

**IMPROVING THE PERFORMANCE OF UNIVERSITIES  
IN TRANSITIONAL ECONOMIES**

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## IMPROVING THE PERFORMANCE OF UNIVERSITIES IN TRANSITIONAL ECONOMIES

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### **Abstract**

In the fall semester of 2003 a Participatory Strategic Planning exercise was conducted at The George Washington University with fourteen visiting scholars from the former Soviet Union and the former Yugoslavia. We also included by email over a hundred observers and participants around the world. We did this both to demonstrate the group facilitation methods called the Technology of Participation and to develop plans to guide the improvement of the home universities of the participants. The results suggest several directions for improving the home universities. The suggestions include internal reorganization, introduction of new university structures and services, increasing the efficiency of faculty, staff and students, and influencing the external environment. Using a Quality Improvement Priority Matrix and introducing a new method of priorities ranking, the authors conclude: a) the external environment has a great influence on university performance and can make considerable improvements in a relatively short period of time; and b) small but permanent quality improvements receive more support from faculty and are easier for management to implement than large, rapid changes.

**Keywords:** university reform, participatory strategic planning, Quality Improvement Priority Matrix, transitional economies

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## **Introduction**

Universities in the former Soviet Union and the former Yugoslavia are well developed. They have good facilities, experienced faculty, and a tradition of excellence in education. But the future is not clear. The transition period that started in the economy in the early 1990s recently reached academia. Presently large changes are occurring in the system of higher education in these countries. The changes are motivated in part by the transition toward a market economy, which requires changes in the labor market and education.

Some of the trends causing change in higher education in all countries are the following:

1. The Internet enables faculty members to exchange ideas and to work on papers together more easily than ever before. Faculty members can now co-author papers with colleagues located in other countries. The World Wide Web makes vast amounts of information quickly available.
2. Low cost international travel enables students and faculty members to experience different countries, to study at other universities, and to attend conferences almost anywhere in the world.
3. Political changes in once closed societies are making new ideas available.
4. A shortage of funds for higher education in many countries is leading universities to charge tuition and to establish endowments. Both of these trends will make universities more sensitive to the concerns and opinions of students.
5. The Bologna process in Europe, which is spreading to other countries, is causing universities to establish common procedures for courses and degrees to make it easier to transfer credits and for students and faculty members to study or teach at other universities.
6. Increasing use of English as an international language is facilitating the sharing of ideas.
7. Quality improvement methods, which have been successful in business and government are increasingly being used to improve the management of universities.
8. More participatory teaching methods are becoming increasingly common. These methods encourage initiative and critical thinking rather than memorization.
9. Service learning as a type of education makes universities more helpful to their surrounding communities and acquaints students with practical problems in organizations and society.
10. The trend toward a knowledge society and economy is sending increasing numbers of people back to universities for further education.
11. Distance education technologies make higher education available to people in their homes or work places.

## **Method**

To help us understand the processes we are facing at our universities and how we might be able to help each other in improving them, we conducted a Participatory Strategic Planning (PSP) activity from October to December 2003. Two groups of people were involved. The first, 'face-to-face' group consisted of fourteen visiting scholars from the countries of the former Soviet Union and the former Yugoslavia together with some George Washington University (GWU) faculty members and

some staff members of The World Bank. The second, 'distance' group consisted of about 140 Junior Faculty Development Program (JFDP) scholars then in the U.S. on other campuses, and about 100 JFDP alumni who had studied at GWU.

The method we used to guide our discussions is called Participatory Strategic Planning (Institute of Cultural Affairs, 1996). It is part of the Technology of Participation, a set of group facilitation methods developed by the Institute of Cultural Affairs (Umpleby, *et al.*, 2003). These methods can be used with any group of people who share a common interest. They may be residents in a community, employees of a business or a government agency, residents of an apartment building, members of an association, volunteers working with a non-governmental organization, or members of a university department (Umpleby, 1989). A facilitated problem-solving or planning activity involves people in identifying problems as they see them and in devising solutions that they believe will work (Umpleby, 1994).

