



2808904818

STRATEGIC MANAGEMENT IN ACADEMIC ORGANISATIONS

by

Antonios Kanellopoulos

This thesis is submitted in partial fulfilment of the requirements for the degree of Master of
Science in Built Environment from the University of London

Bartlett School of Graduate Studies

University College London

United Kingdom

13/09/2006

September 2006

UMI Number: U593974

All rights reserved

INFORMATION TO ALL USERS

The quality of this reproduction is dependent upon the quality of the copy submitted.

In the unlikely event that the author did not send a complete manuscript and there are missing pages, these will be noted. Also, if material had to be removed, a note will indicate the deletion.



UMI U593974

Published by ProQuest LLC 2013. Copyright in the Dissertation held by the Author.
Microform Edition © ProQuest LLC.

All rights reserved. This work is protected against
unauthorized copying under Title 17, United States Code.



ProQuest LLC
789 East Eisenhower Parkway
P.O. Box 1346
Ann Arbor, MI 48106-1346

“Strategy without tactics is the slowest route to victory. Tactics without strategy is the noise before defeat”

Sun Tzū c. 490 BC, Chinese military strategist

Acknowledgements

First of all, I would like to express my gratitude to my supervisor, Dr Stephen Pryke, for his advice and guidance throughout this work. I would, also, like to thank all the Greek academics that gave me the opportunity to discuss with them all the issues concerning my current work.

I would like to thank all my friends in London for being patient with me and for their continuous support and encouragement. They all have been excellent companion during the past year and I will always remember our very interesting discussions and lovely times.

Last but not least, my parents. Eight years of study: one degree, two masters and a PhD and you been there every single day since September 1997. The words are not enough. Just, thank you very much.

Abstract

The European Union committed itself to becoming the most competitive and dynamic knowledge-based economy in the world by 2010, capable of sustaining economic growth with better jobs and greater social cohesion. Since 2000, progress has been slow; uncertainty over the global economy has affected confidence and growth in the majority of Member States. Europe is suffering from an under-performance of its economy, low employment rates and levels of productivity. The Knowledge Society relies on the quality of human capital, education, and research and innovation policies, key to boost growth.

At present, EU Member States only invest 1.96 % GDP in research compared to 2.59 % in the US and 3.12 % in Japan. The EU does not have sufficient scientists and researchers with only 5.3 per 1.000 inhabitants compared to 9 per 1.000 in the US and 9.7 in Japan. The importance of Higher Education is clearly recognized, but this requires major funding and governance reforms to modernize higher education institutions if they are to play a major role in the innovation process.

The current study addresses the issue of strategic management in the area of academic organisations. The scope of the study is to review the changes in the European higher education as well as to evaluate how the strategic management concepts from the business sector can be used in the case of academic institutions and how these concepts can help academic organisations to improve their effectiveness and consequently their competitive advantage.

Keywords: strategic management, universities, competitive advantage, academic, EHEA

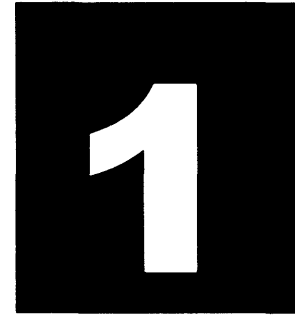
Words: 11,100

Table of Contents

<i>Acknowledgements</i>	<i>i</i>
<i>Abstract</i>	<i>ii</i>
<i>Table of Contents</i>	<i>iii</i>
Chapter 1: Introduction	1
1.1 Introduction.....	1
1.2 Objectives of the Work	2
1.3 Layout of the Work.....	2
Chapter 2: The European Higher Education	4
2.1 Introduction.....	4
2.2 The Need for Change	4
2.3 The Greek Paradigm	7
2.4 Quality Assurance.....	11
2.5 Conclusions.....	11
Chapter 3: Strategic Management	12
3.1 Introduction.....	12
3.2 The importance of Strategy.....	13
3.3 Strategic Management	14
3.4 Mission Statement.....	17
3.5 Conclusions.....	17
Chapter 4: Strategic Management in Universities	19
4.1 Introduction.....	19
4.2 Strategic Management and Institutional Culture.....	19

Strategic Management in Academic Organisations

4.3 Strategic Planning in Higher Education Institutions.....	21
4.4 The Strategic Framework.....	23
4.5 Strategic Review	24
4.6 Conclusion	25
Chapter 5: Research Methodology	26
5.1 Introduction.....	26
5.2 Research Purpose.....	26
5.3 Research Procedure.....	26
5.4 Questionnaire Procedures	27
5.5 Analysis of Data.....	28
5.6 Potential Sources of Error.....	28
5.7 Conclusions.....	28
Chapter 6: Strategic Management in Greek Universities	30
6.1 Introduction.....	30
6.2 The National Context: State – University Relationships	30
6.3 The Current Situation.....	31
6.4 The Academics.....	33
6.5 Conclusions.....	38
Chapter 7: Conclusions and Recommendations	39
7.1 Conclusions.....	39
7.2 Recommendations for Future Work.....	40
Chapter 8: References	42
Appendix – The Questionnaire	47



Introduction

1.1 Introduction

An organization's strategy must be appropriate for its resources, environmental circumstances, and core objectives. The process involves matching the company's strategic advantages to the business environment the organization faces. One objective of an overall corporate strategy is to put the organization into a position to carry out its mission effectively and efficiently. A good corporate strategy should integrate an organization's goals, policies, and action sequences (tactics) into a cohesive whole, and must be based on business realities. Business enterprises can fail despite 'excellent' strategy because the world changes in a way they failed to understand. Strategy must connect with vision, purpose and likely future trends.

Successful universities are successful primarily because of their teaching and research; not because of their management, but good management can over time provide the conditions in which teaching and research can be really effective. On the other hand, poor management can weaken the effectiveness of a higher education institution and precipitate organisational decline. Nowadays, academic institutions need to have a good coordination between academics, supporting services and students in order to be very efficient and successful not only in the domestic educational market but more importantly in the global educational market. If we could have a broader definition of what a "successful university" is, we would be able to create much improved higher education framework. Some attempts have been done towards this direction. Back in 1991 in the UK the White Paper tried to set the foundations for some changes in the higher education. In mid 1990s the need for change in the European higher education became apparent to most of the European Union members, and this led to Sorbonne communiqué in 1998, which followed by many meetings and discussions, the most known of them was the

Strategic Management in Academic Organisations

Bologna agreement in 1999. All these meetings and declarations, as well as the UK education White Paper in 2003, aim to the improvement of the effectiveness of the higher education institutions.

1.2 Objectives of the Work

The main objective of the work is to identify how the strategic management theory can be extended in the context of higher education institutions and how can help them to improve their competitive advantage. The work focuses on the Greek higher education environment and more specifically the case of civil engineering departments is studied. The key objectives of the work are summarized as follows:

- To review the changes taking place in the European higher education that last years and outline the situation in the Greek institutions.
- To review the literature for the strategic management in the business context.
- To examine how the strategic management theory can be extended in the higher education context and eventually help the institutions to improve their performance at all levels.
- To focus on Greek universities and examine the missing managerial elements that cause these universities to under perform.

1.3 Layout of the Work

The contents of the current are organized as follows:

Chapter 2 reviews the changes in the European higher education the recent years. The drivers for change are outlined as well as the processes followed by the EU ministers of education. Moreover, a thorough review is given on the Greek higher education status and how the institutions in Greece are organized and governed. The issue of quality assurance and how it is linked with the performance of academic institutions is also addressed.

Chapter 3 deals with the strategic management at the business level. The importance of strategy is thoroughly discussed as well as how the need for good strategy gave birth to the concept of

Strategic Management in Academic Organisations

strategic management. The theory for the latter is examined and more importantly its application and significance for the effective operation of the modern organisations are discussed.

The concept of strategic management and how it is extended as well as its applicability on the higher education context are being addressed in Chapter 4. The importance of institutional culture is also pointed out as well as the issues of strategic planning and strategic framework within the environment of academic institutions.

Chapter 5 addresses the issue of strategic management in the context of Greek universities and examines the current situation. Moreover, the opinion of the Greek academics is discussed and graphs are used in order to show what the academics believe regarding the performance of their departments and what is needed in order to make Greek universities a strong competitor in the European higher education market.

Chapter 6 is devoted to the major conclusions of the work, as well as to some recommendations for future investigation in the area of strategic management in higher education institutions.



The European Higher Education

2.1 Introduction

Before reviewing the concepts of strategic management and how these apply to the planning of academic institutes it is vital to review the changes in the European higher education and what are the key issues that nowadays make the adoption of new concepts a fundamental requirement in order for the European institutions to be able to compete successfully the American and Australian academic institutions.

2.2 The Need for Change

The last ten years the European ministers of education alongside with the European Association of Universities have realised that the European institutions face difficulties in order to compete with the corresponding universities of the United States mainly and Australia secondly. The courses offered in Europe proved to be less attractive and moreover the existence of large diversifications of courses, durations and qualifications made mobility of students and research personnel a difficult task. Moreover the expenditure for higher education has been increased without returning the expected benefits for such investments. In other words, the European higher education system as a whole proved to be rather slow in adapting the requirements of the new era in education. Within this context, and in order to solve the problem, the European ministers of education conducted a series of meetings (starting in Sorbonne 1998, and the last being in Bergen 2005), where they decided to create a common European higher education area (EHEA) until 2010 in order to promote the broad mobility of students and researchers across European countries (Bologna Process).

