Conference on
Trends in the management of human resources in higher education

The organisation of academic work and university administration: a qualitative study from Greece

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Academic institutions can be analysed from a variety of perspectives – as a community, an institution, a corporation, an organisation, or even as a political system. All these concepts coexist in an uneasy balance within universities, where each university has a unique mix of academic goals, human resources, infrastructure, cash flow, and changing environment. This generates a number of problems.

Certainly the same elements can be found in organisations such as hospitals or industries. However, universities are multi-purpose organisations that undertake teaching and research but also provide a public service (working mainly for the good of the community). Organisations of this nature cannot be run like a private business that operates purely for its own benefit. Furthermore, the particular contribution made by each function cannot be easily distinguished, making it difficult to measure the efficiency of a university since neither inputs nor outputs can be precisely quantified in monetary terms.

Management, on the other hand, is taken as a process of varying methodologies applied at different levels within a well-structured organisation, accompanied by a principle of effective integration which allows that organisation to successfully adapt to a changing environment. The demand for an improvement in universities presses higher education to identify the underlying principles of management and to concentrate on management resources, not only to harmonise routine activities but to combine the organisational elements in a manner that ensures the efficient and effective performance of the university.

The purpose of this paper is to investigate, through case studies, the extent to which management theory and its implementation are being integrated into Greek universities and whether or not they play a formative role. By examining case studies of legislative reforms, this paper uses a theoretical and practical approach to point out a key issue in Greek higher education, namely the need for an improvement in the implementation of management methodologies.

This paper explores the significance of various elements of management and derives recommendations on the organisation of academic work and on university leadership that aim to enhance the impact of the efforts of university staff through advice on how routine academic matters can be managed more efficiently. It also offers tips on how universities can function more like adaptive and entrepreneurial organisations that meet increased social needs, respond to ever-increasing demands for effective higher education management, and ensure that tasks are completed successfully and efficiently.
The Context

In the educational context, academic institutions such as universities are complex social and activity systems, involving a number of interrelated variables and functioning within a larger dynamic environment. (Trowler & Knight, 2000; Saiti & Prokopiadou, 2004, p.349) However, academic institutions are distinct from most other kinds of organisations. One striking feature about their structure is the high degree of specialisation. The relationship between universities and the State has become increasingly significant over the last few decades. Indeed during this time most of the debates have focused on the implementation of management mechanisms and the changing role of the government in higher education policy. (Teichler, 2003)

Despite the fact that universities are partly or entirely State funded, they remain multi-purpose organisations that undertake teaching and research but also provide a public service (working mainly for the good of the community). Organisations of this nature cannot be run like a private business that operates purely for its own benefit.

Hence, whether they depend entirely on public funds or not, universities consume a considerable amount of public money which would otherwise be available to other functions within the public sector. There is no doubt that a budget plan, with the appropriate financial resources for its implementation, is needed if the aims of the university are to be fulfilled. Their appropriate allocation and utilisation ensures the smooth interaction of the various elements in the higher education system. Economic plans are closely connected with the education system since education is an effective and productive investment. Education policy and development is entirely dependent on the provision of funds. These points suggest that university affairs require a clear management structure to ensure their successful operation. Such a conclusion comes from the fact that, firstly, individuals in any sizeable number cannot work together successfully or efficiently over a sustained period of time in the absence of a clear source of central direction and guidance. Secondly, university institutions today have to respond to a much broader array of pressures and concerns than a century ago, and they must do so more quickly, economically and subtly. So, accountability is essential to secure efficiency and effectiveness. If accountability is lacking or misplaced then the public sector cannot pursue its objectives, and may have no incentive to use available resources in an efficient manner and therefore effectiveness will suffer. All these considerations are the main concern for the users of a public organisation funded by taxpayers and/or central government.

Higher education in Greece (Universities and Technological Institutions) is exclusively provided by public institutions. There are however private institutes that are privately funded but are not recognized by the Greek State. The bachelor degree that they provide to students is not equitable to the one from the publicly funded institute. According to the Greek institution, higher education is under the legal entities of public law and all university-level institutions are self-governing. These institutions are financed and supervised by the State and are organized in line with specific laws that deal with their operations. Table 1 presents the structure of the Greek higher education system.

