

**UNIVERSITY GRANTS COMMITTEE
OF HONG KONG**

**MANAGEMENT REVIEW
of
LINGNAN UNIVERSITY**

August 1999

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I Introduction

1. This report presents the key findings and recommendations of the UGC Review Panel following its visits to Lingnan University¹ in August 1998 and April 1999. These visits were preceded by preliminary information collection and analysis undertaken by PricewaterhouseCoopers consultants, involving the review of key documentation related to Lingnan University's management processes and 20 interviews with academic and administrative staff throughout the institution. The latter were undertaken over a two-day period in June 1998. The results of this background research were presented to the Review Panel (hereafter "the Panel") in a briefing paper in advance of the Panel visits.
2. The Panel visits consisted of a number of group and individual interviews and discussions with members of the senior management of Lingnan University (hereafter "the University"), including the Council. Following its first visit in August 1998 and subsequent discussions with the President, the Panel decided that it would make a follow up visit in April 1999. This second visit allowed the Panel to follow up on a number of concerns arising out of its initial visit. It also provided the University with the opportunity to demonstrate the progress it had made during its restructuring in the intervening period. A list of the people met during the two visits is provided in Annex A; the names of the Panel members on the second visit are listed in Annex B.
3. The overall framework for the Management Reviews is described in detail in Annex C. This indicates that, in undertaking this and other management reviews, the Management Review Steering Group (MRSG) recognises the diversity in the existing management structures and processes of individual institutions stemming from their different missions, histories and cultures. For this reason, it considers that it would be wrong for any review to seek to impose a uniform management style across different institutions. The MRSG therefore distinguishes between the principles of good management (as it perceives them) and the form in which these principles are (or perhaps, are not) put in place. A number of generic principles of good management were identified in consultation with the Consultative Group of institutional representatives and distributed to the University in advance of the visits. These are listed in Annex D.
4. Following a general introduction to Lingnan University, this report is structured under the following six headings (consistent with the grouping of the good management principles):
 - strategic planning;
 - resource allocation;
 - implementation of plans;

1.

¹ The Management Review visits were conducted when Lingnan was a College. Lingnan became a University since 30 July 1999.

- roles, responsibilities and training;
- service delivery;
- management information and systems.

Brief reference is also made to any issues raised with the Panel regarding the interface between the University and the UGC.

Lingnan University – general background

5. Lingnan University was established in 1967. The University has developed since that time, from offering A-level studies to three year diplomas to degree-level programmes. The University was incorporated as a fully funded degree-granting institution in 1992 following the 1991 HKCAA Institutional Review. Its mission, as stated in its strategic plan is “to be an internationally recognised liberal arts university with Hong Kong characteristics, seeking to provide its students with an education in the liberal arts tradition from both East and West”. The University takes a whole-person approach to education with the aim of enabling its students to think, judge, care and, ultimately, act responsibly in the changing circumstances of Hong Kong, the region and the world.
6. In 1998-99, the University had 2109 fte undergraduate and 16.5 fte postgraduate students, some 133 academic staff and 234 non academic staff. The University currently has three faculties – Arts, Business and Social Sciences, and also a School of General Education; each Faculty has associated centres devoted to research or teaching activities. In September 1999, the three faculties will be disbanded with the introduction of a new academic structure. Further details of this restructuring are provided in Sections IV and V of this report.
7. The President is the chief executive officer of the University. The President is currently assisted by a Vice-President and two Associate Vice-Presidents, for Academic Affairs and Development. At present, each faculty is headed by a Dean, and comprises a number of departments and research centres. The School of General Education has a unitary structure, and is headed by a Director. However, the University is in the process of moving to a new management structure, in which the current posts of Associate Vice-Presidents and Deans will be replaced by two Associate Vice-Presidents with dual responsibilities as Academic Deans. These changes are discussed further in Sections IV and V of this report.
8. The University was the subject of an Institutional Review in January 1998 which recommended that it should be awarded self-accrediting status. It also noted that the University has “made very substantial progress in the quality of its staff, the standards of academic quality assurance and improvement processes and the standards of its course offerings.” Meanwhile, this and other recent UGC reviews have remarked on the success of the University’s “whole person” approach to undergraduate education.