Strategic Management in Academic Organisations

It was on May 25, 1998 that the Sorbonne Declaration on the occasion of the 800th anniversary of the Sorbonne-University was signed by the ministers of France, Germany, Italy and UK. This has been without any doubt a very important signal making clear that there is a necessity of intergovernmental concerted action to create a European Higher Education Space (European Centre for Strategic Management in Universities). The Sorbonne Declaration has provided us with an important analysis of what is to be done in the future and it has envisaged some rather considerable and remarkable steps to cope with the challenges raised by a European Higher Education Space. On the other hand, only four ministers have signed it and not too many ministers have joined them up to Bologna meeting a year later. The Sorbonne Declaration aimed to prepare the ground for the changes in the European higher education by bringing up front the times when students and academics could freely circulate and rapidly disseminate knowledge throughout the continent. To restore this situation is essential for a European Higher Education Area. Therefore the involved parties, such as the confederation of European rectors and the association of European universities in the last years have accompanied the decision making process concerning the new generation of education, training and youth programmes of the European Union with recommendations in order to support the Commission, the Parliament and the Council of the EU in optimizing and simplifying the mobility programmes.

However, it has to be mentioned that Europe has significantly changed since those days of free mobility between the institutions of higher education. Europe is no longer the self sufficient economic and cultural centre of the world. Even though nowadays the language barriers do not seem to be a significant problem anymore, the challenges of this era demand every effort of institutions of higher education to stay or become able to compete in a worldwide scenario (Ronald, 1991). This competition does not only take place in research thus seeing the institutions competing world wide for professors or young researchers and resources. To be able to compete is also necessary in teaching for several reasons. One is to be attractive for students from all over the world them being the opinion leaders of tomorrow in their countries. Another is that the graduates from higher education institutions are no longer competing for a job on local or national labour markets but world wide.

The Sorbonne summit has been followed by a conference in Bologna in June 1999, where 29 European ministers in charge of higher education met in order to lay the basis for establishing a

Strategic Management in Academic Organisations

European Higher Education Area by 2010 and promoting the European system of higher education world-wide. The signed agreement became known as the Bologna Process and is currently the most important initiative for the reform of higher education in Europe. Above all it seeks to provide for an area of enhanced mobility for students and teachers in an atmosphere of increased transparency and mutual recognition of qualifications among universities, as these have been discussed in Sorbonne meeting. The participants in the Bologna Process seek to forge this transparency through a common framework based on three distinct levels of study: Bachelor, Masters, and Doctoral. In this way it aims to construct standard paths towards the achievement of each of these levels so that national diplomas obtained at each stage of academic progression will translate directly into a fellow participating country's structure of higher education programs. In short the essential plan of the Bologna Process is to work towards the creation of what it has coined as a "European Higher Education Area" by 2010 (European Association of Institutions in Higher Education).

The Bologna Process has been a truly international effort owing its origins to more two and a half decades of collaboration in Europe. The original ideas that later shaped the course for the Bologna Declaration were laid out in what has come to be known as the *Magna Charta of University* signed in the late 1980s at the University of Bologna, the very location where these ideas would be incorporated into the *Bologna Declaration* in mid June of 1999. The Sorbonne summit had also played important role in 1998 in preparing the ground towards the Bologna Process. The conference that gave rise to this document was launched as a collaborative effort of the ministers of higher education of several European countries. The Bologna Process has remained primarily an intergovernmental initiative driven by agreements and commitments made by national authorities. This process has progressively integrated an ever-greater number of its initiatives with financial support and broader involvement of the European Union. This increasing convergence is in part due to the fact that certain goals cannot be achieved through national initiatives alone and in part because the prior collaborative links that the Bologna Process builds on owe much to EU programmes of mobility and exchange.

Summarising the Bologna Declaration, the ministers affirmed their intention to:

- adopt a system of easily readable and comparable degrees

Strategic Management in Academic Organisations

- adopt a system with two main cycles (undergraduate/graduate)
- establish a system of credits (such as ECTS)
- promote mobility by overcoming legal recognition and administrative obstacles
- promote European co-operation in quality assurance
- promote a European dimension in higher education

Two years later, the ministers in charge of higher education of 33 European signatory countries met in Prague in May 2001 and reaffirmed their commitment to the objectives of the Bologna Declaration. In the Prague Communiqué the ministers commented on the further process with regard to the different objectives of the Bologna Declaration and emphasised as important elements of the European Higher Education Area:

- inclusion of lifelong learning strategies
- involvement of higher education institutions and students as essential partners in the Process
- promotion of the attractiveness and competitiveness of the European Higher Education Area (EHEA) to other parts of the world (including the aspect of transnational education).

2.3 The Greek Paradigm

In this rapidly changing environment within the European higher education the Greek universities have to face a significant number of challenges, in order to be able to meet the requirements of joining the EHEA. One of the larger problems for the Greek institutions is the ability to attract and manage research funds. Evidently, successful universities are characterized mainly by their high profile research and the capability of generating a continuous research fund initiative, and not by their management. However, management and successful strategies can over time play a dominant role in providing all the appropriate conditions that will make the attraction of funds possible and the research framework within the institutions effective. The detailed study of all the factors associated with the position of the Greek institutions on the European higher education map is beyond the scope of the proposed study and the course itself.

Strategic Management in Academic Organisations

Education in Greece is centralized and controlled by the state. Higher education has a binary structure and is provided by university-level institutions (22 in total) and technical-education institutes (15 in total). Greek law permits the establishment of privately owned nursery, primary and secondary schools (all of which are required to follow the national curriculum). However, the Constitution expressly forbids the establishment of private, degree-granting institutions of higher education. Lately the government examines to introduce some changes in the law concerning the higher education and it is believed that sooner or later private higher education will be allowed to offer services (Greek Ministry of Education).

The Greek higher institutions are managed within a simple functional hierarchy of the organisation (Figure 2.1). At the top of the hierarchy is the rector who is directed by the rector's council and the senate (Figure 2.2). The rector's council is formed by the rector, the vice-rectors, a representative of the academic staff and a representative from the students. The senate is formed by the rector's council with the addition of a representative from the teaching staff, the heads of the various departments and representatives from both the undergraduate and the postgraduate students. Once the senate or the rector's council decides to implement a decision, the different segments of the decision are delegated to the respective functional units with each unit responsible for completing its segment of the whole process. Coordination is assumed to be maintained through normal management channels.

Strategic Management in Academic Organisations

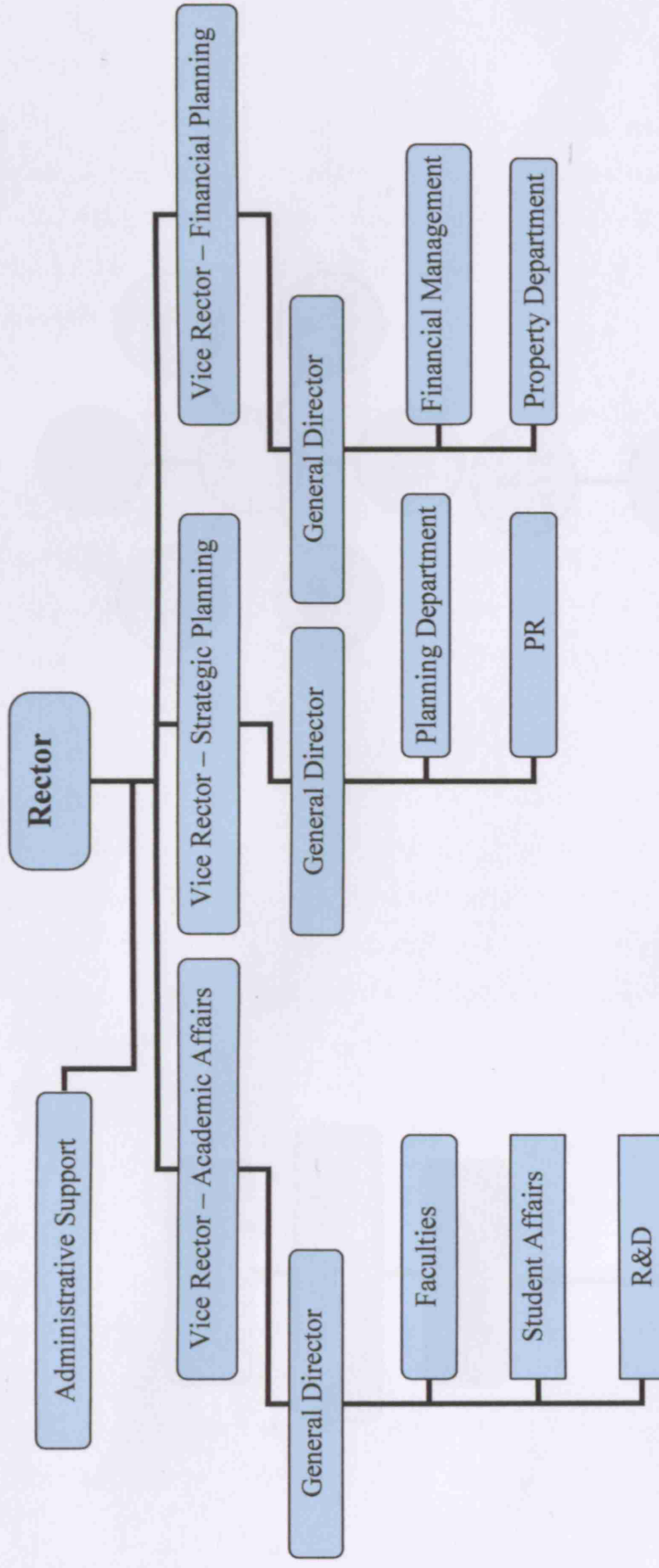


Figure 2.1: A typical organisational structure in the Greek higher education institutes.

