set up common student services that would use the staff members now dispersed in the faculties and offer wider support than at present to the whole student community? Why not review salaries in relation to all earnings received by the University as a whole so that the risk of private dealings is reduced?" Transparency is one of the keys, while the other is confidence and trust in the data collected and provided. Identifying with the university's objectives and a feeling of belonging and university togetherness are also part of this.

The role of the administration

The relationship between "academia" and "administration" is crucial for the effective and efficient action of the university as a whole. For many university administrations, this implies a fundamental need for reform. The principles put forward in the Institutional Evaluation Programme apply to the administration in the same way since it is an integral structure of the university:

- Defining objectives and mission statements ("service-oriented culture").
- Reorganisation of structures, where applicable, with due regard for the objectives set and the specific organisational structure of the institution (faculty and department sub-entities with specific tasks and objectives).
- Development of procedures and measures for reaching the objectives.
- Creating the necessary (financial and capacity) conditions ("And last but not least: each administrative body, deans and rectorate, must have their budgets in order to stimulate innovation and to act as a kind of lubricant to keep the wheels of change turning. Seed money is a normal administrative instrument, and essential in getting processes up and running").
- Monitoring the achievement of objectives (quality control).
- Strategic plans including setting priorities and schedules, especially in relation to staff development ("Reforms of the system are to include detailed job descriptions, annual work plans, up-grading IT skills through training of existing staff and hiring new staff who are IT literate, learning about the reform of public administration by attending courses and seminars").

3. How does the institution know it works?

Feedback systems in place, in particular quality assurance mechanisms; Quality control or quality monitoring; Quality management

How does the institution know it works? This is the third question set out in the Institutional Evaluation Programme: results emerging from the processes could be summarised in the question: Does the institution know it works?

It is not the intention of the Institutional Evaluation Programme to evaluate the quality of teaching and research. Rather, it examines processes and mechanisms which are designed to measure the quality of institutional performance.

The institutional evaluation process could be encapsulated in a "fitness for purpose" formula. We saw earlier that question 1 defines the objectives, while question 2 discusses how to achieve objectives (that is, with the help of what control instruments), within what organisational forms and the participation of what groups. The questioning now moves to examining if the institution is able to determine whether the path chosen actually leads to the desired goal.

In the Institutional Evaluation Programme, the quality of the university's performance – both currently and in the future – is assessed through a number of procedures. The analysis of the institution's strengths and weaknesses and its opportunities and threats results in identifying the challenges it faces: some are external and others internal, some are inescapable and others surmountable. All are restrictions and limitations upon fulfilling the institutional objectives and optimising its quality. There are many obstacles that stand in the way of "quality". To name a few (*finding*): staff recruitment, supervisiory relationships, right (lack thereof) to select students as well as the associated problem of their (inadequate) prior education or motivation. The reports also include recommendations for developing a comprehensive quality culture and effective quality management.

The objective dimension of quality management is not standardised and sometimes even contradictory. Decisive in this regard is the interest shown in (utilising) the results and, directly associated with this, the "interested party": the objectives are then (1) improved quality (in an increasingly competitive environment), (2) responsibility ("accountability" in the sense of tendering accounts, normally to third parties, the so-called "stakeholders") and (3) the allocation of resources on the basis of the evaluation results. EUA's Institutional Evaluation Programme follows in its principles the first approach.

In his book entitled *A Guide to Self-Evaluation in Higher Education* (Oryx Press, 1995), H. R. Kells underlines in this context that "Universities act more maturely in these matters if they are treated as trusted adults... and if they are wise enough to seize the responsibility for controlling the evaluation scheme and for self-regulation. The less government uses reductionist indicators, and comparative, particularly published, data... the more effective, useful, and change-oriented the schemes become."

Therefore, individual reports saw as a problem if the self-evaluation report defined in a contradictory manner its quality focus, e.g., defining quality both as accountability to third parties and as improvement.

