



**The Universities Project of the Salzburg Seminar
Visiting Advisors Report**

University of Nis, Serbia and Montenegro

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*“Nevoia te invata” – Need will teach you
(Romanian proverb)*

Introduction: Purpose and Scope of the Visit

The University of Nis (hereafter referred to as “UN” or “the University”) invited the team of Visiting Advisors from the Salzburg Seminar to review a set of issues selected by the UN leadership because of their relevance to the future development of the institution. These issues included:

- Strategy of academic changes at the university: From fragmented to centralized university
- Administration in the changing university and optimization of its structure
- Formation of university budget and attracting external resources
- The system of credits and standards at the university
- Financing scientific research under budget constraints and generating the research priorities
- Students in the changing university and the role of student organizations
- International Relations Office

In preparation of the visit, UN provided helpful background materials, including an extensive self-evaluation report as well as other documents, which enabled the Visiting Team to acquire an insight in the current situation at the University and in the challenges that lie ahead. The self-evaluation report was written at the occasion of an institutional quality review of the UN by the European University Association (EUA) in the spring of 2002. The Visiting Team profited greatly from the insights of its EUA colleagues who conducted the quality review of the UN. The present report builds on their analysis of the situation at UN and seeks to draw out and deepen the consultation on those issues that the UN suggested for discussion.

During their four-day stay in Ns, the Advisors met with the Rector and the Vice Rectors, most of the Deans and various Vice Deans, Heads of Departments, Secretaries and other members of the Faculties as well as a group of student representatives for wide-ranging and intense discussions. Prior to the visit, the Visiting Advisors also had an opportunity to meet with the Deputy Minister for Higher Education for the Serbian Ministry of Education and Sport, who provided a detailed overview of the reform measures on the level of the system of higher education in Serbia, thus helping the Visiting Team to understand the broader context within which the UN is operating. The wide variety of meetings allowed the Visiting Team to understand the particular conditions of the UN – to the extent possible during a four-day visit – and to position the University in the context of the country's present situation and aspirations for the future.

The sense of urgency for change on the one hand, and of a search for a common direction among the different actors on the other hand prevailed throughout these meetings and left the Team members with a feeling of a certain ambivalence and even equivocalness regarding the need or the degree of reform at UN. In submitting this report, the Team wants to invigorate the ongoing discussions at UN and provide an independent view in the hope that this might be useful to UN colleagues who are deeply committed to the advancement of their institution.

It is, however, important to emphasize from the outset of this report that the purpose of the visit was not a formal evaluation of the UN, since this would be impossible given the limitations of time and familiarity concerning the process of reform in Serbian higher education. Instead, the Visiting Advisors were asked as colleagues to share observations and offer recommendations with regard to the issues that were presented to them. The Team had to rely on the information and perspectives provided to them both before and during the visit. Having said this, the Team feels confident that they gained sufficient and accurate insights to set forth some discriminating views and propositions, being mindful of the words of former educator and philosopher, John Gardner, who once commented: "Much innovation goes on at any first-rate university. But it is almost never conscious innovation in the structure or practices of the university itself. University people love to innovate away from home." The Visiting Advisors Team was away from home, and submits this document not in expert judgment but in the spirit of collegial, constructive observation.

The Visiting Team owes special thanks to the chief organizers of this visit, Professor Dr. Zoran Milenkovic, the Rector of UN, and Vice Rector Professor Dr. Vladislav Stefanovic, who were ably assisted by Ms. Zlatana Pavlovic and Ms. Sbjezana Vidojkovic-Stojiljkovic of the Office for International Relations. The warm and gracious hospitality as well as the candor in the discussions and the willingness to engage in a mutual learning process during the visit made this stay in Nis a most memorable professional and personal experience for the Team members.

The Visiting Team arrived in Serbia shortly after the vicious and tragic assassination of Prime Minister Zoran Djindjic, when the country was in a state of emergency. The shock and the frustration about this brutal act of violence were apparent in many of our conversations with the colleagues in Nis, but there was also a sense of determination and urgency to oppose those forces that want to undermine and erode the constitutional order of the country for their own sinister purposes. The Visiting Team wants to express its solidarity and support for all those who are committing themselves to defending the rights and civil liberties in Serbia.

I: The Context

A) Legislation

Beginning with the overthrow of the Milosevic regime in October 2000 and the formation of a new and democratic government, the higher education community in Serbia started to try and overcome the contortions that resulted from almost a decade of political interference and pressures, severe financial constrictions, a huge brain drain of talented young academics, as well as from international isolation. Higher education, once a strength of the country, had become weakened and demoralized, with the notable exception, of course, of those professors and students at Serbian universities who had actively opposed the former government.

Thus, the challenges facing those who took over responsibility for higher education in Serbia in late 2000 were formidable. One of the first priorities was the abolishment of the oppressive 1998 higher education law by which the Milosevic regime had clamped down on the Serbian universities depriving them of some of their most fundamental rights and allowing the government to seize complete control by appointing individuals of its choice to positions of power. In mid-2002, a new law was passed, which has an interim character since its main purpose is to correct the legal distortions of the 1998 law and to re-establish the universities' autonomy. As the next step, the Ministry of Education and Sport is now planning to introduce a legal framework for a more comprehensive reform of higher education in Serbia. This measure is intended to modernize the entire sector according to internationally approved notions of governance and organizational structures, thereby overcoming some of the legacies of the Yugoslav system, notably the legal independence of the Faculties.

