CORVINUS RENEWAL PROGRAM 2030

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Strategic Framework

1. THE PURPOSE OF THE RENEWAL OF CORVINUS UNIVERSITY OF BUDAPEST

(WHAT DO WE WANT TO ACHIEVE?)

1.1. Context

In September 2018, the Government of Hungary decided to change the model of the Corvinus University of Budapest. As a result of the legislative work related to the model change, from July 1st, 2019, the Corvinus University of Budapest, which previously operated as a public university, became a not-for-profit, public-purpose private university, maintained by a trust foundation. The transformation of Corvinus was the first step in the Government's higher education reform agenda, in the framework of which other 8 institutions will change their operating model in 2020.

According to the government's intention behind the model change, Corvinus University will be able to mobilize its previously untapped capacities (1) as a result of a looser regulatory environment related to private university status (employment under the Labor Code as opposed the Public Employment Code, more flexible procurement rules, accrual-based financial management) and (2) due to more direct attention from the maintainer. Based on these factors, a program of renewal/transformation aimed at the radical improvement of performance became possible.

1.2. Vision, mission

Based on the work leading up to the transformation program, the vision and mission of the renewed Corvinus University were defined.

The vision of the renewed Corvinus University of Budapest

Corvinus University of Budapest will be the best university of Business, Economics and Social Sciences in Central Europe.

The mission of the renewed Corvinus University of Budapest

Corvinus University of Budapest will educate the responsible economic and social elite of Hungary and Central Europe in the twenty-first century .

Hungary needs an internationally outstanding university that, as a prestigious national institution, is capable of train and nurture a community-oriented, performance-oriented elite with world-class achievements. Corvinus strives to be in a position where more than half of the Hungarian business, government and community leaders, and in significant part of those in other Central European countries are Corvinus graduates. With this mission, Corvinus aims to keep the most talented members of the young Hungarian generations at home. A key element of elite training is the development of an educational program in which young people studying at Corvinus become socially responsible leaders committed to their community, ones that are able to act effectively for the common good.

Corvinus wants to develop its activities in a regional dimension, in addition to its successful operation in a national dimension. It sees itself as a regional center of business, economic and social knowledge, thus contributing to the intellectual renewal of Central Europe. The natural next step in the significant economic development of Central Europe in recent years is to add a new dimension to scientific and cultural performance, to which Corvinus intends to contribute.

2. FOCAL POINTS OF STRATEGIC ACTION

(HOW SHALL WE ACHIEVE OUR GOALS?)

Based on the considerations presented above, Corvinus (drawing on the input of 9 internal working groups) identified the focal points of strategic action.

2.1. Regionally Outstanding Study Programs

Corvinus will only be the best university in Central Europe if it is able to offer outstanding educational programs not only in Hungary, but also in the entire region. Educational programs that integrate the newest materials, have a state-of-the-art pedagogical approach, and incorporate both theory and practical experience as well. Programs that draw on the traditions of economic and social sciences, but at the same time rely on the latest research findings and focus on the knowledge demands of the future. Programs that place a significant emphasis on developing skills like creativity, critical thinking, communication and collaboration.

The renewal of educational programs will be deemed successful by Corvinus if its graduates, having received offers from leading Hungarian and Central European companies, select a job where their initial salary is at least 50, and in certain areas 100 percent higher than the average; if Corvinus graduates occupy a substantial part of the leadership positions in Hungarian and Central European business, government and community life; and if Central European universities and scientific research institutes systematically recruit young scholars who obtained their PhD at Corvinus.

2.2. Internationally Recognized Research

Corvinus will only become the best university in Central Europe if it is able to produce internationally recognized research. Moreover, this alone is not enough: research results are needed that support educational activities and contribute to the economic and social development of Hungary and Central Europe. Efforts to enhance research performance will be considered successful by Corvinus if by 2030 with its partners it is able to carry out 400 innovative knowledge projects having significant social impact each year; an if researchers working at the university can produce annually at least 3-400 outstanding and cited publications or monographs, and if its key research centers, in particular the Institute for Advanced Studies research institute acquires international reputation.