We had five group discussions on the following topics:

1. "The Focus Question," the point of reference for all subsequent discussions.
2. "Practical Vision," a picture of the desired future in five to ten years.
3. "Underlying Contradictions," the obstacles preventing realization of the vision.
4. "Strategic Directions," strategies for removing the obstacles to achieving the vision.
5. "Implementation Timeline," the schedule of actions needed to carry out the strategies.

Each step of the PSP process uses the Consensus Workshop method. This method entails five steps:

1. Context -- The facilitator provides background on the task and the method to be used.
2. Brainstorm -- The participants write their ideas on cards.
3. Cluster -- The facilitator and participants group the cards according to similar ideas.
4. Name -- The key idea in each cluster is identified.
5. Resolve -- The facilitator asks if the ideas generated are complete and represent a good description.

The Participatory Strategic Planning exercise began with an introductory conversation among the participants. The main goal of our first session was to define a Focus Question to provide direction to the other steps of the planning process. The focus question that emerged from our conversation was, "How can we implement lifelong learning in our societies by improving the performance of university faculty members (and administrators)?" (See Figure 1.) The second session was dedicated to defining a vision. (See Figure 2.) The focus of the third session was finding the contradictions underlying the vision. Hence, if that is the vision that people desire, what is preventing it from happening? What are the obstacles or contradictions? (See Figure 3.) The fourth step was to define strategies to remove the obstacles to achieving the vision. (See Figure 4.) In the last step we created an "implementation timeline." We defined four quarters in the year 2004. During the first two quarters the participants would still be at universities in the U.S. In the second two quarters they would be at their home universities. So, in the first two quarters the participants would do

research and preparation. In the second two quarters they would implement the plans at their home universities. (See Figure 5.)

### **Use of a ‘distance’ group**

We held meetings every two weeks to allow the ‘distance’ group to be involved. Only a few people sent suggestions for the next step in the process. There were about six suggestions for each step from people outside Washington. Nevertheless, several people who did not send suggestions said that they found the exercise interesting and thought-provoking and thanked us for including them in the process. We believe that these comments indicate that a Participatory Strategic Planning exercise that seeks to involve other participants via email can, without much trouble, have a positive effect beyond the immediate group.

### **Prioritizing actions**

We also investigated the relative importance of the Strategic Directions. Since universities in transitional economies have very limited financial, human and management resources, the wise use of these resources is crucial for achieving the results we desire.

We used a Quality Improvement Priority Matrix (Umpleby and Melnychenko, 2002; Umpleby and Karapetyan, 2003) to find the Strategic Directions that are considered most urgent now. Using the same group of local and distant people we made an Internet survey (*QIPM Web Survey Tool*, [www.qipm.com](http://www.qipm.com)) asking them to evaluate the importance and performance of the Strategic Directions for their home universities using a scale from 0 to 10 (see Tables 1, 2, and 3).

To achieve the most significant social effect it is desirable to implement first the strategy that is very important and at the same time does not show good performance. To find such a strategy we calculated the relative importance of the Strategic Directions using the ratios of average Importance to average Performance. The values of the IP ratios are given in Table 3.

Table 3 implies that it is desirable to start implementing the Strategic Directions with those that relate to obtaining external resources for a university. The less urgent Strategic Directions, according to those surveyed, are the internal improvements and reorganizations. It is worth mentioning that almost all current efforts of governments, local authorities and western organizations tend to focus on those strategies that are at the bottom of Table 3. Instead, the participants in this planning activity feel that there is a great need for more projects linking academic institutions in transitional countries with their local communities, with alumni, with central and local governments, and with international academic institutions.

Our results were not robust. That is, the null hypothesis that all IP ratios are equal returns an F statistic of 1.77 and the hypothesis could be rejected only at the 11% level. Figure 6 shows the IP ratios +/- one standard deviation for each Strategic Direction.

Interestingly, the standard deviations are higher for the issues rated more important. This could be explained by the relative novelty of these concepts for this group of people. The concepts that are known for the group (because of government and western programs) have much less variance. This implies the need for faculty members from transition countries to be more aware of such matters as fundraising, oversight bodies, standardization and quality improvement.

