Visiting Advisors Report
Warsaw School of Economics (Szkola Glowna Handlowa)
4-7 January 1999
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The Visiting Advisors team found the visit to the Warsaw School of Economics (SGH) a very positive learning experience. The team appreciated the quality of arrangements, the congeniality of all those serving as our hosts, the generosity of SGH academic staff, leadership, and students in sharing their experience. This report is in three major parts: Agenda, SGH in Context, and Observations.

Agenda

In preparation for our meetings, the team of three advisors met to discuss our approach. Then on the morning of 4 January, the team met to discuss those expectations about the agenda with host Professor Piotr Ploszajski. Then the team had a 90-minute intake interview with the Rector, Prof. Janina Józwiak, and Vice-rectors, Adam Noga, Marian Geldner, and Zbigniew Dworzecki. The day ended with Vice-Rector for External Relations, Marian Geldner. On the second day, the team met with the Head of the Department of Economic Informatics, Professor Jan Golinski. Bill Dorrill also met with the deputy dean of the diploma program, Tomasz Dolegowski, while Bantz and Petronio visited with the Rector and the Vice-President of a new private school. On the third day Petronio and Bantz visited a class taught by Prof. Ploszajski. Dorrill met with student leaders. The team held a working lunch with the Director of the office for international exchange of students, Dr. Bogdan Radomski, and the Executive Director of the Polish-American Executive MBA program, then met with the Vice-Rector for teaching and student affairs. On the final day, the team held a wrap-up meeting with the Rector and Vice-Rectors. There are only three substantive process suggestions we would make. First, that each team member be contacted directly by the local host to provide backup alternatives if travel plans go awry. Second, the team members meet and talk prior to the visit to exchange views on their expectations, set up some agenda items of their own, and talk about procedures. Third, that there be an opportunity early in the visit for the team to get an orientation to the community and its history. It is important to understand the place of the institution in the community (e.g., SGH is very connected to Poland's history and its location in Warsaw).

SGH in Context

SGH was established under a different name (Commercial Courses for Men) in 1906. It has undergone significant transformations over the past 90 years. Within Poland it is known as SGH (Szkola Glowna Handlowa—Central School of Commerce) and is utilizing the English name Warsaw School of Economics (SGH) outside Poland. Polish higher education includes both public/state-supported universities and private/fee-supported universities and schools. At SGH, 53% of revenues come from the state and 45% from fees for extramural courses. In the early 1990s, SGH reorganized creating thematic collegia,

assigning students to the School as a whole. Faculty were associated with a collegium, the teaching function being assigned to a Vice-Rector for Education and Student Affairs, and the research function being primarily assigned to the Deans of the collegia. As elaborated below, SGH has an excellent reputation, successful alumni, and active faculty.

Observations

The team recognizes its pioneering position in being the second Salzburg Visiting Advisors Team with the opportunity to provide some direction to this key development in the Universities Project. Our strategy was to approach the visit somewhat along the lines of a program review site visit—beginning with an entry meeting with top management, followed by more detailed interviews with senior leadership, other academic leaders, students, and academic staff. At the same time, we recognized this was neither an accreditation visit nor a program review. Rather we saw the visit as an opportunity to provide the observations of external peers who have listened closely to the members of SGH. The team recognizes that we are limited by the brevity of our visit, the distance of Poland's educational, historical, and cultural history from ours, and the complexity of changes in Poland over the last decade.

We offer five fundamental observations, as suggestions for setting strategic goals. The first three observations are goals directed to outcomes, the final two observations relate to processes that will affect SGH's ability to achieve its strategic goals. Overall these observations capitalize on issues of university administration and finance, academic structure and governance, student needs and the role of students in institutional affairs, technology in higher education, and the role of the university in the emerging civil society.

Observation 1: Maintaining and improving SGH's competitive edge in the 21st century marketplace is critical.

We offer four elements to this observation. First, it is key that SGH maintain quality and its trademark. SGH has a leading position in Poland and other Central or Eastern European countries. Faculty and students identify the School's key strengths as: (1) the School's name/trademark (SGH), which is very strong, (2) a strong network of alumni (e.g., present and past finance ministers are SGH graduates), (3) the high quality of students (only 1/3 are admitted), and (4) the fact that SGH it is seen as having very good faculty. These are enormous advantages that many institutions can only hope to achieve. As SGH works to improve its competitive position, it must continue to emphasize quality and strengthen its trademark.

Second, it is important that SGH be innovative in its turbulent environment. Improvement comes from anticipating changes in curriculum and research that will advantage SGH graduates and therefore contribute to the community. Our SGH interviewees do not construe the movement of private competitors into the marketplace as threatening. This is partly because of the school's leading position as well as the belief that competition is positive in stimulating the school to improve. Market theory suggests that SGH innovation will help

maintain the School's advantage over private competitors. There are significant factors in the environment that will increase competition for the very best students and very best faculty: (1) the continued growth of Poland's market economy, (2) increasing numbers of competitors in Poland's educational market, (3) Poland's plans to join the European Union, (4) increasing internationalization of the world economy, (5) the development of a worldwide educational marketplace, (6) the growth of English as a common language of instruction—which facilitates multinational classes, (7) increasingly sophisticated technology for instruction, and (8) easy geographic mobility of students and faculty. In the turbulent environment of the next century it is risky to rely upon previous success or reputation as securing future success.

