

Efficiency of Universities

Drivers, enablers and limitations

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Focus

- **Introduction**
- **Methods and structure**
- **State-of-the-art**
- **Multifaceted approach to efficiency**
- **Institutional practices and trends**
- **Conclusions**
- **Next steps**

Background: USTREAM project



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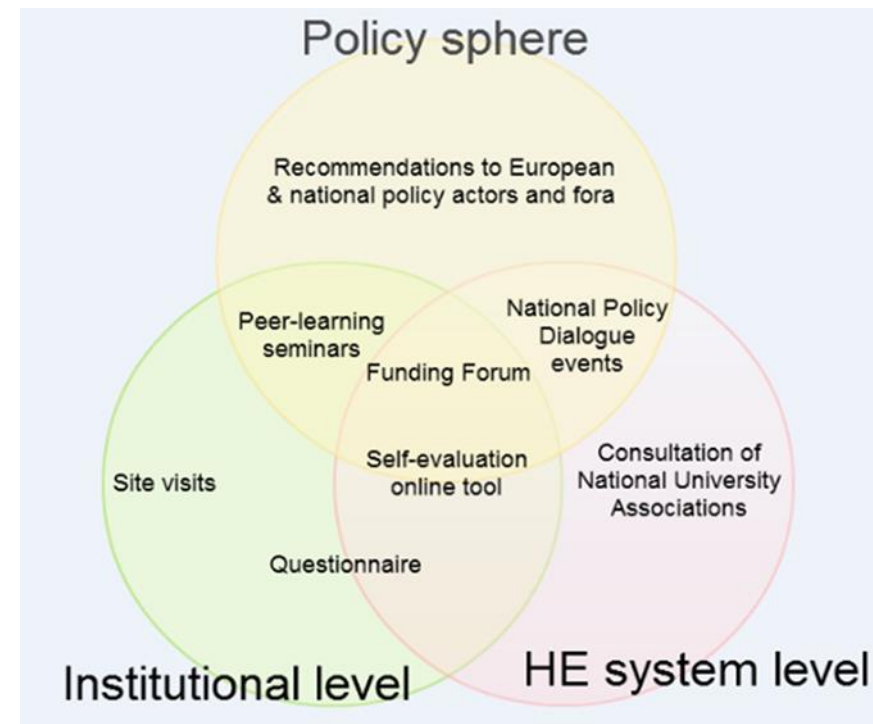
Project snapshot: Rationale and objectives

Growing interest since 2008

- Changes in funding modalities and in university governance and accountability frameworks
- Growing competition among higher education institutions
- Evolving student body

Two questions for HE practitioners and researchers

- How could universities achieve their core institutional goals while ensuring the efficiency of processes and operations?
- What kind of framework conditions could support universities in their quest for efficiency and effectiveness?



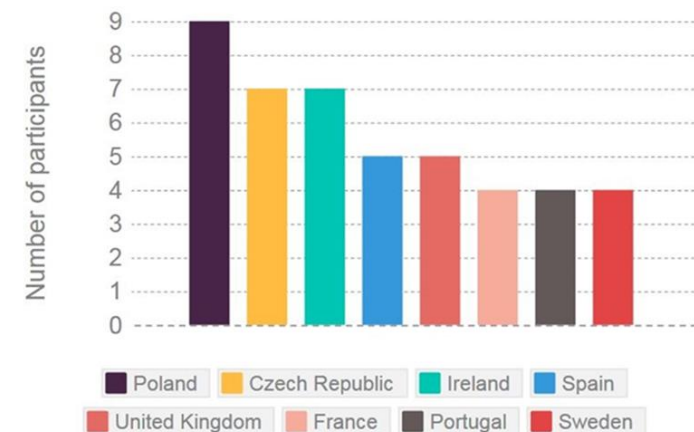
Methods

Qualitative and quantitative data from several sources:

- Survey of 68 HEIs from 21 countries (2016)
- Three site visits to Austria, Flanders / Belgium and Poland - focus groups at universities and interviews with national policy makers
- Institutional and system-level data from national rectors' conferences and a peer learning seminar on national and institutional frameworks for efficiency and effectiveness (1-2 June 2017, London)

Structure

- Section 1: Review of theoretical and specialised literature and introduction of a general analytical framework
- Section 2: Overview of institutional practices and institutional trends in efficiency activities based on the online survey
- Summary and conclusions



