

CITY UNIVERSITY OF HONG KONG

**MANAGEMENT REVIEW
PROGRESS REPORT**

January 2001

An electronic copy of this report is available on the web site of
the City University of Hong Kong at
http://www.cityu.edu.hk/op/Management_Review

City University of Hong Kong

UGC Management Review – Progress Report

1. Introduction

The University Grants Committee conducted a Management Review of the University in August 1998. Subsequently a report was issued presenting the key findings and recommendations of the Review Panel based on the information collected by the consultants and the two-day visit of the Panel members. Following the publication of the report, the University has improved its administrative processes and practices in response to the comments of the Review Panel. This report gives an account of the University's progress and improvement with respect to the various issues identified in the Management Review.

2. Strategic Planning Processes

The current Strategic Plan of the University covers the period from 1997 to 2002 and implementation of the Plan is well underway. In the light of the changes in the higher education sector as announced in the report of the Education Commission and the Government's Policy Address, the University has started the process of preparing a new Strategic Plan for the next development period. As a start, the University organized two Management Board retreats in 1999 to identify major issues and chart the future direction and development of the University. A number of Council members were invited to join the discussion. Following the retreats, eight critical issues listed below were identified and eight Task Forces formed to examine individual issues and make appropriate recommendations:

- (a) Applied research development
- (b) Budget management
- (c) Campus development
- (d) Curriculum review
- (e) Community college/Continuing education
- (f) Image building and promotion
- (g) Administration streamlining
- (h) Staff development and staff retention

The Task Forces submitted their reports in June 2000 giving a critical review of the current situation and recommending steps to move the University forward. The University has already begun the process of implementing some of the recommendations and these reports will form the bases for the new Strategic Plan.

Another major development on which the University has embarked is the establishment of a community college, which will consolidate the operations of the College for Higher Vocational Studies and the School for Continuing and Professional Education. The new college will offer a major increase in student places at Associate Degree level and below. The prime objective of the new college will be to offer this expansion in places with no additional UGC funding for sub-degree work. A Planning Committee, chaired by the Vice-President for

Institutional Advancement, has been formed and charged with the responsibility to plan the establishment of the new college. A number of sub-committees, namely the Finance and Administration Sub-committee, Physical Structure and Facilities Sub-committee and Academic Structure and Curriculum Sub-committee, have also been formed to consider various aspects of the development. Extensive staff consultation was conducted with a forum organized and a website designed to collect feedback from the University community.

3. Resource Allocation

With the introduction of a budget hearing exercise in 1998, the University has adopted a mixed approach to the budget allocation exercise combining a formula-based budgeting model with value-based judgment. To start the budget process, a formula-based budget is calculated for each Faculty based on the student credits and research performance of the departments within the Faculty. The Budget Committee then holds a series of budget hearing with individual Deans and line managers to discuss their difficulties encountered and plans for the future years. Following the budget hearing, the formula-based budgets are adjusted to better reflect their resource requirement and to support any new initiatives endorsed by the Budget Committee.

The budget hearing has proved to be a very effective communication channel for the exchange of views and ideas and for the discussion of challenges faced by the Faculties. The University will attach more weight to the budget hearing exercise as it plays an important role in ensuring that plans at Faculty level are coherent with the University's objectives and priorities and that resources are steered to support new initiatives in line with the University's development. The University has also encouraged the Deans and line managers to adopt a similar process for distribution of budgets to their departments. Again this is to make sure that departmental plans and activities are consistent with the wider goals of the University.

As regards the formula-based budget, the University has modified the resourcing methodology for the allocation of teaching budgets in response to the departments' call for a more transparent funding formula. The new model is a much simpler model which removes the concept of discipline weighting. It resources each student credit by a unit value. Based on the total number of student credits offered, departments can easily calculate their teaching budget entitlement.

For the allocation of research budget, the University maintains that it should be based on the research performance of departments as reflected in the Research Assessment Exercise. However the University is aware of the fact that this allocation may not truly reflect its research objectives and strategic priorities. For this reason, additional resources have been allocated from the President's reserve to support new research activities. For instance, the University has set aside \$25 million for the establishment of a Centre for Cross Cultural Studies and a Centre for South East Asian Studies.

