

Analysis and Recommendations for Policy and Strategic Management of Masaryk University Brno

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1. Introduction

The subject of this article is Masaryk University Brno (hereafter MU). Its aim is to analyse the environmental and internal factors to set up recommendations for further development of MU.

MU is a standard university offering university education in law, economics, philosophy, philology, sociology, medicine, sciences, and pedagogics. It is the second oldest and largest university in the Czech Republic, comprising 7 faculties. There were 13 532 students (31.10.1994) and 1128 teachers, 1216 members of staff (31.12.1994) at MU. It is a state university, oriented to production of university education for the region of Moravia. However, students from Bohemia study at MU, too, as well as an increasing number of foreign students, especially from Slovakia. The level of educational and researching activities at MU is relatively good but there are qualitative differences among individual subjects. Two of the internal factors influencing this differentiation are tradition and presence of personalities in teaching and research. As for the structure of „business philosophies“, a combination of production, produce, and bud of sale philosophies is being applied. Marketing philosophy is applied only coincidentally and unconsciously, such as concerning public relations. The character of the present philosophy is in interaction with the actual over-demand for educational services and with management standards, both at MU as a whole and at individual faculties. MU top management consists of the rector, 4 vice-rectors, the bursar, the rector's board, the scientific board, and the university senate.

MU produces a wide range of bachelor, master and PGD education and at the same time many educational activities for the development of the practice and in the field of the whole-life education are performed.

It should be noted that MU as well as other universities is in interaction with two markets. The first is the market where the demand for study encounters the offer of available study capacity at MU. In this market there is a considerable overhang of demand over the offer which is sinking in the course of time. This can be documented by the portion of the number of students accepted for full-time study and the number of applications for this study which was 9.5 % in 1993 and 10.8 % in 1994. The second market is the labour market where the demand for labour force with university education encounters the offer of MU graduates. There is also a disproportion between demand and offer and it is also sinking in the course of time and in some fields of study the named disproportion does not exist anymore and some graduates of MU even begin to have difficulties with application of the gained education in practice.

The portion of MU within the total production of graduates of institutions of higher education in the Czech Republic was 1992 in 1992, which ranks MU on the 5th place after UK Prague (23.4 %), VŠE Prague (17.4 %), ČVUT Praha (12.2 %) and VUT Brno (10.7 %). By its portion of 21.3 % MU occupied among the second place the universities after Charles university Prague with a dominant position in the market (52.9 %). It may be expected that the portion of MU in the total number of graduates of institutions of higher education, resp. university graduates will increase as in 1993 the presented portion of MU students was the 3rd highest from the total number of students of all institutions of higher education, resp. universities (UK Praha - 21.7, ČVUT Praha - 11.5 % MU - 9 %) or 2nd highest (UK Praha - 42.5, MU - 17.9 %).

As to the functions the principal functions both educational and scientific-research are provided by MU in a complex manner, it means also incl. publishing and editing services. Some support functions, e.g. information, accommodation, boarding, transport services and maintenance and repairs of material property are implemented there, too.

2. Analysis of environment

2.1. PELST analysis

This analysis is aimed at the characteristic of the political, economical, legislation, social and technical environment of MU with the objective to show the reality

and the development of its principal features determining the function of MU in an indirect manner.

2.1.1.

Political environment

Two features of the present political environment are important for universities in general and therefore also for MU. Firstly the continuing preference of consumer goods to the resource character of university education. The second important political feature is too much liberalization in the behaviour of universities (e.g. the stress laid on self-administration) which represents an extreme opposite to the pre-revolution extreme state dirigism. I am convinced that the state will subsequently strengthen its position of the indirect monopol customer and use both legislation and financial tools to assert its interest in increasing the effectivity of the function of institutions of higher education.

2.1.2.

Economic environment

Economic environment of universities is characteristic by continuing and at the same time reducing stagnation of the Czech economy and the impacts of the application of the balanced economic policy of the state. With regard to already mentioned character of the university strategy it is therefore not surprising that in general there is not a lack of state financial sources and that they are rather covering only the operation of universities. The development of universities is more or less possible by means of securing other financial means by their own activities, e.g. economic activity, sponsoring etc. In future the deepening of the deficit between the justified need of financial sources and appropriations or state contributions can be hypothetically presumed.

