
Managing Financial and Human Resources

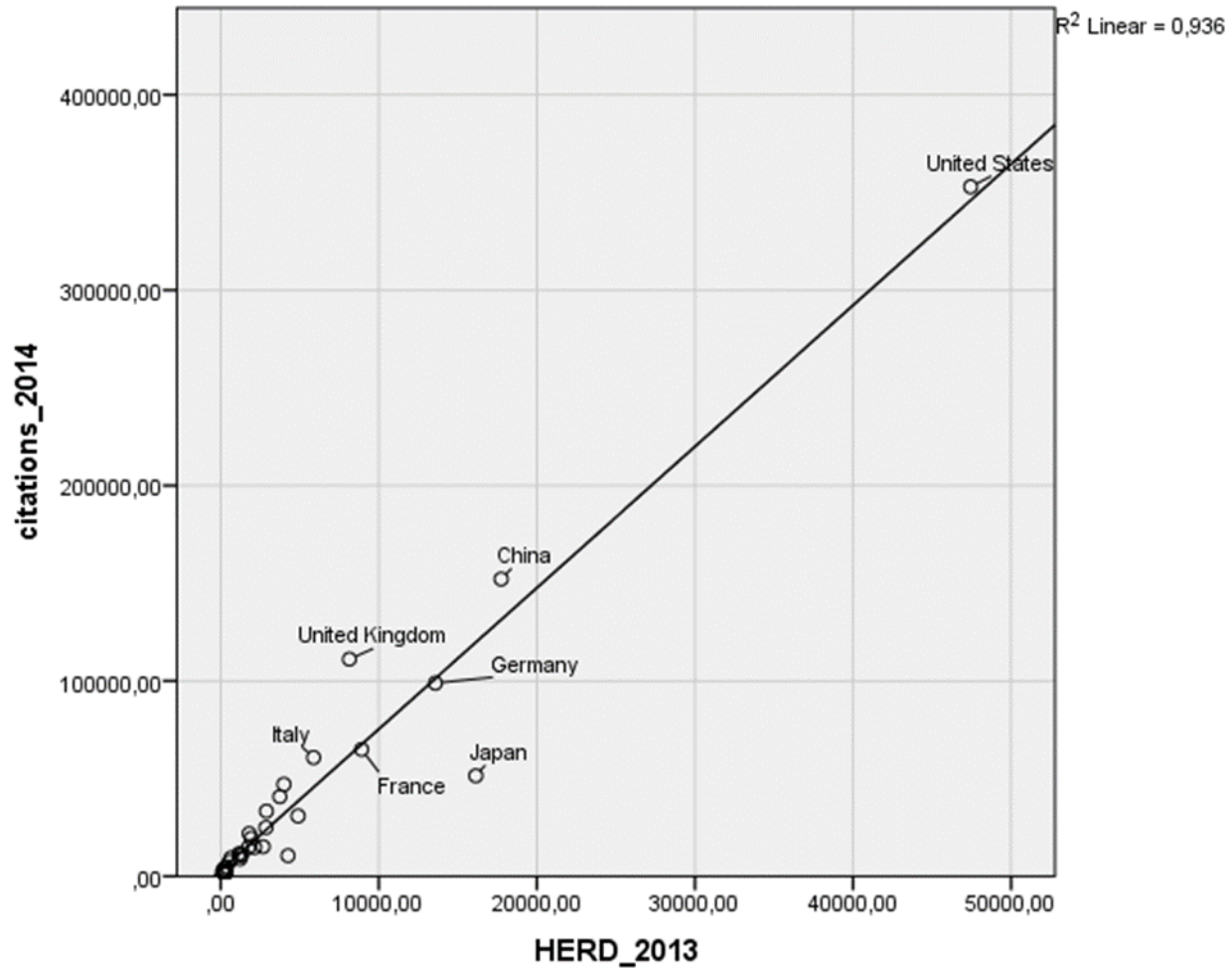
Evidence from European universities

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Resources matters..



..but also how they are managed !

