



Governance and Management of Universities

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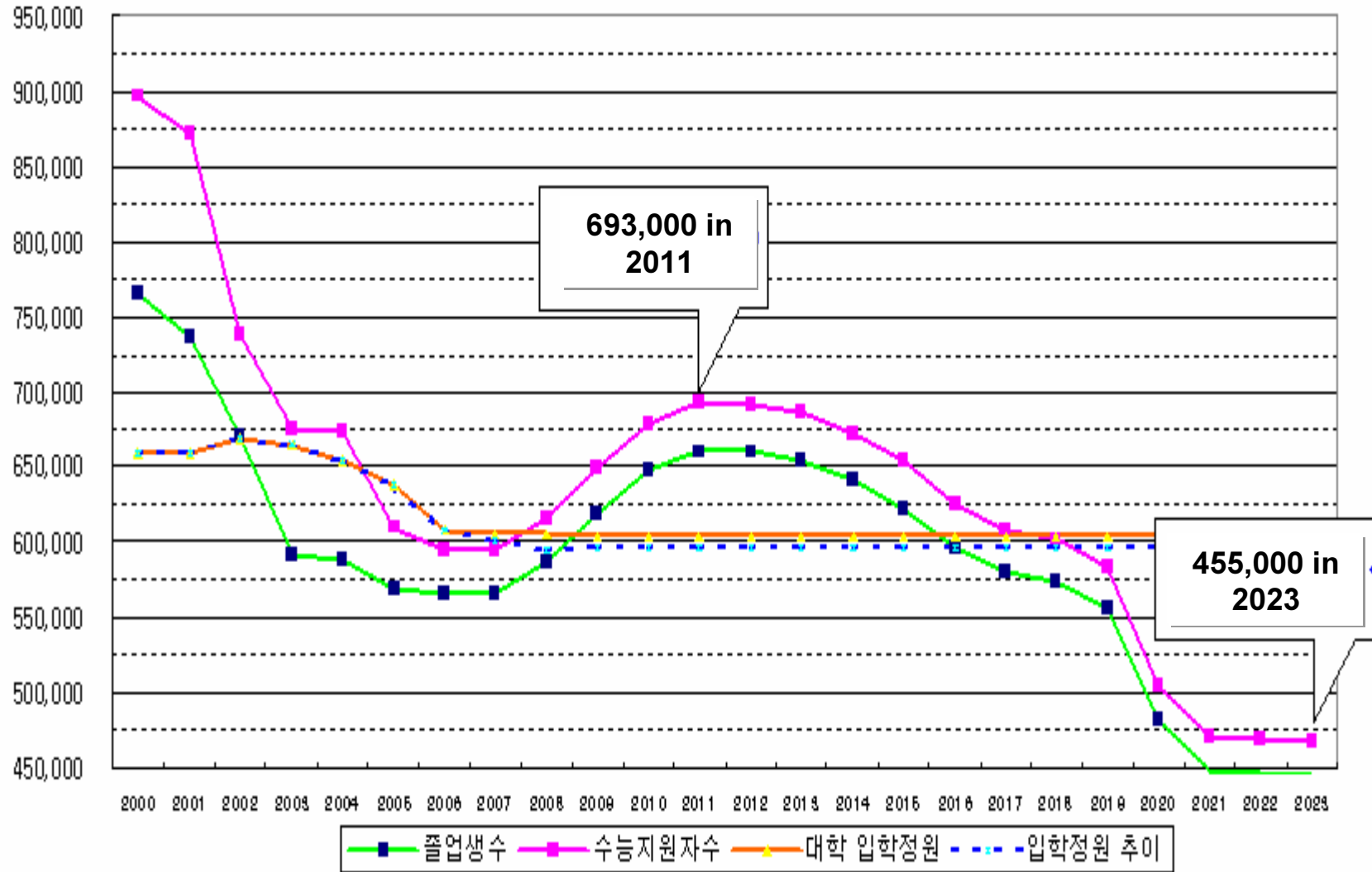


Environment Change in Korea

- ◆ Expect a decline in enrollment rate
 - ❖ By 150,000 students in 15 years
- ◆ Declare to give more autonomy to universities
 - ❖ 80% of universities in Korea are private institutions
 - ❖ Tight control in the past
- ◆ Recession will persist in the near future
 - ❖ Difficult to fund-raise from industry
 - ❖ Not easy to raise tuition fees



Enrollment Decrease





President Lee's Policy

- ◆ Myong-Bak Lee says,
 - ❖ “University is also a company. It can be exited if it has no competitiveness.”
- ◆ Exit criteria
 - ❖ Decision based on evaluation (e.g., student enrollment, financial health, and potentials)
 - ❖ Government support based on job placement
 - ❖ Select research-focused universities and give government subsidy



KU Governance Structure

◆ The existing structure

- ❖ Board of trustees
- ❖ The Management Board

◆ Observations

- ❖ No senate system even though the Faculty Council exists
- ❖ Strong voice from student and staff union bodies
- ❖ The Board of trustees sets up its own mission and strategies and the university president implements them.