2.3. World-Class, Dedicated Faculty

Corvinus will only be the best university in Central Europe if it can attract world-class faculty. Therefore in the future, Hungarian economists and social scientists living abroad and working at excellent universities should be invited to Corvinus, just as young, emerging and already proven foreign scholars should be persuaded to come to Budapest. Colleagues currently working at the University who are ready for renewal need to be motivated and developed, and professional careers that have long been stagnant need to be dealt with. This requires the

University to be an attractive workplace: faculty salaries should become internationally competitive (a good indicator of this is if the current level increases by an average of two and a half times by 2030). Efforts to develop a world-class teaching and research staff will be considered successful by Corvinus if, by 2030, at least 100 foreign faculty will have chosen Corvinus as their place of work; if at least 20% of the academic staff (both Hungarian and international) will have obtained their doctoral degree in one of the top 200 universities globally; and staff commitment at the University is sustainably above 80%.

2.4. Enthusiastic, Talented, Committed Students and Alumni

Corvinus will only be the best university in Central Europe if it has enthusiastic, talented students who are attached to the university and whose identity is preserved in later stages of life and who remain committed to the University as alumni. That's why Corvinus needs to focus on the best Hungarian and foreign students at every level of training. An important principle in attracting talent is that talent should be sought out regardless of social background: it is therefore necessary to seek cooperation with traditional institutions of elite recruitment (e.g. prominent high schools) as well as with organizations that foster disadvantaged talent. One of the priorities is to consciously build the community and identity of current and former students. To this end, the University needs to embark upon a joint effort with its student organizations and special colleges for advanced studies.

The efforts to strengthen the attachment of Corvinus students will be considered successful if by 2030 alumni sponsorship reaches the magnitude of HUF 1-2 billion (cca. EUR 3-6 million) per year.

2.5. Innovative Knowledge Projects with the Most Prestigious Partners

Corvinus will only become the best university in Central Europe if it works with the most prestigious partners. Future-oriented, innovative knowledge projects need to be carried out with the largest, most dynamically developing companies or those with a key role in a specific market, as well as with key public institutions, social organizations, domestic and international partner universities and research institutes. Through these partnerships, Corvinus is able to be a facilitator and rhythm-setting player in the economic-social science knowledge ecosystem. Of particular importance are projects that seek to exploit the synergies between technological knowledge and socio-economic knowledge (e.g. artificial intelligence, machine learning projects) and those that focus on student creativity (e.g. capital funds investing in student startups).

Corvinus will consider this strategic focus effort to be successful if comprehensive partnerships are formed with the largest and most dynamically growing/innovative companies and key public institutions; and if the revenue derived from these reaches a magnitude of HUF 3-4 billion (cca. EUR 9-12 million) per year.

2.6. World-Class Student Experience

Corvinus will only become the best university in Central Europe if it is able to provide a world-class experience for its customers, its students and partners. Corvinus must provide its customers with a service that is always outstanding professionally, that is always predictable and reliable, as well as engaging, humane and supportive in its communication.

Efforts to create a world-class customer experience will be considered successful by Corvinus if student satisfaction, which is measured after each transaction, is at least 70%, and at least 70% of study administration is completely digital.

2.7. Interdisciplinary Intellectual Renewal

Corvinus will only be the best university in Central Europe if it not only draws on its diverse intellectual traditions, but also constantly strives to break down the boundaries separating the various disciplines. The renewing Corvinus therefore builds on mutually fruitful collaborations between the fields of Business and Management, Economics and Social Sciences, furthermore it seeks to integrate the latest technologies and knowledge gained about them into socio-economic knowledge.

2.8. Continuously Growing Institutional Reputation, Brand Value

Corvinus will only be the best university in Central Europe if the value of its brand is able to increase significantly. This means that Corvinus' reputation is built on the fact that the very best people teach and study at Corvinus, and owing to that potential students are willing to pay tuition fees that are significantly higher than the market average. The efforts to increase brand value will be deemed successful by Corvinus if by 2030 the market is willing to pay a tuition fee of EUR 5-6 000 for a semester (for the sake of comparison: this is the current fee level at Warwick or Bocconi).