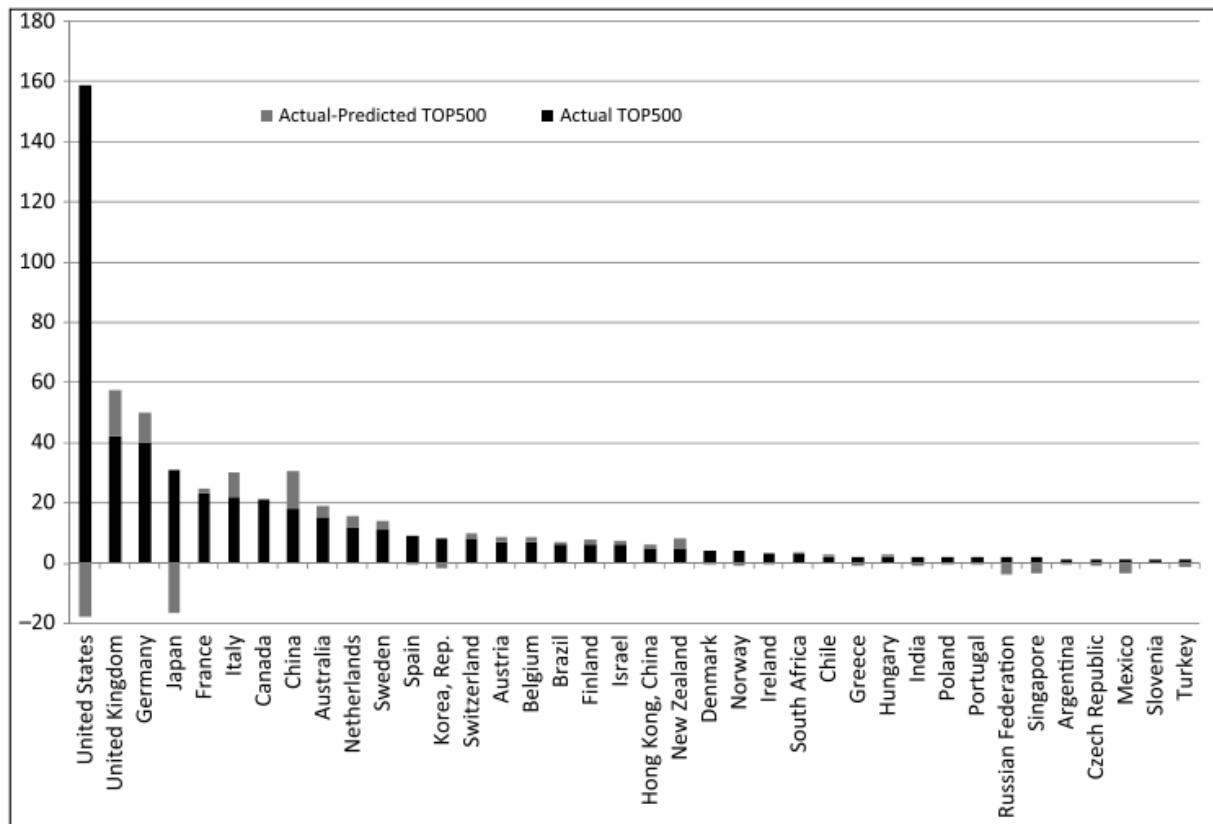


Figure 1. The actual numbers of top 500 universities and the predicted errors for 38 countries.

Li, M., Shankar, S., & Tang, K. K. (2011). Why does the USA dominate university league tables?. *Studies in Higher Education*, 36(8), 923-937

Managing financial resources

Budgeting

How do European universities allocate funding to their subunits?

Transforming Universities in Europe (TRUE project)

- 8 European countries
- 26 public universities
- Exploring the characteristics and practices of universities
- Survey to Rectors, central administrators, board and senate members and deans; 687 completed questionnaires (48% response rate)
- Individual responses were converted into university level scores