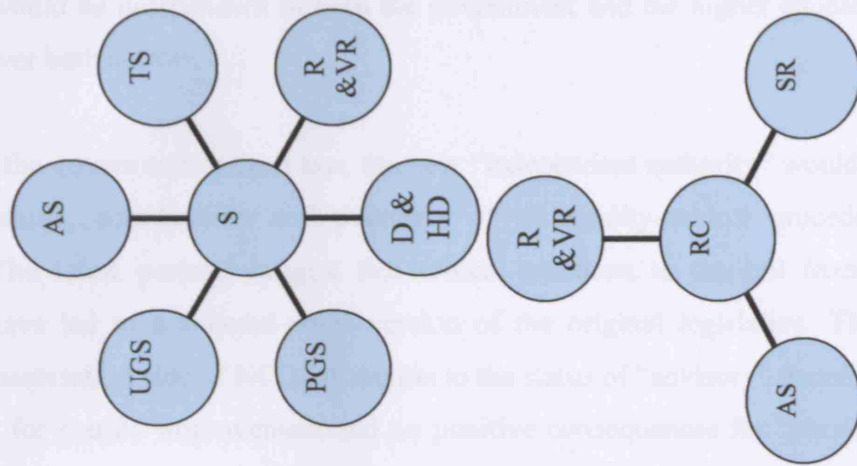
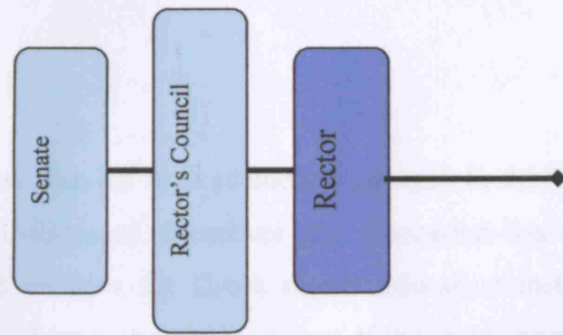


Figure 2.2: The governing bodies above the rector in Greek universities (AS: administrative staff representative, UGS/PGS/SR: student representatives, R/VR: rector and vice-rectors, D/HD: heads of departments)

Strategic Management in Academic Organisations

2.4 Quality Assurance

Greece is one of the few European countries without national systematic evaluation procedures in higher education. A bill was introduced this summer in Parliament calling for the establishment of the National Council for Quality Assurance and Assessment (NCQAA) in higher education. The council would be independent of both the government and the higher education institutions and would cover both sectors.

According to the government's draft law, the new "independent authority" would be responsible for the "planning, coordination and oversight of all quality-control procedures in higher education." The latest protests suggest that critical reactions to the bill from the academic community have led to a watered-down version of the original legislation. The new version relegates the assessment side of NCQAA reports to the status of "advisory" documents, providing no incentives for quality improvement and no punitive consequences for "persistent laggards." The latest government-sponsored Bologna progress report reiterates that the role of the council would be that of an advisory body to the government so that it can take the necessary actions and policies. Furthermore, the report states, the council would aim "at improving transparency, comparability and accountability of the Greek higher education system. Therefore, the Greek system of quality assurance and assessment does not contain accreditation characteristics, nor does it aim at ranking or grading the Greek higher education institutions. At the same time, it does not have either any penal or reward characteristics." The same report goes on to state that the system of quality assurance would apply the main methods of quality assurance used in most European countries, except accreditation: institutional evaluation, program evaluation, subject evaluation and audit.

2.5 Conclusions

In this chapter the drivers that led to fundamental changes in the European higher educations have been reviewed and discussed. Moreover, the discussion has also focused on the Greek university paradigm and on how the Greek higher education institutions are organized and structured. The following chapter contains a review of the main strategic management principles for business organisations.



Strategic Management

3.1 Introduction

Nowadays universities have to be more than institutions that offer education at a higher level. During the last twenty-thirty years major sociological and financial changes have taken place in Europe and these changes had a strong impact on how the universities have to be organized in order to be sustainable. The higher education institutes in the vast majority of European countries gradually have become autonomous and they do not solely depend on government financing. European universities progressively are transforming from educational institutes to contemporary enterprises that offer education and research at exceptionally high standards in strong collaboration with the needs of the society and the industry. In this context the universities have to implement specific strategies and strategic management policies in order to compete successfully in the market place they operate. The issue of strategic management becomes more important by considering that universities do not only compete in national level but also in international level. Especially after 2010 when the European Higher Education Area will be established the competition will significantly increase.

In this context it is essential to review the major concepts of strategy and strategic management in the business environment. The analogy with the higher education institutions is very straight forward, since as explained above nowadays universities have to operate more like enterprises. The current chapter aims to highlight the principal elements of the strategic management theory in order to discuss in the following sections how this theory can be applied in the case of academic institutions.

Strategic Management in Academic Organisations

3.2 The Importance of Strategy

Strategy has its roots in military strategy, which defines itself as drafting a plan of war/actions and key decisions that will lead to success. When it comes to businesses the analogy is obvious and the term strategy plays a primary role. Of course business is not a war, but the analogy is for the competition between the firms, which lately has increased significantly and the survival is more challenging. Strategy concerns the clarity of organization's objectives and a sense of how these objectives will be achieved. For Michael Porter (1980), strategy is about achieving competitive advantage through being different, delivering a unique value added to the customer, having a clear view of how to position yourself uniquely in your industry's market place. Although there is much debate about strategy and its associated factors, there is a general agreement that strategy is strongly concerned with the match between a company's capabilities and its external environment. Nonetheless, there is a big debate on how strategy will be connected to the environmental conditions effectively. For Johnson and Scholes (2002) strategy is the direction and scope of an organisation over the long term, which achieves advantage in a changing environment through its configuration of resources and competences with the aim of fulfilling stakeholder expectations. John Kay (2000) argues that strategy is no longer about planning or visioning, because predicting or controlling the future is impossible, it is about using careful analysis to understand and influence the position of an enterprise in the market place. Hamel and Prahalad (1994) argue that the best strategy is geared towards radical change and creating a new vision of the future in which you are a leader than a follower of trends sets by others and moreover the winning strategy is the successful combination of foresight and vision.

Traditionally, views on strategy fall into two categories. There are those who equate strategy with planning. According to this perspective, information is gathered, categorized and analyzed, forecasts are made and the senior management reflects on the work done by the planning department and decides what the best course of action for the enterprise is (Doyle, 2006). This approach is a top-down approach to strategy. On the other hand, many have a less structured view of strategy as being more about the process of management. According to this second perspective, the key strategic issue is to create and put in place a system of management that will facilitate the capability of the organisation to respond to an environment that is difficult to

Strategic Management in Academic Organisations

acknowledge and to predict and obviously is difficult to be modified by the planning approach (Gardiner, 2005).

As it happens to many managerial approaches, there is no best way of strategy. Successful strategy is the one that serves each enterprise best. The planning approach can work better in a stable and more predictable environment. The critics of planning approach argue that such stable environments becoming increasingly limited, changes of circumstances in the market place make the original plan unable to cope with such alterations, creativity is buried beneath the weight and protocols of planning and communication rules (Abell and Hammond 1979, McDonald 1996, Gardiner 2005). Moreover, the individuals that are not involved in devising the strategic plan are never committed to its implementation. The second strategy perspective that deals with the creation of a system of management emphasizes more on speed of reaction to environmental changes and flexibility to enable the organisation to function best in an environment that is fast-changing and practically unpredictable. Critics of this approach argue that this strategy perspective fails to give a clear view of where the enterprise is heading to and what its mission is (Abell and Hammond 1979, McDonald 1996, Gardiner 2005).

3.3 Strategic Management

In the literature one can find numerous different definitions regarding strategic management (David 1997, Hannagan 2002, Johnson and Scholes 2002, Lasserre 2003). Summarizing all these different approaches, it can be concluded that strategic management is the process which determines and maintains a feasible set of relationships between the enterprise and its environment. Strategic management includes understanding the strategic position of an organisation, strategic choices for the future and turning strategy into action. The continuous evaluation of the organisational performance and the setting of directions for the organization's long term performance, are the primary scopes of strategic management, which requires determination on the enterprise itself and it can provide guidance for any appropriate changes in the business and the organisational structure required implementing further development.

Another process of strategic management is the effective allocation of resources in order to pursue the organization's objectives, matching the capabilities of the enterprise with the

Strategic Management in Academic Organisations

opportunities and threats rising from the environment. Strategic management is the *bonding medium* that connects the past, the future and the success of an enterprise. Mintzberg and Quinn (1996) have used the following diagram (Figure 3.1) in order to analyze how the availability of resources is a major factor in deciding the strategy. Moreover, the following diagram indicates some of the key activities involved in devising and implementing strategy.

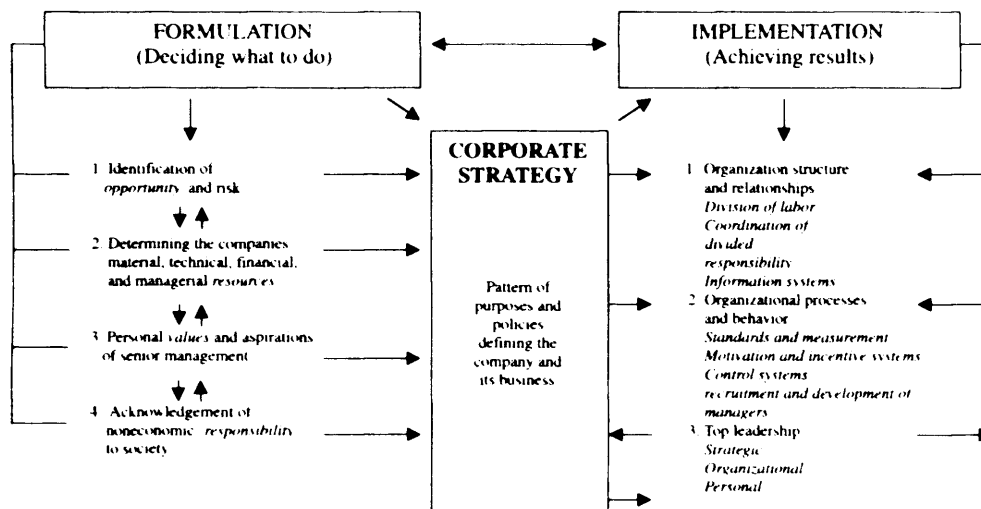


Figure 3.1: Strategy as a pattern of interrelated decisions (adapted from Jamieson and Morris, 2004)

According to Jamieson and Morris (2004) a fundamental responsibility of the senior management of any enterprise is to manage and/or coordinate successfully whatever company resources are at its disposal. A firm's ability of managing projects, and therefore its project management capability, is considered to be a significant managerial resource that considerably influences corporate and business strategies.