The following changes can be expected in the state financing of institutions of higher education:

- subsequent leaving or reducing the importance of the historical principle at distribution of state finances within the framework of institutions of higher education,
- development of contract bid distribution of finance in connection to the projects accepted by state (innovations),
- deepening of flexibly structured financing esp. for equipment and operation according to the purpose of application,
- transfer of a part of financing to the students in the form of school fee introduction.

2.1.3.

Legislative environment

The function of universities is controlled by the Law concerning institutions of higher education No. 172/90 Sb. This Law was prepared in the revolution period accenting the aversion to any central regulation and its main task was to initiate new and functioning relationships and institutions.

In to my opinion a similar legislation development as in Austria can be expected where the university Law besides others:

- Divides the network of universities in traditionally humanistic oriented universities, universities with special orientation and other institutions of higher education of non-university character (they differ from universities by the accent on practical orientation of the training and elimination of scientific work;
- Institutions of higher education as legal subjects may transfer a part of their competency to their structural components;
- The bodies of self-government are similar as in our country, but their composition is of „professor“ type, the students are represented only by 25 % in senate;
- It contains a chapter on evaluation of the institutions of higher education where both external and internal evaluation belongs.

2.1.4.

Social (cultural) environment

I would like to draw your attention to the facts which directly affect the operation of institutions of higher education in the Czech Republic. It is primarily a question of social position of education itself. Even if the respect for the university education increases it is still not sufficiently evaluated with regard to wider social needs. On the other side the image of the right to „free“ university study is fixed in the society and only exceptionally the substantiation of taking part directly in individual paying for provided educational services is accepted. The climate of the social environment is changing in interaction with social transformation and in relatively short time the actually achieved education will be preferred to the diploma. Investment in relevant education will be gradually judged as one of the most attractive, namely both from the social and individual point of view.

2.1.5.

Technical environment

The level of technical progress in the Czech Republic is still to a considerable extent under the level of advanced capitalist economies. This together with a lack of financial means results in the fact that esp. in natural scientific equipment and technical fields of university study the technical equipment is not at the necessary level. Similar unsatisfying situation is in the area of technical equipment of libraries, application of reprography and information technologies.

At universities the equipment with needed technology will be gradually improved. However the institutional differences in equipment and the necessity to search for other possibilities of advanced technique and technology available to students cannot be excluded.

2.2.

Analysis of field environment

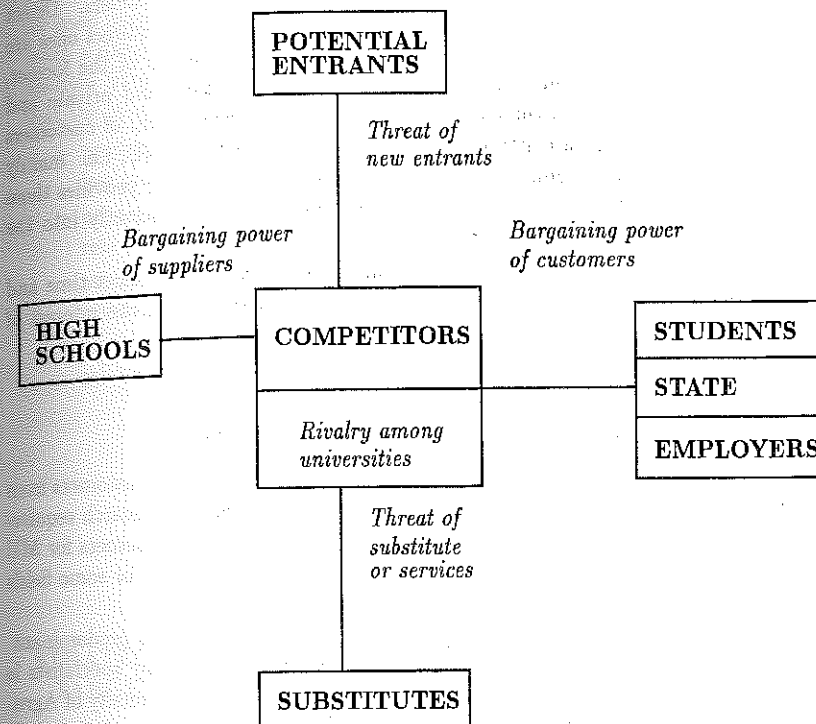
2.2.1.