It is clear from the above that the nature of the relationship between universities and the State depends on the definition of the two key words ‘self-governed’ and ‘supervision’: “With the term ‘self-governed’ the Greek legislator intends that the academic institutions of higher education should enjoy the authority to select their teaching staff and administrative officers, make decisions about their affairs and carry them out under the ‘supervision’ of the State and in particular of the Ministry of Education” (Saitis, 1993, p.115). Therefore, management needs to play a crucial role in identifying and understanding the major developments in academic institutions, since they are indeed large and structured organizations. It needs to take action either through policies or through changes in managerial behaviour in order to strengthen effective performance and attain institution goals by optimising the use of the “hidden reservoir of skills and social architecture” (Mueller, 1998, p. 165).
The purpose of the paper

The purpose of this study is:

- To investigate, through case study, the extent to which management theory and its implementation are being integrated into Greek universities and whether or not they play a formative role and hence contribute significantly to the smooth and effective functioning of the universities.

- To derive recommendations on university management so that universities can function more like adaptive and entrepreneurial organisations that meet increased social needs, respond to ever-increasing demands for effective higher education management, and ensure that tasks are completed successfully and efficiently.

Methodology

The primary purpose of using the case study technique is to bridge the gap between theory and action (Bassey, 2003) since “without theory, experience has no meaning … without theory, there is no learning”. (Deming, 1993, p.105) Given that the presentation and the development of a case study can be done in different ways, e.g., written texts, etc., in the present study the case study will begin with the current legislative framework and the research hypothesis. Research questions are followed by the evaluation of the outcome based mainly on the current legislative reforms.

Taking into consideration that a) the analysis of the case studies needs complete data and information related to the procedure of university management, and b) despite any potential hazards, interviews remain an important source of information (Wragg, 2003), interviews with administrative staff of the universities were obtained for supplementary information. Each interview consisted of questions about the existing procedures of administrative activities, descriptions of these activities, calculations of the time needed, the number of employees at each managerial level, and how the administrative staff viewed the general function of the higher education system.

Case Study: Budgeting in the university

Legislative Framework: "Until now, Greece has had an equal opportunity system available free to all residents: public financed primary, secondary and higher education...". (Asteriou & Agiomirgianakis, 2001, p. 482) The final decision of how much money should be spent in higher education at local level is made by the central government and the Ministry of Finance in particular (Law 1268/1982). Hence 95% of expenditure in higher education is financed by two different budgets: The current account budget and the budget of public investment. (Saitis, 1999a) According to present legislation, all academic institutions have the responsibility of managing their financial resources. However, the Ministry of Finance measures their progress, checks the actual financial performance, compares it with standard plans, establishes standards, corrects possible deviations and finally takes corrective action. All these activities are to ensure satisfactory progress towards desired goals.

Research Hypothesis: Let us consider now the formation, approval and implementation of a budget in a Greek university.

Research Question 1: “What is the current procedure?”. Every year the Ministry of Education in turn asks all the institutions of higher education to determine their expenditure for the next financial year. Then the Senate in each university asks each department to prepare a financial proposal and to submit it back to the Senate for approval. Then around spring time each university submits its budget, based on its estimate of the costs it will incur as a result of its commitments. The economic service of the Ministry of
Education gathers the proposals of all universities that usually are accompanied with a detailed justification of expenditures based upon regulations and submits them to the relevant service of the General Accounting Office. Then the latter, together with the relevant services of the Ministry of Education, scrutinizes and discusses the proposals so as to devise an overall plan of public spending with the amount of the forecasted revenue from the Ministry of Finance. It should be noted that universities may bargain with the government agent over this amount. Then the annual public budget with its total estimated government revenue and expenditure for the next financial year is presented to the Parliament by the Minister of Finance and is passed after its regulation. Following the Parliament’s approval, the Ministry of Finance make the final decision about the budget. Finally the notification of decision is made to the Ministry of Education and to the academic institutions.