At the same time, the requirement to be accountable to third parties – especially to those providing funding – and to take responsibility for results or outcomes is associated, to a high degree and increasingly, with the growing autonomy of higher education institutions.

This can be confirmed by a further "European" finding: "A [199x] law called for quality assessment at [European] institutions of higher learning, but has failed to be implemented." And even the threat of financial sanctions evidently does not bring about any improvement: "Not all depart-

ments publish research reports, though externally funded projects call for quality control as a condition for funding." In this context, the evaluation of research under the approach employed by the *Institutional Evaluation Programme* is problematic in some respects, not least of all because the achievements and results attained are assessed in terms of the research group's project assignment in the external research evaluation and not in relation to the objective of the higher education institution.

An extensive quality culture, based on effective quality management, has not developed to a satisfactory degree of maturity at any of the universities that have been evaluated. There is a good deal emerging and much experimentation – usually unsystematic – and without any clear relationship to the institution's objectives (i.e., "bottom-up" as a rule).

In this context, the term "quality assurance" is often related far too narrowly to teaching, with further aspects such as management and administration, staff management and development, strategic planning, relationship with the city and region, etc., referred to only in an unsystematic manner, if at all. This narrow focus results in a correspondingly narrow view concerning the question of who – what interest groups – should be involved in the safeguarding and development of quality (graduates, employers, etc.).

Problem findings in detail

The introduction of a university quality system is fraught with problems. The following exemplify some of the difficulties. The selection is linked to the university's sphere of action:

- Quality assurance measures only take effect where individuals become involved; problems concerning motivation arise from time to time.
- Deciding for or against formalised quality assurance depends on the decision of faculties or departments and the goodwill of the deans.
- Where there is an Evaluation Department within the institution, such a department is sometime faced with substantial problems concerning acceptance and legitimacy.
- Evaluation units are not systematically integrated into decision-making processes.
- Quality in terms of academic achievement requires an (international) system of comparison and reference.
- Higher education institutions have quality-related problems in all areas of activity.
- The quality of research is regarded more as a task for the academic community than for the university; therefore, the university leadership is poorly informed with regard to ongoing research projects; there is no university strategy on quality assurance in the field of research; etc. ("Humboldtian type relationship between the supervisor and individual PhD assistant; high degree of in-house appointments…").
- The quality of teaching is subject to the constraints of framework examination regulations and state examinations; it can only be measured to a limited extent because of the absence of any system for monitoring the learning success of students; it is restricted because of the lack of achievement incentives; it is the wrong approach because the endeavour should really be focused on the quality of learning; it appears provincial by virtue of the still weak development of international student/lecturer exchange programmes; it has a structurally weak association with research, etc.
- The quality of the administration providing the service suffers from weak interaction with the city and region; limited number of computer workstations; restricted library hours; long distances to be travelled to reach the university, etc.
- Quality of internationalisation (endeavours).
- Quality of equipment.
- Quality of the workplace and performance incentives.
- etc.

Through which actions and procedures is quality generally improved or at least maintained (status quo)? Quality assurance is performed by the majority of higher education institutions via lecture/seminar assessment questionnaires. It is obvious that this, measured against the dimensions of strategic action, can only be one single instrument among a package of coordinated measures. At the same time, the assessment of this individual measure gives an indication of other fundamental difficulties confronting higher education institutions with regard to quality. Apart from the question of whether these alone constitute an appropriate instrument to measure the quality of teaching and learning, an evidently basic problem lies in the fact that the questionnaires are used only unsystematically, at different intervals in time, with variations across individual departments or faculties, and therefore do not produce comparable data. In addition, as stated in the vast majority of the reports, the results are not made public, the follow up is unclear and therefore the procedure is questionned by students. Finally, there is sometimes uncertainty on the part of the teaching staff evaluated as to whether the questionnaires are intended to serve summative (i.e., sanctioning) or formative purposes.