## **Conclusions**

The benefits of group facilitation methods, as noted by Rosabeth Moss Kanter are:

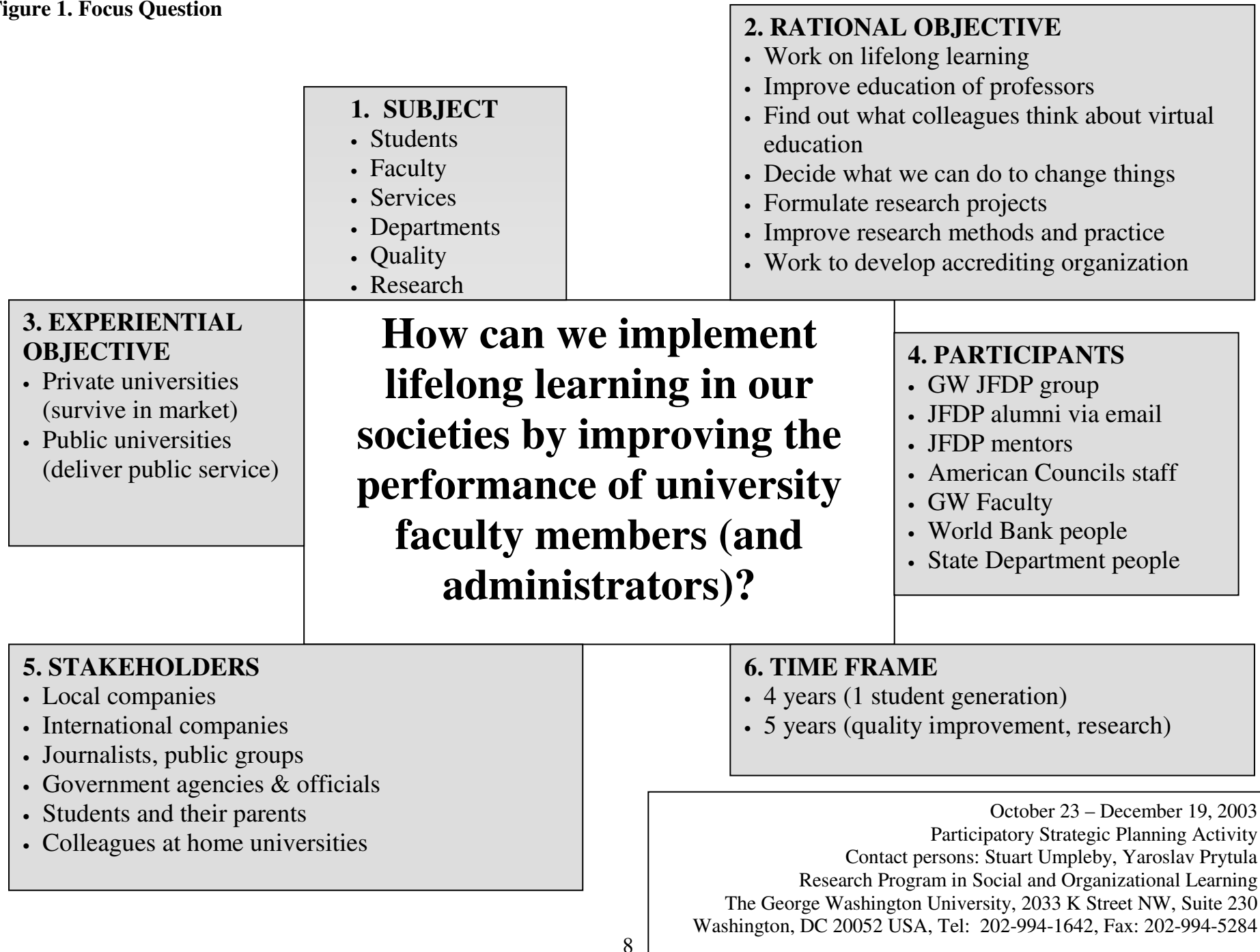
1. The specific plans themselves – strategies, solutions, action plans;
2. Greater commitment – ability to implement decisions and strategies;
3. More innovation – a larger portfolio of ideas;
4. A common framework for decision making, communication, planning, and problem solving;
5. Encouragement of initiative and responsibility. (Spencer, 1989)

We have demonstrated two methods – Participatory Strategic Planning and Quality Improvement Priority Matrices -- that we believe can be helpful in improving universities. We believe they can be particularly helpful for universities in transitional societies, since they emphasize participation and data-driven decision-making. Consequently, they stimulate and support local initiative and improve accountability. A software package which makes it easy to create a survey that results in a quality improvement priority matrix is now available. See [www.qipm.com](http://www.qipm.com).