As the Visiting Team learned during its discussions in Nis, the latter is an issue of considerable debate and controversy within the universities in Serbia and between the universities and the Ministry. Very broadly speaking, there are those who defend the status quo, and those who call for a more integrated structure of the university and a strengthening of the steering capacity of the university leadership and the central management. Later in this report, some specific questions regarding organizational set-up of UN will be addressed in more detail, including the need for more cohesion and strategic planning as a way of using limited resources more effectively and of unleashing the development potential of the University. At this point it should only be noted that the universities in Serbia in their current structure represent a confederation of independent units (the Faculties) that only vaguely share a common identity, let alone a common interest or a common sense of direction. Each Faculty acts and behaves as an institution of its own (visually documented by the fact that each of them have their own logo and business card design). For the outside observer, the impression is that instead of six universities, Serbia has eighty-two highly specialized higher education institutions called “Faculties,” each with its own budget, policies and priorities. Needless to say that this high degree of decentralization (some would say “fragmentation”) has a price: It encourages academic insularity and self-interest, impedes cooperation across disciplinary boundaries, absorbs administrative resources (and usually creates additional bureaucratic constraints) and generally impedes the positive impact of higher education on the wider society as well as the recognition of higher education as a pre-eminent factor in the cultural, social and economic life of the country.

B) Socio-Economic Context

The need to speak with a unified voice and pursue a common strategy in order to overcome present difficulties seems even more urgent under the socio-economic conditions in a country like Serbia, which is grappling to recover from the devastating experience of war and hostility, political aberration and an almost complete corruption of power. Serbia suffers from a drastic decline of the standard of living due to the steep downturn of the country’s economy, but also from a severe damage of trust in democratic and social values. Universities are certainly no panacea for all woes of a society, but at times of crisis and disorientation there is a growing expectation that universities should be places to reinvigorate the confidence in a more promising future. It is difficult to see how a fragmented and dispersed university could live up to this expectation.

The situation in the city and the region of Nis epitomizes this situation. Once a busy industrial center in the south of the country with a strong focus on electrical and electronic products, it is now struggling with a huge rate of unemployment (more than 30 per cent according to official statistics) and with all the other troubles that accompany this social evil. Most factories had to close down for lack of markets, capital, and supply of materials or because of the destruction during the Nato bombing of Serbia in 1999. The high percentage of youth unemployment is particularly worrisome since it prevents so many youngsters from picturing their own lives in a more optimistic fashion.

The UN cannot change the macro-economic climate in the region; but it can focus all its strengths and efforts on searching for solutions and serving as a catalyst of change toward a more stable, more prosperous and more democratic future for the citizens in the South-Serbian region. Engagement with local, regional, national, and international stakeholders is key to fulfilling this role.

The current leadership of UN is well aware of this situation and of the responsibility of the University with regard to the larger society. It has initiated a university-wide process of strategic planning aimed at reaching consensus about the mid-term priority goals to improve UN's academic standing. The goals, as proposed by the UN leadership, include:

- contact with the environment (city and regional government, business community etc);
- excellence in research;
- the development of educational programs (curricula);
- enhancement of the teaching staff; and
- improvement of financial resources.

It is commendable to see the University taking this proactive approach and making resolute steps toward a reassessment and adjustment renewal of its mission. This is a sure sign of a university that has understood that change is imminent and that only those who embrace change can expect to shape it.

Despite the difficult circumstances and severe restrictions that hamper the development of a more effective role for higher education in Serbia, the Visiting Team saw many signs that bespeak the trust in its own strength by the University of Nis, and a prevailing notion of its integrity and self-reliance. It is precisely this confident and forward-looking approach that will be the University's best asset in overcoming the present difficulties.

II: Opportunities for Governance, Curriculum and Student Involvement

A) Governance

The Visiting Advisors Team was asked to explore the overarching concern of centralized and decentralized (integrated versus distributed) system of responsibilities and governance. This would have led the Team primarily to an analysis of the structural conditions of the University. As important as the structural governance issues undoubtedly are, however, the Team concluded that they are only part of the overall efficient and effective operation of the University. The issue of governance for the University of Nis is not simply how the University is organized, but is dependent on other influences in the University. The very word governance, for instance, invites the question, "Governance for what?" Any enlightened approach to organizing has to encompass, and treat as interdependent, at least seven variables: *structure*, *strategy*, *systems* (the hardware -- three hard S's) as well as *style* of management, *staff*, *skills*, and *shared values* (the software -- four soft S's). This systematic approach is known as the McKinsey 7-S Framework and is

often used in international consulting circles.¹ While it is expedient to change the hard S's by memo, edict, or laws, the University of Nis needs to consider the interdependence of the structure, strategy and system with its people and culture (the soft Ss).

System and Structure

A key dilemma in organizations involves the trade-off between adaptation (flexibility) to explicit present opportunities and adaptability (stability) to exploit future opportunities.² Opportune situations for the University of Nis may suddenly appear when the environment changes (new higher education law) and may elicit a repertoire of responses that so far have been neglected because of their irrelevance to the present demands (current law). This is a trade-off between flexibility and stability. It is represented by the current standoff between the autonomy of the Faculties and the integration of the University. While flexibility is required to modify current practices in order to adapt to new financial structures, new laws, and a new Serbian government, total flexibility makes it impossible for the University to retain a sense of identity and continuity. Therefore, UN needs to reconcile the need for flexibility with the need for stability through organizational strategies, such as; a) some form of compromise; b) alternation between stability and flexibility; or c) simultaneous expression of the two necessities in different sectors of the university system.³ The first alternative, a compromise, often accomplishes neither flexibility nor stability, therefore only the last two approaches may represent the best strategies for UN. Nevertheless, UN should not wait for the new higher education law before beginning implementation of strategies for reorganization.