Cleland (1998) clearly states that strategic management is the management of the organisation as if its future mattered and it has two interrelated elements: (a) the strategic planning and (b) the strategic implementation. In business context, all organisations have strategies, either formally expressed in some corporate document or unexpressed but apparent by observation of the organization's actions and decision patterns. However, strategic management explicitly matches strategies and situations in an active administrative process. For an enterprise to set a future direction it is vital to know not only the opportunities and threats rising from the environment but

Strategic Management in Academic Organisations

also its own strengths and weaknesses. Once a rational database of strengths, weaknesses, opportunities and threats has been created the enterprise can proceed to the decision making process. This approach to management has been introduced since early 1990's when both theoretical and empirical research into sources of advantage had begun to point to organisational capabilities rather than product market positions or tactics as the enduring source of advantage (Eisenhardt and Zbaracki, 1992).

Strategic management is considered to be a dynamic process. Hill and Jones (1998) argue that the strategy evolves within the business environment and influences intended strategy through the components of the strategic management process (Figure 3.2). From this model it becomes evident that the strategy formulation flows from an organization's mission and goals through functional, business and corporate levels.

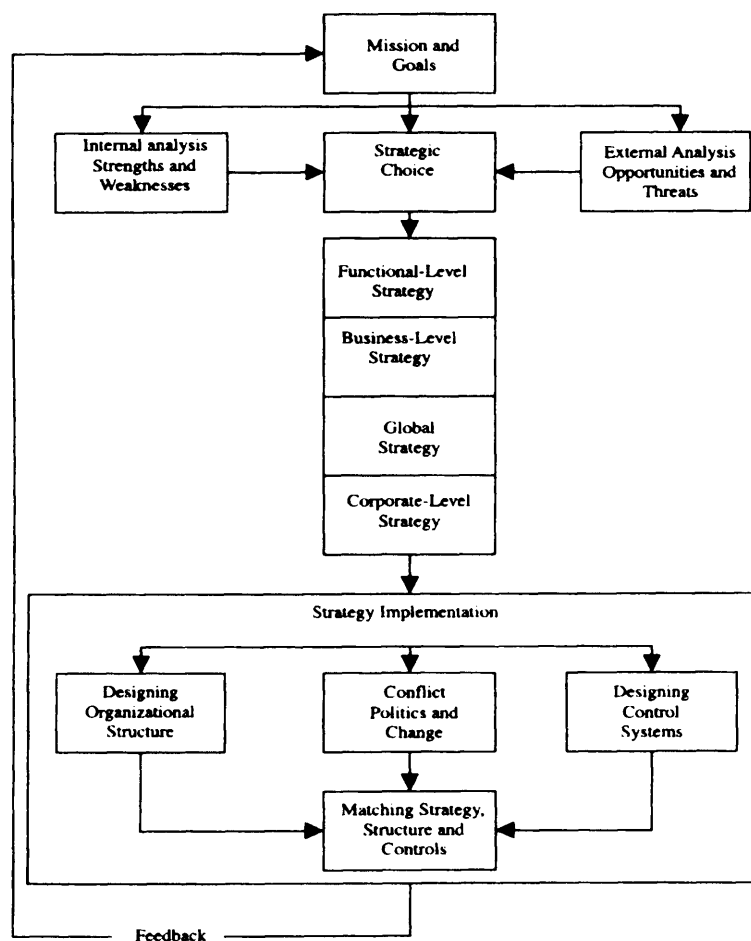


Figure 3.2: Components of the strategic management process (adapted from Jamieson and Morris, 2004)

Strategic Management in Academic Organisations

Summarizing, in order to have an effective strategy plan an enterprise has to assess not only its capabilities but also how these are connected with the environment in which it operates. This concept can also be valid for the higher education institutions, which nowadays operate more like autonomous enterprises rather than government fed educational institutions. However, what it matters more in a business environment is a clear mission of statement, where all the objectives of the enterprise will be set. A well established mission of statement will contribute significantly in the formulation of a successful strategy, which in turn will not only secure the short term sustainability but will also certify the long term development and growth of an organisation.

3.4 Mission Statement

When it comes to device an effective strategy for an enterprise, the concept of mission is of major importance. Some analysts believe that a well defined mission statement can provide an actual alternative to the whole task of corporate planning (Johnson and Scholes 2002). The mission statement summarizes a firm's strategic mission and can be thought of as the first stage of the strategy process. Peter Drucker (1994, 2002) argues that in order to define the purpose of an enterprise, its mission has to be defined first. A clear definition of the realistic business objectives and scopes will significantly help the senior management to device the best strategy. The mission defines the long-term vision of the organisation in terms of what it wants to be and whom it wants to serve. A firm's mission has to be clear and to distinguish it from any other firm in the market place. The mission statement has to be backed with clear definition of objectives and strategies and how these strategies are going to be implemented. A good mission statement has to contain:

- The purpose of the organisation in the market place.
- The major business aims.
- Definition of the most important stakeholders.
- The key values of the enterprise.

3.5 Conclusion

In this chapter the key principles of strategy and strategic management with reference to modern business environment have been reviewed in order to form the theoretical framework of the

Strategic Management in Academic Organisations

current study. It is apparent that the important features of successful strategies are the effective planning and use of resources. In the following chapter an attempt will be made in order to study how these business strategic management theories can be linked to the management of modern higher education institutions.



Strategic Management in Universities

4.1 Introduction

In the preceding chapter we discussed the strategic management theory and its application to the case of organisations and enterprises. In the current chapter an attempt is done to underline the major issues regarding the research hypothesis of the current work. We will try to explore how the strategic management theory is applied in the higher education institutions and what are the limitations of such analogy. Over the last few decades, higher education institutions have been confronted with increasing outside pressures (society, market place) aimed at institutional change. The conceptual frameworks that are used to envisage, and to a certain extent to justify, change are increasingly influenced by organisational sciences and theories. In the preceding chapter, the importance of strategy and strategic management in the long-term viability and success of an enterprise have been discussed. Strategy acknowledged being a contributing factor on how a business is structured. This concept has its analogy in managing higher education institutions. The current chapter expands the idea of strategic management and argues that it is an integrating mechanism in universities, which can significantly improve the competitiveness of the academic organisations.

4.2 Strategic Management and Institutional Culture

In many countries around the world, higher education is undergoing fundamental changes concerning its governance, structure, funding and organisation. Often mentioned forces that trigger such changes are the effects of the post-industrial society and the current invasion of the market in the higher education (Gornitzak *et.al.*, 2005). The proposed changes point in the direction of a future for higher education institutions that is likely to consist of more self regulated, dynamic and innovative organisations (Gornitzak *et.al.*, 2005). The European Union

Strategic Management in Academic Organisations

committed itself to becoming the most competitive and dynamic knowledge-based economy in the world by 2010, capable of sustaining economic growth with better jobs and greater social cohesion. Since 2000, progress has been slow; uncertainty over the global economy has affected confidence and growth in the majority of Member States. Europe is suffering from an under-performance of its economy, low employment rates and levels of productivity (ESMU). Private investment is low and has also contributed to a slowdown of the rate of technological progress and innovation. The Knowledge Society relies on the quality of human capital, education, research and innovation policies, key to boost growth. At present, EU Member States only invest 1.96 % GDP in research compared to 2.59 % in the US and 3.12 % in Japan. The EU does not have sufficient scientists and researchers with only 5.3 per 1.000 inhabitants compared to 9 per 1.000 in the US and 9.7 in Japan (Margison, 2006). The re-launched Lisbon strategy (March 2005) urges Member States to press ahead with the implementation of their programs in order to face increasing global competition and to support growth. The importance of Higher Education is clearly recognized, but this requires major funding and governance reforms to modernize higher education institutes if they are to play a major role in the innovation process (ESMU).

As mentioned in Chapter 3 strategic management is associated with devising the appropriate plan and formulating (and implementing) cross-functional decisions that help the enterprise to accomplish its objectives (Cleland, 1998). Managing strategy is undoubtedly the most important task a university does, enabling all of its core activities and wider social and economic targets to be efficiently achieved. As in the case of an enterprise the process of strategic management involves thorough analysis and knowledge of the institution's strengths, weaknesses and threats and in accordance making the choices about the future. Effective analysis and intelligent choices will ensure the exploitation of any rising opportunities in the market place, the avoidance of failures and the improvement of reputation. A well defined and structured strategy will help not only an organisation to grow successfully but also in the same time it will give the employees the motive and the pride of working in a healthy and sustainable environment (Hunger and Wheelen, 2003).