Principles

These critical queries and remarks are made with the view that a quality management system is designed to improve or enhance quality. This *principle* is sometimes stated implicitly but most often is explicitly expressed in the reports:

- The quality of preformance should be measured against institutional aims. The Institutional Evaluation Programme has primarily an outcome orientation, which relates aims and means. Similarly, teaching and learning evaluation should be focused on outcomes. Efficiency and effectiveness are central criteria for measuring performance.

- A management information system records costs and the allocation of scarce resources; "the institution needs not only staff/student ratios, but also achievement ratios (for instance, the actual time spent by a student to obtain a four-year degree), drop-out rates, student outcomes and employment patterns, staff research output, mobility rates among students, teachers, researchers and administrative staff, career development indicators, demographic data for students and staff, and more immediate data on salaries, fees, the use of equipment, the amortisation rate of university facilities and residences, etc."

- Non-monetary data, in particular, are also recorded and evaluated in this context (drop-out rates, shrinkage rates, average study duration, whereabouts of graduates, service performance, etc.); it is crucial that these are assessed against institutional objectives and can serve as a basis for making decisions.

EXAMPLE:

Numerous reports refer in one context or another to the drop-out and shrinkage rates recorded at the university. The "dropout rate" or "completion rate" is normally identified in the SWOT analysis. However, there is rarely evidence of any methodical reflection on how such statistical indicators should be taken into account in the institution's strategy. Questions arising from this could be:

- ***What is the correlation between the dropout rate and the right (lack thereof) to select students?***

- ***Can the institution's high dropout rate be interpreted as a lack of teaching effectiveness or as proof of teaching quality?***

- ***Are dropout rates compared with those of other higher education institutions and are these data evaluated in a systematic manner?***

- Evaluation of the statistical data should be supported by the institution's central management.

- Performance indicators and performance measuring procedures should – in terms of coherence, transparency and comparability – apply across the university.

- Good performance should be rewarded, e.g., "internal evaluation criteria for research were already in place and a Research Register installed, and this system is used in allocating research funds."

- Poor performance, however, should not be punished: Fear is not a good basis for encouraging achievement.

- Quality assurance or improvement procedures must be used in a purposeful and observant manner – otherwise fatigue can quickly set in across the board.

- Results of internal evaluations – especially in teaching – should be fed back into the process promptly and drawn to the attention of all the parties involved (e.g., concerning the professionalisation of didactic competence) (*formative approach*).

- Results of internal evaluations should be made public in a suitable form. In particular, "good ideas and good practises should be disseminated throughout the University through better communication."

- Appropriate methodology can vary for different academic disciplines: "For example, citation indicators are accepted in most hard sciences, maybe in economics, but are much less applicable to publication patterns in history, languages, etc."

- As many members of the university as possible should be involved in determining performance indicators, methodology and the significance of quality assurance or quality improvement results. For example, one report states with regard to players involved in quality and change: "A problem that many universities meet when they start on this road is reluctance on the part of some staff to face the challenge of change, or even to accept that any change is necessary. While the University is clearly aware of the problems inherent in managing change, the Evaluation Team would like to emphasise at the outset the crucial role that the leadership of the University can play, and should be seen to play, in the missionary work necessary to convert the doubters. And of course dialogue between all members of the university community is central to creating good will, if not total and enthusiastic acceptance."

Systematic quality assurance and improvement thus require:

- A climate that can be described as a quality culture and which covers all areas of the institution: measures alone do not make a quality culture. "Most importantly, it needs to be recognised that self-evaluation is an investment."