Analysis of the situation in the university educational system

For this analysis I will apply the Porter's model¹ which enables to assess the existing state and development:

- of existing and potential competition in providing university education,
- stress (influence) of institutions of middle educations and direct and indirect customers for the function of universities,
- danger of substitutes of the provided educational services.

¹Porter, M. E.: Competitive Strategy New York, Free Press, 1980.



The competition within the institutions of higher education is still very small.

The entry of new competitors into the resort is very complicated for considerably demanding character of the rise of university institution itself. The preparation of new university law signals the potential deepening of competition among institutions of higher education already in a near future.

The middle-school institutions as suppliers of initial qualification for university study are in a weak position compared to university study. The development will probably bring a gradual change as the graduates of some middle schools will become required by universities for the above-average level of the acquired education.

As to the danger of the university substitutes, I do not consider this danger severe.

The position of „customers“² of institutions of higher education does not meet the requirement for effective pressure on desired change of behavior of universities.

²The customers of MU are:

- potential applicants for studies at MU,
- full-time students and students of various courses of special intent,

It is good to distinguish here between direct and indirect customers. Direct customers are those who get immediate educational services while indirect ones are those who take advantage of these services through the mediation of the former, which is, obviously, students. Indirect customers are the state and private and public economic subjects in the country and abroad. A special group of customers is formed by those who are potentially interested in studies at MU, i.e. mainly students finishing their grammar and other secondary schools. MU provides them rather with information services in order to interpolate them efficiently into the group of direct customers.

My opinion is that the pressure of customers will increase in a short time and universities will be forced to meet the needs of their customers in the interest of their existence.

2.2.2.

Analysis of the field environment of MU

The decisive direct and indirect customers are and will be mostly customers from the Moravian Region and therefore their education and scientific-research requirements should be taken into consideration. Relatively interesting customers for MU are and especially will Slovak students and Slovak employers. Esp. for some fields of studies the foreign self-paying students are and will be attractive.

MU feels already now a certain competition in professional fields predominantly within the Brno university centre, e.g. the education of economy specialists is provided also at VUT (Technical University of Brno) and VŠZ (University of Agriculture) now. In the course of time this competition will increase and there will arise also competition of universities outside Brno - esp. in the North Moravia (UP Olomouc; Ostrava Universities etc.) I am convinced that there is also a danger of foreign competition, esp. in the Vienna University.

2.2.3.

Determination of MU position

The competition position of MU is still good. However it is a question to what extent it is deserved and strong. I personally believe that it is given predominantly by historical background and effect of environment as they have been described above. MU itself takes care for this position esp. by the quantity of provided education and stressing the tradition. This strategy cannot be successful in a long-term perspective. The increase of competition in providing university education

- seniors' studies participants,
- the state,
- private and public economic subjects in the country and abroad.

incl. wider interest in the study abroad under the growing demand of the practice for good prepared graduates will be attributes of already near future and they could mean a danger for the competitive position of MU. As to the determination of MU position from the point of view of typology of product generic strategy³ I believe that the production of MU can be included in each of the four segments:

- producing education with wide application in the labour market at relatively low production costs, e.g. economy and Law,
- producing education with certain specific application in the labour market at relatively low production costs, e.g. pedagogy, philosophy,
- producing education with certain specific application in the labour market at relatively high production costs, e.g. medicine,
- producing education of a narrow application range in the labour market at relatively high production costs, e.g. some natural scientific fields.

STRATEGIC ADVANTAGE

	Uniqueness perceived by the customer	Low cost position
STRATEGIC TARGET	Industry wide	DIFFERENTIATION
		OVERALL COST LEADERSHIP
	Particular segment only	FOCUS
		FOCUS

3.

Analysis of internal factors of MU

3.1.

Basic and supporting functions

Educational activities take place especially within an internal form of bachelor, master and doctor study at individual faculties, whereby an inter-field cooperation of faculties is minimum. There are reserves in the efficiency of educational activities

³Porter, M. E.: *Competitive Strategy* New York, Free Press, 1980.

as a target orientation of education is not sufficiently stressed. An objection can be made also to the management of educational activities themselves as the faculties do not function well everywhere, there is a weak faculty and inter-faculty interaction of individual departments and there are considerable disproportions in the utilization of working capacity of individual teachers, had work discipline is accepted etc.