2.9. Internal Services of Impeccable Quality, Digital Operations

Corvinus will only be the best university in Central Europe if it becomes impeccable in terms of the quality of its internal functioning. Faculty needs to be supported with digital processes, low administrative requirements, as well as the use of state-of-the-art organizational and technological tools. For this to happen, the salary levels in the service areas of the University need to be competitive with the market sector, that is by 2030 up to two and a half times their current average earnings. Corvinus will consider its efforts to improve the quality of internal services to be successful if internal operations become completely paperless.

3. INSTRUMENTS OF STRATEGIC ACTION

(WHAT DOES THE RENEWAL RELY ON?)

In order to achieve the goals formulated above, it is necessary to define the instruments of strategic action. These are the following: (1) organizational development, (2) development of organizational culture, (3) faculty development,(4) internationalization, (5) financial resources.

3.1. Organizational Development

The first step in organizational development was to create the position of the President, with the aim of introducing a leader into the institution who alone is capable of taking responsibility for the transformation program affecting both the academic and the administrative areas (which was two clearly demarcated areas managed separately in the previous leadership model). An external actor was invited to the position in view of the fact that in an academic world based on informal and decades-long personal relationships, changes involving more serious conflicts can be managed much more decisively by a senior manager who does not have strong personal relationships within the institution.

The second step in organizational development was to reduce the number of governance levels. Whereas prior to the reorganization, the University used to operate at four governance levels (university, faculty/school, institute, department), this has now been simplified to two (university, institute). This change brought about a significant increase in the room for maneuver of the University's senior management, which is necessary to implement the transformation program.

The third step of organizational development was to create the strategic functions within the organization that did not exist before or only operated in a completely fragmented or rudimentary form. The communication activities of the University were integrated, an organizational unit responsible for corporate and institutional relations was established as well as one capable of operating strategic HR functions (recruitment, selection, onboarding, learning and development). It was also as part of this move that Corvinus set up a unit responsible for student services, which deals with students' study and scholarship-related matters, provides them with learning, mental health and career counseling, and consciously deals with the student journey, campus life, student onboarding as well as takes responsibility for setting up and running the alumni system. In addition, the organizational unit in charge of student services has taken on the task of digitalizing the services provided to students.

Another important aspect of organizational change is that the education management system of Corvinus University is also being renewed. The former system, in which the various study programs were assigned to faculties, institutes or departments, is replaced by a matrix system. Within the new academic organization, educational management – one dean per training level (BA/BSc, MA/MSc, PhD, post-graduate programs) and the Program Managers reporting to the deans are in charge of the various study programs – is separated from the management of the academic centers (institutes).

3.2. Development of Organizational Culture

A key element in the renewal of Corvinus University is the development of its organizational culture. To this end, the values of the renewed University have been defined.

Excellence and Professionalism

We the citizens of Corvinus believe that the standard of our work in international best practice. We thrive for personal credibility. We believe that the goals and interests of our University are more important than those of our own. The priority for us is to provide our students with the opportunities for professional and human development. We always fulfill our commitments to our partners.

Performance and Impact

We the citizens of Corvinus always thrive for above and beyond. We expect that in our University, recognition, selection and promotion should be solely based on performance and merits. We believe that quality is more important than quantity. In our activities, we always focus on the impact and aim for the best possible outcome.

Community and Co-operation

We the citizens of Corvinus know that we are members of a community: we always take into account the impact of our activities on other people. We respect the human dignity of our students and colleagues, we are friendly towards them. We treat our students as partners. We trust in the competency and judgement of our colleagues, we only criticize in an open, direct and constructive manner. Whenever we point out to a problem, we are partners in solving it. Our former students and colleagues will always be considered as members of our community.

