

REPORT ON
VLADIVOSTOK STATE UNIVERSITY
OF ECONOMICS AND SERVICE
VLADIVOSTOK, RUSSIAN FEDERATION
June 16-22, 2007

SALZBURG GLOBAL SEMINAR

VISITING ADVISORS PROGRAM



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Visiting Advisors Program

Summary Report of the Follow-Up Visit to the Vladivostok State University of Economics and Service, Russian Federation June 16-22, 2007

Team Members:

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1. Introduction

The Salzburg Seminar Visiting Advisors Program (VAP) Team greatly appreciates the hospitable welcome extended to it by Vladivostok State University of Economics and Service (VSUES) during its visit there from 18 to 20 June 2007. This was the second visit to the University by a VAP Team from the Salzburg Seminar. The first took place in May 2004. At that time the discussions centered on the University's approach to strategic management, managing the University's finances and diversifying its sources, and improving the educational quality of the University within the framework of the Bologna Declaration.

In the succeeding three year period the University has drawn up its own strategic plan, a process in which it apparently found the assistance of the Salzburg Seminar visitors of considerable value. The Visiting Team would compliment the University on the quality of the preparatory material sent to it in advance. It gives a picture of an institution with a clear strategic focus.

In advance of this visit VSUES indicated that it wished its discussions with the visitors to focus on three topics – administration and finance, academic structure and governance within the University, and student needs and the role of students in institutional affairs.

2. General

Vladivostok State University of Economics and Service dates from 1967. It is one of thirteen universities in the region of Primorsky Krai, a region in which there are over 100,000 students. VSUES has 25,000 students, of whom 13,000 are full time. It has a teaching and administrative staff of 2,500, about 80% of whom are full time. Staff numbers grew from 1,500 to 2,500 between 2002 and 2006.

The University had revenues of 1,015 billion rubles (\$40.5 million) in 2006, of which 60% was from federal funds, 36% was from student fees, with the remainder mainly from regional funds. 35.6% of expenditure was on salaries, 28.1% on capital construction with a further 8.6% on repairs. 5.4% was spent on computers and information technology. It is reckoned that 30% of staff salaries come from the federal budget, down from 33% in 2002. The Visiting Team understands from discussions that the (percentage, not necessarily the absolute amount) support from federal funds in 2007 remains at about 60%, approximately the same as it was in 2006.

Overall teacher-student ratio has changed from 1:10 to 1:18 in the period from 1998/99 to 2005/06. This result has been obtained primarily due to the intensification of educational process: enlargement of students flows, improvement of curricula and significant increase of teachers professional qualification. This approach to the educational process management requires constant improvement of educational technologies, which is carried out successfully at the University and enables annual increase of faculty members' salary; the level of their salary is nowadays one of the highest in the Far Eastern region of RF.

Increase of University students contingency is connected in many ways with the expansion of export of educational services for students, in other words with attracting foreign students to VSUES. The number of students involved has increased from 23 in 2001/02, to 380 in 2004/05 and to 1,000 in 2006/07. VSUES has international relations with universities in Japan, USA, China, Republic of Korea, New Zealand, Germany, France, Netherlands, Czech Republic, United Kingdom, Finland, Sweden, Poland, and Spain.

Part of the University's aggressive growth strategy has involved substantial investment in information technology. It reckons that 85% of staff and 86% of students make use of the University's information technology facilities, as do more than 30% of its distance education students. Most faculty members have presentations placed on the VSUES multimedia server.

A visitor to the University will be struck by the volume of building activity and capital investment, one indicator of a vibrant institution. Among the listed projects is the building of the largest university sports complex in the Far East with a 11,000 square meters training ground, swimming pool, eight gymnasias, and indoor ice rink.

There are other areas in which VSUES is at the forefront of developments. In 2003 as a result of a Russian Federation Ministry of Education competition it achieved the status of experimental platform for the export development of educational services. In 2005 it was appointed by the Ministry as the regional university coordinating university activity for the implementation of the Bologna process in the Far Eastern Federal Department.

Vladivostok State University of Economics and Service sees itself as an entrepreneurial innovative university, and aspires to be a centre of international level education in the fields of business and service. One of the University task is to create an environment on campus for the development of entrepreneurial projects under university jurisdiction. Some recent projects have included an Italian cultural business center; a center for the development of local community and volunteer initiatives; and a center of scientific, managerial, and business consulting.