9. These achievements have been facilitated by a strong “Lingnan” culture or spirit which has supported the University during a period of quite extensive change – including the recent move to the new campus. The Panel fully appreciates the pressures that change of this nature can place on an institution and recognises the significant potential of the University as a self-accrediting university. However, it identified a number of key management issues which it thinks needs to be addressed if the University is to realise this potential and build upon past achievements.
10. It is the Panel’s understanding that the University is well aware of the issues it needs to address. The Panel wishes to commend the University on the considerable progress it has made to date, and to encourage the President and his staff as they continue their efforts towards achieving their strategic goals.

II Strategic planning process

11. This section considers the approach to strategic planning within the University focusing on the relationship between its mission and strategy and the mechanisms used for developing strategic plans. The discussion is structured under the following headings:
 - overview of strategic planning process;
 - ownership of plans;
 - content of plans.

Overview of strategic planning process

12. The University’s Strategic Plan for 1997-2002 was first formally approved by the Academic Board in December 1997. The initial draft set out 19 high level goals and objectives, and 16 broad strategies to achieve these goals. The strategic plan has subsequently been further developed and refined to reflect new external factors and inputs from recent reviews. The updated Strategic Plan prioritises the strategic objectives, and for each objective identifies sets of activities which need to be undertaken, along with an indication of lead responsibility, proposed time frame and key outcome indicators.
13. The revised plan highlights the links between the overall strategic objectives and the operational plans prepared by individual units. Individual units have prepared their own strategies for the 6 year period covered by the Strategic Plan. The Panel was pleased to learn that units will also be required to prepare annual business plans, from 1999. The Panel hopes that these business plans will demonstrate clearly the links between the unit level plans and the overall strategic plan, and that they will identify clearly the resource requirements associated with implementation.

Ownership of plans

14. The Panel observed that the University rightly places a high value on ownership of plans and the development of consensus as an essential part of the decision-making process. The Panel was pleased to observe a strong sense of ownership of the mission across the University, accompanied by an increasing commitment to the strategic plan.
15. The Panel commends the President on his efforts to consult widely with staff during the updating process. A working group comprising the Vice-President, Associate Vice-Presidents, the Deans and the Heads of Departments was assembled to conduct an initial review of the Plan. Four Taskforces were then established, with membership from across the University, to address each of the four main areas for improvement targeted within the Plan (Academic Development, Student Development, Outreach and Image Building, Management). The taskforce proposals were circulated to all units for comment. The final version of the updated plan was then presented and discussed at an open forum, to which all members of staff were invited.
16. The Panel understands that external contributions to the updating process were not sought because of a lack of time and resources. It recommends that the University considers including one or more representatives from outside the University in any similar exercises in the future. This would be in line with the University's expressed intention to become an internationally recognised institution. For example, the University may wish to explore ways in which it could draw further upon the knowledge and opinion of its Council, and of its other key stakeholders such as employers within Hong Kong.

Content of the plans

17. In terms of the content, the Panel was pleased to note that the Strategic Plan seeks to promote the University as an internationally recognised liberal arts University with Hong Kong characteristics. It was also encouraged by references to the University's intention to reduce the proportion of places available to the Business Faculty from 55% to 43% by the academic year 2001/2002. It believes that this is an important step to redress the current mis-match between the University's overall mission (to be a liberal arts university) and the predominance of the Business Faculty. The Panel was also pleased to find references in the current version of the strategic plan to the measures which will be required in order to address the University's projected deficit of \$57 million over the next three years (further details of these plans are provided in Section IV of this report).
18. Clear reference is made in the strategic plan to the overall proposals for administrative restructuring. However, the Panel was slightly concerned that there were no explicit links between the overall strategic plan and the individual plans developed by each administrative unit. It also felt that the University's mission of

being a leading liberal arts institution with Hong Kong characteristics presented many interesting challenges in terms of developing appropriate approaches to undergraduate teaching and faculty scholarship, which might well differ from those of more research-intensive universities. The Panel felt that these could be more clearly reflected in the University's Plans.

