



Adapting governance, strategies and quality systems at times of crises

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Good governance

Jean Tirole (2001): ...” [corporate] governance is a design of institutions that induce or force management to internalize the welfare of stakeholders”

Background – the Arcada case

Arcada is a professionally oriented university of applied sciences, owned by a foundation and funded by the general government in Finland. There are about 170 members of staff and 2700 students at Arcada. Arcada offers 16 degree programmes, three of which are in English. Arcada offers education within Sports, Health Care, Social Services, Business Administration, Media and Technology Arcada provides an international learning environment. A good 10 per cent of our students are of foreign origin and represent more than 40 nationalities. Tuition fees allowed for non-European students only.

Bases for good governance in Arcada

- An independent and genuine mission statement, vision and strategic commitments. The role of the owner (Arcada foundation) is to guide the management of the university to move in the expected direction, ensure that the mission is fulfilled and that the university performs well (quality and productivity).
- The starting point ought to be strategic considerations, the wanted profile of the university. Governance and organization should follow.
- Governance is not something that one adapts to crises, governance should be architected to continuously deal with the unexpected, what if...?
- Governance should take the owner(-s), students, employees (both academic and administrative), alumni, employers, financiers and government into account.

SIDA 2

Governance structure (1/2)

General Government - what does the society expect from the universities?

- Younger students, that enter university studies earlier and graduate earlier
- Shorter study times (Bologna helps) and longer times in working life. Develop the student aid (allowance) system that increases the incentive for full time studies, more efficient credit transfers
- Further education will expand as a consequence of the current financial crises, creates better knowledge of future competences (knowledge and skills), and flexibility to cope with structural unemployment
- Structural changes in the TEI-sector (mergers and alliances) that enhance the crossing of borders and in some areas make use of economics of scale and/or scope (if and when they occur)

Owner – the board of the Arcada foundation and the board of administration

- The board of the administration (“senate”) appoints the board of the Arcada foundation (6 members from outside the UIA + the Rector)
- The board of the foundation supervises the University by
 - Establishing strategic and other long term plans – what kind of a UIA do the owners want?
 - Establishing instructions and regulations (governance structure)
 - Appointing members to the University board and the key managers
 - Decising on finances and financial management
 - Establishing long term agreements with the general government based on UIA’s strategic plans (including year by year funding)

Governance structure (2/2)

- **Management of the UIA – the Rector and the Management board**
 - Rector
 - Recruitment of staff – specific HR-program, salaries, awarding system
 - Delegation of decisions and responsibilities – to persons, not to teams
 - Management programs and external recruitment of key managers (enhancing the market for university managers)
 - Management Group
 - Operative body, including the pPresident, vice-President, Advisors and Heads of departments
 - Preparing decisions for the President and for the University Board
- **The university board – academic issues**
 - Includes management, faculty and other staff, students and 3 external members
 - Programs and curricula
 - Business/action plans & budget
 - Quality assurance and degree statutes
 - Appoints internal bodies

Strategic issues – what and how to govern?

State your vision and find your genuine profile

Which are our competitive advantages and where do we look for synergies through national and international university alliances?

Core strategic elements in Arcada

- Sustainable development (values and policy statements)
- Crossing Borders (between disciplines and universities)
- One campus: student apartments, close contact to vocational institutions on campus and services provided to students, employers and customers (medical simulation centre, physiotherapists receptions, plastic lab, facility management, conference services etc)
- An international UIA
- Integrated research and teaching to enhance innovations

Quality is core

An integrated part of management and governance

- Vision driven
- Elements in quality work – *less is better*
 1. Relevance and employability: Assess your future and use your senate, alumni, employers wisely. Emphasize internship.
 2. R&D based curricula – Quality Teaching and R&D based learning (external assignments/projects)
 3. Examinations - transparent and fair assessments that include external examiners
- Quality Assurance - self-assessments (dept), published reports, international audits and quality assessments (by peer review groups)