- One of the principal features of a university-wide quality culture is coherence in terms of the objective and deploying the relevant resources; a university-wide quality culture requires the conviction and commitment of all those involved in academia and administration and particularly the students. One example: "It is noted in the self-evaluation report that there is a 'comparative lack' of a coherent quality culture. The fact that some monitoring systems have been established for several aspects of educational provision, research productivity, and administration, seem to be regarded as administrative practices rather than steps toward a quality culture in the University. To change

towards a quality culture, it is a necessary condition to give academic staff a sense of ownership of the monitoring mechanisms, which may include their involvement in defining what is to be monitored and how. Moreover, students also need to have a similar sense of ownership …"

- Clear feedback of the procedures with regard to the university's strategic and operational objectives (even though the connection is not clarified in many of the reports). This presupposes, however, that the university mission and vision are translated into appropriate operational objectives.

- Complete transparency concerning – centralised as far as possible – responsibility for quality management (e.g., senate, rector, vice-rector, internal QA unit).

- Clear *guidelines for the objectives* ("Instead it should be clearly understood that the purpose of introducing such procedures is to improve quality in the common interest, and not to control the activities of staff"), *forms, content and implementation of quality assurance and improvement procedures* ("link of this information-gathering to decision-making – e.g., in the Senate"); established in bylaws where applicable.

- Also, and in particular, transparency with regard to the "technical processes" (review cycle, performance indicators, etc.).

- An appropriate development concept ("QA development policy") which, in turn, subsumes further development plans: primarily a staff development concept ("Human Resource Management to be an important part of a present-day European university"; "professionalisation policy"; which, among other things, rewards individual achievement).

- Infrastructure - i.e., also financial - support and professionalisation of quality assignments (recommended in many cases: development of a QA unit within the higher education institution with appropriate human resources and equipment).

- Complete transparency concerning the powers of such a QA unit, its location within the university's decision-making structure and its responsibilities.

- Broad (democratic) participation and extensive commitment: only in this way can quality assurance or improvement measures be effective.

- Competence on the part of all those involved in implementing such procedures (especially when drawing up self-evaluation reports).

- Possibility of benefiting from international co-operation (keyword: Bologna Declaration), as well as from international benchmarking, in particular.

- Figures and statistics create transparency and should be distributed widely; it is crucial in this regard that the institution also shows that it uses these facts & figures as a decision-making aid, e.g., to derive priorities for action.

- Good examples from the institution and from other higher education institutions, in the country and internationally, should be widely distributed (at least two reports stressed that while there was a lack of knowledge about exemplary quality monitoring initiatives at both these universities, their Faculty of Medicine should serve as an example for the university).

Not many higher education institutions consider further approaches regarding quality assurance: in the estimation of the evaluation team, however, ISO 9001 and other internal evaluation procedures will only fulfil their purpose if they are strategically linked to the institution's objectives (but without follow-up, etc.).

Principles

All individual initiatives taken by a higher education institution are subject to the following principles:

- That they should be oriented towards a university-wide quality philosophy and policy or strategy (including relevant indicators and procedures) to enable them to be linked together effectively: "One practical way to answer these questions would be for the university to determine the quality criteria to be used throughout the institution for enrolment, for promotion, for student access, for degree qualification, for instance, and to have those procedures written up in the by-laws."

- That evaluation should be systematically linked to other (centralised) organisational key processes (planning, staff development, resource allocation).

- That decentralised self-evaluation is of special importance within the context of quality development insofar as this strengthens the identification of the individual with his/her performance and the performance of the institution as a whole ("ownership").

Universities have committed themselves to excellence; nonetheless, they do not usually have suitably functioning instruments or procedures to determine whether they satisfy their own requirements: "However, quality seems to be one of the major concerns for the University. It can be identified in its policy for attracting and selecting highly qualified academic staff, and it can also be verified in the procedures concerning the evaluation of research. These are quality policies applied since the establishment of the University, which show off the overall quality attitude."

