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On certain questions of shaping university strategy (based on a university of economics)

Introduction

Universities have existed in Europe since the 11th century. The contemporary growth of science broadens and deepens research fields (heterogeneity and differentiation). The strong and variable demand for higher-level knowledge is growing, after all we are talking about the knowledge society. The increase of heterogeneity (of types, genres, fields) and differentiation (diversity within types, genres and fields) is clearly justified, but also not without its consequences. One of them is the increasing difficulty of mastering the ever more complex edifice of cognition, axiology and deciding on the object of academic processes. Similar processes occur in exact science, natural science, humanities and social science as well as at their junctions. It is therefore quite a natural need and tendency to strive to synthesise scientific output, to give it coherence and order, to make it holistic. Such a paradigm was attempted at the beginning of the 20th century in the form of systems theory (L. von Bertalanffy), and at the end of the century – consilience by E.O. Wilson.

Social science, dealing with social systems, includes economics and management studies. Economic and management problems involve issues corresponding to the operational characteristics, circumstances and variability of social systems. Hence the respective terms: 1) “economics” and “economics studies”; 2) “management studies”. Both domains also absorb knowledge from across the board of contemporary science classification (exact, natural, humanistic and social sciences), they refer to various doctrines and interrelationships between social systems and their turbulent environments.

The idea and legitimation of the category of third-level schools known as “universities of economics”, therefore, has a double meaning. The university of economics is a school providing formation in a range of specialised academic and educational activities, as well as their universalisation. The accelerating growth of societies, including innovativeness and significance of knowledge, drives the growth of competitiveness, also in the field of academia. Universities must cope with the problem of identity and direction of their activities as well as that of responding to change, including changes in other universities.

The above problems belong in the strategy domain of every social system, here – the university. It is strategy that provides answers to questions about the role and place, and also helps run the university in terms of strategy. The better the strategy, the higher the chance of success. A good strategy is characterised by a high and adequate category potential (related to its kind – e.g. different from tactics), professionalism, strategic diagnostic basis, requisite flexibility, uniqueness, manageability and efficiency. The university of economics (hereunder: UE) is a new category of third-level schools in Poland, hence the problem of strategy for this category of universities is yet open.

The question is: what approach to take when shaping the strategy of the university of economics as a category? Below, I am presenting selected suggestions in this regard.

I. Strategic doctrine of the university of economics

1. The doctrine should include deliberate *a priori* assumptions: cognitive, axiological and normative, made by the strategist, indicating their sources, conscious of time and space, concerning all the main components of the strategy (it would be advisable to write them down in brief, to create a divisible foundation to build the strategic plan on and pursue the strategy).

2. Issues decided by the strategic doctrine should be selected by the strategist, nevertheless, they may partly result from concurrently initiated strategic diagnostics; these issues may include e.g.:

2.1. Definition of the strategy, its place and role in running a university and the UE, as well as the principles of pursuing the strategy

a) e.g. defining: how the strategy is different from policy, tactics and operations; should the strategy be a guide in running the UE or a sort of action plan of the highest order in the hierarchy of plans, etc.;

b) defining (and justifying) the strategic horizon, understood as determining the area of activity in time (T) and space (P), [together, spacetime – TP; here, the provisional assumption is that $(TP)_0 = 2008$]

b1) depending on the size and variability of the environment, etc., the strategic horizon for the system must be co-determined by a set of selected (adopted) success factors (e.g. sector-specific characteristics of investment cycles; sector-specific pace of innovation diffusion; demographic changes, etc.);

b2) the UE domain determines the basic strategic portfolio in a number of arrays e.g. 1) academic fields and disciplines (economics? management? commodity science? others? (which?); 2) university specialisation/universalisation in economics; research and education for self-knowledge and/or for the purposes of the labour market; 3) what constitutes the sector and market for the UE, etc;

b3) I think that the T horizon for forecasting the environment may be at least threefold: 1) corresponding to the strategic dreams, expressing the UE employees' will – e.g. circa 8 – 12 years; 2) linking dreams to the strategic diagnosis (mixed – partial analytical basis) – circa 4 to 10 years; 3) verified and based solely on the strategic diagnosis (dreams would have to give way to rationalisation) – circa 2 – 6 years;

b4) I think that the T horizon for diagnosing the UE internal potential should go back 3-5 years from $(TP)_0$;

b5) I think that the space horizon P should constitute a preliminary definition of the spatial range of UE's activity, e.g.: the region? Poland? the European Union? and the world?

