

**CITY UNIVERSITY OF HONG KONG**

**RESPONSE TO THE MANAGEMENT REVIEW REPORT  
OF THE UNIVERSITY GRANTS COMMITTEE**

**February 1999**

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## **Response to the Management Review Report of the University Grants Committee**

### **Introduction**

1. The University was delighted to receive the report of the Management Review Panel and pleased with the positive tone adopted. The University was particularly pleased the Panel recognised that the University benefits from strong leadership and demonstrates a sense of collective team spirit. The University is also pleased with the remarks made in the report concerning the strong sense of ownership of the Strategic Plan.
2. The University welcomes the initiative of the UGC in introducing the Management Review process and considers that it has benefited considerably from the exercise. The University endeavours continually to improve its management processes and structures with the view to improve the efficiency and effectiveness of the Institution, but more importantly to improve the quality of our primary activities of teaching and research.
3. The following is our response to the report of the Management Review Panel. We have attempted to cover the points highlighted in the conclusions drawn by the Panel and where these relate to suggested changes and improvements to our existing practices. These will be addressed in the same order presented in the Panel's report.

### **Strategic planning processes**

#### *Obstacles to implementation (Paragraph 14)*

4. The University accepts that there is still a residual culture in the University which places an over-emphasis on systems of control and these could become an obstacle to implementing some of the features of the Strategic Plan. Indeed the University raised this issue itself in discussion with the Panel and explained how it was seeking to change the culture to promote innovation and new ideas. The University has already had some success in this objective by communicating the goals of the Strategic Plan throughout the Institution and through its various efforts to streamline its existing processes through, for example, the reengineering programme. The University recognises that it must continue its efforts to change the culture and will pursue this as vigorously as possible whilst not losing sight of the need for public accountability.

#### *Relationship to operational plans (Paragraphs 15 & 18)*

5. The University accepts the need both to review regularly the Strategic Plan and to ensure that Operational Plans are developed in line with the objectives and goals articulated in the former. The University also accepts the need to monitor the relative emphasis placed on the separate components in the Plan; in particular to

ensure the appropriate balance between teaching and research. These objectives will be tackled through a requirement for individual departments to adopt a more formal approach to their own planning cycles and by ensuring the resources allocation system is more closely linked to the objectives of the Strategic Plan.

### **Resource allocation**

#### *Balance of formula-driven and judgemental mechanisms (Paragraphs 20, 22 and 34)*

6. The University recognises that formula driven models for resource allocation have to be balanced by the use of more judgemental mechanisms if the priorities identified by the planning processes are to be appropriately supported. The recently introduced “budget hearings” were the first attempt to do this. It is proposed that these budget sessions be given more prominence in the future and that the associated submissions to the Budget Committee by line managers be more structured and linked firmly to the proposed strategic directions of the individual departments. A supplementary budget will also be provided to fund projects/programmes of strategic importance identified at the hearings.

#### *Incentives for performance improvement in teaching and research (Paragraphs 28, 29 and 35)*

7. The University accepts that linking an element of its basic resource allocation to the results of the Research Assessment Exercise does not necessarily reflect priorities for developing its research activities in specific areas. In fact, the allocation of this element of the block grant is intended to provide some basic infrastructure for research and to give recognition for good research performance. The University has other mechanisms to support specific areas of research and to promote the development of areas of excellence. This includes the adoption of a structure of Research Groups, Research Centres and, in the future, Research Institutes. The forming of Research Groups at the departmental level is encouraged and, if successful, these can grow into a Faculty Research Centre with funding provided by the Faculty. Further research success can lead to the Faculty Centre being promoted to a University Centre with funding provided from central funds. It is also proposed to form Research Institutes at the University level to promote inter-disciplinary research. Areas of excellence will develop from University Centres and Institutes. Through this structure and the accompanying direction of funding the University believes it has an effective mechanism to promote and develop research in specific areas of expertise.
8. As the report states the University has introduced Teaching Excellence Awards to recognise excellence in teaching. However it agrees that this can only have a marginal impact on teaching quality which must be tackled with a more structured approach across the University. It is currently considering two new initiatives which can help to address this issue.
9. The first will be a review of the current resourcing model for teaching. This review will attempt to reflect more closely the underlying principle of the credit-unit system to provide a more broadly-based curriculum for students, better to prepare

them for their future careers. The model will provide greater incentives for departments to offer a wider spectrum of courses for students to meet the general University requirements.