4. How does the institution change in order to improve?

Strategic Planning and the Capacity and Willingness to Change

The capacity for change requires firstly the determination of all the factors demanding change itself, as well as of the features and the content of the change needed. Secondly, it requires each university to determine its own mission in conjunction with the changes needed and to set up its priorities. Next, it requires determining the strengths and weaknesses of each university with respect to its own identity and characteristics and to the existing outside conditions. And finally, it requires an efficient mechanism to continuously assess the course of each university towards its objectives, towards the changes required.

What we have to ask ourselves constantly is whether the traditional organisation and leadership of a university will be capable of fulfilling its task at the beginning of the 21st century.

Source: Institutional Evaluation Programme final report

How does the institution deal strategically with the findings emerging from questions 1 to 3?

The university is changing. Nevertheless, it does make a difference whether it steers and controls the change itself, giving it an aim and direction, or whether it is simply subjected to such change as the following example notes: "The desirable transition from a State-driven Higher Education system to an autonomous Higher Education system and a transition from a federation of Schools to a more integrated and more entrepreneurial university will require careful planning and firm resolve at national and university level. Autonomy will be difficult to implement without a willingness on the part of the universities to provide the State with transparent quality and accountability mechanisms in return for autonomy and management freedom."

All institutions evidently have difficulty in controlling the process of change in a structured way. The starting point must be a shared conviction of the need for change and of the aims or objectives derived from this. It should also be kept in mind that the circumstances analysed as "constraints" could restrict major change. Thus one report points out that "[a] weak university culture, weak recognition of the need for quality improvement, and a lack of understanding of the importance of accountability and responsibility are all major barriers to positive change processes").

How does the university handle its strategic planning? What long- to medium-term objectives is it pursuing? How do the evaluation teams assess the university's "capacity for change"? How is this potential linked to the university's aims, vision and mission as well as to the processes and measures initiated by the institution in order to reach its objectives?

On this issue, the problem analysis is also predominantly an analysis of deficiencies. If at all, the higher education institutions that have been evaluated conduct their strategic planning in a most inadequate manner. Nonetheless, there certainly does seem to be some awareness of the fundamental need for strategic planning, as in the following example: "Its reticence with regard to a strategic plan is linked to the uncertainty of being able to implement the plan for external reasons such as the unstable economic climate, possible changes in legislation and the fact that the political situation changes almost every six months." A strategic plan with alternative scenarios is recommended, especially in an unpredictable situation which can even call the university's continued existence into question.

"Capacity for change" sounds like a golden formula. It incorporates the university's mid- to long-term objectives, its strengths and weaknesses, the opportunities and threats that it faces, and the measures initiated by the institution itself. Therefore, this formula is to some extent the result of the first three questions supplemented by a strategic dimension that includes a discernible will to change.

The reports include a large number of headings for analysing this strategic potential in its different facets: Capacity for Change in terms of Quality Management, Autonomy for Change, Agendas for Change, Institutional Policies, Operation of Change, Capacity for Change in terms of Efficiency, Mid- and Long-term Strategies, Institutional Development Capacity, Administrative Capacity, Capacity of Adaptation, Research Capacity, Enrolment Capacity, Teaching and Learning Capacity, International/National/Regional Capacity, Capacity for Change in terms of Innovation, The Operation of Change.

The summary conclusions in the reports are mainly used as an opportunity to offer the university *advice and recommendations for future tasks and assignments* (as well as some possible solutions). Thus, once the evaluation has presented the university's capacity for monitoring its activities against its objectives, a strategic directional correction is offered again in this summary. In other words, the challenges identified in the reports were recognised by some of the higher education institutions themselves as issues and *to a considerable extent, advice is provided by the evaluators thus contributing their own experience to the system under review*.

(Strategic) Challenges

The reports cite a whole range of challenges confronting institutions over the mid to long term. Universities are encouraged to start a strategic debate on these mid- and long-term challenges immediately:

- The process of internationalisation and especially Europeanisation, which finds its expression in the European research policy programmes (particularly the 6th Framework Programme) and those for European higher education (Bologna Process), with the year 2010 as the target date for achieving this.