Third, we suggest SGH pursue clearly-defined strategic initiatives to assure innovation. SGH has a strong basis in reputation, resources, students, and facilities. It is in the position to pursue strategic initiatives to enhance its position in the next century. As the School considers its options, whether they be investments in distance education, developing new curricula, supporting new research initiatives, or infrastructure, it is critical that these investments be consistent with strategic goals. Each initiative should be designed to advance the institution's 21st century competitiveness.

Fourth, we suggest SGH consider diversifying its faculty. SGH has an extremely stable history and the faculty and staff are closely tied to SGH (the vast majority of faculty hold SGH Ph.D.s). Such stability is very valuable in helping SGH survive the tides of change. At the same time, organizations need variation including "new blood" to stimulate growth and improvement. Hiring new faculty from other universities and countries, experimenting with new programs, testing new services, establishing regular exchange programs (the new CEMS program is a good step), and generally encouraging innovation are vital to the future of SGH.

Observation 2: Working to improve utilization of academic staff will be an important task for the future.

SGH members raised several issues related to assuring that the academic staff make the optimal contributions to SGH's operations. Given the critical role of academic staff to the future of the School, we suggest SGH explore four areas in the effort to improve utilization.

First, and most difficult, the School needs to examine how academic staff (from assistants to professors) balance their responsibilities to SGH with their outside commitments. This includes the desires of the faculty to hold multiple academic positions, while maintaining their status at SGH. It will be critical to determine the exact point at which the good of the faculty and the community begin to disadvantage the welfare of SGH. For example, as faculty have increased opportunities to teach and consult outside SGH, will they continue to be adequately available to students (see outcomes assessment)? This is an extremely challenging issue. The proliferation of private schools, the financial appeal of opportunities for extra teaching in those schools, and the

higher education act's protection of the rights of the faculty to do so, encourage outside commitments. At the same time SGH wishes to serve more students, desires to maintain its high standards, and looks to changes in the 21st century marketplace. There are several possibilities that may be worth considering. For example, developing an overhead fee (that would return to SGH) for faculty providing services outside SGH. It will also be important to assure that assistants, who may help with increased teaching demands, are adequately supervised in their teaching as well as their research. Another possibility is to increase the number of internal opportunities for staff to earn additional income by teaching in extra-mural programs.

Second, the School would benefit by reducing the under-utilization of some faculty. Courses frequently are cancelled for lack for enrollment. SGH approaches course offerings as a marketplace. It offers roughly 2,000 courses per year and students have obligatory courses for less than half of their curriculum. Students thus have many course options from which to select to fill out their curriculum (as well as multiple instructors for the obligatory courses). As a result of this marketplace idea, some courses do not have sufficient enrollment to be offered. Those faculty then may not teach a full load. At the same time, some faculty have very large courses. There can be many reasons for this occurring. Sometimes new faculty may not be well-known and therefore do not attract students to their courses. There are stories about "easier" instructors having more students—which could be stimulated by the value of the student's grade point average in terms of improved access to courses and increased stipends. The faculty can substitute increased tutorials for cancelled courses. The canceling of courses without reassigning the faculty to other duties raises questions about the possible under-utilization of faculty and the best use of resources. There were also questions raised about disciplinary areas that are no longer in demand, which led to questions about the possibility of "early retirement" or "retraining schemes," and the possibility of reducing the number of courses offered.

Third, in our discussions we heard some concerns that enough course content duplication appears to exist to justify a review of course syllabi. The specific concern is that students take courses that are supposed to be different, yet there is too much content overlap with other courses they have already taken. Rigorous review by the Senate committee on curriculum could reduce this overlap, enhance the quality and depth of the students' education, and improve the utilization of faculty.

Fourth, the introduction of a merit reward system offers the opportunity to provide rewards to faculty for high levels of contribution to SGH. Merit reward systems are not automatically effective at rewarding contributions to the institution, but with a commitment to thoroughly review performance and make hard judgments about rewards, it would seem possible to enhance faculty contributions.

Observation 3: Improving student satisfaction and success would improve SGH's strategic position.

In a more competitive marketplace, students will have greater choices of educational institutions. Thus we suggest SGH explore at least three areas to improve student satisfaction and success, linking those efforts with the additional assessment we discuss under observation 4.

First, work to improve the quality of student advising and planning. Good advising is critical to the system of student choice and can contribute to better faculty utilization. The current advising approach—the tutorial system—does not guarantee that students know enough about the options available. Tutors are not required of all students at all levels. Many new SGH students do have any experience with the freedom of choice for courses that is central to the SGH model. There are many possible strategies for improving advising (if there is interest in additional information, we have some we can share). Some departments have developed "paths" to provide some help to students in planning; the development of additional paths may help guide students and manage enrollment so fewer courses are closed for lack of enrollment. Student planning could be helped by the addition of an orientation for all students, helping them get adjusted to the flexibility of the system. Mandatory advising/tutorials for all students works in some universities. Software to help students track their progress (e.g., Degree Audit System from Miami University, Ohio) has proven helpful and is now available in a web-based version.