However, that is the theory in the business context and it is largely a matter of culture in order to fit these concepts in the universities' vocabulary. Universities as enterprises have very specific

Strategic Management in Academic Organisations

characteristics and the marketplace, in which they operate, is dynamic and characterized by environmental turbulence and continuous fluctuations. The reason for having such an unstable environment in the academia has primarily to do with the fact that research itself is dynamic and the requirements for novel developments in science change rapidly. Consequently, in order the academic organisations to maintain high standards of quality and be competitive have to adapt changes at the same rate. In this context managers or people who are responsible for strategic planning in universities have to combine successfully a volatile and unpredictable external environment with the internal dynamics of the academic institution. Nonetheless, many are reluctant to understand that a university as an academic and research organisation has the same validity in the market place as an enterprise. As stated by Shattock (2003) it was Searle who first reported that academics are disinclined to appreciate the fact that universities can operate on the same basis as enterprises and the reason for this unwillingness is the fact that academics and researchers are more devoted to their discipline and/or their research than to their institutions. Moreover, many academics consider themselves as working **for** a university rather than working **in** it and in many cases they do not want to be treated as simple employees of an enterprise (Becher, 1989). Sir George Bain (2004), in his retirement speech in the European University Association (EUA) workshop about higher education, points out the importance of institutional culture, and how this affects the effectiveness of any changes within the enterprise. He states that *“changes do not become sustainable until they are anchored in the culture – the core values – of the institution, and this does not occur until the changes have been demonstrated to work and to be superior to the old approaches and methods...”*

4.3 Strategic Planning in Higher Education Institutions

There was a period until early-mid 1980s, both in British and European higher education, where the university finance was stable and pre-supposed, student numbers rapidly grew and the resources were provided by the governments at a standard rate in order to match the expansion (Shattock, 2002). At this very early stage planning and management were rather quantitative actions, since the people responsible had to allocate the money, granted by the central governments, to the various departments within the institution. This resulted in the growth of a rather strong bureaucratic approach to the management issues of higher education institutions. Planning could not be characterized as “strategic”, but as “financial sound” planning, which had

Strategic Management in Academic Organisations

as ultimate purpose the best possible allocation of resources (Shattock, 2002). Even when the situation started to be unstable, many institutions insisted adopting this approach, which in the longer run made them incompetent dealing with the rapidly changing circumstances. When in 1980s British universities faced the problem of substantial reductions in the government finance, the institutions were required to take major decisions regarding the future and it became apparent that from that point onwards, the planning had to be more strategic rather than “managing budgets”. Universities had no more to manage government money, but to show scientific excellence and innovation which could be used in order to attract money. The same policy, of reducing the government grants, has been followed at that time by many other European governments such as the French, German, and Dutch.

Universities in Europe have changed greatly since the 1980's and the most successful institutions are amongst those that have adapted best to the new environment. Nowadays, in European average, universities instead of receiving around 90% of their funding from the central government, they receive roughly 60% to 70%. Of course, there are cases like the Greek institutions where the government contribution is still at high levels, reaching close to 90%. In the UK the regular grants to universities are differentiated between research and teaching and are distributed to the universities according to their achievement in the RAE (RAE). In more successful universities the funds are divided 50:50 (50% for research and 50% for teaching), whereas this number changes gradually up to 5:95 for less successful universities in terms of research (Watson, 2000). Generally, the same system is followed by many countries in the EU, such as France and Germany, and moreover this method of grant allocation is going to be the foundation for allocation of resources from the European Union after 2010, when the European higher education systems are going to be unified (EUA, ENQA).

The most interesting change, however, is the diversity of funding sources in today's' modern European universities. Nowadays, a significant number of universities obtain money from student fees, organizing short courses, from residences and catering and moreover from selling their scientific services operating like consultancies. In that way, institutions have transformed completely their balance sheets, with more than 60% of their budget to come from their initiative (Watson, 2000, Margison, 2006). Since universities, as enterprises, are labour intensive and

Strategic Management in Academic Organisations

additionally high profile scientific research requires significant amounts of money, it becomes obvious that it is very important for a higher education institution to be able to concentrate many and different sources of money. Such a task requires a sound and effective strategic planning. Moreover, the more successful a university the higher its cost structure, and the more it will have the tendency to search outside the government funding envelope for support. In a competitive university system, where an institution wishes to recruit and retain the best people, any sign of significant reduction in the resources will be a destabilizing factor and eventually will lead to the loss of key staff to competitor institutions (Bok, 2005).

4.4 The Strategic Framework

Modern firms operate in an environment of growing demands, competition and accountability. The same case applies also to higher education institutes. As mentioned above the state funding has been reduced, however the control over the money, the governments give, has been significantly increased (Amaral *et.al.*, 2003). State organisations, like funding councils that are responsible for education and research demand formal and fully documented institutional strategic plans which will illustrate analytically how, when and on what the money are going to be spent (Steis, 2003). In that way, funding councils can be reassured that universities have viable plans and more importantly the money will be spent according to certain scheduling. Nevertheless, these plans can be exhaustive, over a period of years, only when dealing with financial issues and the reason is that extensive line by line planning for academic development is very complex and difficult due to large number of uncertainties and activities involved. Moreover, if a strategic framework is applied in research, this can be easily transformed to an opportunistic chance for several socio-economic factors (like industries, governments, trusts etc.) to influence scientific research (Shattock, 2003). What is more important for a university is to create a broader strategic framework regarding its scientific objectives. A long term framework consisting of realistic objectives to be achieved over an unspecified time scale, will give the opportunity to the institution and its scientist to work more effectively towards fulfilling the university's scientific goals.

The essential element in establishing these broad and general objectives is to provide a framework within which a variety of different ideas with different origin can be considered.

Strategic Management in Academic Organisations

Realizing the importance of this freedom of exchanging scientific ideas and developing an appropriate framework for these ideas, is what increases the scientific capacity and additionally the reputation of the university. Strict strategic plans and financial forecasts are only useful when it comes to the economics of an institution, but in order for a higher education organisation to be successful and financially sound, it has firstly to consider its intellectual capital and how this can be used effectively. Therefore, it becomes apparent that a university, like any other organisation as explained in Section 3.2, has to have a mission statement in which the primary goals and objectives of the institution have to be clearly defined and explained. Whatever these aims might be, from re-balancing the institution towards science and technology up to increasing the university's contribution to the local and regional economy, require action, which involved participation from a significant number of different professionals and departments within the organisation. It is, therefore, upon the central administration to ensure that these goals and objectives are clearly understood by the whole institution, since that is the only way the institution will fulfill them (Watson, 2000, Shattock, 2002, Shattock, 2003).

4.5 Strategic Review

Having mentioned all the above, it is apparent that the effective strategic management of higher education institutions require two essential features. Firstly, the broad objectives defined by the university have to be reviewed from time to time in order to meet both the institution's mission statement as well as the continuously changing requirements of the society. Moreover, it is essential in order for the strategic management to be effective a holistic approach to be adopted (Neal, 1995, Hamilton, 1997, Crawford and Pollack, 2004). Such a holistic view will take into consideration the institution and its activities so that the different elements of the organisation and their functions to be harmonized resulting in reinforcement of the entire organisation rather than conflicting with one another (Daniel, 1990, Chapman, 1998). By definition, higher education institutions incorporate high level of pluralism, and they can be effective and successful only when the various interactions are coordinated and organized in order to strengthen the institutional operations as a whole rather than dissipate them.

In the process of strategic planning, and afterwards in the process of strategic review, decision making has to be taken into serious consideration. Decision making in the higher education

Strategic Management in Academic Organisations

context can be very complex and deals with many different issues. Such issues include the decision on bidding for research grants, decisions on attracting high profile scientists and researchers and decisions on making other than educational investments that will help the organisation to grow. Universities cannot afford to take action slowly and through time consuming bureaucratic processes. Higher education institutions might have this option few decades ago, but in today's highly competitive environment actions have to be taken quickly (Graham, 2002). Institutions that do not respond quickly in the challenges they face, will significantly lose their competitive advantage. Quick response requires good collaboration between two elements of the organisation. The managerial and academic sectors of the organisation have to cooperate effectively in order to ensure that the institution will respond productively to any rising challenges. Managers are responsible for all the financial, legal and administrative issues whereas the academic community of the institution has to make sure that the decision making processes will not alter its scientific identity. Clark (1998) mentions that the decision making process in the academic environment, has to be speedy and must have legitimacy in an academic community or otherwise it will generate negative reactions that will make difficult the seizure of growing prospects.

4.6 Conclusion

As it has been discussed in this chapter, business organisations and higher education institutions have many things in common in the way they are organized and operate. Therefore the strategic management theory applied in the business context can be extended and in analogy may be used for managing universities. However, university environment is very unique and complex and various factors have to be taken seriously into account when devising the institute's strategy. In the following chapter, the research methods adopted in the current work are going to be discussed thoroughly.



Research Methodology

5.1 Introduction

The current chapter reviews and presents the research methods available in order to collect a acceptable sample and draw some conclusions. In the preceding chapters a literature review and the research hypothesis have been discussed. In order to link theory with its practical application, it is vital to draw a certain research methodology on how to obtain data that will lead to sound conclusions. All the acquired data is presented and discussed in the following chapter.

5.2 Research Purpose

The purpose of our research is to identify the existence of any strategic management systems in the Greek academic institutions and additionally to address the reasons for the low competitiveness of certain departments.

5.3 Research Procedure

A comprehensive questionnaire together with personal communication and the author's experience in the academia were utilized to gather the data presented in the following chapter. The questionnaire is attached as an appendix. As the academic environment is very unique and the academics have the tendency to be reluctant in expressing their views about how the departments should be organized, the actual acquisition of evidence that would support the theoretical framework discussed in preceding chapters, was very difficult. The research, therefore, concentrated more on assessing the position of the Greek enterprises (Greek universities) in the global marketplace (the European Higher Education Area) as well as the gathering feedback from the key actors (the academics) on what has to change as far as strategic

Strategic Management in Academic Organisations

planning is concerned and whether the adoption of an effective strategic management system will significantly improve the competitiveness of the organisations.

The examination of the Greek academic institutions holistically is a difficult task and beyond the needs and scope of the current study. Due to the fact that the author is a Civil Engineer with a strong interest in the academia, it has been decided that it would be reasonable to narrow the research within the boundaries of the Greek Civil Engineering departments and examine them as organisations within the overall academic enterprise.