- The decline in state funding as a challenge to developing a strategy for non-state or not exclusively state financing ("multi-sourced funding"); the resulting recommendation is to sharpen institutional profiles and fill niches.

- The forming of consortia to cooperate (regionally, nationally or internationally depending on the objective) with other universities as well as participate in European networks.

- Demographic development and generation changes: "the replacement of retired professors which will dramatically increase in 5 years" as an opportunity to elaborate a staff development strategy that fully addresses the age pyramid and, in particular, the staff qualification structure.

- Changes in entry to higher education institutions ("growth; expansion; massification"), expressed not least of all by the concept of lifelong learning. One example which clearly shows the complexity of this development: "Is being 'big' (in student/staff number terms) desirable or unavoidable? Does the University benefit sufficiently from economies of scale or could this be improved by further coordinated development at the level of faculties and institutions?"

- Societal, economic and political development at regional and supra-regional level; also and in particular, the ever more precisely formulated expectations of higher education held by society at large.

- Development of the national higher education system (diversification of what is offered, as well as with regard to the bodies running or sponsoring the institutions).

- Development of competition at regional, national and international level.

- The trend towards a greater inter- and transdisciplinary system in order to develop new areas of research, teaching and learning in a synergetic manner.

The potential for institutional change (i.e., planned change) depends to a substantial extent on solid and proactive planning processes that anticipate future trends and accompany the change, moving it into a feasible timeframe. These planning processes, where they exist at all, display deficiencies and shortcomings at many universities. Some of the problems found include:

- difficulty in operationalising demographic developments;

- difficulty in operationalising research planning on the basis of anticipated developments (beyond a time horizon of 5 years);

- a predominantly vertical structure (which cannot, for example, encompass the horizontal links between the academic and administrative areas);

- restricted use of the annual budget as the primary planning instrument;

- fundamentally input-oriented staff planning;

- specifically earmarked allocation of resources;

- fundamental lack of visibility of strategic plans;

- difficulty in setting priority areas through appropriate income streams;

- etc.

Principles related to mid- and long-term strategies

- The change process should be institutionalised.

- For the institutionalisation of change to be successful, the institution must take decisions and set priorities. As one report states: "Thus, the capacity to select the indispensable from the useful and to convince the academic community of the value of such choices represents the key to success."

- The setting of priorities is based on a careful analysis (SWOT); this could be made easier by creating institutional income streams.

- To carry out the change it is necessary – though not in itself sufficient – to take good decisions. What is decisive in the final analysis is to implement these decisions successfully.

- Each central decision should therefore be assigned to a management position ("champion") to monitor the implementation process in all areas of the university: "a strong central university leadership must define ways of exploiting the full range of possibilities available within the given legal framework to devise a university strategy … and to implement such a strategy."

- Implementing change is difficult in any type of institution. However, the process is made considerably easier if the change ensues in a transparent manner and is discussed openly with all members of the institution – all affected parties.

- Change is based on the personal commitment of individuals.

- Targeted change requires strategic planning.

- To determine the potential for targeted change, the institution needs to have extensive knowledge of its own performance. For instance, "Good databases are needed for many areas of university activity. These include: planning of investments, developmental planning, admissions, human resources management, inter-university cooperation, international relations, ECTS, staff and student exchange, introduction of new courses and curricular development, research planning, public relations, gaining support for new student dormitories, forecasting needs and giving proof of accountability."

- There must be an awareness of the strategic dimension of change. One report notes that "in many European universities, many decisions are made with strategic implications, but these decisions are not explicitly seen as strategic. As a result, strategies 'emerge' rather than being consciously designed. This may have advantages but certainly also has disadvantages such as a lack of coherence in the University's actions across organisational units, across fields of activity (education, research, societal services, management), and over time."

- Strategic planning requires effective and efficient strategic management (in the form of cooperation between academic and administrative staff as well as students); setting up centrally a strategy commission is therefore recommended in many cases.