The current view of UN is that of an organization that exists almost totally as an open system. The organizational scheme (see page 54 of Self-Evaluation Report) portrays two separate bodies, Managing and Academic, linked only by a name – the University of Nis – without an organizational connection between them. This system stresses the complexity and variability of the individual component parts (Faculties and Rector) as well as the looseness of connections between them. Loosely coupled systems are often characterized as systems in which there is a low agreement about preferences, for example, in governance or decision-making authority. When the Faculties and University administration see things differently, their efforts will only be loosely coordinated and only unimportant issues will be shared as common.

In many Western universities, the colleges (Faculties) are viewed as semiautonomous entities, but coupled to other parts. In these universities, coupled events are responsive, but each event also preserves its own identity along with some evidence of its physical or logical separateness. Thus, the

¹ For further elaboration see T. J. Peters and R. H. Waterman, *In Search of Excellence*, Harper & Row, 1982, pages 9-12. Clearly this is not the first multi-variable framework (e.g. Harold Leavitt's task, structure, people, information and control, environment), but managers beset with seemingly intractable problems with strategy and structure shifts have found this systemic approach effective.

² See Karl E. Weick, *Making Sense of the Organization*, Blackwell Publishers, Oxford, England, 2001, Chapter 17.

³ *Ibid*, p. 388.

colleges are coupled to the provost or president's office. However, in the case of UN, the Faculties are totally autonomous with little connection to each other in terms of finances, physical location, curricular cooperation, and governance. Coordination and control is problematic and system boundaries are amorphous. Alternative models of governance should be explored to provide greater effectiveness and efficiency while also respecting the balance between academic freedom and accountability.⁴ Academic freedom will need to be redefined to take into account quality assurance to protect the integrity of the University. A university structural change would provide the impetus for changes in strategic management, decision-making, and the student experience.

Strategy

The strategy of the University of Nis is embedded in its strategic plan, mission and vision. During the Team's visit, a university dialogue and debate ensued regarding the initial draft of the University's strategic plan, upon which approval is still pending. The EUA Report concluded that the University cannot develop a strategic plan for the future on an institutional basis and even if it were produced it would have to be compatible with the separate strategic plans created by each of the Faculties. According to the 2002 University Law, Faculties can remain autonomous and independent and do not need to have their strategic plans approved by the University. In the future, the University strategic plan must be developed, approved, and articulated with the structure and systems of the University as well as the style, shared values and staff. Sociologist Amitai Etzioni espoused the task for university strategists decades ago when he wrote: "What is needed . . . is a strategy that is less exacting than the rationalistic one, but not as constricting in its perspective as the incremental approach; not as utopian as rationalism, but not as conservative as incrementalism; not so unrealistic a model that it cannot be followed, but not one that legitimized myopic, self-oriented, non-innovative decision-making."⁵ The last statement in this quote represents the operative clause for the University of Nis.

Shared Values

Shared values are embedded in the university culture, belief systems, and guiding principles. The University of Nis and Serbia are currently going through a shift in their shared values and it will take time for a new culture to form the bonds among the staff across Faculties and University administrators. University Rectors in Serbia have more moral strength than economic strength; however, they do have the power to provide a vision. Rector Zoran Milenkovic articulated three principles guiding his leadership of the UN: (1) integrity and openness; (2) centrality of students – with the changing philosophy from teaching to learning; and (3) and quality assurance inside and outside. The Visiting Team supports the University in its efforts toward such goals, and finds that it is imperative to capture the power of a shared vision. If there is no recognition of the Rector's role as leader from

⁴ Alternative models of governance have been explored in the ASHE Reader, *Organization and Governance in Higher Education*, edited by Marvin W. Peterson, Ginn Press, 1991.

⁵ Amitai Etzioni, *The Active Society*, Free Press, 1968, p. 283. See also his *Mixed Scanning: A Third Approach to Decision Making*, p. 385-92.

within the University, there can be little influence toward the outside (for example, with the Ministries). If the Rector's power within the University is diminished, it results in a "vicious cycle" and a power vacuum in the Rector's Office.

Style and Skills of Management

Given the challenges and the uncertainty of the future, university administrators must take charge of their educational units and guide them toward their purposeful destiny. To do so, careful, expert management is now an imperative.⁶ Also, given the autonomy of the independent Faculties, the Deans have more power than the Rector, leaving the Rector as "a king without a kingdom."⁷

If the University is to move from a collection of autonomous Faculties to an integrated, interdependent and interconnected University, the selection, socialization, and development of Deans, Heads of Departments, and Secretaries of Faculties must be addressed. Their styles and skills must be aligned and must complement a new governance structure, strategy, system and underlying shared values. This would entail professional development of academic leaders to assist them, for example, in moving from a transactional style to a transformational style of leadership.⁸ Academic administrators typically come to their positions without management training, without prior management experience, without clear understanding of the ambiguity and complexity of their roles, without recognition of the metamorphic changes that occur as they accept the role as academic manager, and without an awareness of the cost to their academic and personal lives.⁹ The transformation to academic management takes time and dedication, and not all academic staff makes the complete transition to administration. The University must invest in purposeful and continuous management preparation, especially at the department level. Also the University should target management talent from under-represented groups, since few women and minority professors currently serve as Deans or Vice Deans, and no women serve as Vice Rectors.

Staff

While the Visiting Team did not meet with the academic staff, it is our impression, as it is with most universities worldwide, that faculty members tend to be focused predominantly on their own individualized and specialized activities rather than on departmental and university problems. In the United States, academic departments have been portrayed as "clans of arrogant experts, accountable first to their own agendas, seldom to their discipline, and third – largely as afterthought – to the institution."¹⁰ In addition, the Faculties at UN can earn extra income through student fees or external sources. The

⁶ See George Keller, *Academic Strategy*, Johns Hopkins, 1983.