University budgeting

Three main dimensions

1. Processes
2. Actors
3. Allocation criteria



Processes

Traditional allocation

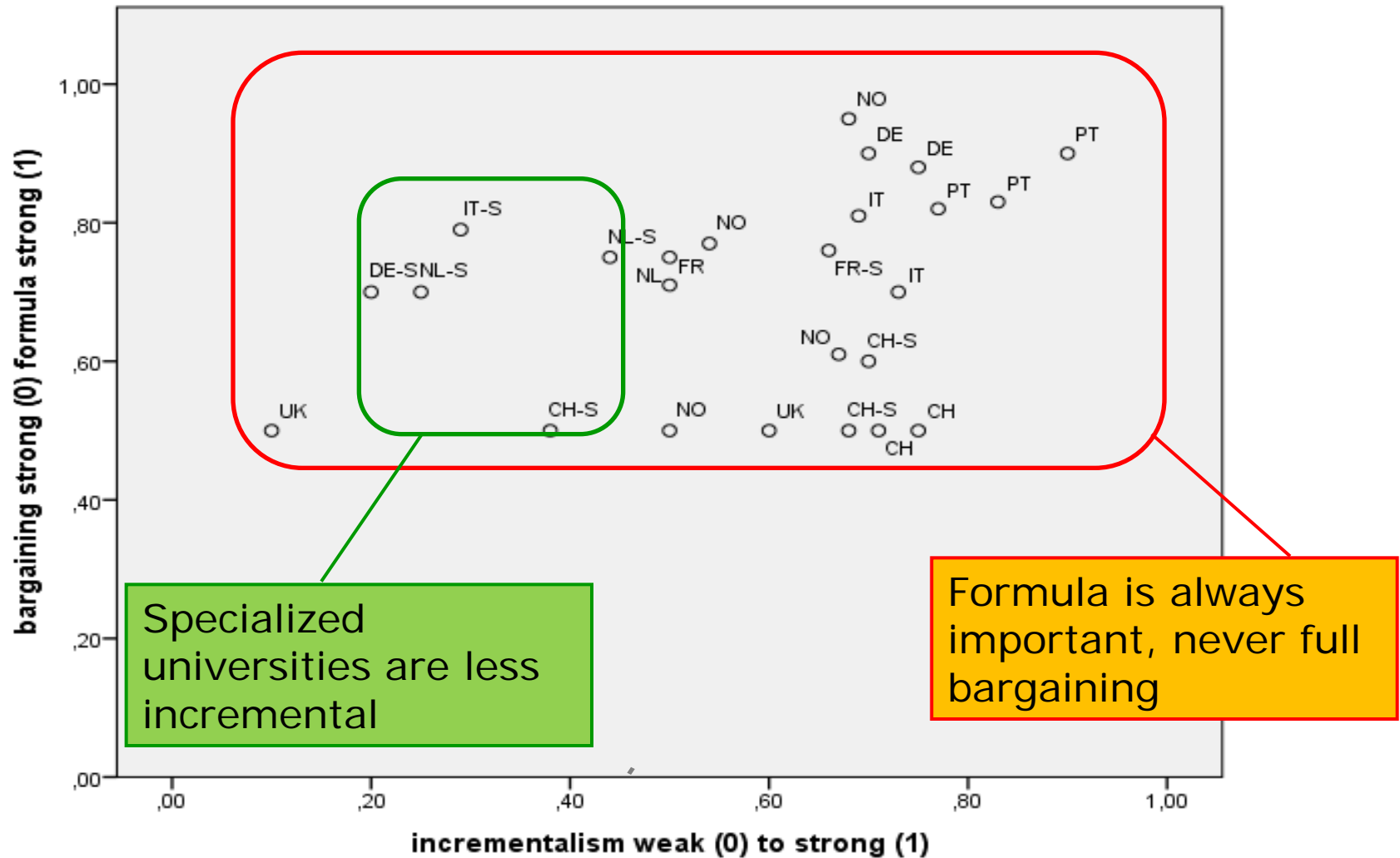
- ❑ pursues stability in the allocation
- ❑ Bargaining between departments
- ❑ bureaucratic principle of incrementalism

