



MANAGEMENT IN THE TERTIARY EDUCATION SYSTEM IN THE EUROPEAN UNION AND IN THE SLOVAK REPUBLIC IN THE SECOND DECADE OF THE 21ST CENTURY

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Abstract: *The paper is focused on the most important problems in managing educational institutions in the European Union and the Slovak Republic as well. Financing the tertiary educational system, density and a number of existing universities (including private universities), a percentage of population that has attained tertiary education, employability of graduates, a number of jobless graduates on the labour market, connecting education with practice and research, gender topics and others are the crucial problems identified in educational systems. In the Slovak Republic and in many EU states as well there is a lack of financing (public and private expenditure on education). Assessment of universities is also an important point concerning the quality of education, professors and all academic staff. The universities also have an important role in providing more opportunities for students to gain additional skills through studies or training abroad and to encourage cross-border co-operation to boost a higher education performance (students' mobility management throughout the world). The crucial role of academic bodies is to provide the best management of universities.*

Keywords: *management, educational systems, financing, universities, tertiary education, labour market, research, mobility of students, employability, public and private expenditure, assessment, quality.*

INTRODUCTION

The main mission of tertiary education not only in Europe but around the world is to develop a harmonious personality, knowledge, wisdom, good and creativity in man and to contribute to sustainable development and improvement of the society as a whole.

Higher education in the Slovak republic has gone through big changes in the last 12 years. We have noticed the process of an increase of tertiary education institutions to the total number 35, 12 from these institutions are the private ones. This expansion of schools of higher education was caused besides a need of education also by the current *migration of workforce* which was engendered by opportunities and challenges of the united Europe.

When comparing the number of students in countries of the European Union or V4, we can conclude that in terms of population in compared countries Slovakia does not fall behind the growing trend in education. The number of university students in the Slovak Republic was 230 127 in the year 2010 with the population of 5.4 million people, in the Czech Republic with the population of 10.3 million it was 392 540 students, in Hungary with the population of 10.1 million 413 715 students, in Denmark with the population of 5.4 million 230 707 students, in Austria with the population of 8.2

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million 284 791 students. It is also possible to name other countries, but if we compare Slovakia with those countries, we can conclude that in terms of compared data our country does not fall behind the worldwide trend (in Slovakia there are 42 university students from 1000 inhabitants). This fact can be stated also due to existing private schools of higher education.

Strategic plans and the situation in education have been changed and influenced not only by the current world crisis but also by the European crisis, which depreciated the years of economic and social progress and revealed the structural weaknesses in the European economy. Long-term issues such as globalization, pressure on resources and ageing population have been emphasized and are rapidly deepening. There was a need to create a strategy that would contribute to resolving the crisis and at the same time transform the European Union into an intelligent and sustainable economy, which is able to support integration, ensure a high level of employability, productivity and social cohesion.

The European Union in order to build up an *intelligent, sustainable and inclusive* economy proposed the strategy Europe 2020, which should ensure economic growth in the next decade. These three complementary priorities should help the European Union and its member states to reach a higher rate of employability, productivity and social cohesion. The European Union set five ambitious targets regarding employability, innovation, education, social integration and the fields of climate and energetics, which should be achieved by 2020.

Growth of intelligence is the priority which concerns most education, education system and its mission and means above all improvement of performance of the EU in the following fields:

- **education** (how to motivate people to be educated and adapt their skills for current requirements);
- **research and innovation** (creating new products and services that will generate growth and new vacancies and contribute to solving social problems);
- **digital society** (usage of information and communication technologies).

The objectives that have been set by the EU in these priorities include above all:

1. level of joint public and private investments in research and development should reach **3 % of GDP of the EU** and conditions for research, development and innovation should be improved
2. through higher employability of young people, women, elderly people, people with low qualifications and legitimate migrants there should be reached a **75 % employment rate of women and men aged 20 to 64 by the year 2020**;
3. increase of education efficiency, in particular:
 - decrease of the rate of **premature completion of school attendance below 10 %**;
 - increase of the share of inhabitants aged **30 to 34, who have completed a university or equivalent degree at least to 40 %**.

In our article we will deal with selected components of the above-mentioned EU goals, mainly with investment in education, tertiary education system and managing universities or schools of higher education.

1. INVESTMENT IN EDUCATION AND FINANCING THE TERTIARY EDUCATION SYSTEM

In the European Union there is approximately 4 000 universities or schools of higher education and more than 19 million students. In recent years there has been a significant increase not only of a number and specialization of these schools, but also a number of students. Funding, administrative structures and curriculum often remained the same.