In my opinion a serious problem is the dynamics of the study atomization esp. at the Faculty of Arts and Faculty of Pedagogy of MU where in the university year 1994/1995 students will be accepted in 194 or 64 fields of study and combinations and the fact that the development of the demand for study and graduates with regard to the reallocation of limited resources is not sufficiently reflected.

The future will probably require leaving the historical principle of the university sources allocation and their most possible effective utilization to the benefit of MU as a whole. The aim and the technology of educational activities at MU will be under increasing pressure of the required social and individual efficiency.

Scientific-research activity is performed in the form of basic and applied research. Its level does not correspond to the level at the standard European universities. In spite of the dynamic development of scientific-research activity at MU (Note: index 93/92 at the number of grants from FDR being 592 and values of those grants 192) after the post-revolutional stagnation it should be noted that its disproportion among individual faculties is considerable.

In future the economic condition and state and regional priorities should be more respected and first and mostly those workplaces that are reaching excellent results and which still form the prestige of MU should be supported.

Editing and publishing services are performed predominantly internally, namely partially at the faculties and partially at the department of VMU equipped with printing centre. In this field there is a certain lack of economy. There are problems with the printing quality and there also complaints concerning a long terms for publishing production.

Accommodation and boarding services are provided in university canteens and in residences at seven locations in Brno now. While boarding services are at relatively good level, accommodation services are mostly underdimensioned and MU is able to accommodate approx. 50 % of applicants for residence. Changes especially in the system of administration and financing of these services may be expected in the near future, namely by the transfer of financial sources directly to students.

Other service functions may generally be characterized as little effective and problematic from the point of view of their internal securing in the existing range.

3.2.

Marketing

For very severe I held the fact that MU performs its function in the spirit of combination of production, product and germs of the sale philosophy. From the

marketing „business philosophy“ only some of the elements apply random e.g. within the public relations.

I am convinced that the up to now applied philosophy of the MU scope of activity has no good prospects and that a „marketing philosophy“ of the effectiveness should be applied in a near future. This philosophy will be focused at the orientation of the output education as a product that will find its application in the future labour market.

3.3.

MU development

The MU development is determined by applied philosophy of effectiveness which is in interaction with conservative approach stressing traditions, specific features and benefits of relative unchangeability of the system. I consider for severe the non-system and to a great extent unconceptual management of the MU development which can be seen also at the performed spatial development the objectives of which are not formed by actually qualified development needs of the MU basic functions.

In the future I expect the reevaluation of development activates and its importance in connection to the predicted changes in the philosophy of the MU activity.

3.4.

Human resources

Human resources are the most important sources of MU as their structure, quality and capability determine the level of basic functions in a decisive manner. Despite of the indisputable fact I have to state that the human resources management belong to the most weak aspects of MU. The non-existence of complex system of performance appraisal have a very unfavourable impact.

Now (i.e. up to 31st May 1994) 2375 employees are active in MU of which 1238 are teachers. Compared to other institutions of higher education in 1992.

The portion of teachers and of all MU employers for one student was 8.5 or 4.2 approx. in a half of the value interval of portions (2.28 - 13.13) or (1.79 - 8.41) registered in the system of institutions of higher education in ČR.

No principal changes can be expected in the availability of human resources of MU in the near future, nevertheless, principal changes are possible in the structure and allocation of these sources.

3.5.

Economic system of MU

MU is the so called „contributory“ organization, which means that it finances its needs from the state contribution, its own sources (admission proceeding, grants and sponsors) and by economic activity. For illustration, the ratio of individual finance sources was 89.7 : 7.2 in 1993. As the investment financing is concerned, the ratio of state and own sources is 26.7 : 73.3.

While the state contribution distribution among the MU subjects is based mostly on historical principle other financial sources are predominantly available for their producers. The rules of economy exist, nevertheless, they are not univocal. There are two basic problems of the economic system of MU. The first is in the manner of budgeting the state contribution where the accent laid on indexation of historically based division among individual subjects of MU is overcome only with difficulties. The second problem concerns the allround lack of economy and its tolerance and the effort to solve the tension between sources and needs mostly by demanding a greater portion in total university sources.

In the future the portion of the state contribution will relatively and probably also actually be rather sinking and MU as well as other institutions of higher education should come to terms with the impacts of the budget limitation.

3.6.

MU management system

I held the level of the existing management and organization system of MU for another most important weak point of MU. To the severe shortcomings of the existing system belong:

- overgrowth of the operative management,
- rooted image on unnecessary of the management professionalization,
- preference of short and group interests to the long-term and whole university interests,
- and mostly not understanding the necessity of the change in the philosophy of MU activity.