The Visiting Team has been struck by the seriousness with which the Rector and his staff have taken the concept of an entrepreneurial university and how they have attempted to nurture such an ethos within the University. The discussions during the three days had a business-like quality which VAP Teams have rarely met in Russian universities, and which would be exceptional even by the standards of universities in Europe and North America.

We were particularly struck by the emphasis on service to the local region as part of the University's core mission. This is not a new concept in terms of university mission, but it is often relegated to a minor position in contemporary universities compared to teaching, learning and research. We would commend VSUES on its approach and encourage it to build upon and develop this facet of its mission and work. It is conceivable that, in the long term, this will help the University in any possible future rationalization of university provision in the region of Primorsky Krai.

3. University Administration and Finance

In planning for the discussion on university finance and administration VSUES indicated that it wished to discuss:

- i) Planning and management of income
- ii) Diversification of income (including strategies to increase financing)
- iii) Distribution of expenses
- iv) Project financing of educational and research programs
- v) Commercialization of scientific research
- vi) Stimulation and motivation: financing based on results
- vii) Creation of systems of registration and reporting, with financial flow analysis

The Visiting Team was conscious that the purpose of the meetings was not to revisit issues of strategy which had been discussed with the Visiting Team of 2004, but rather to tease out approaches to operational problems.

Much of the discussion between the University and this Team centered on VSUES's methods of capturing financial information, and the financial reporting systems arising from this. The indication is that the University has a very sophisticated system of financial control and a management accounting system which is robust. The cost accounting system is state of the art and would stand comparison with that of any university in the world.

The commitment of the University to the use of modern management techniques has been implemented with considerable skill. The financial management tools available to the University are on a par with those found in large-scale and successful businesses in western countries. The University is deserving of the highest commendation for the professional way in which it has designed and implemented its own system of financial control and reporting.

The VAP would advise one small note of caution. Our discussions were concerned almost exclusively with technical issues of financial control and reporting. This is perhaps to be expected where there is a very strong finance department in an organization. Good financial management is a matter of fundamental importance to any well-run university. Because of the sheer power and focus provided by well-developed systems of management and financial accounting, there is always a danger that financial considerations and criteria can come to have an excessive influence on the conduct of university business. Many of the relevant techniques have been developed by large corporations which are required to report profits on an annual, or even a quarterly, basis to shareholders and investors. Universities are "not-for-profit" institutions with a wider and more diverse set of stakeholders.

The University has also indicated experience of another modern management technique – the balanced scorecard. Its function is to ensure that an organization attempts to balance the various components and value systems under which a company or organization is compelled to operate. We would strongly urge VSUES to devote time to developing its own balanced scorecard, which will ensure that financial management functions as a component, rather than a dominant, part of the activity of the University.

On the wider question of long-term financial sustainability the Visiting Team detected a concern, given the likely demographic decline of the Russian student body in the coming decade. The entrepreneurial approach of VSUES will almost certainly ensure that it will contemplate alternative sources of funding. The Visiting Team would encourage it to attempt to develop its international-oriented programs, such as the MBA program with Cal State University. It would be well advised to continue to increase its numbers of foreign students and to offer more courses in English. In the longer term it may want to look into the possibility of merger with other universities in the region. The climate for such activity may be about to become favorable, and VSUES might profitably attempt to become proactive in this regard

4. Academic Structure and Governance within the University

The topics which VSUES indicated that it wished to discuss under this heading were:

- i) Formation of a university management system based on society and population demand: principles, structure and evaluation criteria
- ii) Market role in teaching process and evaluation criteria
- iii) Creating and developing consultant and management boards (trustees, experts, monitoring and others)
- iv) Use of flexible and mobile managing structures
- v) Project and matrix managing process of education, scientific research, and innovation
- vi) Diversification of educational and research programs taking into account demands and challenges of regional market
- vii) Criteria to evaluate the competence and teaching quality of faculty
- viii) Raising the qualification and level of corporate culture of university personnel

The Rector indicated that there were moves afoot to rationalize higher education provision throughout the Russian Federation. In the case of VSUES this process is likely to have an impact in 2008. Exactly what the outcome will be for this university is not at this stage clear. It could however mean that the University will come to be governed by a board of trustees or directors with considerable autonomy given to VSUES to develop a role broadly in line with its current strategy. Such a level of autonomy, although familiar in the USA and Western Europe, would be entirely new in the context of the development of a public sector university in Russia. The Rector indicated that there are concerns and apprehensions as to what this may mean for the future of this university. Particular concern centers on the possible composition and remit of any new governing body or board of trustees.