The rise of the efficiency discourse

- Discussion in the HE context following the severe cuts in public expenditure in various developed countries during the 1980s (Peters 1992) and the rapidly increasing number of students
- Discussion in the context of new public management principles in HE (Broucker et al 2015) and the “entrepreneurial university” (Clark 1998)

State of the art

Resource-oriented approach, focusing on productivity of university operations and the extent to which an activity achieves its goal whilst minimising resource usage (e.g. Hoenach 1982)

Value-based approach, placing emphasis on the outcomes achieved for end users, including students, employers, local community and society as a whole, for the cost of a product or service (e.g. Lockheed & Hanushek 1994; Universities UK 2011, 2015)

State of the art

- Limited conceptual, methodological, or policy clarity
- Varying interest and understanding of efficiency across different HE systems, institutions, units and individuals
 - USTREAM survey: links to resource management (34%), input-output measures (24%) or value for money (19%)



“Efficiency is understood as the process of achieving the best possible results considering the results available, in order to fulfil the needs of the stakeholders and continuously improve the organisation’s performance” (UK)

“Providing services in teaching and research with a minimum of input to get the best, or at least appropriate, results.” (AT)

"We perceive efficiency as a managerial approach, which enables us to get more and better output using existing resources." (CZ)

Multifaceted approach to efficiency



Level of efficiency

- System (national or regional) level: impact of funding trends and autonomy framework
- Sector level: collaboration vs competition
- Institutional level: role of leadership



Dimensions of efficiency

- Operational efficiency
- Efficiency in academic matters
- Efficiency in strategic governance