4.

Summary and structure of external and internal analysis (SWOT)

4.1.

Opportunities and threats for MU**Opportunities**

- To base the goodwill of MU on consciousness of the demanding character and high quality of study in general and world standard of study and science in some fields and on a good application chances for graduates in practice;
- To strengthen its role within the region, to make relationships with Municipal Authority more effective;
- To prepare for changes according to the new university law, expected increase in the state and practical demands for the effectiveness of universities;
- To lower the dependence of financing its activity on the state sources;
- To improve the technical securing of educational and scientific research function;
- To monitor and predict the development in the labour market and to specify qualitative and quantitative aims of its activity;
- To create the system of cooperation with relevant authorities and in practical terms at the application of graduates in the labour market;
- To allocate and reallocate own resources, mostly human.

Threats

- Unfavourable demographic development of ČR;⁴
- The state will strengthen its competency towards universities;
- The needs and force of both direct and indirect customers will increase;
- The decrease of state sources of financing will occur;
- Problems of universities connected with their graduates in practice, with overdimensioned human resources etc. will grow;
- The increase in competition among universities;
- The need of more effective activity of universities will be hindered by hardly suppressed deformation of social consciousness;

⁴According to the annex to the material of the MŠMT ČR „Transformation Program for the Educational System“ of November 1992 the extent of the group of 18 years old youth reached the top level in 1992 (189446 individuals) and it will continuously sink up to 2007 when it will be approx. 69 % of the maximum in 1992)

4.2.

Strong and weak points of MU

Strengths

- Tradition and relatively good goodwill;
- Geographical situation;
- Favourable location of some parts in the city of Brno;
- Concentration of a high qualification of labour force;
- Extensive contacts abroad and link to professional practice;
- Contributory form of economy;
- Existence of the own publishing centre;
- Good level of boarding services for employees and students;
- Establishment of consulting centre for students and graduates.

Weaknesses

- Application of product philosophy of the activity;
- Tolerance of inflation and subsequently also lower quality of education;
- Technology of teaching oriented predominantly at factography;
- Relative isolation of faculties at meeting their basic functions;
- Tolerance of lower work and study discipline;
- Insufficient conditions for individual study;
- Insufficient capacity of university accommodation facilities;
- Non-existence of effective management system of human resources;
- Generally under-average level of the organization culture;
- Considerable dependence of the implementation of activity on the state financing;
- Methodology of the state contribution budgeting;
- Non-unified system of economy rules;
- Inclination to the lack of economy;
- Low level of the strategic and abundant operative management;
- Infringement of some management principles;
- Lower level of management professional skills.

5.

Recommendations for strategic management

The aim of this chapter is at first to suggest suitably structured summary of frame recommendations which could contribute to the improvement and development of MU.

5.1.

Summary of recommendations

Recommendations of general characters

- To gradually change the philosophy of activity from the product to marketing;
- To innovate the definition of MU mission and on the basis of it to formulate objectives and strategy of activity from both short and long term point of view;
- To subject the spatial and material-technical development of MU to the objectives and strategy of development strategy of MU activity.

Recommendations for educational function

- The predicted demand for education in the labour market and only thereafter the demand for study should be considered determining factor for the educational objectives;
- To make a qualified selection of key markets for placing the own graduates and to continuously monitor and analyze these markets;
- To build up the profile of university and faculties purposefully under respecting the strong and weak points in the availability of particular professional qualification;
- To care for exact specification and documentation of the profiles of graduates;
- Not to admit inflation and ineffective atomization of education enforced by faculties;
- To support creation of study programs of interdisciplinary character under the use of capacities without any regard to faculty pertinence;
- To reevaluate the purposefulness of the existence of faculty arrangement of university and in any case to eliminate the duplicity of fields of study in faculties and to remove barriers among faculties and departments;
- To enable wider development of individual orientation of study by the students themselves under the condition of achieving obligatory standards;
- To specify the quality, development of creativity and independent thinking of students as basic criteria of the educational process technology;
- To gradually create good quality background for self-study, contacts with practice, attachments abroad, visits, etc;
- To innovate the evaluation system for achieved knowledge level of students and not to admit to continue without evidence of meeting obligatory standards;
- To implement the objectivized system of teachers' work evaluation.