Academic Autonomy and Responsibility

We the citizens of Corvinus believe that the determination of the content and methods of research and education is the right and responsibility of our academic community. Only members of the academic community are entitled to judge academic performance at the University and this should be based on widely accepted international standards. We believe that is the duty and responsibility of those who carry out scientific work to apply their knowledge to the benefit of society.

3.3. Faculty Development

The renewal of Corvinus may not be successful without enhancing the current performance of colleagues engaged in academic work. In fact, this area calls for serious intervention.

A key to change is that the University should differentiate between academic careers in line with international standards, i.e. between the lecturer-researcher (academic tenure track) and the lecturer (lecturer track) path. Performance expectations should be defined for each path with regard to teaching, research, and community service. At present, the University only sets specific performance expectations in relation to teaching, which must be supplemented with expectations linked to the other two areas (research, community service).

Another important aspect in the development of faculty is the renewal of the reward system. The University has taken the first step towards a new reward system by creating a much simpler salary structure based on the total compensation approach. Reward consists of two elements: a base salary that is significantly higher than before and a performance-based bonus subject to meeting the agreed targets. The significance of the latter is particularly high: the quantitative focus prevalent in the organization can only be replaced if a stable system, supported by financial incentives is established for evaluating performance focused on quality and development.

The renewal of Corvinus' faculty is inconceivable without attracting Hungarian scholars working in leading foreign institutions and bringing foreign professors to Budapest. The influx of "fresh blood" and the rise of a new performance ethos influence performance already in the short term, however, their long-term effects taking hold through the development of organizational culture are particularly valuable.

3.4. Internationalization In a New Dimension

Another success factor in the renewal of Corvinus is to take the University's international ecosystem to a new dimension. This is necessary for two main reasons. On the one hand, success depends not only on performance, but on the perception of performance as well, therefore a framework for conscious reputation building should be devised and systematically applied. On the other hand, the University needs external knowledge, and the international network is the very infrastructure for this knowledge transfer.

The system of international relations should be founded on several specific blocks. On the one hand, Corvinus is initiating the establishment of the Central European Network of Universities (CENU), which will provide a framework for closer and deeper cooperation between Central European higher education institutions. On the other hand, Corvinus is launching an ambitious effort to offer joint/double degree programs with Europe's leading universities.

In addition to maintaining its EQUIS accreditation, Corvinus is also seeking to obtain the AACSB and the AMBA accreditation. By acquiring these three accreditations, Corvinus would be included among the "triple-crown" institutions, the number of which is currently below 100. Besides its huge reputation-building effect, this is also relevant because the accreditation process is a serious disciplining force in the organization, within the conceptual and communication framework of which university development programs can successfully be implemented.

In addition to the above, efforts to internationalize the university require the recruitment of foreign staff not only in the academic but also in the administrative/functional areas, in order to give further impetus to the development of the operational culture.

3.5. Financial Resources

The renewal of Corvinus and the implementation of the transformation program cannot be imagined without the mobilization of significant financial resources. Resources are needed for raising salaries, for building the new organizational functions, for investments in infrastructure that allow to improve both overall operations and student experience. According to calculations and benchmarks, Corvinus' renewal program can be successful if the university can reach an annual budget of EUR 100 million, i.e. HUF 30-35 billion, by 2030.

4. MEASURES OF THE FIRST PERIOD OF RENEWAL

(WHAT HAS BEEN ACHIEVED SO FAR?)

The first period of the renewal of Corvinus University has focused on creating the organizational and personal conditions for substantial change. The concrete steps (some of which were mentioned previously) were as follows.

4.1. Creating a Sense of Urgency

Change is not possible without it being perceived by an organization as pressing. To create this perception, it is necessary for the top management of the University to acknowledge successes, but also to draw attention firmly and openly to the signs that threaten success. In the case of Corvinus, this was done through extensive discussions with each community of the University (institutes, organizational units, students).

4.2. Creating a Guiding Coalition

Change is not possible without being directed by a cohesive group of at least 40 members who share their understanding of the goals and required action. A key element in building a coalition is the appointment of new managers committed to change.