Managerial allocation

- ❑ pursues efficiency
- ❑ formula instead of bargaining
- ❑ low incrementalism



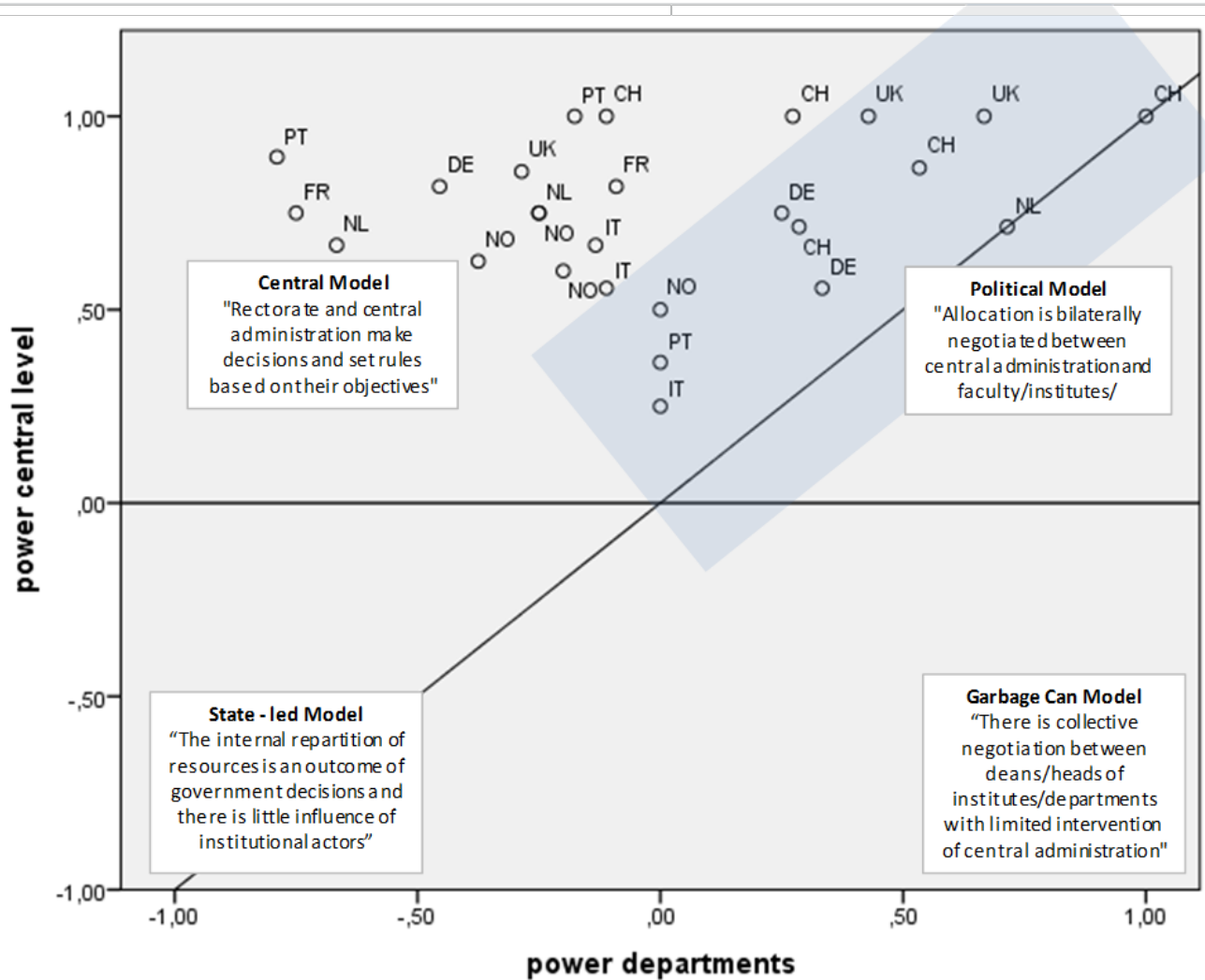
Processes



Actors: who decide?

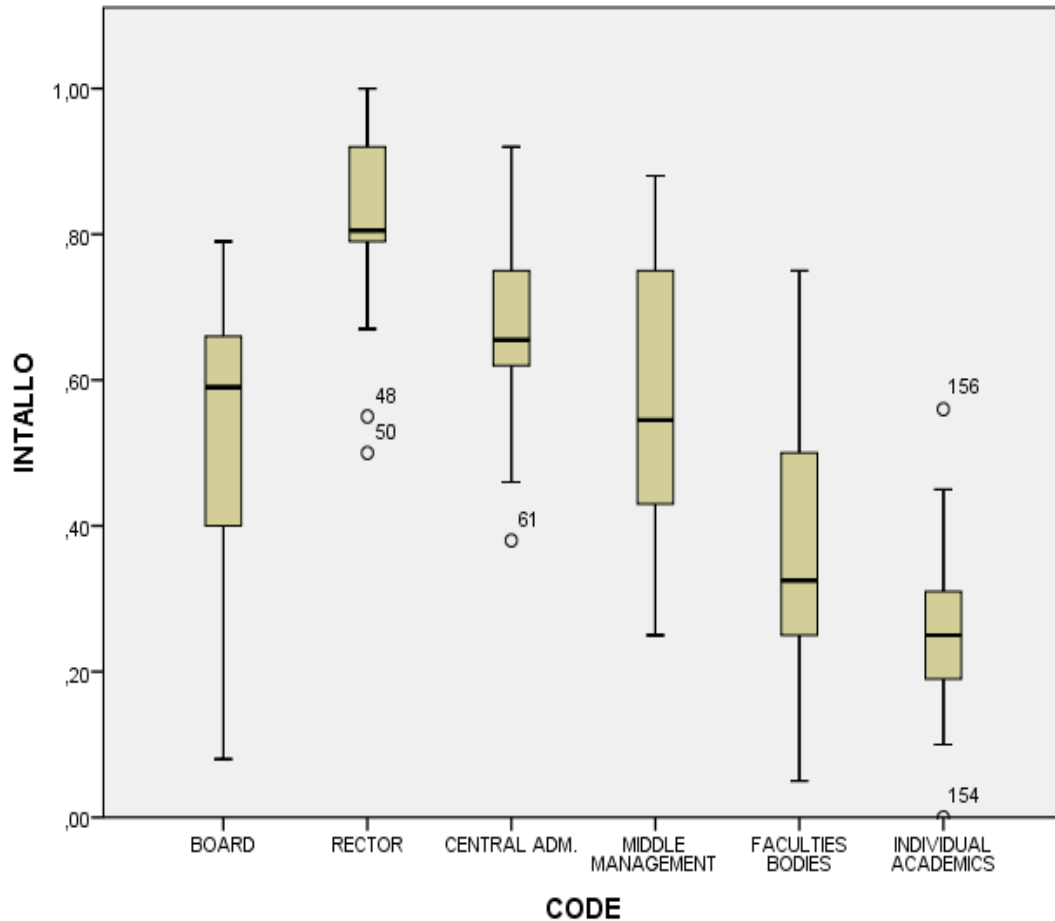
1. Coalitions of departments
2. The university leadership
3. The Government

Actors: who decide?



The central level is always important !

Actors: who decide?