Recommendations for scientific-research function

- To care for more balanced incorporation of faculties, departments and individuals into the scientific-research activity with respecting professional and individual characteristics;

- To support the orientation of scientific-research activities to the development of educational function of the interdisciplinary orientation and to the solution of pressing problems of practice;
- To build up a top publishing centre for MU and information centre with a retail shop for the university publishing production;
- To built up a high quality advisory centre for applicants, students and those interested in the study at MU, testing of pre-conditions and assistance at composing a syllabus for individual students, monitoring of the labour market, securing of contacts with potential employers, support at the introduction of graduates in the social environment etc;
- To support the establishment of organization the scope of activity of which will be providing accommodation and boarding within the whole Brno university centre.

Recommendation for the sphere of human resources

To change the system of human resources management in a principal manner which means besides others:

- To assert becoming aware of the decisive importance of the quality of human resources for the success of MU within the whole university;
- To strengthen the importance of professionalism and not to rely on the natural ability of proper acting in the case of highly qualified experts in this field anymore;
- To pay a great attention to the selection of new employers;
- To build up a complex system of periodical evaluation of the whole staff the main objective of which will be support of the personality development of every person under evaluation from the point of view of the needs of MU.

Recommendations for economic system

- To change the budgeting system so that the allocation of central financial sources would become an effective tool of implementation of the objectives of MU as a whole. This means besides others gradual and strict limitation of applying the historical approach of coding and elimination of index method etc;
- To define clear and if possible simple rules for economy stimulation for the creation of extra-budgetary sources and savings of all financial means;
- To secure the organization of supporting the creation of extra-budgetary sources;
- To innovate the system of material stimulation that will enable more objective and addressed parity response to the results of periodical evaluation and immediate positive, or negative evaluation of the employee by his direct superior;

Recommendations for the management system

- The priority should be given to the strategic management of MU, and the mission of MU should be responsibly formulated and the basic organizational requirements should be met;
- To restrict the operative management of the top management to the sphere of serious disproportions and problems that cannot be managed by the apparatus of rector's and dean's offices;
- To remove the basic disorders that should not be tolerated resolutely and uncompromisingly (e.g. infringement of work discipline, uncomplete issue of instructions, not fulfillment and redundancy of instructions etc.);
- To significantly improve the level of decision making and to apply always the whole decision making process, incl. checking the implementation and effectiveness of decisions;
- To build up a data standard basis enabling objective creation of background documents for inspection processes;
- To evaluate the state of the organization culture on the basis of analysis and to define the objectives and strategy of its transformation into the form of the needed effective activity of MU;
- To specify the activity and responsibility within the whole MU so that the basic management principles (equity of authorizations and responsibilities, principle of a single responsible chief executive) were not infringed;
- To approach the organizational changes after the assessment of process context and its eventual modifications;
- To assert the change of legislation so that at least middle-term and whole university interests of the top management would be supported;
- To carry out the analysis of the existing information system and the application of information technologies from the point of view of MU management. Then it should be gradually innovated with regard to the available financial sources;
- To accept with the whole seriousness the necessity of increasing the management professionalism, to eliminate the rooted image that any renowned expert will automatically become a good manager. In this respect the appointment of the top manager for the particular area who besides other should be a guarantor of the strategy continuity at the changes of elected academic officials should be assessed;

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SUMMARY

Analýza a doporučení pro politiku a strategii managementu Masarykovy univerzity v Brně

Úroveň strategického řízení univerzity přispívá významnou měrou k její dlouhodobé úspěšné působnosti, a to zvláště v náročných podmínkách společenské transformace. Proces strategického řízení univerzity sestává ze sledu a propojenosti etap strategické formulace, implementace a evaluace.

V článku je autorem subjektivně zpracována první fáze etapy strategické formulace, tj. vnější, oborová a vnitřní analýza pro Masarykovou univerzitu Brno, a to na základě laskavého svolení jejího rektora prof. RNDr E. Schmidta, CSc..

Provedená syntéza analytických poznatků formuluje příležitosti, hrozby a silné a slabé stránky analyzované univerzity a umožňuje v závěru předložit čtenáři soubor doporučení pro diskusi směřující k racionalizaci působnosti nejen Masarykovy univerzity, ale i dalších českých vysokoškolských institucí. Pochopitelně představuje i vstup pro dokončení projekce etapy strategické formulace.