In the case of Corvinus, 1 President, 2 new Vice-Rectors (out of 3) , 3 new Deans (out of 3), 2 new Heads of Institute (out of 11), 34 new Program Managers (out of 63), 7 new senior executives in the service area (out of 10) were selected and appointed. The guiding coalition discussed the goals and the relevant actions at several strategic workshops.

4.3. Creating an Organizational Framework Capable of Change

Change is not possible without an organizational framework that supports change. Change requires an organizational framework that allows for the rapid sharing of information, strong decision-making, and collaboration. In the case of Corvinus, organizational change has focused on reducing governance levels (revamping the faculty structure), separating the faculty management and education management responsibilities, and creating the necessary new functions. The transformation of the faculty structure was a decade-long endeavor of many persons committed to the more unified and effective operation of Corvinus University, it however could not be carried through due to the individual interests. As a result of the organizational transformation (with the abolition of dean and faculty study offices), more than a hundred people moved into a new unit, further reinforcing the mood for change.

4.4. Creating a Reward System Encouraging Change

Change is not possible without personal financial incentives. In the case of Corvinus, this meant the creation of a reward system that on the one hand, significantly differentiates in base salaries and on the other, creates an opportunity to directly stimulate personal performance commitments derived from the strategic objectives through the bonus system.

As a result of the differentiation process, the (1) persons who would act as the engines of change, (2) who could provide a foundation to the university's operations as well as (3) those who needed to seriously develop in order to keep pace with Corvinus were identified. Besides implementing the structural transformation of the reward system, in 2020, Corvinus significantly increased total compensation in both the academic and the service areas in a differentiated manner, by a total of 25 percent. Whereas in the academic area, 40 percent of staff benefitted from an increase in total compensation of more than 30 percent, in the service area 24 percent of staff benefitted from the same rate of increase.

4.5. Availability of Financial Resources

No change is possible without the availability of the financial resources needed to take the necessary measures. In the case of Corvinus, this implied the adoption of a budget for 2020 that has allocated a total of nearly 30 percent more for the purposes of human and infrastructural development than in the preceding years.

4.6. Introduction of a Performance-Based Student Benefit System

No change is possible without the University systematically communicating the performance culture to its students. Therefore, the eligibility criteria of the Corvinus Scholarship System were defined by the University to reinforce expectations for sustained performance levels. In fact, in order to keep the scholarship, students should maintain their performance from year to year. In addition, the University has changed the rules of eligibility for study scholarships (stipends) by reserving them for students with a better performance, the amount involved however is significantly higher than before.

5. SHORT-TERM PRIORITIES

(WHAT HAPPENS IN 2020?)

The day-to-day implementation of the Program of Renewal is organized within the framework of nine projects.

Project	*Project Leader*
Education and Programme Development	Vice-Rector for Education
Research Development and Doctoral Studies	Vice-Rector for Research
Faculty Development	Vice-Rector for Faculty
Human Resources and Organizational Development	Head of HR, Head of Strategy and Organizational Development
Development of International Relations and Accreditations	Head of International Relations and Accreditations
Development of Student Services & Alumni Relations	Head of Student Services
Development of Corporate & Institutional Relations	Head of Corporate and Institutional Relations
Development of Internal Services	Head of Infrastructural Services
Development of Communications	Head of Communications

Projects leaders report to the President on a weekly basis. Strategic decisions concerning the projects are made by the President's Committee (President, Rector, Chancellor). Project leaders work with working groups recruited from University faculty and staff. The work of the projects is supported by a Programme Management Office, a center of excellence of project management.

The University considers stakeholder involvement crucial. There are different mechanisms to ensure this. For instance, the working groups are open: faculty and staff members who would like to join are always welcome. Once a month, there is an informal meeting for the leaders and managers of the university (President, Rector, Chancellor, Vice-Rectors, Deans, Heads of Institutes and Competence Centers, key Programme Managers, Heads of Strategic and Operative Functions). Moreover, Institutes and Organizational Units organize meetings to discuss the transformation, and feedbacks from these meetings get incorporated into the transformation process.