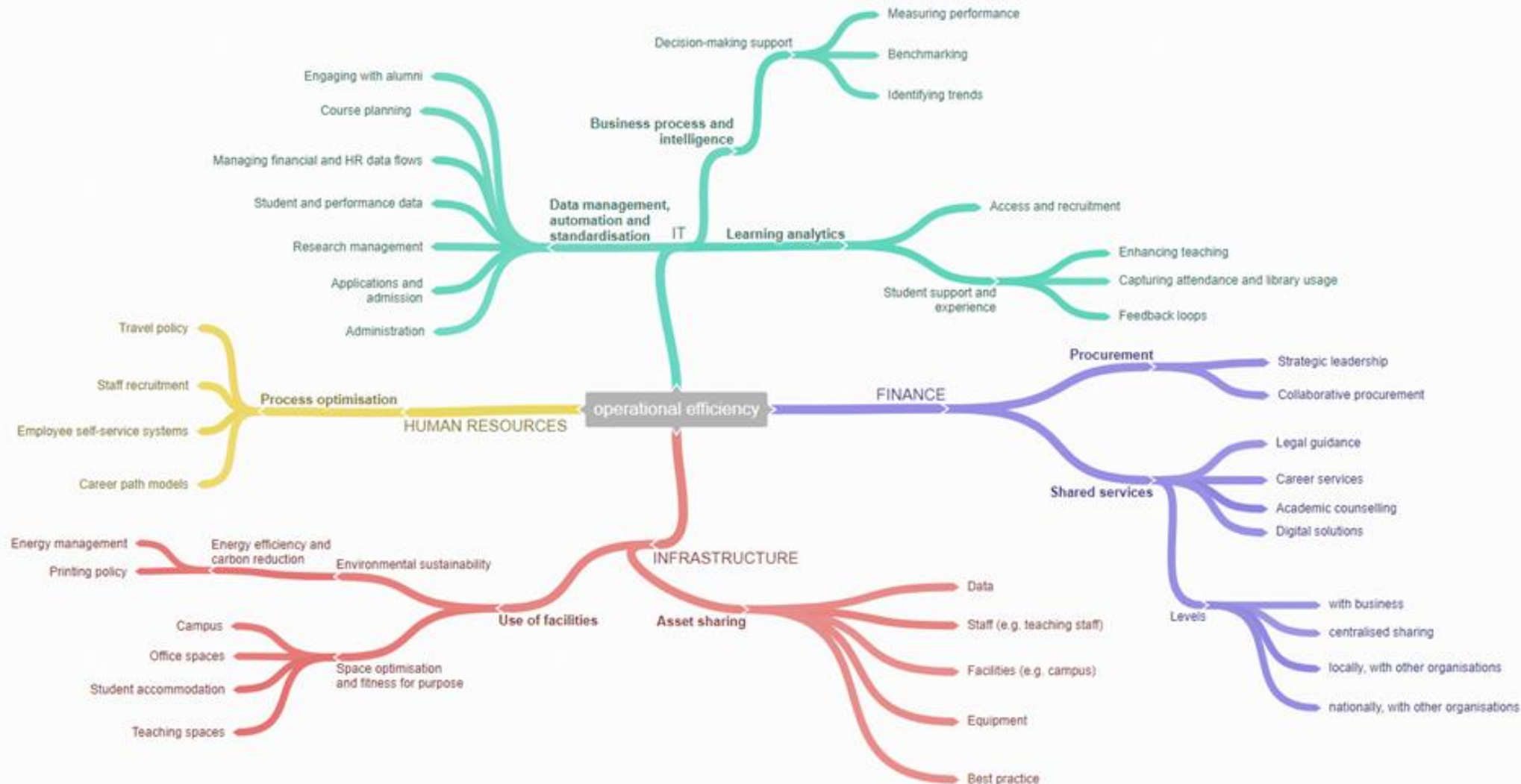
Multifaceted approach to efficiency

Analytical framework

Level / dimension	Operational	Academic	Strategic governance
System / frameworks	Land use, estate ownership and VAT regulations	Programme certification procedures	Institutional autonomy legislation Funding modalities
Sector	Joint procurement Shared services	Sharing of research assets (e.g. equipment, data); sharing of staff (e.g. teaching staff)	Exchange of best practices, peer learning
Institutional	Space use optimisation Centralised procurement Asset sharing within institution	Research profiling Review of the academic offer	‘Efficiency culture’ Leadership and engagement Value for money reports