Once the size of the Ministry of Finance’s grant is known, each university can put its budget into operation according to the instruction of the General Accounting Office. The universities do not receive their money equally on a monthly basis for each fiscal year. For the first four months they receive 15% of the total amount, for the next four months 25% and so on. Every type of academic issue, such as appointing management or academic staff, has its own credit code. But if, for any reason, the credit corresponding to a particular code has already been consumed, then the university management has to start a new procedure to apply for the funds necessary to meet the costs related to that specific issue. As the system stands, the transfer of appropriations from one code number to another is forbidden as this has not been approved by parliament. It should be noted that universities often find themselves in this situation since the amounts associated with these codes are usually small and therefore quickly absorbed. However, in specific cases approval for such a procedure can be obtained through the Ministry of Finance. At the end of the financial year the universities send to the Ministry of Education an annual report describing the implementation of their budget. Through these reports the Greek State checks the legitimacy and the total expenditure of academic institutions.

Research Question 2: “What is necessary in order to develop the relevant wisdom or to lessen the gap between the reality and wisdom?” At a glance, one could consider the procedure of budgeting in the Greek universities to be short and necessary. After all, budgeting procedures for higher education in Greece are highly associated with the process of budgeting in different countries (e.g. England) with one major difference: in the management of Greek universities the financial budget has been approved by the Ministry of Finance which retains a closer control of funds, whereas in England the allocation of financial resources is based solely on the academic institutions judgement and is their own responsibility. Expenditure is authorised by many different public agencies in Greece and a transfer of grants from one number code to another requires a time procedure. It is evident from the above that the Greek universities do not have the power to manage financial university issues and that the existing budgeting system is strongly centralised. Financial management in Greek universities is following a strongly bureaucratic model since the decision-making of how the resources will be allocated is hierarchical and is dependent on the central administration. (Saitis, 1993, 1999 a,b) The delegation of authority and responsibility would certainly free both the Ministry of Education and the Ministry of Finance from day-to-day routine duties, with the time saved contributing to a more optimal use of human resources. Perhaps a payment of equal monthly installments to all academic institutions would do more to facilitate planning and reduce the need for transferring money from one code number to another, and ultimately increase flexibility and productivity. Techniques for monitoring performance in key result areas vary but top-heavy control tends to be inefficient as it focuses on ‘process’ rather than on ‘outcomes’. Rational control can contribute to persistent and effective operation only if it is professionally oriented in the sense that the State has a recessive role in solving tangible problems.

Evaluation of the case report: The case study implies that there is a discrepancy between current legislation and real-life practice. Public provision of higher education comprises a large portion of the government’s budget allocation and consumes substantial resources. Yet centralised provision of higher
education spending has some important implications since it results in greater bureaucracy and administrative expense and consequently cannot be cost-effective. (Saitis, 1999b) It would seem as though strong State control cannot have a positive impact on the education system when considering that a) the broader economic problems currently facing Greece is forcing a reduction in the government’s spending in higher education, b) the application of management theory suggests that strong State control results in the development of greater bureaucracy and administrative expense, c) the utilisation of financial resources in the most effective manner and its consistency with the overall output objectives of the university is significantly important, and d) "funding mechanisms exist not only to allocate resources but also to provide a system of control and two-way communication between providers and users". (Williams & Sanyal, 1996, p. 26)

We see from the above case study that the Greek university environment lacks creativeness and, instead, has become merely a facilitator of the higher educational process. The substantive contribution of university management is restricted since it can no longer assume responsibility for the management of financial resources. Simpler financial procedures are required to protect the system from inadequacies, strengthen the incentives and the capabilities of all groups involved in the higher education system. The case study has also drawn attention to the importance of the budgeting element in higher education for, in the words of one interviewed person:

"The only way that many things can be solved in the higher education process is if the Greek State gives more money to academic institutions. If there were no financial constraints and higher academic institutions were responsible for their own resources, then many problems would have found a solution ... " (a university administrative employee).

