The role of process management in improving the performance of higher education institutions – The case of a Hungarian development project

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THE ROLE OF PROCESS MANAGEMENT IN IMPROVING THE PERFORMANCE OF HIGHER EDUCATION INSTITUTIONS – THE CASE OF A HUNGARIAN DEVELOPMENT PROJECT

PRACTICAL APPLICATION – EXTENDED ABSTRACT

Process management in higher education institutions
Higher education institutions process huge amounts of information and maintain contact with their ‘customers’ (students) in their daily operations. While the ‘essence’ of core activities (teaching and research) cannot be process-controlled (only clan control can be adequate, according to Ouchi, 1979), lots of administrative and supporting tasks can be mapped by a process model in a service organisation like a HEI. It is widely debated (mainly in the quality management literature) whether universities can be controlled for processes and quality measurements at all (see, for example, Jauch–Orwig, 1997, and Willcocks et al., 1999), however, a large number of universities have already quality assurance systems in place. What makes this debate more polarised is that introducing process management techniques in Hungarian HEIs would certainly come with a BPR-approach.

Aims of the development project
Recent reforms in Hungarian higher education, in accordance with the Bologna directives, aim at stimulating competition among institutions, reshaping the governance of universities and colleges, and strengthening management accountability. University leaders are expected to adopt a more managerial approach in their work, and to put greater emphasis on performance orientation in the institutions they lead. Enhancing performance orientation requires the introduction of such management techniques (e.g. strategic planning, individual and organisational performance measurement, marketing and PR as a key function of institutions) that are fundamentally non- or misunderstood in Hungarian academia.

In the summer of 2005, two consortia with six Hungarian universities and three colleges—representing a significant part of the Hungarian higher education sector—embarked on a common initiative to implement process management techniques in higher education institutions (HEIs). The projects, titled ‘Pilot program for the improvement of quality culture in HEIs’ and ‘Business process reengineering in integrated regional universities for supporting quality improvement’, are jointly financed by the EU and the Hungarian government. The project members are committed towards innovative organizational and management solutions, and believe that implementing these solutions will improve the performance of the higher education sector.

Regarding the methodology, the project aims at introducing up-to-date process modeling tools and IT solutions (in this case, ARIS) at HEIs. Using this toolset, HEIs will be able to simplify and standardize their operations efficiently as well as to improve internal regulations, quality assurance, and transparency towards external stakeholders. As regards to the content, the project goal is to develop a detailed process model, containing 700-800 process descriptions, which reflects available best practice of HEIs. This ‘normative’ or ‘reference’ model should be the basis for HEIs in adapting process descriptions to their own needs and possibilities, this way the process model intends to be a useful input for both the reorganization of HEIs and the introduction of IT solutions (e.g. ERP, MIS or course administration).
Some of the authors contributed to the elaboration of the process model representing one of the participating institutions, the Corvinus University of Budapest, while the others worked for IFUA Horváth & Partners, the consulting firm responsible for coordinating the work of nine institutions and approximately 150 participants. Our conclusions are based on the experience gained in this large-scale project as well as on the good knowledge of the Hungarian HE sector.

**Barriers of implementation**

Implementation is not an easy task. A more performance-oriented management approach—and its organisational and individual consequences, mainly the unveiling of differences in performance—would change the status quo in HEIs, and thus would lead to organisational resistance. Some HEIs leaders have already tried to implement wide-scale performance management systems in transforming Hungarian universities but failed to overcome the resistance of opponents. When elected leaders are unable to implement management systems which change the status quo, a top-down approach which heavily builds on strategic management and control becomes unviable. In this aspect, a process model where performance orientation can be built into operational processes represents a bottom-up change management strategy: if the process model can be introduced first at administrative and supporting tasks, it may improve present efficiency, initiate a positive change in attitudes and, this way, lead to improving effectiveness in the long run.

**Conclusions**

Our presentation draws the conclusions in three dimensions. First, by examining the content of the process model, we give an overview of how performance is defined by the participating HEIs themselves. We conclude that participants focus rather on the efficiency of present processes than on the effectiveness of future operations.

Second, we critically analyse the progress of the project itself: in the business world it is not common to have direct competitors work together on a project which aims to improve internal business practices. In this case we see exactly this phenomenon, and—accordingly—we may assume that project members do not consider internal process improvement as a competitive factor of HEIs (while, on the other hand, these institutions are competing with each other for state resources, thus thinking of their governmental and regulatory relations as key—and only—competitive factors).

Third, we analyse what chances there are for the implementation of the process model, and what key factors can be identified. It is clear that the (missing) management culture of HEIs is a key factor, while it is not obvious whether HEIs can be ‘process managed’ at all. We expect that actual implementation will be driven by ERP system introductions, focussing mainly on supporting and administrative processes.

**References**