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Figure 1. Focus Question



**Figure 2. Practical Vision**

<i>Focus question: How can we implement lifelong learning in our societies by improving the performance of university faculty members (and administrators)?</i>						
<i>Practical Vision question: <u>What do you want to see in place over the next 3-5 years?</u></i>						
October 24th, 2003						
<b>1. Freedom of choice</b>	<b>2. Free access to information and use of technology in education</b>	<b>3. Thinking in terms of alternative mental models</b>		<b>4. Universities connected to community</b>	<b>5. Academic exchange</b>	<b>6. Faculty financing &amp; incentives</b>
<p>Many sources of funding</p> <p>Education system independent of the will of a few people</p> <p>A continuous university reform process</p> <p>Freedom from whims and fancies of authorities</p> <p>New university (new faculty)</p>	<p>Access to technology</p> <p>Active use of e-mail</p> <p>Access to the global library</p> <p>Creative use of technology and connectivity: a PC for every staff person</p> <p>Free access to the global information system</p> <p>Freedom to move around the world</p> <p>Free exchange of information and knowledge</p> <p>Distance on-line education</p> <p>Virtual classes</p>	<p>Development of global awareness in students, faculty and administration</p> <p>New mental models in faculty members</p> <p>Clean and clear mental models not distorted by earlier communist ideology</p> <p>Ability to discuss with older professors</p> <p>Openness and academic discussions of different ideas</p> <p>Free exchange of ideas on campus</p>	<p>Focus on learning rather than degrees</p> <p>Desire and will to change yourself</p> <p>More active feedback</p> <p>No prejudices and stereotypes</p> <p>Faculty work steadily on making improvements</p> <p>University involved in political, economic and social reforms</p> <p>Gender equality</p> <p>Help students construct relevant knowledge and skills</p>	<p>Invite key specialists to engage in activities of real life</p> <p>Collaboration of universities with large public sector companies for R&amp;D and support</p> <p>Policy Research Centers on campus</p> <p>Cooperation of society and university</p> <p>Place students in a job situation</p> <p>Student internships</p>	<p>More exchanges on all levels</p> <p>Contacts with colleagues for international discussion of problems</p> <p>Exchange professors between universities and countries</p>	<p>Recognition of higher learning by government &amp; society through awards</p> <p>Incentives for teachers: greater pay (correct incentives)</p> <p>Improved classrooms and teaching equipment</p>

**Figure 3. Underlying Contradictions**

*Focus question:* How can we implement lifelong learning in our societies by improving the performance of university faculty members (and administrators)?

*Underlying Contradictions question:* **What is blocking us from moving toward our vision?**

October 31st, 2003

<b>1. Entrenched university practices</b>	<b>2. Overlapping influences in decision making</b>	<b>3. Undeveloped technical infrastructure</b>	<b>4. Discouraging organizational culture</b>	<b>5. Inadequate measurement system</b>	<b>6. No incentives for innovations</b>	<b>7. High transaction costs</b>	<b>8. (State) Universities do not control admission</b>
<p>Fears of junior-level faculty members (dependence)</p> <p>Not transparent university</p> <p>Not enough information about sources of funding</p> <p>Insufficient collaboration between university and community representatives</p> <p>Disorganized international contacts</p> <p>Type of university organization</p> <p>Traditional university practices</p>	<p>Fragmented faculty efforts</p> <p>Weak or absent Boards of Directors for schools/faculties</p> <p>Dependence on decisions by the key authorities</p> <p>Imbalance in power (faculty vs. administration)</p> <p>Confusing priorities (tradition or innovation)</p> <p>Narrow institutional ways of funding</p>	<p>Scarcity of technology</p> <p>Obsolete technology</p> <p>No use of web-based programs in teaching (e.g. Blackboard)</p> <p>Insufficient use of www and email in teaching</p>	<p>Tradition supports top-down rather than bottom-up processes</p> <p>Misuse of lateral communication (negative comments about colleagues)</p> <p>Structural inertia</p> <p>Rivalry rather than mutual support of faculty</p>	<p>Insufficient accreditation oversight</p> <p>Unwillingness of mid-level decision makers to improve processes</p> <p>No good performance measurement system for faculty</p> <p>Weak system for deciding appointment, promotion and tenure</p>	<p>Faculty are not rewarded by institutions for work other than teaching</p> <p>Low IT knowledge among teachers</p> <p>Unmotivated professors</p>	<p>Visa and trip cost problem</p> <p>Copyright restrictions</p> <p>Excessive bureaucratic obstacles</p>	<p>Government regulations determine student eligibility and university budget</p> <p>Too many students entering classes</p>