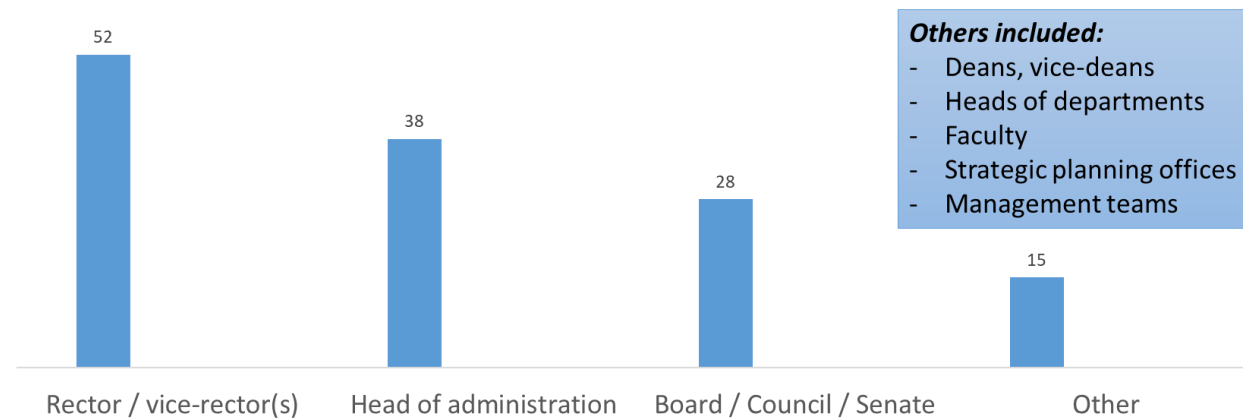
Multifaceted approach to efficiency

Examples of operational efficiency



Institutional practices and trends

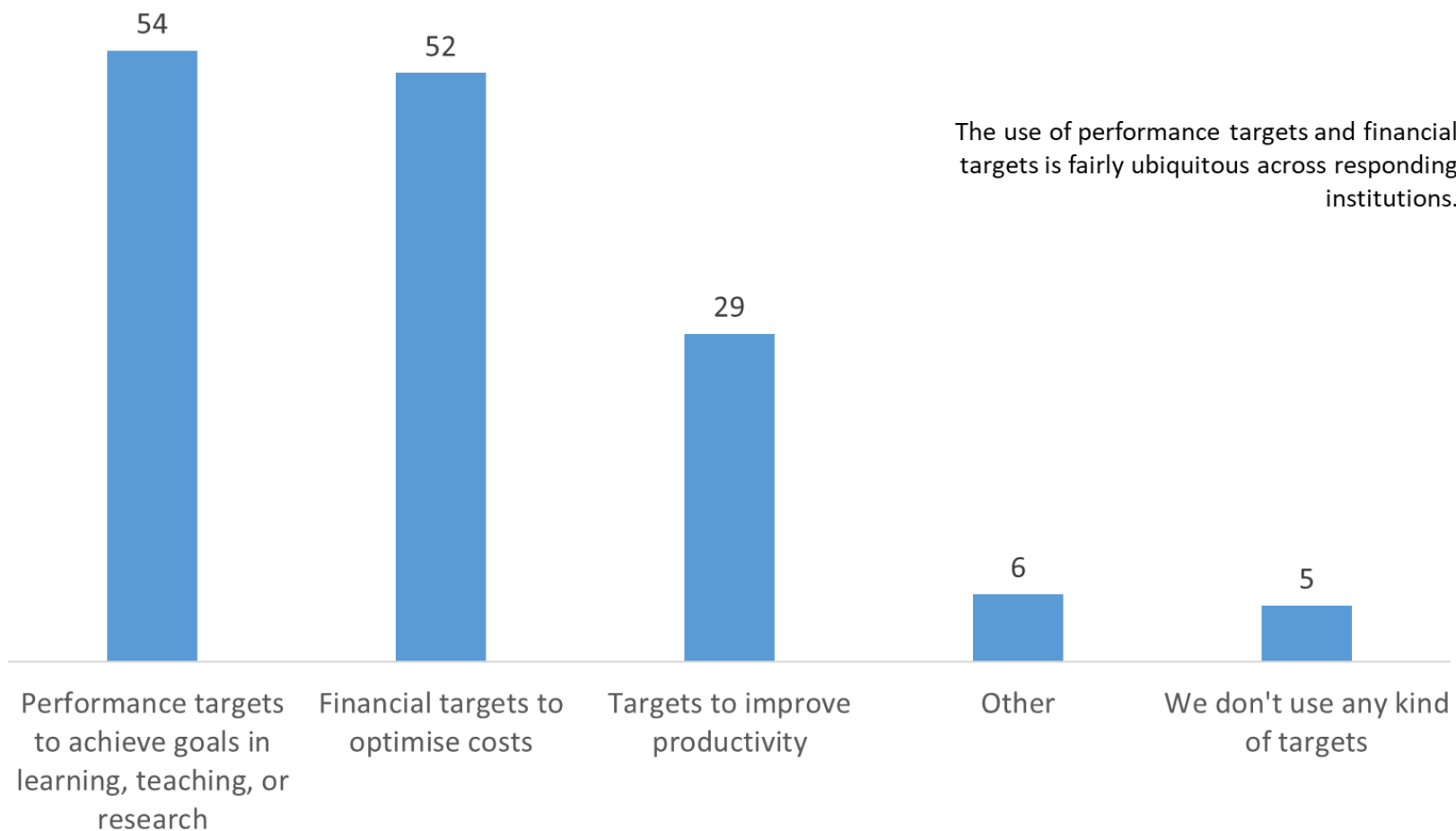
Actors involved in design and implementation of efficiency strategies and measures



	Not at all important	Slightly important	Moderately important	Very important	Extremely important
Finance department	1%	4%	18%	44%	32%
HR department	0%	6%	25%	46%	22%
Central administration/operations	0%	5%	11%	52%	33%
Faculties or departments	1%	1%	26%	46%	25%
Dedicated office, entity or working group	12%	5%	25%	44%	14%

Institutional practices and trends

Efficiency targets and evaluation outcomes



Institutional practices and trends

Drivers of efficiency

	not at all important	slightly important	moderately important	very important	extremely important
Budget Cuts or decreasing resources	2%	5%	8%	41%	40%
New institutional approaches	3%	3%	18%	48%	23%
National or regional policies and reforms	2%	3%	26%	40%	24%
Internal institutional changes	0%	10%	18%	58%	10%
Increasing demand/growing student enrollment	8%	8%	25%	33%	21%
Increasing accountability to stakeholders and funder	0%	10%	21%	50%	13%
European policies and provisions	11%	23%	34%	21%	7%