Rectors is the most important player in 22 out of 26 universities

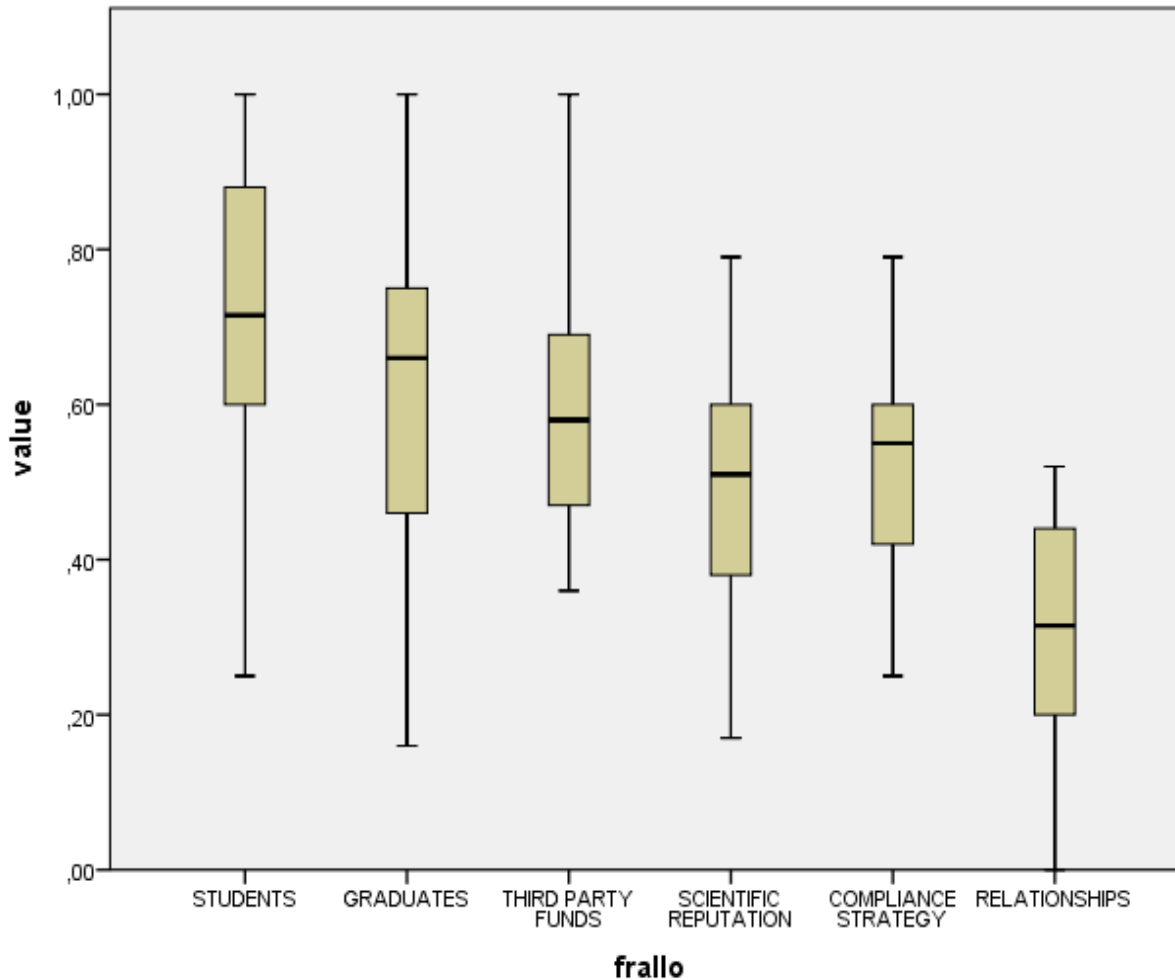
The most notable differences concern the influence of the middle management (dean, directors), which is larger in UK and the Netherlands

Allocation criteria

- ❑ Internally driven criteria: relationships with the leadership, reputation of the unit, alignment with the university strategic priorities
- ❑ Externally driven criteria: number of students, number of graduates, third party funds attracted



Allocation criteria



Externally driven criteria are clearly the most important Especially in UK and the Netherlands. DE, NO and PT are on a middle range. CH and ITA universities give same relevance to internal and external criteria.