Education and Programme Development	
2030 Goals	1500+ undergraduate, 1000+ graduate, 500+ post-graduate and executive students
	Starting salary of Corvinus graduates is greater by 50-100 percent than relevant market average
	Substantial proportion of business, political and community leaders are Corvinus alumni
2020 Actions	Five new programs: Data Science (BSc), PPE (BA), International Development (MA), Behavioral Analyst (MA), Project Manager (Post-Graduate)
	Five programs to be completely renewed: Executive MBA, Applied Economics (BSc), Business and Management (BA), International Business (BA), Economic Analyst (MSc)
	Conceptual renewal of admission criteria and process of graduate programs
	First phase of transformation of education to blended learning

Research Development and Doctoral Studies	
2030 Goals	3-400 innovative knowledge projects with leading players of industry and government
	3-400 highly cited publications and monographs
	Central European universities and research institutes frequently recruit from Corvinus
2020 Actions	Integration of the doctoral schools of the University
	(The new Doctoral Schools: D. S. of Business and Management, D. S. of Economics and Business Informatics, D. S. of Sociology and Communication Science, D. S. of International Relations and Political Science)
	Specification of university-wide research priorities
	Renewal of processes and infrastructure of research support
	Renewal of incentive system of research
	Creation of an integrated research information system

Faculty Development	
2030 Goals	20 percent of Corvinus faculty has a PhD from a TOP200 university
	100 new, international faculty members
	Corvinus faculty members frequently teach or research in international environment
2020 Actions	Renewal of professional profiles of the Institutes
	Introduction of academic track system (tenure track, lecturer track)
	Creation of professional academic recruitment system
	Introduction of strategic planning system in faculty management

Human Resources & Organizational Development	
2030 Goals	Internationally competitive wages for faculty and staff
	Employee engagement over 80 percent
	University values are reflected in the everyday behavior of faculty and staff
2020 Actions	Introduction of a new performance development and motivational framework
	Establishing the missing HR functions (recruitment, onboarding, learning and development)
	Active change management building on extensive stakeholder involvement

Development of International Relations and Accreditations	
2030 Goals	Ratio of regular international students: 20-25 percent
	Triple Crown Accreditation
	20-25 double degree programs with top partners
2020 Actions	New international strategy for the University
	Next steps in accreditation processes (EFMD, AMBA, AACSB)
	Creation of a University-wide Study Abroad Program
	First steps in creating a Central European Network of Universities

Development of Student Services & Alumni Relations	
2030 Goals	Measuring all transactions in student services, ratio of positive reviews over 70 percent
	70 percent of all transactions in student services are end-to-end digital
	Annual income from alumni is over 1 billion HUF
2020 Actions	New, open office for student services
	Renewal of student service processes
	Creation of an integrated student support system (mental, study and career counseling)
	Consolidation of alumni database, first phase of building the network (digital platforms, events)
	Creation of a comprehensive conceptual framework of service digitalisation, first steps of implementation

Development of Corporate & Institutional Relations	
2030 Goals	Comprehensive partnership with the largest and most innovative companies and public institutions
	3-4 billion HUF income annually
2020 Actions	Creation of comprehensive database of students, corporate relations and faculty knowledge map
	Creation of integrated value proposal to partners
	Introduction of quality assurance system in delivery

Development of Internal Services	
2030 Goals	Seamless digital office environment
	Paperless internal processes
	Standard and customer-friendly procurement of products and services
2020 Actions	Complete penetration of MS Office365 services in the University
	Developments in product and service procurement (Webshop)
	Database integration, data quality enhancement
	Reduction of red tape in legal and employment processes

Development of Communications	
2030 Goals	Renewal of Corvinus is considered as an outstanding higher education story of the decade
	Brand awareness is over 50 percent in relevant target groups regionally
2020 Actions	Establishing the missing functions of communication (PR, marketing, internal communication)
	Visual renewal
	Renewal of digital communication