Institutional practices and trends

Barriers to efficiency

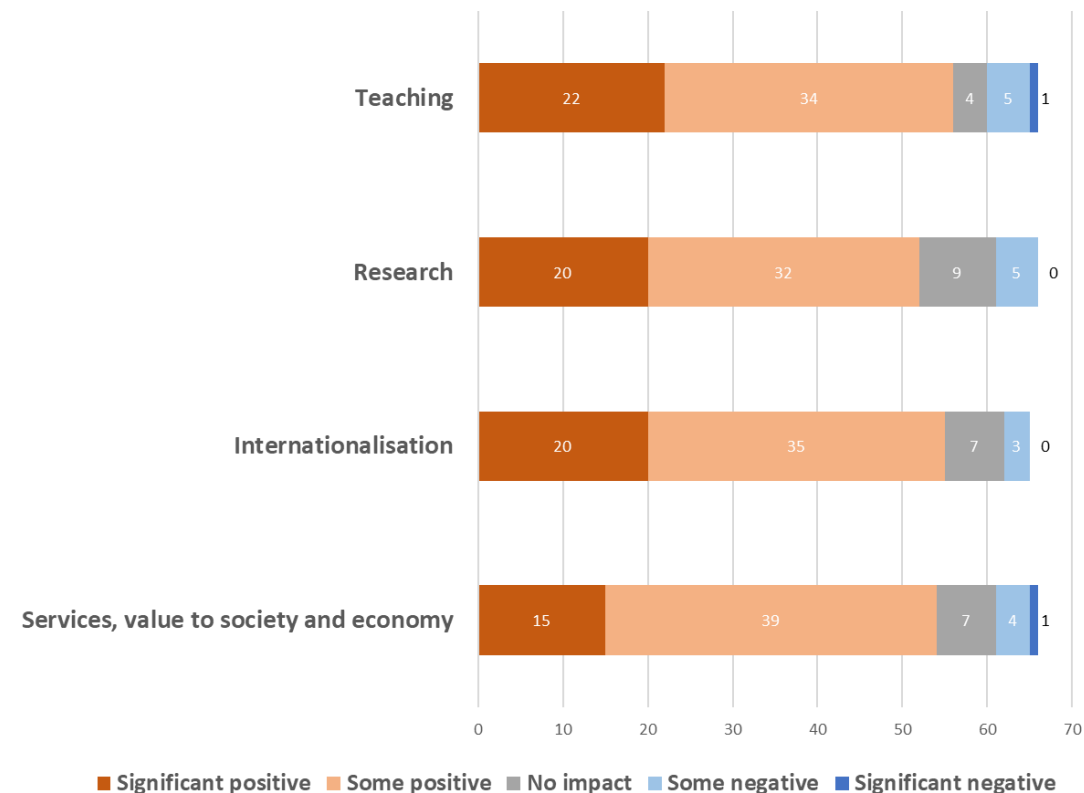
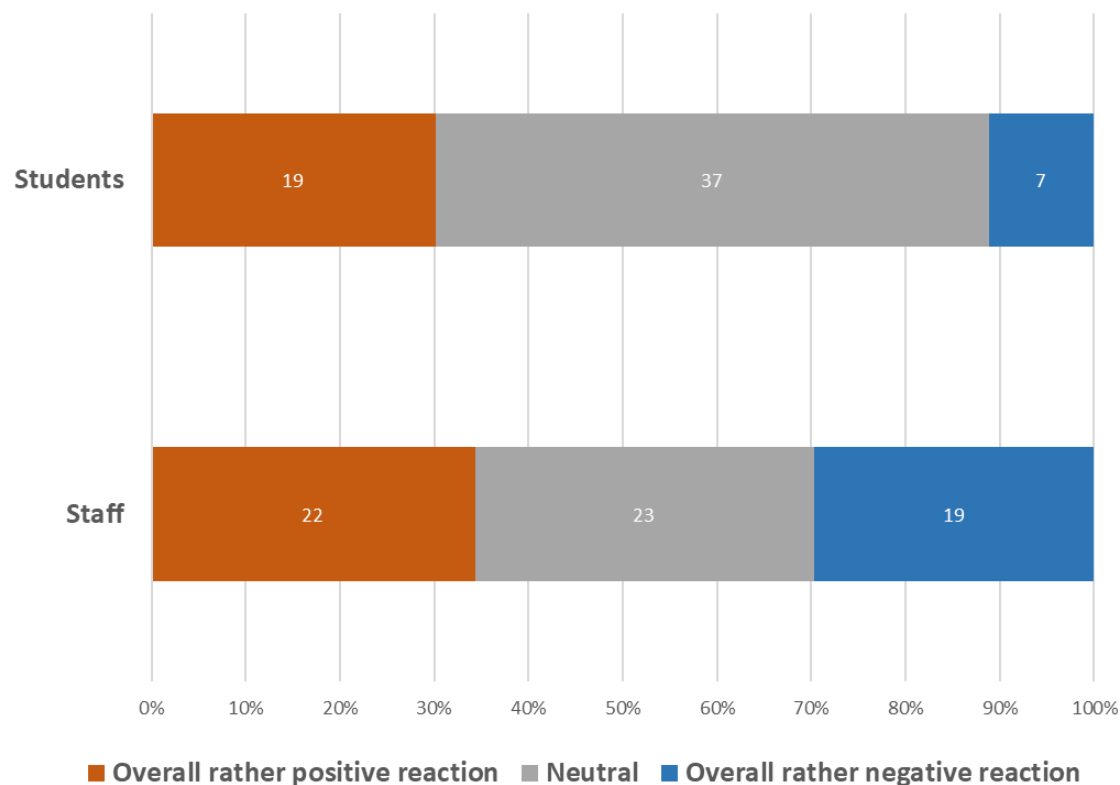
	Not at all important	Slightly important	Moderately important	Very important	Extremely important
Institutional culture / reluctance to change	3%	5%	20%	38%	34%
Financial constraints	9%	9%	22%	36%	23%
Concerns over quality	6%	12%	27%	43%	12%
Lack of expertise or qualified staff to implement the measures	9%	12%	34%	33%	12%
Technical obstacles	9%	22%	34%	31%	3%
Legal barriers	13%	30%	19%	24%	14%