Compared to research performance, teaching performance is more difficult to quantify and it is difficult for performance to be built into the funding formula. To promote excellence in teaching and to provide incentive for non-academic units to improve their service delivery, the University has introduced two departmental reward schemes in 1999/2000, one for academic departments to reward excellence in enhancing student learning and the other for non-academic units to reward excellence in performance. A total of \$20 million was set aside for the schemes, \$15 million for academic departments and \$5 million for non-academic units.

To encourage departments to embrace more fully the spirit of the credit unit system, the University will set aside resources to implement an incentive scheme to reward departments which take steps to broaden students' scope of study and to reduce their workload. Details of the scheme will be subject to the recommendations of the Curriculum Review Task Force, established to review the operation of the credit unit system.

The University will continue to top slice 5% of the budget as President's reserve to support new initiatives and developments. Our current experience is that the bulk of recurrent resources, about 65%, is used to support the core teaching and research activities of the University. Resources to administration and support services currently account for some 30%. Over the last five years, administrative units have been experiencing an annual cut of 3% in their budgets. To cope with the budget cut, they have streamlined their processes and increased their productivity. Through a benchmarking exercise, the University believes that its percentage of administrative costs is probably the lowest among all UGC-funded institutions. The University therefore decided not to have a further cut on the administrative budget, but to cap it at 30% for the coming years.

4. Implementation of Plans

The University has an annual progress review on the implementation of its Strategic Plan, which is reported to the Management Board and the Council. In addition, all the academic and administrative departments have to submit an annual report to the Management Board. Reports of academic departments are required to list their major achievements for the year and cover areas of teaching, research, professional activities, difficulties encountered as well as plans for the coming year. For administrative departments, they have to report on their core activities and services provided, achievements, problems faced and future plans. With these reports, the University is able to take a holistic view on the performance of individual departments in both financial/quantitative and qualitative aspects, and make sure that departmental activities are in line with its overall strategy.

The University has established an Internal Audit Unit in 1998. Since its establishment, the Unit has been actively carrying out value for money audits across critical processes of the University. So far, they have reviewed a wide range of processes including facilities utilization management, software licensing management, fixed asset management, library management, etc. As a result of their review, processes have been improved and proper controls put in place.

However the University will ensure that a right balance be maintained between systems of control and service delivery.

With a number of major capital projects in hand, including the student hostels and a new building for the School of Creative Media, the University established an ad hoc committee, chaired by a Council lay member and with members from the architectural profession, to review and improve the existing project management process. The committee has submitted their report and the University has implemented their recommendations.

5. Roles, Responsibilities and Training

The University has a clear management structure with associated delegations of responsibilities. The roles and responsibilities of individual staff members are stated clearly in the appraisal form. Through the annual Performance Appraisal Scheme, staff members will agree with his/her supervisor a set of key result areas and a development/training plan for the coming year. The University has also established a rigorous and systematic system for staff appointment, contract renewal, substantiation and promotion.

In response to the Review Panel's concern on the non-judgmental nature of the appraisal system for academic staff, the University has revised its annual Performance Appraisal Scheme for academic staff. The Scheme has now become judgmental in nature and will also recognize staff's performance in other scholarly work. Academic staff are required to report in the appraisal form their activities and accomplishments for the year in the areas of education, research, professional activities and campus & community citizenship.

Upon the endorsement of the Council, the University has also implemented a Merit-Based Reward Scheme as a means to motivate staff and to reflect consistent poor performance by barring further salary advances. As the Scheme can stop staff members from moving along their salary scale, the University implemented the Scheme with due caution. Extensive staff consultation was conducted to communicate to staff members the spirit and purposes of the Scheme. Their feedback and comments, where appropriate, have been incorporated into the Scheme.

The University understands the importance of communication and staff consultation on the major developments of the University, particularly those relating to staff welfare and benefits. Since 1998, the senior management team including the President and Vice-Presidents have organized six forums on the following topics to inform staff members of the University's development and to collect their feedback on the issues:

- (a) Update of the University's Strategic Plan
- (b) Building a good research culture and infrastructure
- (c) Quality student life, quality staff and quality management
- (d) Report of the Working Party on the strategic development of information technology at CityU

- (e) Consultation forums on the reward schemes – Merit Based Reward Scheme, Reward Scheme for Academic Departments, Reward Scheme for Non-academic Units
- (f) Planning for the Community College

The University also attaches great emphasis to staff development and has committed itself to becoming a learning organization. Based on the recommendation of the Task Force on Staff Development and Retention, a systematic approach has been introduced to encourage staff members to undertake appropriate development activities and take on life-long learning. For instance each non-academic staff is required to participate in staff development activities of not less than 60 contact hours in every three years.