⁷ See EUA Report, 2001, p. 12.

⁸ For literature review of leadership see James McGregor Burns, *Leadership*, Harper & Row, 1978.

⁹ Walter H. Gmelch, *Building Leadership Capacity for Institutional Reform*, Center for Academic Leadership, Volume 7, Number 1.

¹⁰ *Policy Perspectives*, The Pew Higher Education Roundtable, February 1996, Volume 6, Number 3, p. 2.

University might turn its attention to the academic departments because they, more than any other unit within the University, have the potential to hold their members accountable for the quality of learning and scholarship. They serve as an arena for professors to dialogue about how, what and why they teach and learn from each other. Effective academic departments within UN could serve as *double agents*, working equally in the cause of their discipline and the University, linking its academic staff to both venues. For the academic staff, departments are their home and a place of identification, support, and collegiality. In an environment where the Rector cannot act and the Faculties will not act, the academic department may provide the key to change the culture and launch the process of renewal.

B) Curriculum

The Visiting Team did not undertake a systematic investigation of the University curriculum, per se, nor was it identified as a major focus of the visit. However, during the meetings with students and two 1.5 hour sessions dedicated to “review of the system of credits and standards” and “strategy of academic changes,” several themes emerged as critical to the development of excellence and relevancy in the University curriculum.

1. There needs to be a paradigm shift from teaching to learning. As is currently happening in Europe and America, this is a shift from teacher-centered to learner-centered activities and assessment. For some professors it means transforming from “sage on the stage” to “guide on the side.” With new technologies, self-guided methodologies, and asynchronous learning, the University needs to develop different strategies for learning methods and the organization of studies.
2. Coupled with the philosophy of learner-centered pedagogy is the need to communicate differently with students, from didactic to dialogue and discourse, both in the classroom and in other learning environments.
3. Students spoke freely about the need to update curriculum and make it more relevant to the work world.
4. The transferability of courses across Faculties is of immediate concern, as is the collaboration between Faculties in the delivery of courses and degrees.
5. The adoption of the European Credit Transfer System (ECTS) would facilitate the transfer of courses within Serbia but also throughout Europe as students begin studying in other countries. ECTS could also serve as an external catalyst for comprehensive curricular change and innovation.
6. New assessment models based on student outcomes and continuous learning should be developed.
7. A curriculum audit should be conducted, since over the years courses and programs have been added without concern for subtraction or contraction.
8. Overall, the University might consider “branding” or identifying its market niche in relation to other Serbian universities. Belgrade can claim excellence, while UN claims relevance to the students and Serbia.

9. Finally, the University should develop a guiding philosophy and rationale for curricular change. Change should not be directionless, rather it should be guided by critical criteria such as excellence and relevance.

The themes and issues identified above should not be addressed by using “tinker tactics” or taken lightly or slowly. Together they represent not just incremental change but a transformation of the curriculum. The terms “change” and “transformation” provoke different reactions, but both terms elicit negative responses and resistance from academic staff and managers. By curricular transformation we mean changes that (1) alter the culture of the institution by changing underlying assumptions and overt institutional behaviors, processes, and structures of curriculum and pedagogy; (2) are deep and pervasive, affecting the whole institution and not just selected Faculties; (3) are intentional and guided by students and academic managers and staff; and (4) occur over time and not just episodic alternations.¹¹ This transformation can only occur when directions and strategies are intentional. From the experience of studying more than 26 diverse colleges and universities over a four-year period, the following lessons have been learned about how to create and sustain meaningful institutional change:

1. Leaders make a clear and compelling case to key stakeholders about why things must be done differently.
2. Change leaders craft an agenda that both makes sense and focuses on improvement without assigning blame.
3. Change leaders develop connections among different initiatives and individuals across campus to create synergy and provide momentum for the initiative.
4. Senior administrators support and are involved in institutional efforts.
5. Collaborative leadership identifies and empowers talent across campus and at a variety of levels.
6. Leaders develop supporting structures, create incentives, and provide resources for change efforts.
7. Leaders focus campus attention on the change issue.
8. Institutional change leaders work within a culture while challenging its “comfort zone” in order to change the culture.
9. Leaders plan for change over the long term.¹²

The University’s potential success or failure does not hinge solely on the above strategies. In Serbia, and at the University of Nis, the historical and external contexts are critical as well. For transformational change to take hold there should be a climate of good will and trust, and the University’s Deans, Heads of Departments, and Rectors must stay long enough for the change to gain momentum.

¹¹ Adapted from the American Council on Education report, *On Change V*, Washington DC, 2001, p. 5.

¹² These strategies are elaborated by Peter Eckel, Barbara Hill, Madeleine Green and Bill Mallon in *On Change – Reports from the Road: Insights on Institutional Change*, Washington DC, 1999.

C) Student Involvement

During the visit, the Team met with a small group of student representatives for a wide-ranging and candid discussion on topics that are of particular relevance from the perspective of the student-learner. The Team was delighted to see that they had a sound understanding of the issues at hand and a firm commitment to improving the conditions for students at UN. They were articulate, serious, well informed, and judicious. It is especially noteworthy that they were able to view the situation at UN in the light of the broader developments both within Serbian higher education as well as in the wider European context, notably the Bologna Process, about which they knew more than many others with whom the Team talked at UN.