Institutional practices and trends

Enablers of efficiency

	Not at all important	Slightly important	Moderately important	Very important	Extremely important
Commitment of institutional leadership	0%	2%	10%	44%	44%
Institutional autonomy	0%	3%	14%	41%	42%
Inclusiveness and participation of all relevant institutional actors in the process	0%	6%	15%	48%	31%
Raising awareness of efficiency and training for staff	0%	6%	22%	51%	21%
External financial support (e.g., public or private)	3%	20%	27%	34%	16%
External expertise (e.g., through external board members, partners, consulting)	2%	14%	37%	37%	11%
Cooperation with other institutions, peer-learning	0%	25%	30%	40%	5%

Institutional practices and trends: Impact



Conclusions

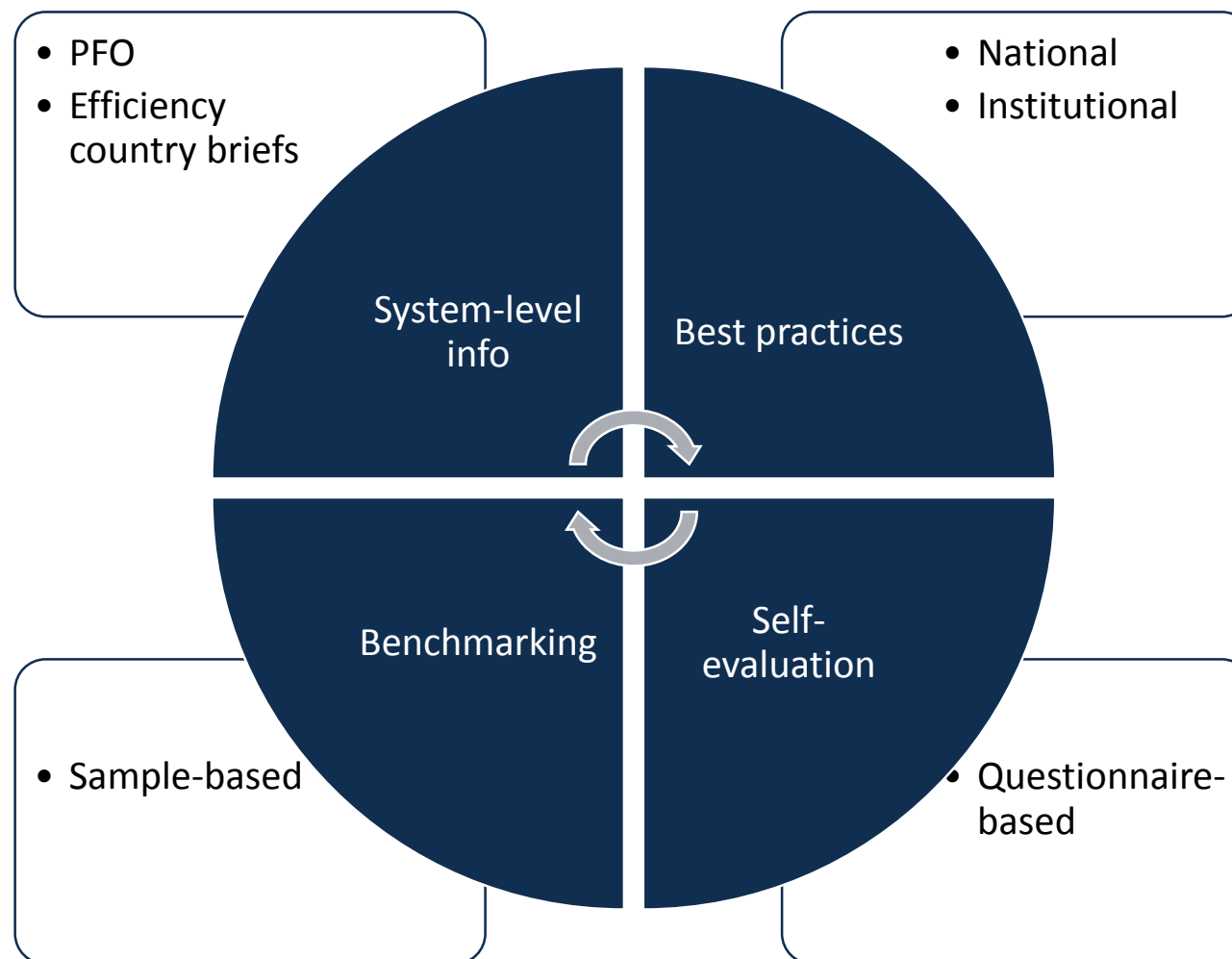


- Efficiency is a relevant topic for all systems and institutions. However, there is a great diversity of interpretations and perceptions of efficiency as well varying degrees of engagement with the topic.
- All three elements - economy, efficiency and effectiveness - are equally important in the HE context.
- Efficiency will likely remain one of the relevant topics on the HE agenda and it has therefore to be viewed pragmatically, as a way to achieve the university's goals, rather than a response to decreasing public funding.
- The reinvention of efficiency based on a more balanced approach that looks at various levels and dimensions of efficiency requires a continuous dialogue and communication both internally, within the institution, and with external stakeholders.
- The meaning of efficiency measures inspired by the university's tradition should be translated for other actors, which may not be familiar with the original qualitative approaches applied in the academic context.
- Standardisation, which is the starting point of many efficiency programmes, has its limits for the implementation in the diverse and highly autonomous university context.
- Leadership and a continuous engagement of all institutional are key to ensure success of efficiency strategies.
- A high level of maturity in terms of operational efficiency has been reached. The potential in the area of academic efficiency is significant, although due attention should be paid to possible tensions between academic freedom and efficiency.
- Further room for progress in the different efficiency settings is associated with streamlining efficiency activities through an improved strategic governance and pursuing a more coordinated cross-institutional approach based on collaboration and peer learning.