c) pursuing a strategy is a continuous process involving various stakeholders, and not just the strategic plan, necessary as it may be.

c1) thus, the strategy should shape the UE, linking plans and their implementation, which places the strategist under the obligation of defining implementation and monitoring it;

c2) the method for pursuing the strategy may only be diagnostic, but based on strategic diagnosis, which differs from other diagnoses; planning the strategy, therefore, cannot be based solely on the prognostic method;

d) differentiation between values and goals, mission and vision; et al.

2.2. The definition of the UE as a whole and category of institutions and its relationship with the environment (place, role), as a whole, e.g.

a) what are third-level schools in general, what is a university, what is a university of economics;

2.3. Superior, sustained and inviolable values: universal and those of a given UE; what values, if any? These values are referred to when formulating strategic values.

a) the key is to determine the UE's attitude to utilitarian values, economic surplus (profit),

b) other: labour-market-oriented teaching only (in consequence – vocational university), or should it also, and to what extent, be driven by self-knowledge, curiosity about the world (consequence – university proper)?

c) what is the source of teaching and to what extent (quota): academic research? “learning” the material covered in books? having practical business experience? other – what?

2.4. Attitude toward restrictions – for example those of legal nature: “what is not forbidden – is allowed”? other – what? It would be good to identify and describe such fixed restrictions (ones that must not be breached) in the diagnosis;

2.5. Attitude toward key variables of the game; for example: 1) “we will aggressively seek candidates for students and any method is good as long as we attract them”; 2) “we are oriented more toward fierce competition, than positive cooperation and forming alliances”, etc.

2.6. To build a strategic plan, one cannot assume *a priori* that the UE represents a good academic and teaching level; the strategic academic and teaching level of a UE may be assessed as good only *a posteriori* – following the strategic diagnosis; this is one of the key standards of strategic management;

2.7. Of course, the definition, content and role of the doctrine must also be specified therein (metadoctrine) – which means, in an extreme case, that it may not exist; still, I think that it is necessary;

2.8. adopting the type of strategy – e.g. aggressive, et al. This affects other doctrinal decisions, including risk propensity, responsibility; individual/team work tendencies.

II. Determining preliminary criteria for the strategic diagnosis.

There are three sets, which in the course of the strategic diagnosis will be verified (maintained, reduced, increased, modified). This provides the basis for recognising and assessing one’s own internal potential and that of the environment, as well as the relationships between them (strategic situation; strategic position). Professional strategic diagnosis is not possible without it.

1. Determining the content of the mission, vision and strategic goals within the adopted strategic horizon for the UE as a whole (strategic aspiration)

- a) The mission and vision must have definite components,
- b) Strategic goals should be defined professionally.

2. Determining the content of the variables related to competitiveness within the strategic horizon, one needs to answer the question: what kind of future competitiveness variables and which qualities will guarantee competitive success in the sector?

3. Determining the category of key stakeholders, variables and their satisfaction criteria within the strategic horizon, one answers the question: what kind of satisfaction must I give to the present and future stakeholders for them to want to be with me and prefer me to the other schools?

III. Performing the strategic diagnosis using the predetermined preliminary assessment criteria

1. Determining the key fixed restrictions, of various kinds, including those of legal nature.

2. Performing the diagnosis of the strategic internal potential, within the domain, space and time from 2004 to 2008, and – if any internal trends which continue into the future are noticeable – such variables are diagnosed forward, e.g. to 2010, or even later;

3. Performing the diagnosis of the strategic external potential, within the domain, space and time from 2008 to 2020, and – if any external trends rooted in the past are noticeable – such historic variables are diagnosed, e.g. back to 2005, or even further back;

4. Determining and assessing the strategic position and strategic perspective (from optimistic to pessimistic), including the key problems of strategic development within the strategic horizon;

5. Verification of the strategic doctrine, strategic restrictions and tentative mission statements, visions and strategic goals; et al.;

6. Formulation of recommendations for undertaking strategic planning, including the attitude to risk.

IV. Strategic planning

It should be based on the planning assumptions, resulting from the compromise between the will and aspirations of UE's employees, and the conclusions and recommendations produced in the course of strategic diagnosis.