- Communication is important.

- Broad-based identification with the institution, its objectives and decision is necessary (commitment; ownership).

- The objectives and the strategic plans for reaching such objectives require broad consensus and should be set down in writing (mission statement; see question 1).

- The objectives formulated in the strategic plans should be of a quantitative and qualitative nature.

- The strategy documents should include accountability - planned measures, deadlines and/or target figures (One report notes that "those documents … give a list of good intentions – sufficient for their purpose in negotiating with the Ministry – rather than a concrete five-year plan for the university, because they do not list actions, deadlines, or target figures. This points to what the Evaluation Team judges to be a main shortcoming in the University: there are many interesting ideas, but no effort is evidenced to accomplish them"); they should extend over a reasonable timeframe (one recommendation: "a more elaborate and long-range [for perhaps a 30-year period] strategic plan; the present developmental plan should contain its own perspective with a horizon after the year 2010"); anticipating intra-institutional as well as general higher education system and social development, in a national and international context.

- The relevance of the strategic plans needs to be clarified; especially where there is suspicion of competition or incompatibility, e.g., with state plans.

- The capacity or potential to bring about purposeful change depends on the ability of the university community as a whole to evaluate itself.

The operation of change (schedules and institutional policy/strategy)

Institutional objectives must be translated into action and structures: higher education institutions often do not find this easy.

The operation of change requires careful planning. The reports therefore look into the question of whether the institution has translated its strategic targets into appropriate strategies and operational plans to be implemented within reasonable timeframes. The following observations and comments describe the situation:

- Implementation strategies and procedures are required for all the university targets (teaching and study; research; internationalisation; regionalisation; financing; leadership and control; management, quality; ICTs; infrastructure, etc.).

- The operation of change (as a planning and implementation process depending on the specific contents of the plans) follows a particular sequence and can be described, for example, as a cyclical process: defining the objective – implementing them – monitoring/safeguarding success ("a greater synthesis of academic, research and resources planning; a clearer planning/budget cycle with review of the past year's performance as an integral part").

- The objective set is translated into coherent and cohesive strategies; appropriate instruments are then university development plans; staff development plans; description of mid- and long-term objectives and schedules, organisational measures and instruments, including planned quality assurance procedure.

- The operation of change requires the support of the university leadership as well as the administration.

- The operation of change requires people who are able to carry this out (very typical: "the organisation must have clear competencies and responsibilities with competent and skilled people").

- Those responsible require appropriate control instruments to enable them to initiate, steer and monitor the change processes (cited repeatedly: "re-allocation of additional funds." One report states in this regard: "The international trend is the strengthening of one's own autonomy in combination with the strengthening of accountability. Creating more internal flexibility must go hand in hand with strengthening accountability in relation to the way in which the funds are used. Separate from the discussion on whether there are sufficient funds, *lump-sum financing offers the universities considerably better possibilities to respond to current requests and to give shape to their own policy than a line-by-line budget.* What applies to fund allocation for universities in essence also applies to the internal fund allocation to faculties and, subsequently, to departments within the universities. In this way it is also possible to release funds needed for new developments and to initiate specific projects").

- To make the operation of change more effective and target-oriented, the institution might need external support in the form of advice and coaching.

- One strategic dimension that all reports identify as lacking is that of staff development (Human Resource Management or Staff Development).

A further key instrument of change is *human resources development.* There are, however, sometimes considerable restrictions with regard to the employment of both academic and administrative staff. Salaries are fixed by the state; they are not competitive on the general labour market; the pay structures do not provide for performance incentives; employment contracts are for a limited period of time.