Not entirely surprising, since it behooves the younger generation to be less patient, the students expressed their dissatisfaction with the pace of change at their University. They bemoaned the discrepancy between lofty programs and goals set forth by the relevant University authorities and committees, and the slowness of their implementation. According to the students, many faculty members are either resistant or indifferent to change and innovation, thus creating an atmosphere where words are not followed by action. They even reported a certain degree of mutual distrust (“They don't believe us and we don't believe them”) when it comes to trying to arrive at a common perception about current deficiencies at the UN (for example, the very low level of student attendance at lectures or seminars, or the high drop-out rate). Needless to say that distrust within a closely-knit community like a university has a polarizing effect and prevents change from happening. The Visiting Team feels that much needs to be done at UN to improve the student-professor relationship and to overcome old patterns of behavior and fixed role models on both sides.

This refers in particular to contentious questions of teaching styles, type and number of examinations, the load and the content of curricula and similar issues. The student representatives reported about experiments with a continuous assessment of students' learning progress at various Faculties replacing the traditional accumulation of oral exams at the end of the academic year, which is objected to by most of the students for obvious reasons. They also knew of the introduction of student evaluation at the Medical Faculty as a means of providing feedback about the quality of teaching (and the qualification of the professor). While they welcomed these new approaches to learning methods, they also deplored the lack of a coherent strategy throughout the University. The individual Faculties decide whether or not they want to be more innovative, and this haphazard approach results in disorienting students and promotes a sense of arbitrariness as to the standards applied to becoming a “good student.” Therefore, the student representatives with whom the Visiting Team spoke were strong advocates of an integrated university, which they see as the most promising option to transcend the defects and shortcomings that have been inherited from the past.

As is the case with students in many other countries, there was a fair amount of discontent and complaint about the curricula being too theoretical and outdated, but also unwieldy and overburdened with exclusively academic interest and relevance. The students requested the introduction of more elements in their programs that are of a practical nature and have a more direct bearing on their future professional life. The Visiting Team concurs with the students that there is a lot of room for improvement with regard to the structure and the content of curricula at UN. It applauds the decision of the University leadership to include the development of educational programs and the enhancement of teaching staff as main priorities in its strategic plan.

As has been mentioned before, the Team would like to encourage the University of Nis to focus very purposefully on this task. This is not only an opportunity to refurbish the curricular content, but also to start changing the culture at UN away from the traditional method of conveying knowledge in the classroom (“*teaching*”) toward a *learning* paradigm that emphasizes the independent knowledge acquisition of the student-learner guided by his or her professors. This approach could also include components of what is internationally known as “service learning,” whereby the students work for a limited period of time outside of the university in community-related projects, mainly (but not exclusively) in the non-governmental sector, as part of their study program. Service-learning would not only respond to the students’ concern regarding the “theoretical” bias of their curricula, it would also encourage the development of social and civic responsibilities in students and contribute to the strengthening of the important non-governmental sector in Serbia. The attention to community-development as a component of learning would give a new and exciting meaning to UN’s strategic goal to enhance its “contacts to the environment,” thus augmenting public awareness of the unique value of UN. There is a wealth of literature on the topic of “service learning” describing best practices and approaches to create opportunities for community service projects as integrated learning activities in particular courses where community issues are highly relevant. The Visiting Team would be happy to share knowledge about relevant materials with colleagues in Nis who are interested in exploring the possibility of adapting this approach to the realities at UN. Finally, the Team also had a short discussion regarding the introduction of a student parliament, for which there is a provision in the current law on higher education. While there were some divergent opinions among the students as to how to proceed in this direction, there was complete agreement that they want to have a legitimate voice and be a proactive partner in the ongoing process of reform at UN. The Visiting Advisors Team sees this commitment as a very positive indication of the vitality of the University and encourages UN leadership at all levels – Rectorate, Faculties and departments – to involve students in relevant matters related to university governance, even if the wording in the current law on higher education might be lacking perspicuity as to how to do this. It should not be forgotten that the students in Serbia played an instrumental role in challenging and finally bringing down the old government. In doing so, they have demonstrated an admirable degree of political maturity that can become a major asset in the process of reforming UN, but also elsewhere in the country.

III: Financial Realities, Challenges and Aims

It is a matter of common knowledge that no university, however prosperous, will ever feel complacent about its financial resources. Of course, the University of Nis is no exception to this. Far from considering itself “well off,” the University must cope with numerous constraints entailed by the unfavorable changes that have occurred in recent Yugoslav history.

In dwelling upon the financial status of UN, the following four basic clusters of problems were identified:

- A. Status quo of under-funded university and commercial sector
- B. Equitable and efficient sharing of finances
- C. Government vs. income from tuition
- D. Enhancement of financial status through economizing / efficiency

Considering the obvious inter-relationship and interdependence of these items, the Team decided to dedicate a coherent chapter, viewed as a unit, on this topic, rather than a “sliced” presentation of the major financial concerns.

UN's financing is obtained, basically, from three sources:

- The Government budget;
- The tuition fees from the fee-paying students;
- Other sources (research projects, rendering of services, etc.).

The greatest part of the UN financial resources comes from the Government budget (an average of 70 percent of the total University finances). Actually, the percentage of Government funding ranges from 50-80 percent, depending on the Faculty.

The Faculties of technical sciences, for instance, are financed 80 percent from the Government budget, while the Faculties of social sciences collect almost 50 percent of their total income from tuition fees. Tuition fees represent about 17 percent of the total income of UN. About 13 percent of the UN funding comes from other sources (services, consulting work, research work, specialized training, etc.).

Given Serbia's history of the last decade or so, UN has been badly affected by economic pitfalls, recession, improper funding for institutional management, decline in student enrollment, inconsistent academic reforms, inadequate adaptation to the rapidly changing academic realities of Europe, low salaries, low budget funds allocated to research work (about 0.2%), unstable strategy in coping with the hard economic and political conditions in the country, and in the immediate community.