The plan should include:

1. Decision (ready-made, no discussion) on the supreme values, strategic doctrine and authority system ensuring control over the strategic situation.

2. Mission, vision and strategic goals (MVG).

3. Specification of key customers, needs to be satisfied and markets where we want to compete (matrices) for the UE as a whole.

4. Key strategic processes (process portfolio, quota and interrelationships) and their links to the MVG (matrices), e.g.:

a) higher-level education for students,

b) developing students (?),

c) conducting research,

d) dissemination of knowledge,

e) reciprocal/unreciprocated support for the economy and other entities,

f) public responsibility,

g) other (what?).

5. Key constitutional, structural and institutional decisions.

6. Key resources, potential and allocation thereof among values, goals, processes, organisational and social units.

7. Social array supporting the strategic plans.

8. Principles for implementing the action plan.

9. Principles for managing changes in strategy.

10. Principles for monitoring and strategic controlling.

11. Plan feasibility study, including:

a) non-economic feasibility,

b) economic feasibility, including the assessment of the forecasted balance sheets and budgets; profits and losses; cash flows; value of the UE; rates of return on investments; break-even analysis; sensitivity analysis; other efficiency analyses,

c) strategy feasibility from the stakeholders' point of view,

d) principles of risk management.

V. Continuation and changes in the strategy

1. Principles of continuity/changes in the strategy (updates/adjustments/redefinition/incremental changes).

2. Principles of shaping stability (non-continuity; breakthroughs/downturns; turbulence; crises/disasters).

3. Other

VI. Sample assumptions for constructing possible tools

1. Attitude of the UE as a whole and the portfolio of areas of activity to key values: economic surplus and utility (here: defining the principle of shaping ratios)

Table 1

Key values Areas of activity	Only for the economic surplus (ES - profit), %	Only for utility (OU), %	Strategic fit of ES and OU (strategic fit - %)	Flexible mix of ES and OU depending on the situation, %
1. Learning			1. e.g. 10ES/90OU	
2. Teaching			1. e.g. 30ES/70 OU	
3. Upbringing		1. 100		
4. Dissemination of knowledge		1. 100		
5. Consulting	1. 100			
6. Gratuitous support for the environment		1. 100		
7. Public responsibility		1. 100		
8. UE as a whole				

Source: own work

2. Quota development of the academic discipline portfolio (%) in years (e.g. teaching budget in EUR per 1 student)

Table 2

Years	2008	2012	2016	2020
Economics	x/100			
Management	y/100			
Commodity Science	z/100			
Other	a/100			
Total	100/100			

Source: own work

3. Matrix of areas of activity /utility in years (e.g. allocation of budgetary outlay per field in general or budgetary outlay per chosen reference unit)

Table 3

Purpose of activity Area of activity	Self-knowledge	Education	Market (for utility or for business)	Public	Selected stakeholders, including nature

1. Learning					
2. Teaching	The value of knowledge <i>per se</i> (curiosity about the world, etc.)	Meta-teaching – developing one’s own teaching potential	Graduate’s utility value to the labour market	No?	No?
3. Upbringing	Yes, for the philosophy of good work and general humanist values	Yes, for teaching efficiency	Yes	No?	No?
4. Dissemination of knowledge	Yes	No	No	Yes	Yes
5. Consulting	No	No	Business consulting for the market	Business consulting for local and state authorities	Business consulting for selected stakeholders
6. Gratuitous support for the environment	Yes	Yes	No	Yes	Yes
7. Public responsibility	No?	No?	No?	Yes	Yes