5.4 Questionnaire Procedures

In Greece there are five different Civil Engineering departments and sixty questionnaires have been sent to various academics within these five departments. Twenty two academics, from all five departments, replied. The questionnaire was designed in order to produce a set of results that will be as objective as possible. The questionnaire consists of nine questions, of which the first six require direct answers whereas the rest three are open ended. The reason for selecting such a format has to do, mainly, with the fact that it has been observed that people participating in questionnaire surveys answer easier the direct questions rather than the open-ended ones (Bryman, 1995 – Somekh, 2005). That is the reason for having more of the former. On the other hand, few open-ended questions were included since literature suggests that open-ended questions give the opportunity to the interviewee to express freely his/her views on certain subjects without being restrained by any boundaries set by the question itself (Bernard, 2000 – Corbetta, 2003).

The size of the sample was solely dictated by the willingness of the academics to contribute in the research. Although, in general, great interest was shown in such a research and on how strategic management can significantly improve the effectiveness of the enterprise it was proved in practice that when it comes to the point of revealing some inside information (such as how the research teams organized) the academics proved very reluctant to do so. The reasons identified behind such unwillingness have primarily to do firstly with the fact that the academics do not want to make known the procedures followed within their research teams and secondly with the

Strategic Management in Academic Organisations

fact that the vast majority of the academics do not want to be treated simply as members of an enterprise.

5.5 Analysis of Data

The analysis of data was conducted by comparing the various responses on the questionnaires. After the completion of the questionnaires an in depth discussion, either in personal or by phone or by e-mail, was conducted in order to highlight certain issues and enlighten others. The results were assembled in tables and statistical charts were created comparing the responses of the academics on certain questions. As far as the open-ended questions are concerned the responses could not be quantified and therefore they have been assessed only by discussion.

5.6 Potential Sources of Errors

A definite flaw of the proposed research is the fact that it can easily pass the boundaries of the conceptual managerial research and go into pure educational research, which is beyond the scope of the course. Great care and consideration should be taken in order to have these boundaries perceptible and to focus on how the strategic management concepts can help academic enterprises. The second issue is that the sample is very small and the best it can offer is to give an idea of how the Civil Engineering departments are organized and what strategic concepts need to be addressed in order to improve their effectiveness. The sample is not big and diverse enough to have an idea about the overall organisational performance of the Greek academic institutions and therefore no reliable conclusions could be drawn on how strategic management concepts will benefit the academic system in general.

5.7 Conclusions

The current chapter described the research methodology adopted in order to complete the study on the strategic management issues on Greek higher education institutions. The concepts behind the selection of the questionnaire as the assessing medium as well as the design of the questionnaire itself have been discussed. Moreover, it was explained how the analysis of the sample has been conducted. Finally, the potential sources of errors have been identified and it has been discussed how they affect the extraction of sound conclusions. The following chapter

Strategic Management in Academic Organisations

presents analytically the findings of the research and a comparison is made with the help of statistical charts.



Strategic Management in Greek Universities

6.1 Introduction

In the previous chapter the application of strategic management theory to higher institutions was discussed. In the current part of the work, we will try to see what is the situation in the Greek universities and if there is any strategic planning system in place. In recent years, different governments, tried to make significant changes in the Greek higher education introducing practices that have been proved successful in the Western European universities. For example the concepts of quality assurance, research assessment and managing organizations were introduced. It will be discussed how these changes have been received by the academic community and what the academics themselves believe. The structure of Greek higher education has been described in Section 2.3. In the current chapter an effort will be made to examine how the current situation in Greek academic institutions at the organisational level (as this has been discussed earlier) can successfully integrated with the theoretical strategic management framework. Moreover, the results of the questionnaire survey are going to be analysed.

6.2 The National Context: State – University Relationships

Greek higher education institutions are constitutionally defined as public institutions and are subjected to the supervision of the Ministry of National Education (MNE). The government determines the establishment of new institutions, their structure and operations. National legislation determines university budgets, procurement, financial oversight and employment. Universities are almost exclusively state funded, through budgets or research programs, and generally have only negligible funds since no student fees are charged in the undergraduate course, very few graduate courses have fees and moreover no fees are paid for the use of the halls of residence. Private funding is also at low levels (for various reasons) and consists primarily of

Strategic Management in Academic Organisations

specific donations to certain universities. Greek universities have been recently trying to increase their resources mainly through research and participation in competitive EU programs.

Although universities are considered to be independent organisations and have their own elected governing bodies, in practice they enjoy very little autonomy. Since the funding and the flow of EU funds to the universities are controlled by the State, it is implied that all the specific budget categories have to be clearly defined and determined in the state budget. It follows that the government exercises very tight control over such strategic issues as establishing or abolishing faculties, departments and post-graduate programs. Moreover, internal organisational structures, the role and the responsibility of the governing bodies within the universities are also controlled by the government and/or the various political parties. MNE determines all human resource issues, including human resource policies and management systems, the number of staff posts allocated to various universities and departments. Furthermore, MNE defines the recruitment regulations, faculty remuneration, staff appointment, promotions, social security and pension schemes. University procurement is entirely subject to the law on public procurement and any payment requires approval by a designated financial inspector in the Ministry of Finance (Greek Ministry of Education). The enrolments to the universities are organized by the MNE, after consultation with each institution. The universities do not have the option to select or to reject certain individuals, since everyone is admitted as long as has reached the appropriate mark level at the national exams. It is, therefore, very obvious that the Greek higher education institutions have a relatively low level of autonomy and the senate and the rector's council (see Section 2.3) have the independence to decide on less important issues.

6.3 The Current Situation

Although, theoretically, there is tight government control, no formal mechanisms exist for university strategic planning and evaluation as yet. Moreover, this tight control which is exercised selectively, has led in a situation where the vast majority of the Greek higher education institutions are neither getting the appropriate help from the state nor they can devise their strategies on their own. At the moment, the government proposed reform of higher education with one key issue being that private investment in universities be allowed for the first-time, the independency of universities and a series of other changes that intend to bring education in

Strategic Management in Academic Organisations

Greece in line with EU legislation. At the same time other European countries, which have signed the Bologna Declaration, such as Sweden and Denmark, recently implemented broad reforms, giving universities more autonomy and boosting their funding (Itano, 2006). However, the proposed governmental changes in Greece have not been accepted by a part of the academic and student community, resulting in a continuous debate, which is expected to last for several months. The reasons behind this reluctance can be traced in either the politics or the misinformed academic community regarding the EHEA.

However, it has to be mentioned that the majority of the academics realize that the changes have to be done the soonest, in order the Greek universities to be able to join the EHEA after 2010 and therefore the validity of the Greek degrees as well as the reputation of the Greek institutions will be secured.

Many believe that the first step towards more independent self-organized universities is the establishment of an efficient evaluation system which will act as a framework that will help the universities to understand their strengths and weaknesses and device their strategies. Up to now, only informal and unsystematic attempts are made to have a sound evaluation framework (Karamanos, 2006 – Babinotis, 2005a). While not known systematic attempt to document these evaluation procedures exists, those that do exist include the following:

- A) Some form of informal evaluation conducted by the MNE designed to distribute funds and teaching positions. This informal evaluation is usually based on rather simplistic ratios (such as student numbers, number of teaching staff, expenses/student etc) that are neither exact nor sufficient for serious, systematic evaluation. Moreover, because this is an informal evaluation, the ministry is not obliged to follow-up on its results. In addition, the ministry and its decisions influence all the parameters on which these ratios are based (for example the number of students or teaching staff).
- B) University and departmental reputations are shaped by various external forces including the state itself, market forces, citizens, companies and other universities. Reputation acts as a forma of quality assessment and gives some type of informal ranking. It reflects the preferences of prospective students taking the national entrance exams. In order to

Strategic Management in Academic Organisations

participate in these exams, students submit a form stating their departmental preferences. The number of stated preferences and exam performance give an idea of the competitive difficulty of entering a particular department. Statistical data are published and are publicly available.

- C) The market provides another informal evaluation: companies prefer graduates from particular universities. Since no statistical data for these preferences are available, preferences are most a matter of general feeling.
- D) Top-level scientists seeking employment also have preferences which constitute another informal measure of university quality. Unfortunately, there is no hard evidence for ranking various departments.

The absence of any formal system or institutional external or internal evaluation system goes hand in hand with the absence of impartial, reliable and valid statistical evidence which could serve as the basis for important ministry decisions (such as allocation of funds). Informal evaluation has very little impact since the numbers of prospective students is higher than final acceptances. Student evaluation has little influence on university performance or on resource allocations.

6.4 The Academics

Our research has shown that most of the academics that took part in this survey are research active and are members of a research team that currently undertakes certain projects. According to what the academics say, the research in the Greek Civil Engineering departments is at high standards, but it has to be improved in order to be able to compete in the long term with the rest of the European departments. They suggest that certain changes have to be done towards the direction of autonomy of universities and departments, but they add that this cannot take place without the help and support of the government.

The main research income resources are found to be the European Union, the Greek industry, Greek charities and the State. The Greek academics are keen to attract research grants from the construction industry but a certain percentage is afraid that their research work may be subjected into extended criticism by the funding organisation if the outcomes are not the desirable for the

Strategic Management in Academic Organisations

company that invests money. Therefore, some academics have the fear of biased research, which of course cannot be considered as an effective research. A very interesting point that came out from these interviews is that the vast majority of the academics believe that there are not sound and effective managerial systems in place and that in order to be competitive in broad European terms it is of vital importance that the universities have to adopt specific managerial systems that will, in turn, help towards the development of effective strategic plans. The following pictures show graphically the results of the questionnaire, a version of which can be found in the Appendix. The vast majority of the academics that took part in this survey declared that they are members of an active research team.