**Figure 4. Strategic Directions**

*Focus question:* How can we implement lifelong learning in our societies by improving the performance of university faculty members (and administrators)?

*Strategic Directions question:* **What innovative practical actions will deal with the contradictions and move us toward our vision?**

December 19th, 2003

1. Make structural changes within a university	2. Improve value added for students	3. Start fundraising	4. Influence external stakeholders	5. Create oversight bodies	6. Improve curriculum and teaching methods	7. Implement standardization and quality improvement	8. Increase proposal writing
<p>Devise a new university policy</p> <p>Establish an institute for innovation studies</p> <p>Create a smaller number of colleges within universities</p> <p>Experiment with new forms of organisation</p>	<p>Have students do projects with clients (service learning)</p> <p>Coach academic study skills</p> <p>Solicit prospective students</p> <p>Find partners for students' internships and group projects</p> <p>Improve publicity and outreach to students</p>	<p>Expand private funding of state universities</p> <p>Create university "advancement" office</p> <p>Solicit money for research and scholarships</p>	<p>Improve the internal institutional environment</p> <p>Limit enrollment to best students</p> <p>Create a lobbying office</p>	<p>Establish boards of directors</p> <p>Faculty Senate oversight of administration actions (including budget decisions)</p> <p>Work with international accrediting organizations</p>	<p>Buy web-based programs (like Blackboard) to aid teaching</p> <p>Have training for faculty (for Blackboard and distance learning)</p> <p>Create a center for instructional design and development at home university</p> <p>Discuss and set guidelines for promotion</p> <p>Learn to measure learning</p> <p>Improve curricula</p> <p>Create internal grants for faculty research</p> <p>Organise workshops on implementing distance learning</p> <p>Establish program to keep IT equipment up-to-date</p>	<p>Establish a quality improvement program in the university</p> <p>Make steady incremental improvements</p> <p>Informally approach other people and start collaborating on concrete actions</p> <p>Use a Quality Improvement Priority Matrix (QIPM) to focus efforts</p> <p>Use process improvement to reduce transaction costs</p> <p>Establish regular communication with university management staff</p> <p>Create a reward system for innovations</p> <p>Implement a new measurement system based on standards from high rated universities</p> <p>Imitate the positive experiences of others</p> <p>Implement ISO standards</p>	<p>Apply for grants</p> <p>Participate in grant competitions</p> <p>Distribute information about international projects/grants to the faculty</p>

**Figure 5. Implementation Timeline**

*Focus question: How can we implement lifelong learning in our societies by improving the performance of university faculty members (and administrators)?*  
*Implementation Timeline question: **What will we do the first year?***  
 December 19th, 2003

<b>Strategic Directions</b>	<b>Quarter I</b>	<b>Quarter II</b>	<b>Quarter III</b>	<b>Quarter IV</b>
<b>1. Make structural changes within a university</b>	Study Bologna Declaration	Find out how other universities are changing	Initiate meeting on Bologna requirements	Write an article for a local news paper about BD (how it will influence the community)
		Translate or find Bologna Declaration in your native language and distribute it among university faculty	Work closely with sympathetic faculty and decision making administrators to encourage discussion of BD in home university	Write a proposal to establish an Innovation Center in the university
<b>2. Improve value added for students</b>	Talk to enrolment and recruiting officers at host universities	Talk to host university President about Campus Compact	Speak to home university president about creating a Campus Compact	Coordinate rectors at several universities to create a Campus Compact
	Investigate Campus Compact		Find businesses and other partners for student internships and/or group projects	Conduct internships and group projects
				Evaluation and feedback
<b>3. Start fundraising</b>	Talk to “advancement” officers at host universities. Encourage colleagues in other US cities to do the same		Talk to rector about hiring a fundraiser	Hire University or School fundraiser