Formerly, UN could boast: the status of a successful university oriented to new technologies, a wide range of specialties and specialists, a well-equipped information system, a well-organized university library, properly developed Faculty libraries, a substantive student enrollment, and, last but not least, a most rewarding interconnectedness with the local industry and businesses, which considerably propelled the University.

Times have changed and, at present, UN is confronted with and affected by all the difficulties inherent to the economic challenges with which the country is grappling. Universities cannot be “paradise islands” in “seas of economic and social uncertainties.”

Not surprisingly, UN academics react to this by trying to identify external assistance (i.e. from abroad). Such a reaction is tenable, as long as it is not looked upon as the sole way out of the deadlock. But the new financial strategy at the University of Nis should, in opinion of the Visiting Team, begin “internally” with a better re-evaluation, readjustment or rethinking of existing financial resources, e.g. avoiding costly overlapping (i.e. each Faculty having its own specialists, a fact that seemingly simplifies Faculty management, but which, in actual fact, depletes financial resources).

A departmental system in which departments serve various Faculties of the University would be unquestionably much more rewarding. On the other hand, financial resources obtained from tuition should not turn into a deterrent in terms of quality assurance (too many students vs. a limited amount of facilities).

Despite considerable financial constraints, a coherent and valid financial strategy would see to it that the money obtained from tuition or other sources should not be directed only towards raising salaries, but also to strengthening the University’s capabilities to provide quality education for all students.

Strong, independent Faculties can be regarded as an unquestionable strength of UN, but this reality should go hand in hand with the existence of a strong University, i.e. of a strong, far-reaching, broad-ranging academic policy aimed at securing the expected future development for the whole University, viewed as a consolidated institution, unaffected by inner tensions or conflicts. A good and strong university will always fare better than a single Faculty, no matter how good the latter may be. The advantages (financial ones included) that accrue to a strong university with strong Faculties are inevitably more numerous than those that accrue to a strong Faculty in a loosely-structured university.

On the other hand, the division of the Faculties into “rich” and “poor” (in terms of salaries, tuition fees, investments, facilities, community integration, etc.) will most assuredly have a negative influence on the university as a whole. This is not to say that an imposed “equalitarian” view is to be preferred. There will always be some differences among the faculties, but a well-structured university can be a guarantee that some hard-to-overcome financial shortages will be more easily solved by a properly structured university than by a strong Faculty alone.

Of course, Serbia's incorporation in a common European future is made possible by the country's embarking on a realistic historical course. Returning from isolation will entail a change of conditions for the better. Cooperation and establishing “win-win” partnerships with external institutions will obviously lead to improvements in all fields of activity.

The University of Nis has evident development potentials. It has a good perception of its role in the newly created historical context. It seems to have identified the right people and the right means to make the “change”-strategy true and effective. UN can be most accurately referred to as a “university on the move.” Inertia brings about the end. Moving means decidedness. Decidedness means chance.

The evaluation of the above-mentioned data leads to some remarks and recommendations, which may be worth a closer look:

1. UN seems to direct its whole discontent regarding finances toward the government that must grapple with an economy rife with pitfalls. Undoubtedly, the critical view of the government’s performance is partly justified, but, from reading the UN self-evaluation and from the talks the Visiting Team had with the Deans and faculty members, one may conclude that the general concern is focused on the government performance alone. Little was said about the ways and means of making the best use of the money received, through better management; i.e. by avoiding overlapping (in teaching) and by performing an in-depth curricular reform.
2. The non-government money obtained by UN seems to have come mostly from the tuition-paying students (which, indeed, is one of the major sources of additional funds that many universities in Eastern Europe seem to have resorted to). But, directing this money to various departments should not be easily dismissed by stating that “the money went to the teaching staff or to various Faculties, meeting various pressing needs.” The money allotment ought to take into account such important factors as:
 - A. Money should be primarily directed to the “performance niches” (the University’s fields of excellence).
 - B. The departments that provide more money (tuition money, for example) should benefit more, this being in itself an incentive. Here is an example of how the university money might be divided:
 - i) A University fund (anything between 20-40% kept by the University central administration in view of meeting those expenses or acquiring those facilities that do not belong to any specific Faculty, but to the University as such).
 - ii) 60-70% should go to the Faculties (Schools) in keeping with two criteria:
 - number of student equivalents (the budget money)
 - number of tuition-paying students (non-government money)
 - C. It is also very important that even within the Faculty (School) the money (whether representing State funding or tuition payment) be assigned to various departments in accordance with a set of well formulated and adequately publicized criteria known to literally every member of the academic community. Thus, apart from financial remuneration, the academic community will acquire an increased self-awareness and self-evaluation. Of course, the operation can be accomplished only by having a wholly computerized financial network

and by giving up on the “status quo” i.e. Faculties being fundamentally independent units in a very loose (and not functional) university structure.

But tuition-paying represents only one of the many ways in which a university can provide the extra money necessary to function well. Here are some other means that may produce good and, occasionally, quick results. They can be used (of course, with the necessary adjustment) to the local needs and specific conditions:

- ◆ Restructuring the size of the teaching units (larger groups of students) coupled with the increase of the student-faculty (teaching staff) ratio (something between 12 and 16 students per teacher) would enable UN to approach international standards. Also, one ought not to lose sight of the reality that the average number of classroom attendance hours does not exceed 20-24 hours per week in many European universities (it is 18 and even lower at some others). If these three elements:
 - teaching unit adjustments,
 - student-faculty (teaching staff) ratio improvement, and
 - lowering the average number of classroom attendance hoursare properly balanced, this may entail a superior use of the existing finances, which in its turn may lead to the emergence of superior academic standards.