10. The second initiative will be to introduce performance monitoring, including the use of key performance indicators, at the unit level to augment the current performance appraisal system which operates at the individual staff level. Details of these two initiatives are still being prepared but it is hoped to introduce them in time for the 1999/2000 academic year.

*Authority of Deans (Paragraph 32 & 36)*

11. The University believes that the current system of devolving authority to the Deans for budget management has considerable benefit in allowing the Deans to manage the affairs of the faculties. The question of whether this allows the Dean to move in strategic directions which are at variance with the Strategic Plan, is important and must be addressed. The University believes that the requirement for Deans to present their budget plans and proposals, including quality assurance, at the budget hearings will provide an effective check on this possibility.

**Implementation of plans**

*Monitoring and oversight of departmental plans (Paragraphs 40 and 42)*

12. The Panel comments that the monitoring of plans concentrates very heavily on financial monitoring and questions whether the Senior Management has sufficient oversight of whether the strategic plan is being implemented locally. The University accepts this comment and proposes to incorporate a review of faculty and departmental plans in the examination of departmental strategies as part of the budget hearing process. It also proposes to develop a system for performance monitoring at the unit level which will incorporate a range of non-financial criteria for assessment. (see paragraph 10. above)

**Roles, responsibilities and training**

*Appraisal system for academic staff (Paragraphs 49 and 59)*

13. The Panel have serious concerns about the absence of an on-going appraisal system for academic staff. The current position is that the University has a Performance Planning, Appraisal and Development (PPAD) system for academic staff which seeks to identify areas in which the staff would benefit from further development. The system is deliberately designed to be non-judgemental with the view to generating a positive attitude from the staff towards appraisal and development. However, in view of the Panel's comments the PPAD system is under review together with the possible introduction of a unit performance monitoring system, mentioned in paragraph 10. above.

*Committee structure (Paragraphs 55 and 60)*

14. The University shares the concern of the Panel on the number of Committees. The initiative taken by the President to reduce the number and the frequency of meetings, together with an attempt to simplify the process of recording meetings, has had an impact in this area. However, the simplification of the committee system will continue to be pursued with a view to further reducing the overhead this represents on academic staff time.

**Service delivery**

*Role of the Internal Audit Office (Paragraph 68)*

15. The University accepts that the longer-term role of the Audit Office will need to be considered. However the initial programme of audits of the Office already covers a period of two years and includes both academic and non-academic areas. The programme is currently being considered by the Executive Committee of Council.

*Non-uniformity in emphasis on customer feedback and systems of control (Paragraph 69)*

16. The University accepts that the use of customer feedback and benchmarking is not uniform in all service departments and the emphasis on systems of control are stronger in some areas than others. However, as stated in the report, the University has recently commissioned a comprehensive user survey of all service departments by the Statistical Consulting Unit in the Faculty of Business. These surveys will be continued and established as a regular feature for obtaining feedback from users. Performance measures and targets are being established for all areas and will be a feature of our future development of monitoring and planning systems.

**Management information systems**

*Need for more coordination and integration of systems (Paragraphs 72 and 74)*

17. As stated in the report, the University has established a working group to prepare a strategic plan for the development of Information Technology across the University. This working group is considering the use of IT in teaching, research and as support for its administrative services. In the case of the latter, the major thrust of the working groups' proposals will be the need to develop systems which address more directly the needs of the end users, e.g. the academic departments, and to provide a common user interface to all administrative systems. The "vision" for the administrative systems proposed by the working group is "to provide integrated services at the desktop". This can only be achieved if the degree of integration and coordination envisaged in the Panel's report is achieved.