	Create a list of questions to ask fundraisers	Create and maintain a list of home university alumni, and use the names for fundraising		
<b>4. Influence external stakeholders</b>	Create a list of stakeholders	Define stakeholders' roles and involve them	Create plans and programs with stakeholders	Hire university or school lobbyist
	Talk to host university lobbyist	Learn how lobbyists work	Talk to rector about hiring a lobbyist	Implementation
<b>5. Create oversight bodies</b>	Contact AACSB (international business school accreditation organisation)	Talk to host school dean and its Board of Advisors	Talk to home university dean about AACSB	Advertise the idea and need for accreditation
	Attend meetings of host school Faculty Senate	Talk to host university President about the role of the Faculty Senate and the Board of Trustees	Describe to home university dean and faculty members how Faculty Senates work in US	Describe to home university dean and faculty members how Boards of Trustees work in US
	Talk to host school Finance Committee chairman about Faculty Senate oversight of university budget	Study the practice of other universities in creating oversight bodies		
<b>6. Improve curriculum and teaching methods</b>	Learn about Blackboard	Talk to Blackboard people about cost of using Blackboard at home university	Talk about where to put Instructional Technology Lab. in home university structure	Write an article about Blackboard in local newspaper

	Gather course evaluation forms as examples	Talk to host university head of Inst. Tech. Lab.	Organize summer schools	Write proposals for funding Blackboard or similar system to different funding bodies, local government and ministry of education (this could be a joint project of all JFDP fellows in a country)
<b>7. Implement standardization and quality improvement</b>	Gather information on university quality improvement processes in US	Learn about ISO criteria and certification	Use QIPM (Quality Improvement Priority Matrix) to start a quality improvement process	Use ToP to do planning with home university department
	Talk to people who have worked in quality improvement programs	Study Baldrige Award for education	Find good university examples of use of ISO standards	
<b>8. Increase proposal writing</b>	Get the list of possible funding resources	Establish translation services for proposal writers	Start proposal writing workshop series	Organise feedback
		Create proposals (with your advisor/coordinator)	Develop proposals and send them out	Wait for replies
		Talk to people in Office of Sponsored Research about gain sharing from grants	Establish and advertise a system of rewards for successful proposal writers	Push administration to establish a system of reimbursements for resources and expenses used for proposal writing

**Table 1. Strategic Directions ranked according to importance**

	<b>Strategic directions</b>	<b>Importance value</b>
1	Improve curriculum and teaching methods	8.00
2	Increase proposal writing	7.86
3	Start fundraising	7.67
4	Implement standardization and quality improvement	7.57
5	Make structural changes within a university	6.79
6	Improve value added for students	6.50
7	Create oversight bodies	6.46
8	Influence external stakeholders	6.15

**Table 2. Strategic Directions ranked according to performance**

	<b>Strategic directions</b>	<b>Performance value</b>
1	Improve curriculum and teaching methods	6.50
2	Increase proposal writing	6.00
3	Implement standardization and quality improvement	5.79
4	Make structural changes within a university	5.57
5	Start fundraising	5.46
6	Improve value added for students	5.36
7	Create oversight bodies	4.85
8	Influence external stakeholders	4.58

**Table 3. Strategic Directions ranked according to IP ratios**

	<b>Strategic Direction</b>	<b>IP ratio</b>
1	Start fundraising	2.89
2	Create oversight bodies	2.01
3	Increase proposal writing	1.61
4	Influence external stakeholders	1.56
5	Implement standardization and quality improvement	1.56
6	Improve curriculum and teaching methods	1.34
7	Make structural changes within a university	1.30
8	Improve value added for students	1.27

Figure 6. Strategic Directions with IP ratios and standard deviations