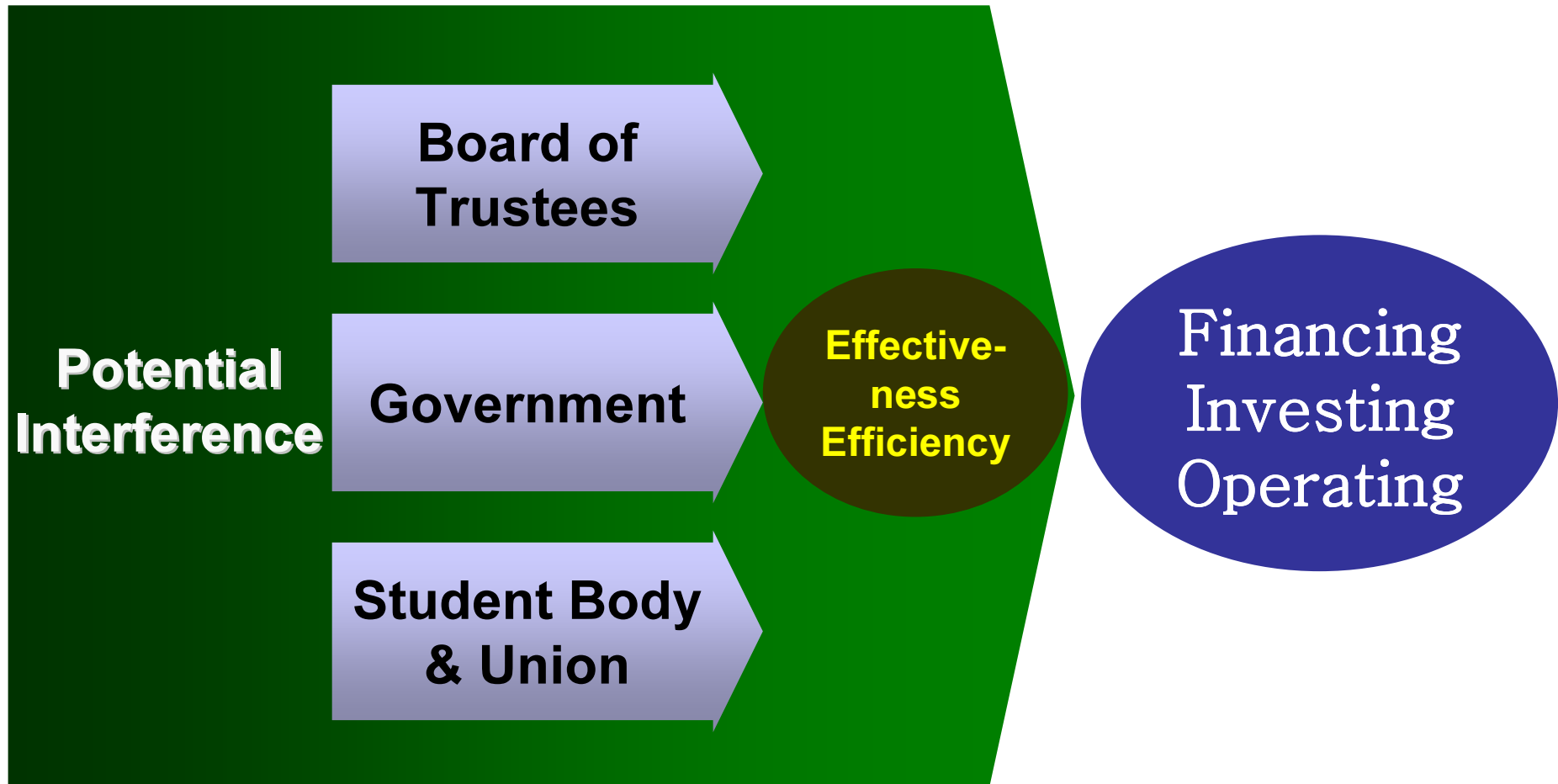


Autonomy Issues

- ◆ Must demonstrate compliance with respect to
 - ❖ specified industrial relations policies and
 - ❖ governance protocols regulating the composition and behavior of our governing body
- ◆ The operating grant takes the form of a contract
 - ❖ Must admit a specified number of students in defined disciplined areas with tight tolerance limits for over-enrolling and under-enrolling