Competitors of Europe around the world and mainly rapidly growing economies have increased investment in tertiary education system dramatically. The Commission argues that although modernization of tertiary education system has been a priority in many EU countries, the ability of European universities to contribute to development of Europe and play a more important role in the society is still not exploited. Education is therefore one of the fundamental pillars of the strategy

Europe 2020. Its aim is that at the end of this decade 40 % of young Europeans should have a university degree (compared with 33,6 % in the year 2010).

Chart no.1 Investment in education given in % of GDP in the selected EU countries, USA and Japan

EU countries	2004	2005	2006	2007	2008	2009	2010	Goal
EÚ 27	1.83	1.83	1.85	1.85	1.92	2.01	2.0	3.0
Czech Republic	1.20	1.35	1.49	1.48	1.41	1.48	1.56	
Germany	2.50	2.51	2.54	2.53	2.69	2.82	2.82	
France	2.16	2.11	2.11	2.08	2.12	2.26	2.26	
Spain	1.06	1.12	1.20	1.27	1.35	1.39	1.39	
Hungary	0.88	0.94	1.01	0.98	1.0	1.17	1.16	
Lithuania	0.75	0.75	0.79	0.81	0.79	0.83	0.79	
Poland	0.56	0.57	0.56	0.57	0.60	0.68	0.74	
Austria	2.24	2.46	2.44	2.51	2.67	2.72	2.76	
Slovakia	0.51	0.51	0.49	0.46	0.47	0.48	0.63	
Sweden	3.58	3.56	3.68	3.40	3.70	3.61	3.42	
USA	2.53	2.56	2.60	2.66	2.79	-	-	
Japan	3.17	3.32	3.40	3.44	3.45	-	-	

Source: <http://epp.eurostat.ec.europa.eu/portal/> (processed)

Financing universities or schools of higher education in Slovakia (as well as almost in all 27 European countries) is a problem faced by tertiary education system. Slovak tertiary education system suffers from the long-term lack of finances. As shown in the chart no. 1 in the year 2010 we did not fulfil even a third of the target sum in the EU countries. In the European Union the average expenditure on universities or schools of higher education is 1,89 % of the gross domestic product (GDP), while in Slovakia investment in higher education was 0,51% of GDP in 2004, in 2005 it was 0,51% of GDP, in 2010 0,63% of GDP. In the USA it was for example 2,79% in 2008, in Japan 3,45%. In the amount of subsidies from the Ministry of Education in the Slovak Republic there are also included social affairs of students, i.e. social scholarships, incentive grants, contributions for food etc. that further reduce a real amount of funds, which can be used for education and research at universities. The long-term under-funding of tertiary education causes most of all the lack of university equipment, then the fact that young talented people leave schools and also a low level of accommodation and other social aspects of students.

In the world universities or schools of higher education are financed from several sources. There is usually a combination of public sources, actual income of universities and private finances. Public resources can be divided directly for example as in Slovakia according to a number of students or it is necessary to apply for them through grants in competition. In many countries and also in the Slovak Republic universities or schools of higher education take care of a part of revenues through its property and business performance.

The country where tertiary education is influenced the most by market mechanisms is the USA. A school fee at state universities ranges between 10 000 and 14 000 dollars per year, at private ones it is from 14 000 to 30 000 dollars. The individual category is represented by the schools from famous Ivy League (Harvard, Princeton, Yalle), where a school fee reaches 50 000 dollars. The amount of a school fee is influenced by popularity and quality of a school, but also by the amount of money contributed by the state of the Union and so-called residency principle. In practice it means that

a student who lives in a state, where a university is located, should be entitled to have a discount on a school fee.

Chart no.2 Expenditure on education from private sources given in % of GDP in the selected EU countries, USA and Japan

EU countries	2001	2002	2003	2004	2005	2006	2007	2008
EÚ 27	0.60	0.60	0.64	0.65	0.70	0.67	0.72	0.75
Czech Republic	0.40	0.24	0.37	0.61	0.57	0.53	0.51	0.57
Germany	0.96	0.87	0.92	0.91	0.92	0.71	0.69	0.70
France	0.56	0.56	0.56	0.55	0.55	0.54	0.53	0.60
Spain	0.57	0.54	0.54	0.61	0.53	0.52	0.61	0.66
Hungary	0.55	0.55	0.56	0.52	0.49	0.54	-	-
Lithuania	-	-	0.46	0.48	0.49	0.46	0.45	0.52
Poland	-	0.64	0.66	0.59	0.55	0.54	0.50	0.74
Austria	0.32	0.38	0.31	0.40	0.48	0.59	0.48	0.50
Slovakia	0.11	0.20	0.45	0.75	0.70	0.62	0.53	0.70
Sweden	0.20	0.17	0.19	0.20	0.19	0.17	0.16	0.17
USA	2.26	1.90	2.05	2.33	2.32	2.35	2.58	2.10
Japan	1.18	1.21	1.25	1.23	1.54	1.66	1.64	1.66