How a university is governed is a fundamental matter, and at present VSUES is facing uncertainty in this crucial area. Our discussions touched on a range of governance models already applying in countries which have a long tradition of university education. What is clear is that there is no universally applicable model, and that successful universities with world-class reputations have emerged from very different governance structures. The key variable behind every success seems to be a tradition of strong academic leadership.

The Visiting Team would recommend to VSUES that in the period prior to, and immediately after, the introduction of a new governing body or board of trustees (or whatever local title and legal model is decided upon), it develop its own internal expertise on university governing structures. It should pay particular attention to countries such as Austria, Germany and Japan which have recent experience of such change. There is a comprehensive literature on the topic from the United States, upon which the University can draw.

The current management at VSUES has far greater knowledge of, and competence in, running a successful university than any management group or board of trustees likely to be imposed upon it in the near future. Part of its task maybe to persuade the new group of governors that it is possible for them in partnership with the faculty and management to develop a world-class university in Vladivostok. In the interim it would be to the advantage of VSUES if its current senior management were to become very conversant with the models of governance utilized by successful universities worldwide, and how these might fit into a new arrangement at VSUES. The members of the new governing body or board of trustees will benefit from having such a level of expertise available to them from the Rector and his senior managers in the performance of their role. Preparing for this responsibility would appear to be a priority and a leadership challenge for the senior management of VSUES.

5. Student Needs and the Role of Students in Institutional Affairs

The University indicated that it wished to discuss:

- i) The development of relationships between students and teaching staff
- ii) Involving students in the evaluation of knowledge and competence
- iii) Development of the creative and personal abilities of students
- iv) Systems of student governance.
- v) Development of a credit system and use of credits to increase student mobility
- vi) Creation of individual education trajectories for students
- vii) Creation of interdisciplinary courses and wider choice for students

During the visit the VAP members met with a group of students in the presence of the Rector. The students were without exception happy with their experience at the University and would recommend it to others. We also found that among the staff with whom we had discussions there was an eagerness to learn about other systems and ways to improve the University's own performance. To an outside group this is a clear indication that Vladivostok State University of Economics and Service is, and wishes to be, a "learning organization."

Because VSUES has been designated a lead organization in the Far East region for the implementation of the Bologna Declaration, the discussion on the topic of student needs centered on broad issues - quality systems, evaluation of teacher performance, credit transfer and a number of related topics. As in the case of governance issues, the recommendation to the University is the same – the most valuable approach would be to grow its own expertise. It may find it most useful to set up a number of project groups within the University to tackle these issues. Two, or perhaps three, such groups immediately suggest themselves.

Credit transfer is initially a technical issue, and it should be possible for the University to designate at least one individual (or perhaps two, one

administrative and one academic) to become expert on the topic of credit transfer and on how VSUES could implement on a trial basis the European Credit Transfer System (ECTS). Apart from studying ECTS in countries of western Europe, it would also be useful for this group to explore what other work is being done on this topic within Russia and to link up with the relevant group or groups. This is about to become a very important issue if Russia is to participate in the increasing worldwide mobility of students, and if, in the long term, it is to facilitate the return to their fatherland of Russians who have studied abroad. This is an area in which the University could make a national, as well as a regional and local, contribution.

In addition to credit transfer there are other areas related to the Bologna process on which the University could also establish project teams. A project team to study some “best practice” quality assurance schemes already in place in Europe, and to benchmark VSUES’ own quality assurance process would be a useful exercise for the University, which would also allow it to grow its own expertise. Within that activity, or parallel to it, another group could explore experience elsewhere with regard to evaluation of faculty, a topic on which significant interest was expressed during the visit.

The progress of the Bologna process is now very much influenced by the activity of the European University Association. We would recommend that VSUES become a member of the Association and that the proposed project group utilize the link with the European University Association, in work on credit transfer, faculty evaluation, and quality assurance systems.

The University has already developed links with institutions in a range of countries. These are to be commended and we would also recommend that VSUES develop links with universities in the Asian-Pacific region in tandem with its suggested membership of the European Universities Association.

We would encourage the University to maintain what has evidently been a good relationship with its students by developing a mentoring system and a system of academic advice. An enhanced English language program allied to a reliable credit transfer system would give its students many advantages and facilitate enhanced international mobility for students wishing to avail of it in the future.