- ◆ Buying small properties (small factories or small agricultural units) or initiating new projects (e.g. there was some talk about an IT Park at the Faculty of Electrical Engineering) should not be dismissed as unrealistic. But, as in the case of all moneymaking actions, these too must be preceded by competent fathoming of market potentials and a realistic study of the internal capacities of the University.

- ◆ Research work and consultancy can be great assets to a university willing to be strongly interconnected with the community (local, regional and even national). Despite economic hardships, many local enterprises, State-owned or private, may find it a lot more convenient to co-operate with university consultants or research teams, for reasons that need not be expatiated).

- ◆ A modern university publishing house provided with updated facilities (which, of course, initially require some investments) could be of inestimable help to a university in the following ways:
 - publishing at lower costs the works authored by the university faculty and research teams;
 - providing multiple copies (for internal use) of the books that are short supply at the university libraries. Thus traditional lectures (with students carefully noting down everything that the lecturer says) could be altered considerably, enabling students to study by themselves in libraries while the lectures could be converted to highly interactive classes;

- the publishing house could also get involved in non-academic publishing or printing a wide range of materials for various customers, and contribute substantially to the increase of the university funds.
- ◆ The creation of “small centers” focused on short-term studies or specialization may also become an activity that can definitely contribute to the financial advancement of the university (like foreign language learning or short-term specialization in some fields).
- ◆ There are a number of jobs in the university administration that can be easily fulfilled by students doing part-time work. Financially, this would be an advantage for both university administration and students.
- ◆ Some of the students (depending on the field of specialization) can be encouraged to make up small associations focused on research or performing some work associated with their field of competence (health sciences, sociology, etc.).
- ◆ Connection with the community is essential to all these activities, the university’s involvement in win-win partnership represents a great priority, next to its academic goals.
- ◆ Associations and foundations cooperating with the university (e.g. alumni associations, citizens’ associations affiliated with extra university advisory boards), and in cooperation with various foundations (national and international) should also be considered an important means of improving the university’s financial resources. And, finally, gifts and donations should not be overlooked, even at a stage when the State economy is still far from ideal.

Needless to say, these “ways and means” are theoretically all fully perceived by UN, which has every chance of consolidating its identity as a model university on the regional and even the national level. This University has a campus, which, if properly provided with updated facilities, can meet high exigencies.

It seems apparent that a primary goal to be attained at the University is a change of perspective, especially with regard to the question of shared vision, as was mentioned on page 7. It is not enough that people be familiar with ways of improving the University’s financial status; it is very important that they should act accordingly, knowing very well that no university that has set its sights high can depend entirely on government money (which, arguably, is never enough, regardless of the country/university one may single out for exemplification).

Of course, the University of Nis can learn a lot from the bilateral agreements of co-operation it has with foreign institutions of higher education in countries with a prestigious higher education heritage. But occasional visits and sharing expertise with universities in countries with similar “recent pasts,” and which

have identified ways out of what looked like financial deadlocks should not be overlooked but encouraged.

To conclude this chapter on financial matters a university should not depend exclusively (or, should depend less and less) on government money. It should focus on self-financing, submitting this aspect of its activity and all its functions to a “niche-identification process,” constantly checked on and improved by internal and external evaluation, interaction, and proactive university strategy.

Summary Comments

Over the past year and a half, the University of Nis has engaged in open and forthright discussion about its future direction. The Self-Evaluation Report and EUA Institutional Review, along with this document from the Visiting Advisors Team, represent excellent starting points for institutional change and transformation. The University should not wait for new federal laws to be passed, but take the initiative to create its own destiny. This “new beginning” should be reinforced by the articulated beliefs in integrity, openness, centrality of students, relevancy, and quality assurance with the overall goal on evolving towards a more integrated university by strengthening the institutional capacity to pursue a common strategic direction. The process of decision-making in the institutional reform effort should be transparent such that communication and openness permeate all levels and physical locations in the University, with students being active partners in the reform efforts.

Special effort should be given to building cultures of leadership teams horizontally across groups of Deans and Heads of Departments and within other administrative categories (for example, as special Task Force groups complementary to the already existing and legally mandated governance bodies like the Senate), as well as vertically between the Deans and the Rector’s office (e.g. Rector-Dean Leadership Team) and within governance of Faculties (e.g. Heads of Departments-Deans Council). Involvement in and understanding of University decisions must be transparent, balanced, and integrated for the good of the University and its respective Faculties. To begin the process of change and integration, the University may wish to work at shifting the academic enterprise from one of teaching to learning, and become engaged with the communities they serve. Transformation and change take time, but with each change the University community must celebrate its “small wins” along the way to becoming a world-class, integrated university.

Finally, the Visiting Team thanks their UN hosts for their gracious hospitality and friendship, and for their dedication to making the Team’s visit a memorable event. The Team members have learned a great deal, both about UN and about themselves. Nobody can feel impervious to knowing first hand a university aiming at a high academic performance and social renewal. Needless to say, the observations and recommendations in this report should not be taken as “givens” but as a sign of “sharing” creativity. The advantages that have accrued to all of us in terms of self- and institutional awareness will most convincingly help forward academic interaction and friendship.

Visiting Advisors:

Dumitru Ciocoi-Pop (team leader) has been the rector of the "Lucian Blaga" University of Sibiu, Romania since 1992. The former vice rector and chair of the Department of American and British Studies, Dr. Ciocoi-Pop also serves as president of the "C. Peter Magrath" Center for Romanian-American Academic Interaction, president of the Romanian-German Cultural Association of Sibiu, president of the Sibiu Division of the Romanian-Chinese Friendship Association, and honorary president of the Academic Anglophone Society of Romania. He holds a Doctor of Humane Letters, *Honoris Causa*, from the University of Missouri, Columbia, USA. He has been awarded the highest Romanian distinction, the "Star of Romania," Rank of Higher Officer for his personal merits, by the president of Romania. The author of more than twenty books and a number of essays and articles focused on American and British Studies, Dr. Ciocoi-Pop holds a Ph.D. in philology of English and American literature from the "Babes-Bolyai" University of Cluj-Napoca.