The example given in this paper can be considered as representative since it deals with university issues that do not require ministerial approval and strong State control and which could potentially be resolved at university or even at departmental level. It should be noted that the above example is typical of Greek university management and that the same process can be applied to many other university scenarios for analysis, such as appointing management and academic staff, etc.

Discussion and conclusions

The analysis of university management reached the conclusion that Greek universities do not have significant administrative and financial independence. From the above case study it is evident that the administration system in Greece strongly follows a model of State supervision and that there are no boundaries between proper delegation of authority and responsibility at university level. However, the higher education administrative system in Europe, over the last two decades, has been characterised by a shift towards reduced procedural controls of government and increased resource allocation powers within higher education institutions. (Dearlove, 1998; Teichler, 2003) In contrast to other countries in Europe, the administrative system of higher education in Greece remains inflexible and largely State supervised. (Saitis, 1993, 1999 a)

A comprehensive review of literature on higher educational administration revealed that many educational researchers (Braddock & Neave, 2002; Saitis, 1999 a, b; Zajkowski, 2003) have discussed the issue of management in higher education by giving emphasis mainly to the funding and structure within higher education institutions. For example, Zajkowski (2003, p. 208) has argued that usually government funding is limited and there is increased competition for funds, and that therefore the maintenance of financial independence is vitally important since the academic institutions seek funds from different sources. The funding of higher education is a common problem in any system (Zhao, 2001) and is a part of management. Within this frame, financial independence in terms of managing financial resources is important as it allows universities to adopt their own initiatives in response to the needs of the institution
and helps the institution to retain authority and discipline. There has been a shift in recent years in many countries around the world towards diversification in financial management responsibilities. (Dearlove, 1998) Many countries have made steps to move from strong bureaucratic systems to a more entrepreneurial financial management and hence from input-based to output-based public funding institutions. A move towards a more entrepreneurial management would result in the more efficient use of increasingly scarce resources and thus improve the efficiency and quality of universities, especially if we consider that a) quality in higher education is the guiding principle in a university and is more easily affected by any changes in funding (Longbottom & Zairi, 1996; Hill & Wilikinson, 1996; Zhao, 2001; Saitis, 1993, 1999a,b; Sims & Sims, 1995), b) many countries, including Greece, face economic constraints so universities can no longer depend entirely on government funding (Magula & Pscharopoulous, 1999; Zajkowski, 2003; Zhao, 2001), and c) all countries have faced/are facing regulatory constraints that affect cash flows (Madura, 1998). In this way, universities would take more administrative and financial responsibilities so as to participate more in the decision-making process. Indeed the expansion of the administrative and financial responsibilities has been highly correlated with the increased need for efficiency. (Dunning, 1993)

The Greek government perhaps may systematically examine the machinery of its various administrative units to ensure that decision-making processes remain efficient. Previous research studies (Saitis, 1993, 1999a,b) on Greek higher education showed that indeed the rational devolution of management power and tasks among the university departments, as well as the powers of decision-making to specific councils for the implementation of higher educational policy, is bound to make a positive contribution to university efficiency. This result has also been reached by (White, 1987) in U.S.A. where the implementation of management models in higher education showed that there was a high degree of successful implementation of management techniques, especially at departmental level.

Among the measures for improvement in university management, Sanyal, Martin & D’Antoni (1996) recognised a decentralisation of authority to the basic units and the establishment of more direct patterns of accountability in the system. Universities, like all organizations, coordinate and integrate internal forces in a process of maintaining efforts - a balance between centralization and decentralization which is regarded as being of vital importance for both staff and the work itself. In fact, university management encourages continuous effective communication and harmonization of all activities in order to ensure an effective university performance.

Taking into consideration that a) higher education affects the economy in several significant ways as it serves to increase an individual’s knowledge base, and b) management in higher education is closely intertwined with policy and practice (Kogan, 2000; Teichler, 2003), the provision of quality higher education is playing a more critical role globally as it maximizes welfare and gives a country a competitive advantage.

References


Law 1268 / 1982