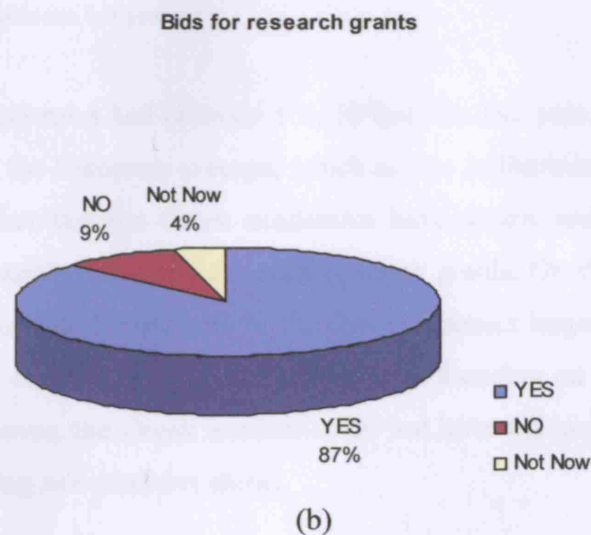


Figure 6.1: (a) Participation in a research team; (b) Bidding for research grants

Strategic Management in Academic Organisations

As it can be observed 91% declares that are members of research team and 87% of those are active in research. The 4% that is not taking any research bids at the moment is mainly due to the fact they are waiting for certain grants to become available. Furthermore the 9% of the academics that are not taking part into any research at all can be attributed to the fact that they are occupied with administrating duties, which implies that there are not specialized professionals to take care of the administrating-managerial work within the departments and therefore this work load is transferred to the academics. Figure 6.2 illustrates how the academics responded on the question about the research bids they had the last year.

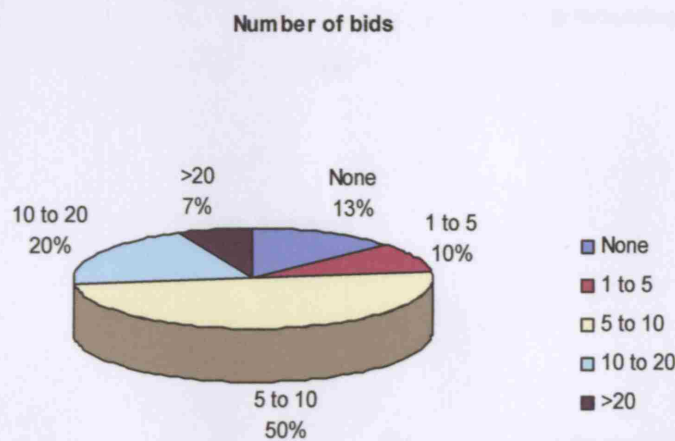
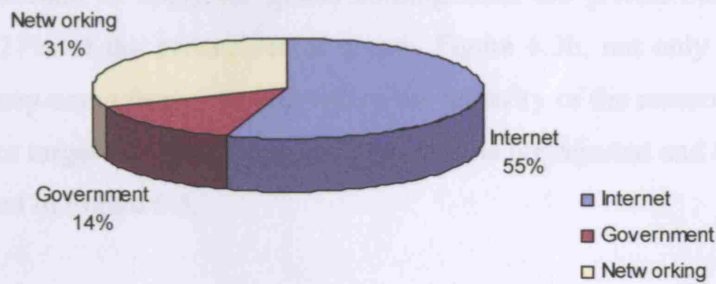


Figure 6.2: The number of bids the last year

The majority of the academics had between 1 to 10 bids the last year, a number which seems to be slightly higher than the European average, which is 1 to 3 (Babinotis, 2005b). The reason for this is primarily the fact that the Greek academics have access and can attract lower budget projects and therefore apply massively for such research grants. On the other hand, many of the prestigious civil engineering departments in Europe, can attract larger grants and therefore they concentrate on how to success on large bids rather than focusing on attracting a big number of smaller projects. Moreover, the Greek academics do not have the support they would like from the state, as the following two statistics show.

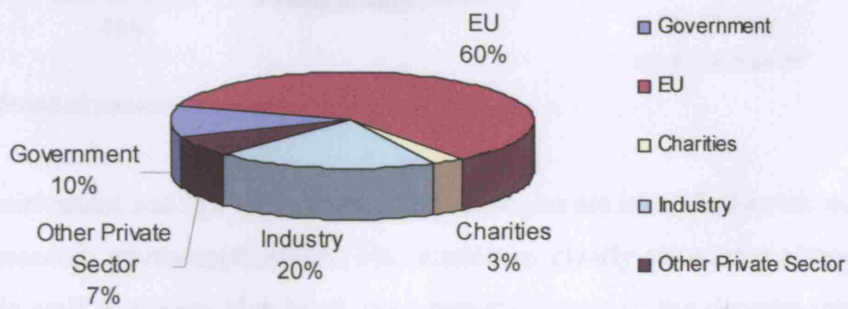
Strategic Management in Academic Organisations

Information about research grants



(a)

Funds Sources



(b)

Figure 6.3: (a) The information sources for research grants; (b) The research grants sources

As it becomes obvious from Figure 6.3a, the academics in order to find useful information regarding upcoming research grants and how to obtain them, seem to rely mainly on the relevant internet resources as well as their networking both in the European and domestic higher education funding committees as well as the industry. What seems to be very interesting is what the illustration in Figure 6.3b shows. The state contribution to their research is only at 10%

Strategic Management in Academic Organisations

whereas the EU contribution is at the excess of 60%. The academics believe that the government has to increase the %GDP spent for education in Greece (currently at 3.67%) (Karamanos, 2006) and to develop state powered funding councils following the successful example of many fellow European countries like the United Kingdom and France. As mentioned previously, the academics seem reluctant to apply for grants coming from the private sector, and that is the reason of the low 27% of the private sector grants. Figure 6.3b, not only indicates where the research grants money come from, but also where the majority of the research applications from the Greek academics target to. However, many applications are rejected and the reasons for these failures are presented in Figure 6.4.

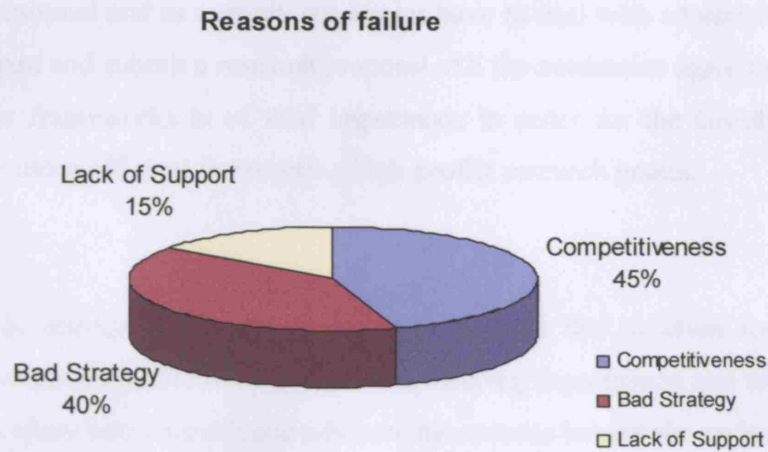


Figure 6.4: The identified reasons of failure

Lack of competitiveness and the bad implemented strategies are identified as the main reasons for failure of the research grants applications. The academics clearly stated that although the quality of the academic staff is at very high level, the competitiveness of the departments as a whole is not adequate compared to the European average. The reasons identified behind this issue are mainly the lack of supporting personnel (many civil engineering labs lack of adequately trained technicians), the shortage of cutting edge testing equipment and the bad internal competition of many of the academics, who want to grow in the hierarchy without paying attention of the system as a whole.

Strategic Management in Academic Organisations

Regarding the implemented strategies, there is a general belief that there is not a specific strategic framework and any successes are mainly a result of the good work of the individual research teams. Moreover, the academics feel that there are no supporting systems not only within the university environment but also within the Greek higher education. Supporting systems that will encourage the development of effective strategic plans and will be responsible to train the academics how to devise effective strategies. Nonetheless, it has been noted that there is an excessive lack of supporting material as well as personnel. As it was shown in Figure 6.3a the research teams have either to depend on the internet or to their connections in order to obtain useful information about research bids, since the support from the Greek government as well as from the parent Institutions is very weak. Additionally, additionally there is lack of skilled administrating personnel and as a result, academics have to deal with administrating issues when they have to prepare and submit a research proposal. All the academics agree that the existence of effective strategic frameworks is of vital importance in order for the Greek civil engineering departments to be more efficient in attracting high profile research grants.

6.5 Conclusions

In this chapter an attempt was done in order to analyze the situation today in the Greek universities, and in particular in the Greek civil engineering departments and identify whether the academics are involved into research and what are the reasons behind the underachieving of these departments in terms of research compared to the most of the European civil engineering departments. A questionnaire has been answered by a number of academics and the analysis of the data revealed that currently there is a significant lack of any effective strategic framework which would help the departments to increase their competitive advantage within the European Higher Education Area. There is a general belief among the academics that the Greek academic institutions as enterprises that offer services and operate within as specific market (EHEA) can be very competitive and offer high quality services. However, at the moment the absence of structured management systems is a major drawback of the academic organizations and as a result the performance of the Greek academic “enterprises” hardly reaches acceptable levels. It is beyond any hesitation that the application of effective strategic management systems that will be able to integrate the processes within such organizations will significantly improve the efficiency of the institutions as well as their competitive advantage.



Conclusions and Recommendations

7.1 Conclusions

From what it has been discussed in preceding chapters in relation to the changes in the European higher education, the strategic management in the academic context and the Greek paradigm the following conclusions can be drawn:

- The new era in the European higher education requires from universities to start developing processes which will assist the management of the various interlinked elements of the academic organisations in order to make their operation more efficient.
- The strategic management theory for business provides a perfect conceptual framework which can be extended and modified in order to fit the needs of an academic organisation.
- The academic institutions although they can be characterized as “enterprises”, they have some differences with the most important being the unique character of the academics.
- The introduction of strategic management processes in the academic organisations has to be done very carefully in order to preserve the academic nature of the institutions.
- The Greek higher education institutions even though they have made steps forward the last twenty years, still severely lack of any structured management systems.