Jochen Fried is director of the Universities Project of the Salzburg Seminar, Austria. Prior to joining the Seminar in 1998, he worked as head of programs at the Institute for Human Sciences in Vienna, and as senior officer in the secretariat of the German Science Council in Cologne, Germany. After receiving a doctorate in German literature from Düsseldorf University, Germany in 1984, he was lecturer at Cambridge University, United Kingdom and at the University of Ljubljana, Slovenia under the auspices of the German Academic Exchange Service. Dr. Fried's main area of professional interest is higher education and research policy. He serves as an expert for the Austrian Federal Ministry for Education, Science and Culture, and is a member of the editorial board of the UNESCO-CEPES quarterly review *Higher Education in Europe*.



Walter Gmelch is dean of the College of Education of Iowa State University, Ames, USA. He serves as a member of the Committee on Professional Development for the American Association of Colleges for Teacher Education, and director of the Center of the Study of Academic Leadership for the University Council for Educational Administration. His international affiliations include the positions of consultant and researcher on academic leadership for Monash University, Melbourne, Australia, and consultant for the East Asia Region of Overseas Schools (EARCOS), most recently for Malaysia. Dr. Gmelch holds an M.B.A. from the University of California, Berkeley, and earned a Ph.D. from the University of California, Santa Barbara, Educational Executive Program.



Schedule of the Visit:

Date and time	Topic	Participants	Location
Sunday, March 16th			
14:30	<i>Team arrives at Belgrade airport (OS 773). University cars provide transportation to Hotel</i>		
19:00	Welcome Dinner	M. Sekulovic S. Kitic	Restaurant "Queens"
Monday, March 17th			
9:00 – 10:00	Meeting with the Rector. Presentation of the program.	Z. Milenkovic M. Sekulovic V. Stefanovic I. Milovanovic	Rector's Office
10:00 – 12:00	Tour of university Faculties		
12:30 – 13:30	Lunch		
13:30 – 15:00	From fragmented to centralized university		Room 38
15:00 – 15:30	Coffee break		
15:30 – 17:00	Administration in the changing university and optimization of its structure		Room 38
17:00 – 18:00	Team Debriefing meeting	VAP team	Room 11
19:00	Dinner		
Tuesday, March 18th			
9:00 – 10:30	Strategy of academic changes at the university		Room 38
10:30 – 11:00	Coffee break		
11:00 – 12:30	The system of credits and standards at the university		Room 38
12:30 – 13:30	Lunch		
13:30 – 15:00	Generating the research priorities		Room 38
15:00 – 15:30	Coffee break		
15:30 – 17:00	Financing the scientific research under the budget deficit		Room 38
17:30 – 18:30	Team Debriefing meeting	VAP team	Room 11
19:30	Dinner		
Wednesday, March 19th			
9:00 – 11:00	Meeting with students		Room 38
11:00 – 11:30	Coffee break		
11:30 – 13:00	Students in the changing university		Room 38
13:00 – 14:00	Lunch		
14:00 – 15:30	Student organizations		Room 38

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15:30 – 16:00	Coffee break		
16:00 – 17:30	International Relations Office		Room 38
18:00 – 19:00	Team Debriefing meeting	VAP team	Room 11
19:30	Dinner		
Thursday, March 20th			
9:00 – 10:30	Formation of university budget and attracting external resources		Room 38
10:30	<i>Ms. Ada Pellert departs (OS 774 at 15:15 from Belgrade)</i>		
10:30 – 11:00	Coffee break		
11:00 – 12:00	Decision-making system related to financial issues		Room 38
12:30 – 13:30	Lunch		
13:30 – 15:30	Preparation of the Report	VAP team	Room 11
16:00 – 17:30	Presentation of the Report to the Rector		Room 38
19:00	Farewell Dinner		
Friday, March 21st			
10:30	<i>Departures: Dumitru Ciocoi-Pop and Walter Gmelch: OS 774 from Belgrade. (15:15) Jochen Fried will travel with the team to Belgrade.</i>		

THE UNIVERSITIES PROJECT OF THE SALZBURG SEMINAR

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

The Universities Project is 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 focuses 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

OBJECTIVES

Universities and other institutions of higher learning are seeking to reshape themselves in ways that will prepare them more fully for the twenty-first century. Even as these institutions are considering extensive systemic changes in their academic design, structure, and mission, all desire autonomy in governance and in their intellectual life. Accordingly, the Universities Project aims to promote the higher education reform process by inviting senior administrators to participate in conferences and symposia concerning issues of university management, administration, finance, and governance.

THE VISITING ADVISORS PROGRAM (VAP)

The Salzburg Seminar launched this enhanced aspect of the Universities Project in the autumn of 1998. Under this program, 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. By the end of 2002, more than fifty VAP visits will have taken place to universities in East and Central Europe and Russia. A full schedule of visits is planned for 2003. The addition of the Visiting Advisors Program brings to the Universities Project an applied aspect and serves to enhance institutional and personal relationships begun in Salzburg.

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FOR MORE INFORMATION

For more information regarding the Salzburg Seminar's Visiting Advisors Program, the Universities Project, and Salzburg Seminar programs, please contact one of the Seminar's offices below.

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