Interest Parties



More autonomy requires more voluntary monitoring

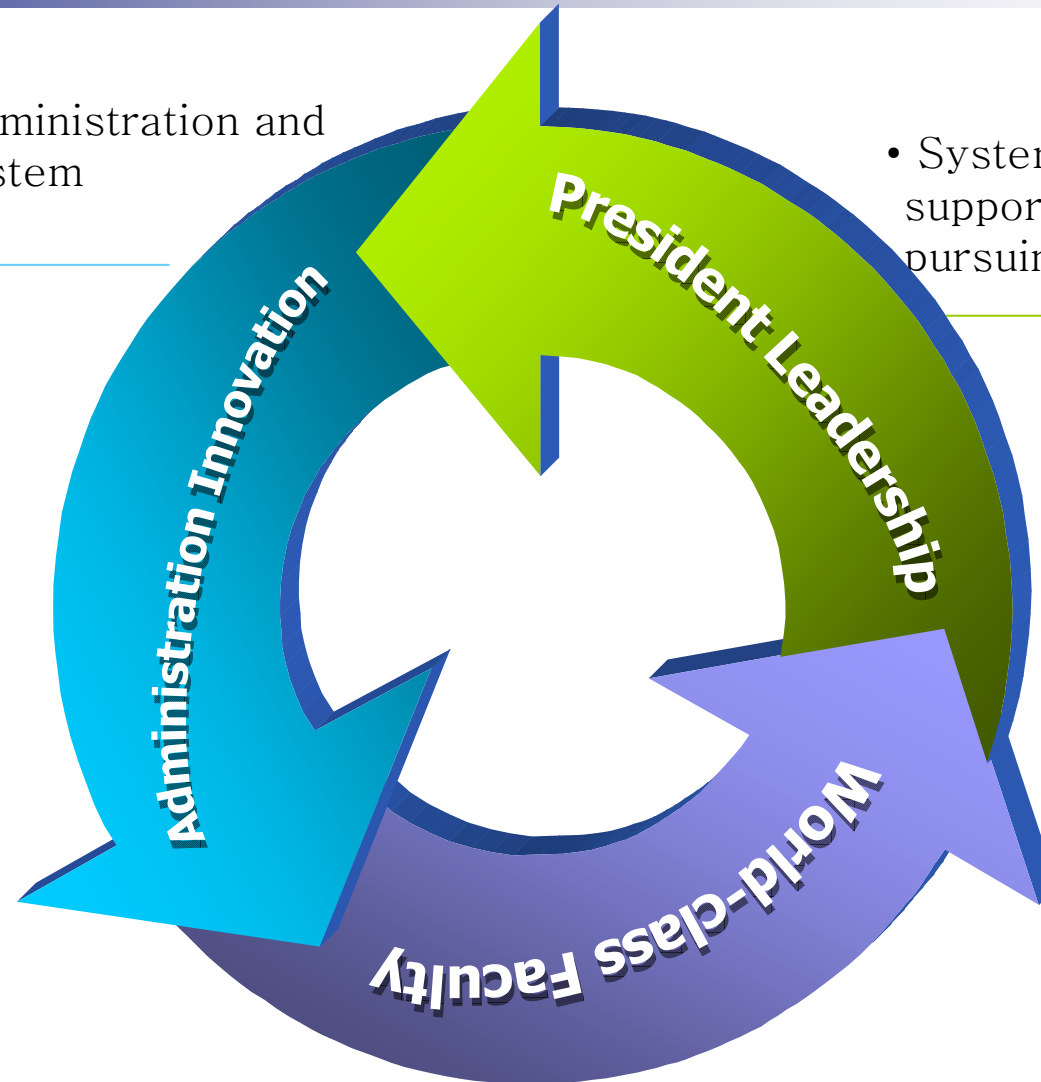


University Transformation

- Specialization in administration and advancement in system

- System build-up to support continuation of pursuing strategy

**Need more
AUTONOMY**

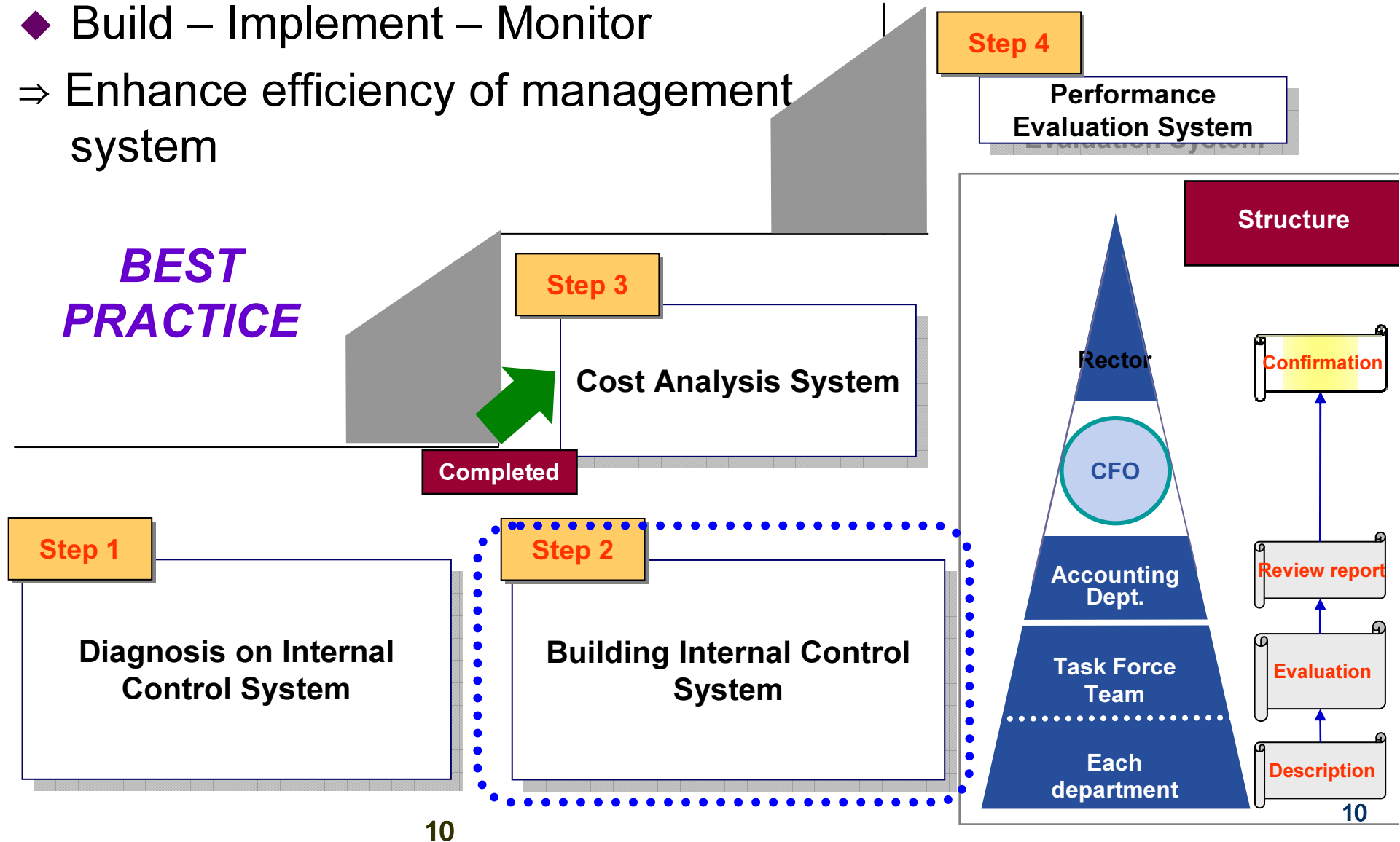


- Evaluation and remuneration

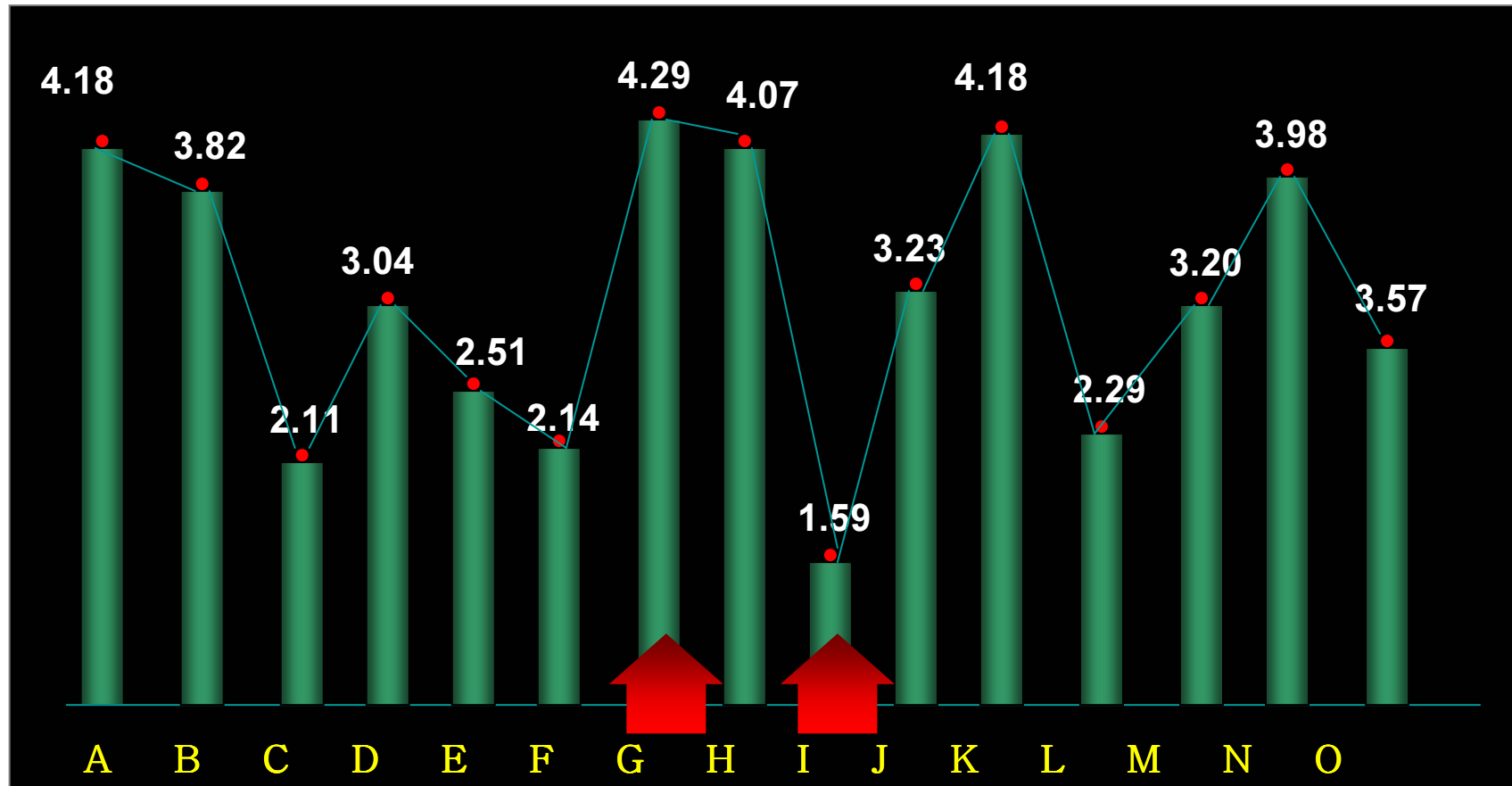


Internal Control over Financial Reporting

- ◆ Build – Implement – Monitor
- ⇒ Enhance efficiency of management system



Example: Basis for Decision-making



Ratio of Revenues to education cost by school



Staff Training Programs

◆ Purpose

- ❖ Enhance staff specialization and capacity

◆ Programs

- ❖ KU ABC (Administration, Business & Culture) program: similar to Advanced Management Program
- ❖ KU Academy (Intensive, Winter/Summer)
- ❖ Benchmarking top-leading schools
- ❖ Outsourcing courses/lecturers/programs
- ❖ Financial support for degree programs



Recommendations

- ◆ The university should be responsible for operational matters
 - ❖ Key performance indicators allow the government and its Board to monitor the operation of the university
- ◆ It is the university's best interest to voluntarily adopt such key indicators
 - ❖ This allows the university to have an effective channel to communicate with the government and its board
- ◆ The university should be financially transparent and operationally efficient
 - ❖ The university should adopt the best practice for operation and innovation
- ◆ Internationally active and recognized



Life is
too short to be serious!