Budgeting models

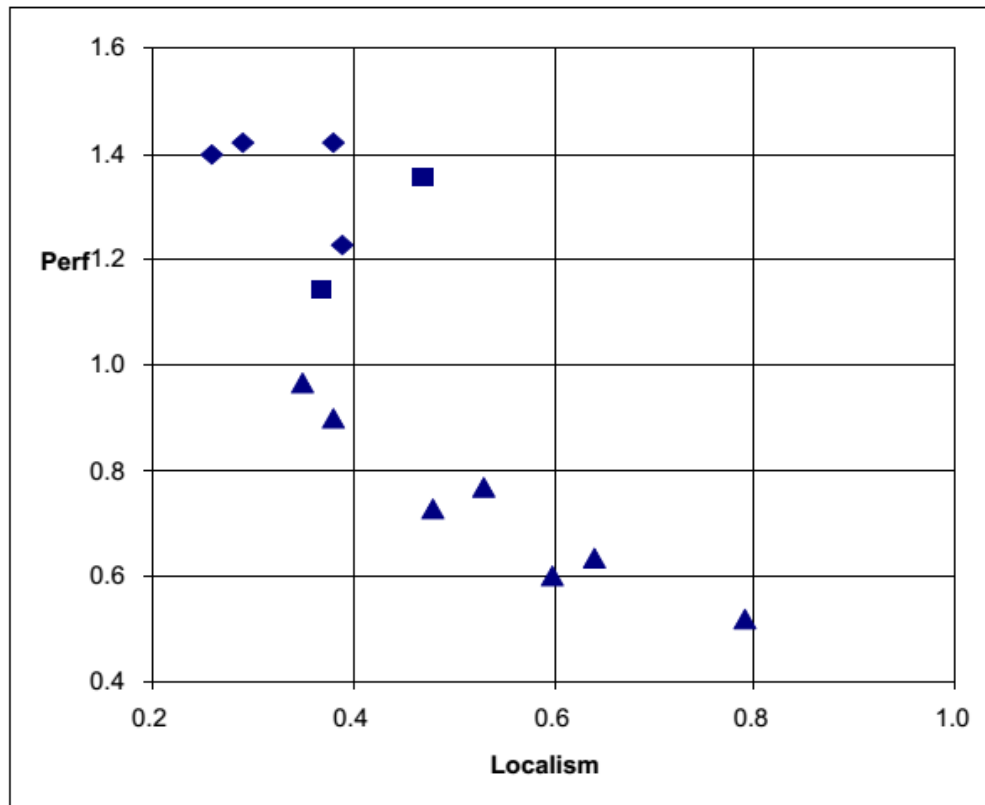
	Formula	Incrementalism	Actors	Criteria
managerial	medium	weak	central	external
academic	medium	strong	political	mix
bureaucratic	strong	strong	central	external

- Centralization nor formula not necessarily reduce the level of incrementalism
- lack of evidence that given budgeting practices are better than others, and no association with a university performance

Managing human resources

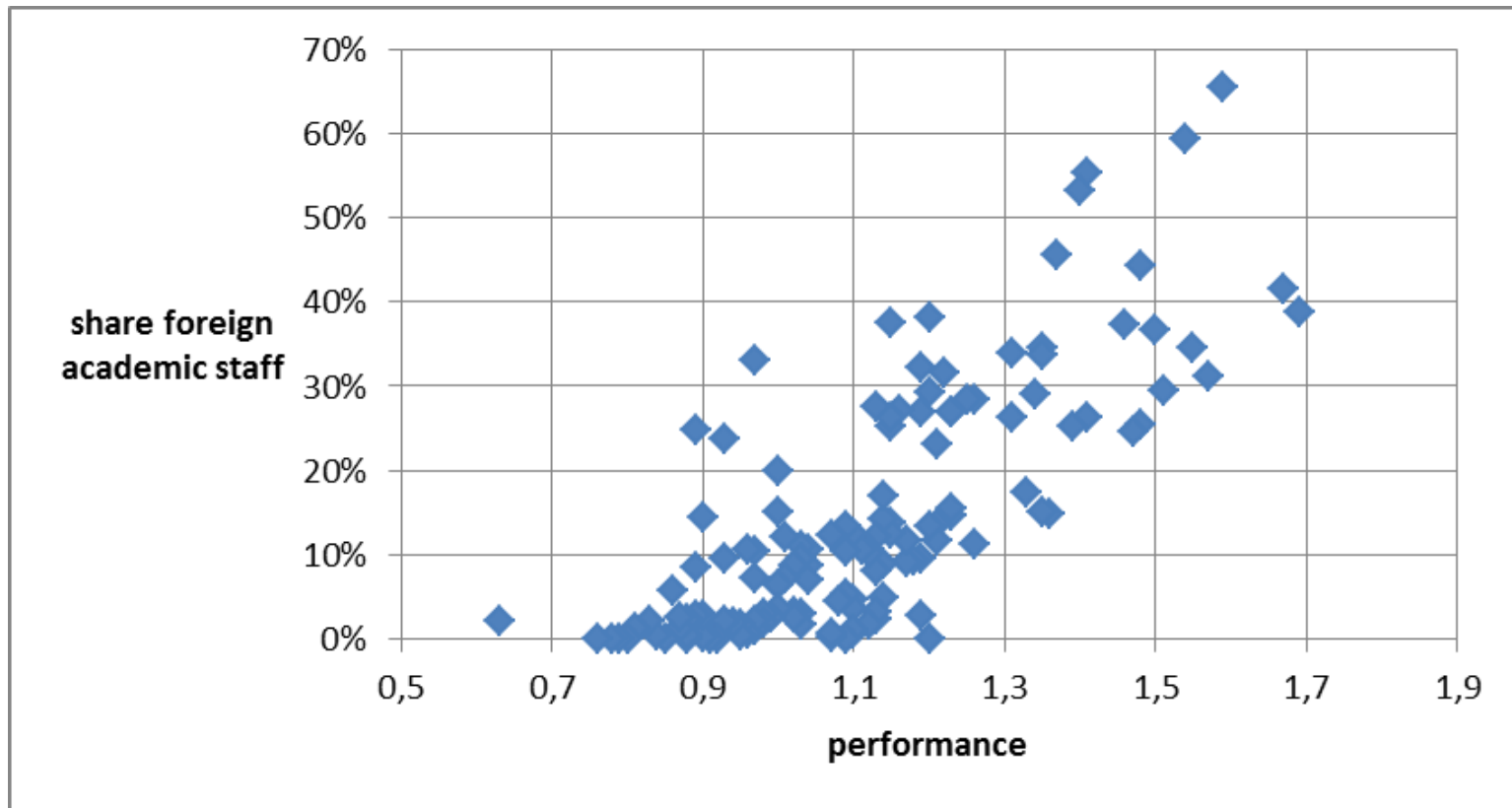
What leeway do universities have to increase the quality of their pool of researchers?