Source: own work

4. Introduction to the goals/processes matrix

Table 4

Goals within the strategic horizon Processes	Goals 2008		Goals within the strategic horizon (strategic dream 2020)	
	Expected outcomes of the process	Statuses of respective outcomes	Expected outcomes of the process	Statuses of respective outcomes
1. Educating students at the third level	1. Graduates’ normative potential 2. Graduates’	1. Normative potential a) nominal knowledge • Features and parameters b) skills • features and parameters c) experience • features and parameters d) personality • features and parameters		

	<p>competitive potential</p> <p>3. Periodic changes in graduates' potential</p> <p>4. Other (what?)</p>	<p>2. competitive potential</p> <p>a) ratio of normative potential against the leading school in the EU</p> <ul style="list-style-type: none"> • features and parameters <p>b) ratio of normative potential against the leading school in the country</p> <ul style="list-style-type: none"> • features and parameters <p>c) Graduates' labour force potential</p> <ul style="list-style-type: none"> • number of UE graduates employed in top professional positions in the country against the adequate number of competitors <p>3. Periodic increments of potential, e.g.</p> <p>a) ratio 1a/2004 (%)</p> <p>b) ratio 1a/2020 (%)</p>		
2. Student upbringing (?)	1. Graduate	<p>1. Awareness levels: ethical, moral, social</p> <p>a) features, parameters</p> <p>2. Behaviour levels, as above</p> <p>a) features, parameters</p> <p>3. Other?</p>		
3. Conducting academic research	<p>1. Cognitive outcomes</p> <p>a) research activities, fields</p> <p>2. Axiological outcomes</p> <p>a) research activities, fields</p> <p>3. Normative-postulative outcomes</p>	<p>1. features and parameters</p> <p>2. features and parameters</p> <p>3. features and parameters</p>		

	(models, concepts, etc.) a) research activities, fields 4. Normative outcomes, implementation-related (applied science) a) research activities, fields	4. features and parameters		
4. Dissemination of knowledge				
5. Reciprocal/unreciprocated support for the economy and other entities				
6. Public responsibility				
7. Other (what?)				

Source: own work

5. Process share matrix in years in absolute figures (M EUR) or % of the total budgetary outlay

Table 5

Years	2004	2008	2012	2016	2020	2008/2012
1. Educating students at the third-level		x				
2. Student upbringing (?)		y				
3. Conducting academic research		z				
4. Dissemination of knowledge		a				
5. Reciprocal/unreciprocated support for the economy and other entities		b				
6. Public responsibility		c				
7. Other (what?)		d				
8. Total UE budget		100%				

Source: own work

VII. Conclusion

These suggestions are but preliminary and limited contributions towards shaping the strategy of a university. It must be remembered that a complete strategy is situated within the

context of university policy and is developed tactically and operationally. These categories have their own activity horizons in a given field and situation, different from those of the strategy. I would also like to highlight that strategy is not tantamount to a strategic plan. The latter is an important component of the strategy, understood as a specialised focus on an activity as a whole, a kind of activity (here: running a university). Consequently, the strategy must not be treated: 1) as a ceremonial document, “produced” for some reason, and then left to adorn a shelf; 2) as a fetish of the university’s planned future, which cannot be touched without causing a major disaster; 3) as a business plan, detailing where and on what principles we are headed, etc.

What strategy is, on the other hand, is a rolling specific focus on running the university: 1) in an open, fuzzy and changeable strategic field (identity, strategic domain); 2) in the face of changes in the behaviour of other entities and the university’s interior and exterior treated as objects; 3) with the intention of shaping the direction of activity and achievements, for the sake of realising desirable values. In other words, the strategic plan adopted and enacted today must be consequently implemented as early as tomorrow and the day after, every day, continually examined for feasibility, adjusted and modified, if it is advisable to avoid threats and make use of opportunities. In this sense, the strategy is initiated only once, it is pursued continuously, one simply has it (the plan) and implements it (execution) and changes it (proactively/reactively; gradually/in increments, etc.).

Some say there is no such thing as strategy, that there needs to be a leader who knows what to do and is able to make it happen in cooperation with others. Yes, only this is a kind of strategy, too. In today’s world of science, though, such an approach is inadequate and too risky, due to the complexity of science, its far-flung consequences and the risk of inoperability.