Second, it is important to enhance SGH's service orientation, especially in administrative/student services. One of the major developments in the business world in the past 30 years is the rise of a service orientation. Entire industries (e.g., fast food) and some organizations (e.g., Marriott) have risen on the tide of service. Universities in the U.S. have struggled with this change, as our students demand more responsive administrative services, more convenient class times, better library/computer/recreation facilities, and so forth. Faculty in the U.S. have generally resisted pressure to treat students as customers in the classrooms. At the same time, there is recognition that students are paying customers of services. This has led to a strong emphasis on improved "student services" (e.g., registration, bursar, advising, housing, financial aid).

We do not have any definitive generalizations about student services, only the example students gave that an administrative office they must deal with was only open 10-12 four days a week. With over 12,000 students, many of whom work, SGH risks its reputation if student services are not customer-oriented. This is particularly sensitive given that SGH students are likely studying the importance of service orientation in the marketplace. Student services could easily become a competitive differentiation among privates and SGH.

Third, another possible opportunity to enhance student success and satisfaction would be to add dormitory beds. SGH has a comparative advantage in having most of its facilities located on a single campus (which is

unusual in Poland and much of Europe). SGH has land available for construction. Students report that on-campus housing is very reasonably priced and is therefore very appealing. Dormitories can be integrated into the academic program--providing venues for group meetings, perhaps even providing additional classroom space. In the U.S. dormitory housing is designed to be self-supporting, with fees repaying the costs of construction as well as operation, so dormitories can generate resources as well as be attractive to students.

Observation 4: Expand and utilize assessment strategically.

The first three observations suggest efforts that are more likely to be successful if they are accompanied by increased assessment. Assessment can provide feedback to SGH as it works to innovate and enhance its position. We suggest assessment in at least four areas.

One, students expressed interest in more assessment of instruction than is currently being done. The students report that some faculty survey their classes for feedback about improving their courses, but they do not report uniform use of student evaluations of instruction. We recognize student evaluation of instruction is always controversial in higher education, but believe it has a place in the overall assessment efforts of the School. In particular, it can contribute to an understanding of the reasons for the under-utilization of some faculty.

Two, surveying students for feedback on the delivery of administrative/student services as well as advising and other academic issues would provide valuable information of students' perceptions and provide baseline and comparative data valuable for assessing changes in SGH.

Three, surveying alumni and employers regularly would be important to gather feedback on the preparation of graduates as well as future needs that the curriculum should address.

Four, periodically review all academic programs of collegia or other units. Using external reviewers and a self-study encourages programs to consider systematically their efforts and to review assessment data. In other words, program review provides a regular deadline for using assessment data that will stimulate the gathering, analysis, and use of the data.

By systematically surveying current students, alumni, and potential employers, SGH can gather data on student learning, feedback from graduates, and information on the needs of employers. Given the high priority placed on student's being satisfied with the quality of education at SGH, knowing whether students are satisfied with their education is very valuable. Further the lack of student satisfaction helps identify specific situations that could be improved. Feedback from alumni and employers will provide important intelligence necessary for curriculum and research innovation. (At Arizona State University, we have nearly 10 years of experience with

gathering such data and can provide examples of surveys and analysis if they would be useful.)

Observation 5: Creating the data for internal market comparisons and using them in a strategy for resource generation and allocation could be an important innovation strategy.

Creating information about the relative costs and income generated by units is key to making resource generation and allocation strategic. Units need to know how they can affect their resources—in our phrasing—everyone needs to know how they can make money. Units also need to know their costs. By creating the data on revenue and costs, it is possible to provide the information necessary for an internal market. With such a market in place it becomes possible to set goals for revenue generation and cost management—such as the example discussed of the University of St. Gallen (HSG), Switzerland, requiring units to generate a fixed percentage of needed revenue.

On the revenue side, units need clear information about the sources of revenue from state-supported students as well as fee students. Some department heads appear successful in obtaining donations and grants, but all departments need to be aware of the importance placed on development by SGH. The possibility of pursuing additional state funding (beyond formula student funding) for strategic initiatives is worth exploring when SGH has a sizable initiative that fits the government's agenda—making it both likely to be funded and worth the political cost of obtaining. Forming partnerships with corporations (as is being done) and private universities is a potential strategy for leveraging resources as well as contributing to strategic directions.

On the allocation side, we were told that the allocation of funds by discipline does not account for differences in cost of instruction. This may be an example of the need for more clarity about costs and allocations. It could also be an example of the need for reconsidering allocations. (It very difficult for disciplines with high equipment costs or a shortage of qualified staff to flourish with the same funding as other areas.)

Conclusion

In submitting this report, the team realizes we have offered many suggestions in a brief space and would be happy to provide clarifications or additional information. In the spirit of the Universities Project we see this visit as part of an on-going two-way relationship with SGH. Thus we ask hope that the leadership of SGH will share its feedback on the visit with the Salzburg Seminar or us.