Inbreeding versus openness

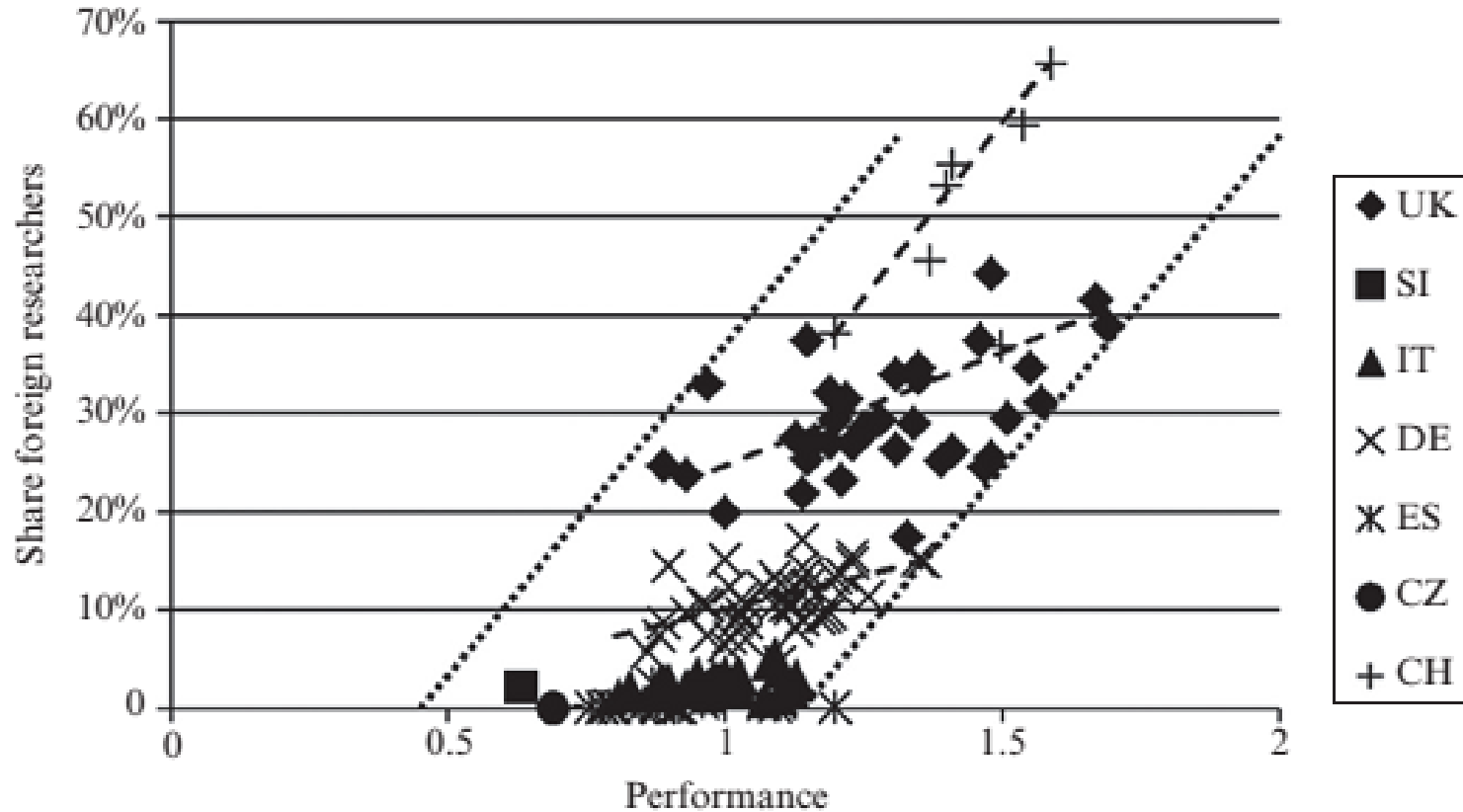


The relationship between scientific performance (VTR) and localism in Italy (% staff born in the province)