6. Conclusion

The Visiting Team would wish to repeat its support and admiration for the University, its Rector, staff and students, and for the way in which it is being led. As the report of the previous visitors stated, VSUES “is pursuing a bold vision with an ambitious agenda which is realistic because of the strategic manner in which it is being planned and managed.” The University has continued to make progress in the period since the first report in 2004. The ambitious building activity at the campus is a sign of a thriving institution.

VSUES takes seriously its ambition to be an entrepreneurial university and it is clear that it has had considerable success in pursuing that goal. It is hoped that the recommendations of this Visiting Team will be of assistance to it in its quest for further innovation and enhancement of the quality of the educational experience available to students, and the service which the University can provide to its region.

Visiting Advisors:**Michael Anthony WHITE (Team Leader), Ireland**

Michael Anthony (Tony) White is a consultant and former director of the Chartered Institute of Management Accountants for the Republic of Ireland in Dublin. He previously worked with the National Council for Educational Awards and the Higher Education Authority, the funding and advisory body for Irish higher education. Dr. White is the author of *Investing in People: Higher Education in Ireland from 1960 to 2000*. He holds a higher diploma in education from University College in Cork, a Barrister of Law degree from University College Dublin, and a Ph.D. in higher education from Trinity College in Dublin. Dr. White has participated in symposia of the Salzburg Seminar's Universities Project and Russian Higher Education Project and several consultant visits of the Salzburg Seminar's Visiting Advisors Program teams to the Russian Federation. He is an alumnus of both Salzburg Seminars and symposia of the Russian Higher Education Project, and currently serves as the Salzburg Seminar's alumni leader in Ireland.

**Sung-Kee CHUNG, USA**

Sung-Kee Chung is a professor in the Department of Chemistry and former president of Pohang University of Science & Technology (POSTECH) in the Republic of Korea where he also previously served as head of the Departments of Chemistry and Life Sciences and also as dean of academic affairs. Dr. Chung also serves on the Academic Advisory Council of Universiti Teknologi Petronas in Malaysia and is a guest lecturer at the University of Science & Technology of China in Hefei. He is a former member of the Board of the Samsung Scholarship Foundation and the Korea Institute of Science and Technology Evaluation and Planning, and a former chairperson of the Association of East Asian Research Universities. He has published more than 170 refereed papers, sixteen patents, and one monograph in the areas of Natural Products, Mechanistic and Synthetic Bioorganic Chemistry, and Medicinal Chemistry, and holds a Ph.D. in organic chemistry from the University of Illinois, Urbana; and a B.S. in Chemistry from Yonsei University in Seoul, Korea. Dr. Chung conducted his postdoctoral work in bioorganic chemistry at Yale University in New Haven, Connecticut.



Helene KAMENSKY, Austria

Helene Kamensky is program director of the Salzburg Seminar, where she is responsible for the development and direction of academic programs on higher education and related issues. Before joining the Salzburg Seminar, Dr. Kamensky served as an adjunct professor of philosophy at the Institutes of Philosophy at the University of Salzburg and the University of Vienna. Previously, she was research fellow at the Institute of Scientific Theory at the Salzburg International Research Center. From 1985 to 1989, she was dean of the Faculty of Foreign Languages at Novosibirsk State Pedagogical University in the Russian Federation, where she previously served as associate professor and senior lecturer in the department of philosophy. Dr. Kamensky's area of research interest is higher education policy and management. She holds a Ph.D. in philosophy from the Department of Logic and Epistemology at the Russian Academy of Sciences, which was authenticated by the University of Salzburg, Austria, in 1993.



Schedule:

June 16 & 17, Arrival Day	
	Team arrives & Welcome Dinner
June 18, Monday, 1st Day of Program	
09:00 – 10:00	Meeting with the Rector, Presentation of the program.
10:00 – 11:30	<u>Working Group A, University Administration and Finance</u> Session 1: Planning and management of income, diversification of income (including strategies to increase financing);
11:30 – 12:00	<i>Coffee break</i>
12:00 – 13:30	Session 2: Distribution of expenses, project financing of educational programs and research projects. Commercialization of scientific research and elaboration;
13:30 – 14:30	<i>Lunch</i>
14:30 – 16:00	Session 3: Stimulation and motivation: Financing based on the results; Creation of an administrative system of registration and reporting, methods of financial flow analysis.
16:00 – 17:00	Meeting with the students
17:00 – 18:00	Team Debriefing Meeting
19:00	<i>Dinner, Cultural Program (optional)</i>
June, 19 Tuesday, 2nd Day of Program	
09:00 – 10:30	<u>Working Group B, Academic Structure and Governance within the University</u> Session 1: Formation of a university management system, oriented on society and population demand: principles, motivation, structure, evaluation criteria. Market role in teaching process and researching priorities.
10:30 – 11:00	<i>Coffee break</i>
11:00 – 12:30	Session 2: Usage of flexible and mobile managing structures: project and matrix managing processes of education, scientific research and innovation. Diversification of educational and research programs taking into account demands and challenges of the regional market
12:30 – 13:30	<i>Lunch</i>
13:30 – 15:00	Session 3: Creating and developing consulting and managing boards
15:00 – 15:30	<i>Coffee break</i>
15:30 – 17:00	Session 4: Criteria to evaluate the competence and teaching quality of faculty members, raising qualification and level of corporative culture of university personnel.
17:00 – 18:00	Team Debriefing Meeting
19:00	<i>Dinner, Cultural Program (optional)</i>
June, 20 Wednesday, 3rd Day of Program	
09:00 – 10:30	<u>Working Group C, Student Needs and the Role of Students in Institutional Affairs</u> Session 1: Development of credit system, unification of the reckoning units and usage of credits to increase academic mobility of students.
10:30 – 11:00	<i>Coffee break</i>
11:00 – 12:30	Session 2: Creation of individual education trajectories for students, creation of the interdisciplinary courses and programs of students' choice.
12:30 – 13:30	<i>Lunch</i>
13:30 – 15:00	Session 3: Development of relationships between students and teaching staff: evaluation of knowledge level and competence, involving students in the scientific activity; Development of creative and personal abilities of the students, system of students' governance.
15:00 – 15:30	<i>Coffee break</i>
15:30 – 16:30	Presentation of the Oral Report to the Rector and the University Team
16:30 – 17:30	Press Conference
17:30 – 19:00	Spare Time
19:00	<i>Farewell Dinner</i>
June, 21 Thursday	
	<i>Sightseeing or Cultural Program (optional)</i>
June, 22 Friday, Departure Day	

THE UNIVERSITIES PROJECT OF THE SALZBURG SEMINAR

Universities throughout the world are undergoing systemic changes in their governance, academic design, structure, and mission. From 1998 to 2003, the Salzburg Seminar's Universities Project focused on higher education reform in Central and East Europe, Russia, and the Newly Independent States as universities in these regions redefined their relationships with governments and try to become more integrated into the global intellectual community.

The Universities Project was a multi-year series of conferences and symposia convening senior representatives of higher education from the designated regions with their counterparts from North America and West Europe. Discussion in the Project's programs focused on the following themes:

- University Administration and Finance
- Academic Structure and Governance within the University
- Meeting Students' Needs, and the Role of Students in Institutional Affairs
- Technology in Higher Education
- The University and Civil Society

THE VISITING ADVISORS PROGRAM (VAP)

The Salzburg Seminar launched this enhanced aspect of the Universities Project in the autumn of 1998. Under the VAP, teams of university presidents and higher education experts visit universities in Central and East Europe and Russia at the host institutions' request to assist in the process of institutional self-assessment and change. To date, eighty-one visits have been held at universities in Central and East Europe and in Russia. The addition of the Visiting Advisors Program brought to the Universities Project an applied aspect and served to enhance institutional and personal relationships begun in Salzburg.

THE RUSSIAN HIGHER EDUCATION PROGRAM (RHEP)

In 2003, in response to the need for continued engagement, the Salzburg Seminar and the Ministry of Education of the Russian Federation initiated a five-year partnership (2003-2008) designed to promote the exchange of knowledge and best practices between the higher education leadership of the Russian Federation and their counterparts from North America, Western Europe and Central-Eastern Europe, Commonwealth of Independent States countries and Eurasia. The Russian Higher Education Program consists of two symposia per year, which take place in Salzburg and in the Russian Federation. Each symposium convenes representatives of universities, higher education organizations, service organizations, governmental structures, and stakeholders. The Russian Higher Education Program centers around five main topics:

- Russian Program of Modernization in the Context of Global Education Reform
- Higher Education Governance Reform: Issues and Challenges
- Strengthening the Role of Russian Universities in Service to Society
- Quality Assurance in Higher Education: Sharing International Experience
- Higher Education and Research (Networks, Linkages, Best Practices)

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FOR MORE INFORMATION

For more information regarding Salzburg Seminar programs, please contact one of the Seminar's offices below.

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