The University is anxious to reduce the administrative workload of academic staff, in particular their time spent on serving committees. A review on the committee structure was first conducted in 1996 resulting in a reduction of some 100 committees. The second review was carried out in 2000. It is found that the number of committees has been kept under control and the University is satisfied that a reasonable number has been maintained. The University will regularly review its committee structure to ensure that the academic staff time is well spent.

6. Service Delivery

The University administration always strives for continuous improvement and many of the central services have been improved. As mentioned earlier, the University has introduced a Reward Scheme for non-academic departments to provide incentives for improvement in service and performance. The Management Board agreed that the Reward Scheme would be conducted in the first year of every triennium. A Panel comprising the users reviewed the annual reports submitted by the departments and shortlisted a number of departments for further evaluation. Staff members at different levels of the shortlisted departments were interviewed and user feedback was obtained before the winners were selected. After the announcement of results, the winning departments were invited to make a presentation at a forum to share their good practices and experiences with other departments.

Many administrative departments are aware of the importance of user feedback and comments. They take the initiative to conduct regular user surveys for this purpose, but these have been undertaken on an individual departmental basis. To have a more consistent approach and better coordination, the University has commissioned the Division of Commerce to conduct a user survey on the services provided by all the 18 non-academic units. The information collected will reflect the performance of individual units and will be used to identify areas for improvement.

Over the years, the University has devoted considerable effort to streamline and improve its administrative processes and to move progressively to a paperless administration through the use of IT. The University administration has taken the initiative to put useful information on the web including meeting papers of the Council, Management Board, Senate and many committees, thus reducing

enquiries, saving manpower for distribution and reducing the use of paper and storage space. Electronic communication has becoming more and more prominent in the University.

7. Management Information Systems

With the devoted effort of staff members and well-planned preparation for the Y2K issue, all the systems within the University successfully rolled over to year 2000.

The main vehicle for the provision of management information in the University is the Executive Information System (EIS), which was introduced in 1992. A major upgrade was made in 1999 to develop the EIS into a web-based system and more useful statistics and indicators have been added to facilitate decision making and performance monitoring.

In the light of the rapid changes in the use of IT, the University developed an IT Strategic Plan in May 1999 to keep pace with the challenge. The Strategic Plan identified the following four goals and a list of strategies to achieve these goals:

- (a) all staff and students should attain a defined level of competency in the use of IT
- (b) the use of IT to support teaching, learning and research should be widespread throughout the University
- (c) the public image of the University will project an institution which is a leading practitioner in the field of IT
- (d) all administrative systems will be fully integrated and a paperless environment created for all administrative services

Following the development of the IT Strategic Plan, an IT Steering Committee, co-chaired by the Vice-President for Planning and Information Services and the Vice-President for Education, was formed to oversee the implementation of the IT Strategic Plan. On the recommendation of IT Steering Committee, the University approved that the development of administrative systems should be based, where possible, on the adoption of SCT Banner software to provide a fully integrated system to support University administration.

The implementation of the Banner Student System has been a great success. It facilitates the reengineering of many academic administration processes, such as timetabling, admission, registration, examination, etc., resulting in increased productivity and better service. The University is now in the process of implementing the Banner Human Resources System and reengineering the related processes. It is expected that the human resources processes will be much improved after the completion of the project. These developments will be followed by the introduction of a University Portal to provide personalized access for students and staff to our administrative and other systems, the implementation of the Banner Alumni system and possibly the adoption of the Banner Web for Executives to replace the current EIS. The Oracle Financial package is currently being upgraded to the web-enabled version. When these developments are

completed, the University will have a full suite of web-enabled systems, the majority of which will be fully integrated.

To ensure that the University fully benefits from the use of IT to support all its activities in teaching, research and administration, and following the recommendations of the consultants from the University of Southern California, a Chief Information Officer (CIO) has been appointed. This is the first such appointment in an educational establishment in Hong Kong and reflects the importance that the University places on the future use of IT. The responsibilities of the CIO will be to coordinate all IT initiatives and developments to ensure that these are properly prioritized and integrated across the institution.