Inbreeding versus openness



Inbreeding versus openness

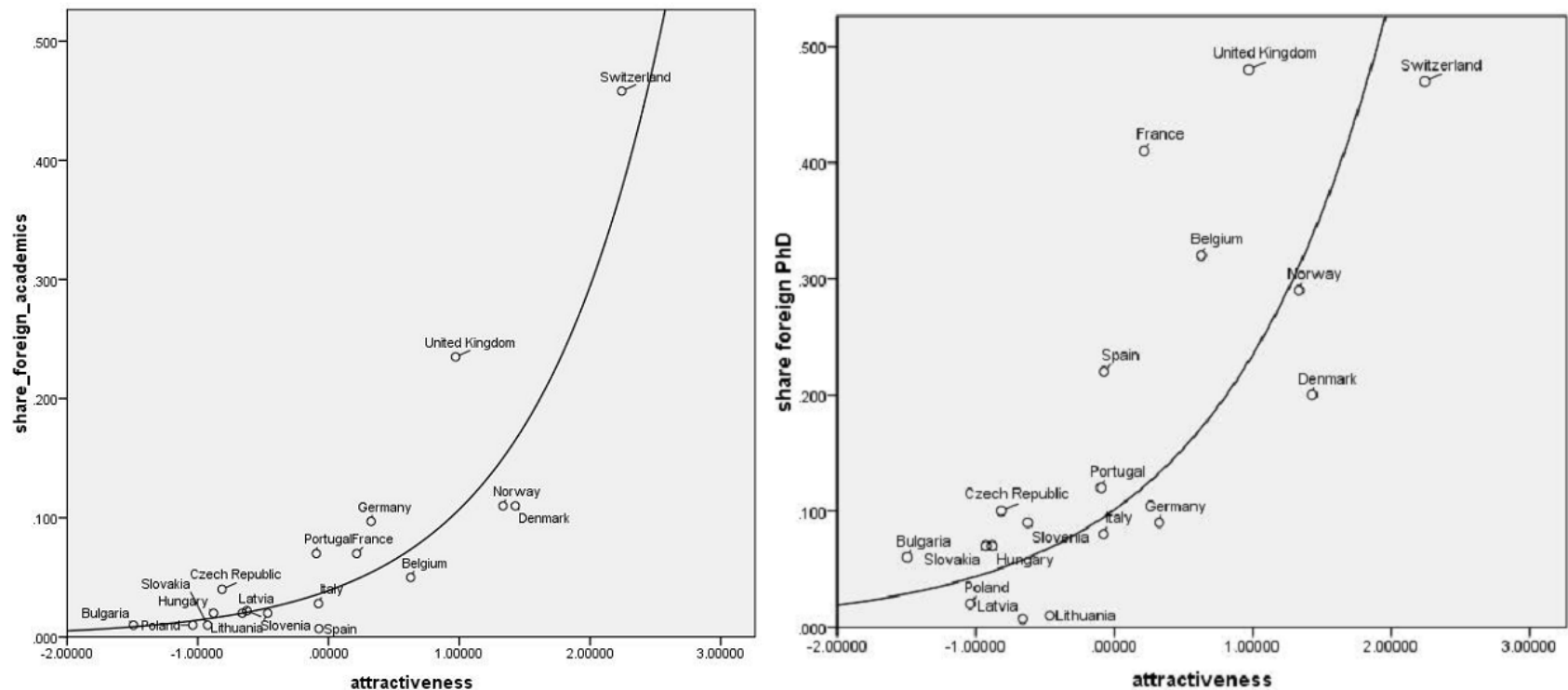


Seeber, M., & Lepori, B. (2014). The internationalization of European higher education institutions. Knowledge, Diversity and Performance in European Higher Education: A Changing Landscape, 138.

Country attractiveness

Figure 2. Internationalization at country level

X axis: attractiveness. Y axis: % of foreign academic staff (left) and of foreign PhD students (right).



Lepori, B., Seeber, M., & Bonaccorsi, A. (2015). Competition for talent. Country and organizational-level effects in the internationalization of European higher education institutions. *Research Policy*, 44(3), 789-802.

Cause and effects:

Resources → talents → performance

To a large extent a country attractiveness and universities prestige predict the capability to attract foreign academic researchers

Therefore:

- there is not a 'fair' intra-European competition for talents, but strong asymmetry
- limits to the leverage at disposal to a university administration
- mimicking the best performer is not necessarily appropriate, it might be even *perilous*

Final Reflections

- ❑ Financial and human resources are crucial for performance → So important that we can not clearly link performance to good practices!
- ❑ European universities display a variety of **budgeting** practices. Yet, no evidence of which ones are the best
- ❑ The capability to compete for attracting and retain research **talents** is strongly affected by a country wealth and university reputation
- ❑ In this conditions, less attractive countries and universities should **differentiate** their recruitment and careers systems from highly attractive ones in order to avoid brain drain

Thanks for your attention!

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