Issues in the strategic area of "staff" are numerous: recruitment, in particular of young researchers (problem findings: "in-breeding" or "brain-drain"); authority regarding staff in competition with the state (ministry); appointment procedures; right of termination; salary; motivation; performance incentives; performance-related pay; staff structure and planning (e.g., with effects for su-

pervisiory relations); age structure; individual autonomy in teaching and research; qualifications (e.g., preparing staff for posts in institutional bodies and increased administrative duties for professors); the need to describe the expertise of a university entity (faculty, department, etc.) in appropriate terms; further training in different areas, such as higher education didactics; IT; administration, etc.; professionalisation of specific tasks performed by academic staff vis-à-vis those of administrative staff. One report notes that: "Our impression from the several interviews is that there seems to be an unfortunate difference of cultural traditions, habits and rights between administrative staff as civil servants and academics. This difference is dramatically illustrated by the working hours of each group. It is definitely not a rational system to have administration functioning only during the morning hours, while academics usually work (either teaching or research) during the afternoon and sometimes late at night."

The capacity for change is limited without a plan and resources for staff training and development at all levels and for all categories of staff. The following points are emphasised as principles:

- The institution should elaborate its own strategic or action plan for the key area of staff in accordance with the other policy areas of the higher education institution.

- The above plan needs to be implemented at all levels (university; faculty, department), and coordinated in a coherent and cohesive manner.

Staff development covers the areas of general, resource, staff and quality management; strategic planning; modularisation and ECTS; self-evaluation; course guidance, use of new media. Various procedures and instruments are taken into account in a purposeful manner in the strategy and action plans: training and further training programmes in higher education didactics; mentoring; management seminars.

III. CONCLUSION

There are at least four obvious but very important lessons learned from this survey of the Institutional Evaluation Programme reports:

- **All universities have deficits**

As in any organisation, universities do not reach ideal forms of existence, just as quality is an on-going process rather than in a static state. Although they have been in existence – as a concept and for some in reality – for many centuries, none can claim to be without flaws. The main challenge is to create awareness and readiness to tackle identified deficits in order to develop the required competences and the necessary commitment.

- **There are frequently analysed problems (common deficits)**

Despite the enormous diversity of higher education institutions across Europe, the evaluations identify common issues and deficits, resulting from shared structural and cultural particularities. Therefore, peer initiatives like the Institutional Evaluation Programme offer an increasingly important platform for good practice exchange, a better understanding of the emerging European Higher Education Area, and an invaluable opportunity for institutions to change in order to improve.

- **There are both questions and answers**

The evaluation reports do not give all the answers, on the contrary: the questions lead each institution individually into a deeper and broader understanding of challenges and solutions.

- **There is no "blueprint" solution**

The Institutional Evaluation Programme experience also demonstrates that there is not a single ideal model for the University of the 21st century. Culture, tradition, environment and diverse demands of stakeholders and societies at large have a strong impact on individual institutions. Any general recipe for improvement and change can only be as good as its purposeful application in its specific context.

IV. ABOUT THE EUROPEAN UNIVERSITY ASSOCIATION (EUA)

As the representative organisation of both the European universities and the national rectors' conferences, the European University Association (EUA) is the main voice of the higher education community in Europe.

EUA's mission is to promote the development of a coherent system of European higher education and research. EUA aims to achieve this through active support and guidance to its members as autonomous institutions in enhancing the quality of their teaching, learning and research as well as their contributions to society.

For serving its members, both individual and collective, EUA's main focus is:

- Strengthening the role universities play in the emerging European Higher Education and Research Areas (EHEA and ERA) through contributing to and influencing policy debate and developing projects and other membership services in the interest of its members.
- Working with member institutions through the organisation of membership services and the implementation of projects on key issues that aim to improve quality and strengthen individual universities' European profiles.
- Enhancing the European dimension in higher education and promoting the flow of information through the organisation of regular meetings and conferences, as well as through the preparation and publication of studies analysing current trends and highlighting examples of good practice.
- Providing advocacy on behalf of its members, both at the European level to promote common policies and at the international level to promote increased cooperation and enhance the visibility of European higher education in a global context.