Source: <http://epp.eurostat.ec.europa.eu/portal/> (processed)

It is obvious from data in the chart that there is an increasing though fluctuating trend in spending on education in those countries. It is interesting that there is a slightly decreasing amount of private funds in the USA, what can be at least partly attributed to the financial and economic crisis. In Japan there is a steadily increasing trend which corresponds to general respect for education, especially technical education in this country. In addition, according to sources of the OECD Japan belongs to the countries with the highest fees for tertiary education. France, the USA and Austria belong to the same category of the countries with the highest fees according to the same source. In Slovakia a percentage of private funds for education has increased nearly seven times, what clearly indicates an increasing number of private universities or schools of higher education to the total number 12. We can conclude that private sources of financing schools – grants and donations from foundations, corporations and individuals that are common in the world, are becoming more important also in Slovakia.

2. GOVERNANCE (MANAGEMENT OF UNIVERSITIES)

On the basis of knowledge and analysis of the situation of universities or schools of higher education in Europe we can say that European tertiary education institutions are legally autonomous. Their autonomy is restricted within national systems through responsibilities which are aimed primarily at support of trust among universities and the society. In each member state an official legislation determines structures of institutional governance and spheres of accountability for public and private universities or schools of higher education subsidized by a state.^{1/}

For universities to fulfill their essential role – to educate successful graduates, it assumes existence of a functioning system of quality management for education including mainly its providing, managing, monitoring and evaluating. The need for this system is evident in this period and the opener

our tertiary education system for foreign students' studies at our universities or our students' studies abroad, the more urgent this need. Providing and evaluating quality of tertiary education has become an integral part of tertiary education management in the last ten years. In order to increase the level and international evaluation of tertiary education system we need to give more attention to issues of managing quality of education than nowadays.

It seems that there are some rules which should be the fundamentals of managing quality of education:

- Continuously improving the quality of study programs, work and education of students,
- Responsibility of a university for providing a high quality education and diversifying its offer,
- Evaluation of quality of education has to be carried out at the level of external and internal evaluators

Each university can determine several criteria according to its strategic plan within its internal autonomous managing. In a tertiary education institution individual management tiers are responsible for its performance. A primary authority (usually rector of a school) is generally considered an *executive head* of an institution, who is responsible for strategic planning, development, organization, management and monitoring. *Academic bodies* of a university are considered as *decision-making* bodies in most cases. Lately in some cases there has been a trend towards involving external groups from industry, business and civil society particularly as members of *advisory or supervisory bodies*.

Sufficient *communication* and application of all its forms is also necessary for effective management of universities or schools of higher education. As an academic community usually expects that high quality is attractive itself, attractiveness of a university depends on how this educational institution is perceived by the public. Universities need to inform the society better about values they create and should invest more money in their presence and domestic or global marketing.

An essential part of marketing management of a university or school of higher education is communication. Through communication a university needs to inform the public about its activities, objectives, offers and attract potential clients who will be interested in offered services. It also needs to have some given tasks which are to be carried out in the process of marketing communication. The main tasks are above all the following:

- Create or improve the image of a school,
- Build loyalty and support of graduates,
- Obtain potential sponsors,
- Attract the attention of potential students and increase a number of good candidates for studies,
- Build a higher attractiveness of a university compared with competing universities and the economic practice in attracting top experts in that science field and others.^{2/}

Regular internal and external evaluation of a tertiary education process also belongs to high quality effective management. Its object is primarily control of an education process. Evaluation of a tertiary education institution can provide an opportunity for introducing evaluation criteria from universities abroad and evaluate a level of study experience of students.

The European Commission to provide support for management of universities necessary for implementing important changes and strategic priorities has appealed to the member states to guarantee in particular:

- Regulations and incentives for modernization of a system within the European context, verification and validation of informal studies, the European charter for researchers,
- Agreements between a state/region and each university, which will set strategic objectives for several years, commitment of university administration to achieve them and a fixed and variable amount from public funds, which will be provided,
- Effective empowerment of universities to make and implement decisions by a team leader with sufficient authority and managerial skills, term in office that is long enough and extensive European/international experience.^{3/}

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