Next steps for USTREAM

Efficiency self-evaluation tool concept

Expected launch: 2nd half of 2018

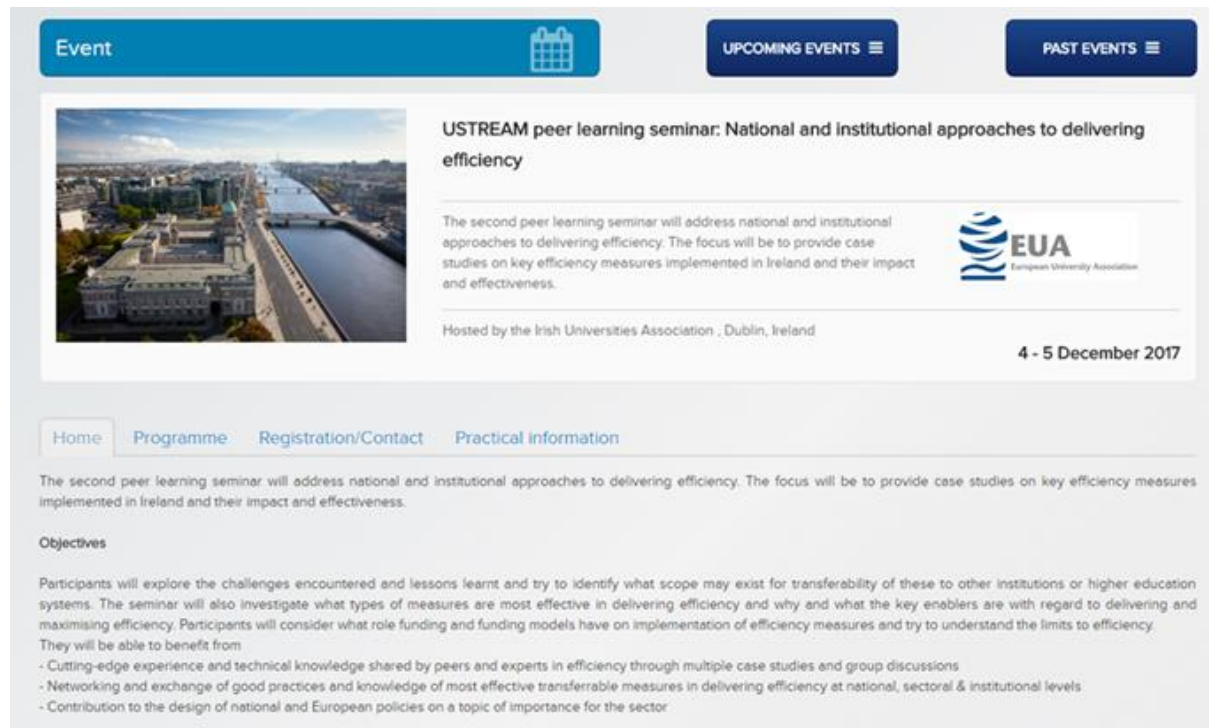


Next steps for USTREAM

National and institutional approaches to efficiency, Dublin, 4-5 Dec 2017 (IUA/EUA)

Efficiency, governance and leadership, Brussels, March 2018 (EUA/HUMANE)

EUA 4th Funding Forum, 18-19 October 2018, Barcelona



The screenshot shows the website for the USTREAM peer learning seminar. The header includes a blue navigation bar with 'Event', 'UPCOMING EVENTS', and 'PAST EVENTS' buttons. The main content area features a large image of a cityscape with a river, followed by the title 'USTREAM peer learning seminar: National and institutional approaches to delivering efficiency'. Below the title, a paragraph describes the seminar's focus on case studies from Ireland. The EUA logo is displayed on the right. The date '4 - 5 December 2017' is shown in the bottom right. A secondary navigation bar includes 'Home', 'Programme', 'Registration/Contact', and 'Practical information'. The 'Programme' section is active, showing the seminar's objectives and a list of topics to be discussed.

Event

UPCOMING EVENTS

PAST EVENTS

USTREAM peer learning seminar: National and institutional approaches to delivering efficiency

The second peer learning seminar will address national and institutional approaches to delivering efficiency. The focus will be to provide case studies on key efficiency measures implemented in Ireland and their impact and effectiveness.

Hosted by the Irish Universities Association, Dublin, Ireland

4 - 5 December 2017

Home Programme Registration/Contact Practical information

The second peer learning seminar will address national and institutional approaches to delivering efficiency. The focus will be to provide case studies on key efficiency measures implemented in Ireland and their impact and effectiveness.

Objectives

Participants will explore the challenges encountered and lessons learnt and try to identify what scope may exist for transferability of these to other institutions or higher education systems. The seminar will also investigate what types of measures are most effective in delivering efficiency and why and what the key enablers are with regard to delivering and maximising efficiency. Participants will consider what role funding and funding models have on implementation of efficiency measures and try to understand the limits to efficiency. They will be able to benefit from

- Cutting-edge experience and technical knowledge shared by peers and experts in efficiency through multiple case studies and group discussions
- Networking and exchange of good practices and knowledge of most effective transferrable measures in delivering efficiency at national, sectoral & institutional levels
- Contribution to the design of national and European policies on a topic of importance for the sector

Thank you for your attention!

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