Strategic Management in Academic Organisations

- The lack of any quality assurance processes in the Greek higher education system has led to the lack of understanding of what the strengths and weaknesses of the Greek universities are.
- From what it has been found in the literature it is apparent that the strategic management processes can provide an effective framework that will integrate the processes within academic organisations. Having a sound strategic management system, it will be easier for an academic institution to devise processes and strategies in order to cope successfully with the dynamic environment of the higher education market place.
- There is a common belief among Greek academics that the Greek institutions have the qualities needed in order to be strong competitors in the European Higher Education Area. However, they acknowledge the fact that universities are not well organized and an effective strategic management system will benefit the whole Greek higher education system.

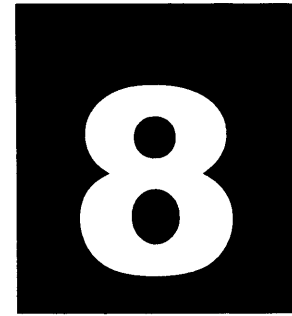
7.2 Recommendations for Future Work

For further understanding on how the concept of strategic management can help the academic institutions to be more independent and increase significantly their competitive advantage both in domestic and global markets, the following have to be done:

- A more detailed study, comparison and understanding of the management processes, if any, of the main European academic institutions.
- A structured social network analysis for specific universities and departments in order to investigate how teams operate within academic institutions not only at the academic level but also at the administrative level. In that way a clear idea will be formed on how the various actors within organisation perform and moreover the potential sources of underachievement will be outlined.
- Identification of the elements on the strategic management theory that are not directly applicable on the academic environment and proposal of any amendments needed on these “non-fitting” concepts.

Strategic Management in Academic Organisations

- To identify whether the EU legal framework can support the proposed changes in the higher education institutions and what has to be done in order to protect the academic organisations from the unfair competition from private organisations that have the capital to invest on research and development.



References

Abell, D.F. and J.S. Hammond (1979), **Strategic market planning: problems and analytical approaches**, London: Prentice-Hall

Amaral, A., Jones, G.A. and B. Karseth (2003), **Governing Higher Education: National Perspectives on Institutional Governance**, Kluwer Academic Publishers

Babiniotis, G. (2005a), "How to protect the Greek universities", Article on the Greek press, (http://tovima.dolnet.gr/print_article.php?e=B&f=14632&m=B62&aa=1) (in Greek)

Babiniotis, G. (2005b), "The future of Greek higher education", Article on the Greek press, (http://tovima.dolnet.gr/print_article.php?e=B&f=14475&m=B45&aa=1) (in Greek)

Bain, G. (2004), "Leading and Managing Universities", **European University Association/EMFD Workshop**, (http://www.eua.be:8080/eua/jsp/en/client/item_list.jsp)

Becher, T. (1989), **Academic Tribes and Territories: Intellectual Inquiry and the Cultures of Disciplines**, Open University Press, Milton Keynes: England.

Bernard, H.R. (2000), **Social Research Methods: Qualitative and Quantitative Approaches**, SAGE Publications Ltd, London: England

Bok, D. (2005), **Universities in the marketplace**, Princeton University Press, New Jersey: USA

Strategic Management in Academic Organisations

Bologna Process web site (<http://www.dfes.gov.uk/bologna/>)

Bryman, A. (1995), **Research Methods and Organization Studies**, Routledge-Taylor & Francis Books Ltd, London: England

Chapman, R.J (1998), “The role of system dynamics in understanding the impact of changes to key project personnel on design production within construction projects”, **International Journal of Project management**, Vol.16, 235-247.

Clark, B.R. (1998), **Creating Entrepreneurial Universities**, Elsevier Science Ltd, Oxford: England

Cleland, I.C. (1998), **Field Guide to Project Management**, London: Van Nostrand Reinhold.

Corbetta, P. (2003), **Social Research – Theory, Methods and Techniques**, SAGE Publications Ltd, London: England

Crawford, L and J.Pollack (2004), “Hard and soft projects: a framework for analysis”, **International Journal of Project Management**, Vol.22, 645-653.

Daniel, D.W. (1990), “Hard problems in a soft world”, **International Journal of Project Management**, Vol.8, 79-83.

David, F.R. (1997), **Cases in strategic management**, 6th edition, Upper Saddle River, NJ: Prentice Hall.

Doyle, P. (2006), **Marketing Management and Strategy**, FT Prentice Hall

Drucker, P.F. (1994), **The practice of management**, Oxford: Butterworth-Heinemann.

Strategic Management in Academic Organisations

Drucker, P.F (2002), **Management challenges for the 21st century**, Oxford: Butterworth-Heinemann.

Eisenhardt, K.M and M.J. Zbaracki (1992), “Strategic Decision Making”, **Strategic Management Journal**, Vol. 13, pp. 17-37.

European Association of Institutions in Higher Education (<http://www.eurashe.be/>)

European Association for Quality Assurance in Higher Education (<http://www.enqa.net/>)

European Center for Strategic Management of Universities (<http://www.esmu.be/>)

European University Association (<http://www.eua.be/eua/index.jsp>)

Gardiner, P.D. (2005), **Project management: a strategic planning approach**, Hampshire: Palgrave Macmillan

Graham, G. (2002), **Universities: The recovery of an idea**, Imprint Academic, Thorverton: England

Gornitzak, A., Kogan, M. and A. Amaral (editors) (2005), **Reform and Change in Higher Education: Analysing Policy Implementation**, Consortium of Higher Education Research, Kluwer Academic Publishers

Greek Ministry of Education (http://www.ypepth.gr/en_cc_home.htm)

Hamel, G. & K.C. Prahalad (1994), **Competing for the future**, Harvard Business School Press

Hamilton, A (1997), “Understanding and representing systems”, **Management by Projects**, London: Thomas Telford, 31-62.

Strategic Management in Academic Organisations

Hannagan, T. (2002), **Mastering strategic management**, Basingstoke: Palgrave Macmillan

Hill, C.W.L and G.R. Jones (1998), **Strategic management: an integrated approach**, 4th edition, Boston: Houghton Mifflin Co.

Hunger, D. and T.L. Wheelen (2003), **Essentials of strategic management**, 3rd edition, Upper Saddle River, NJ: Prentice Hall.

Itano, N. (2006), "In Europe Universities struggle to compete and adapt", Article on the Christian Science Monitor, (<http://www.csmonitor.com/2006/0713/p13s02-legn.html>)

Jamieson, A. and P.W.G Morris (2004), "Moving from corporate strategy to project strategy". In P.W.G.Morris and J.K.Pinto (eds), **The Willey Guide to Managing Projects**, John Willey and Sons, pp. 177-205.

Johnson, G. and K. Scholes (2002), **Exploring Corporate Strategy**, Harlow: Pearson Education Ltd

Karamanos, A. (2006), "Quality Assurance is the key", Article on the Greek press, (<http://www.athensnews.gr/paideia/1pai2.htm>) (in English)

Kay, J. (2000), "How measurements in organisations have changed", John Kay's personal page <http://www.johnkay.com/society/181>

Lasserre, P. (2003), **Global strategic management**, Basingstoke: Palgrave Macmillan

Margison, S. (2006), "Dynamics of National and Global Competition in Higher Education", **Higher Education**, Vol.52, pp. 1-39

McDonald, M. (1996), **Strategic marketing planning**, 2nd edition, The Cranfield management series, London: Kogan Page.

Strategic Management in Academic Organisations

Mintzberg, H. and J.B. Quinn (1996), **The strategy process: concepts, contexts, cases**, London: Prentice Hall International.

Neal, R.A (1995), "Project definition: the soft-systems approach", **International Journal of Project Management**, Vol.13, 5-9.

Porter, M.E., (1980), **Competitive Strategy**, The Free Press

Quality Assurance Agency for Higher Education (<http://www.qaa.ac.uk/>)

Research Assessment Exercise - <http://www.rae.ac.uk/>

Ronald, R.S. (1991), **Managing Institutions of Higher Education into the 21st Century: Issues and Implications**, Greenwood Press

Shattock, M. (2002), "Re-Balancing Modern Concepts of University Governance", **Higher Education Quarterly**, Vol.56(3), pp. 235-244.

Shattock, M. (2003), **Managing Successful Universities**, Open University Press, Berkshire: England.

Somekh, B. (2005), **Research Methods in Social Sciences**, SAGE Publications Ltd, London: England

Steis, A.W. (2003), **Strategic Management for Public and Non-Profit Organisations**, Marcel-Decker Ltd, New York: USA

Watson, D. (2000), **Managing Strategy: Managing Universities and Colleges**, Open University Press, Buckingham: England.

Appendix

Questionnaire

Instructions: Please answer questions 1-to-6 by ticking the appropriate box. For questions 7-to-9, express your views with few words on the suitable boxes.

1. Are you a member (or leader) of any research team and how many people consist your team?

YES	
NO	

2. Does your team take part in bids for research grants?

YES	
NO	
Not Now	

3. If the answer to the above question is “yes”, what is the frequency of your bids? If the answer is “no”, state the reasons of no bidding in the box below?

None	
1 to 5	
5 to 10	
10 to 20	
>20	

Reasons for no bidding:
--

Strategic Management in Academic Organisations

4. Where do you take information about research grants?

Internet	
Government	
Networking	

5. What are the main research funds resources? Government initiative, EU or private sector?

Government	
EU	
Charities	
Industry	
Other Private Sector	

6. Can you recall cases where some of your research bids have been rejected and identify which of the following is more responsible for such failures?

Competitiveness	
Bad Strategy	
Lack of Support	

7. Do you think that Greek higher education institutions can compete at high level and attract prestigious research grants from outside Greece?

--

Strategic Management in Academic Organisations

8. What, according to your opinion, are the strong and the weak points of the Greek universities compared to the European and American institutions?

9. Can you name any organisational changes that, you think, are needed in order to make Greek universities more competitive in attracting research grants?

Thanks very much!