Conclusions

19. In its current version, the Strategic Plan sets out clear strategic objectives and activities to support progress towards achievement of the University mission to be a leading liberal arts institution. Responsibilities, timeframes and output measures have also been identified. The Plan is widely understood and endorsed by staff, as a result of the consultation process which was followed during its development.
20. The Panel hopes that the President will continue to build commitment to the implementation of the Plan. In particular, it encourages senior management to ensure that links between the overall Plan and the operational plans of individual units, both academic and administrative, are further strengthened. It also wishes to stress the importance of setting in place clear monitoring procedures, so that progress may be readily assessed.

III Resource allocation

Overview

21. This section sets out the main findings with respect to the University's resource allocation processes. Until this triennium, the University was required to follow the UGC's resource allocation framework with separate blocks of funds for senior staff salaries, subordinate staff salaries, general expenses and equipment. Under this framework, the provision under each heading was strictly controlled and virement between headings required prior approval by the UGC. Faculty and unit level budgets were largely driven by staff numbers (82% of the total budget). The five research centres were given a single line budget and were expected to generate their own income; research funds awarded by the RGC were allocated directly to the relevant department. The Panel understands that there was no top-slicing for central initiatives.

Proposals for a new model

22. With the move to block grant funding from the UGC this triennium, the University has developed a new "mission driven" and performance-based resource allocation mechanism. The proposed model is the result of considerable deliberation and consultation within the University. Under the new model, academic departments and administrative units will be allocated responsibility for their own one-line budgets, to cover both general expenses and staff costs. The Panel supports the University in its decision to implement the new resource allocation model, and

believes that it is the most appropriate of the various models discussed by the University.

23. The Panel understands that the University intends to introduce the new resource allocation model in two phases. In the first phase (beginning Financial Year 1999/2000) departments/units will be given responsibility for general expenses budgets. The Panel was pleased to learn that each department/unit has developed a business plan setting out the basis for its funding requests. These plans describe the department/units' objectives for the year, identifying any links with the University's overall strategic goals. They are then passed to the Resource Allocation Committee (RAC), which is the body responsible for allocating resources between the departments and units. At the end of the year, each department/unit will submit an annual report, accounting for its use of the resources. The Panel hopes that as this process becomes established, it will help to strengthen the accountability of budget managers, and will contribute directly to the monitoring of the overall strategic plan.
24. The Panel was pleased to note that in this first year, the President has taken responsibility for checking the business plans, to ensure that they are consistent with the overall strategic objectives and to monitor the overall quality of the plans. The Panel encourages the President to facilitate the sharing of good practice with respect to the preparation of the operational plans, across the University. This will help any staff who are new to budget planning processes to gain the necessary expertise quickly.
25. In the second phase of implementation of the new resource allocation model, departments/units will also be given responsibility for managing their own budgets for staff costs. The Panel understands that the University does not intend to introduce this second phase until the next triennium. The Panel respects the proposed time-scale, and urges the University to use the time available in the ensuing period to put in place the necessary procedures, develop appropriate performance measures, and to prepare staff (in particular the Heads of Departments) through coaching and training. It is pleased to note that the President recognises the importance of facilitating the transition process, by providing easy access to relevant management information and by ensuring that staff receive the necessary training. The Panel encourages the President to pursue his intention to draw on the experience of other institutions, such as the University of Hong Kong and City University of Hong Kong, in implementing the new funding model.
26. The Panel observed that Heads of departments/units were comfortable with the changes so far, and were looking forward to the extra flexibility which the one-line budgets will give them. It recommends that senior management closely monitors the workload and morale of the staff concerned as further changes are introduced, to ensure that they remain confident in their new roles.

Cost reductions and value for money

27. In the updated Strategic Plan, the University has clearly articulated its proposed actions to address its projected deficit by the end of the current triennium. It has imposed a 5% reduction in expenditure across all non-academic units, and is seeking to reduce its staff costs to no more than 75% of the total. The Panel learnt that the 5% cuts had already provided a good stimulus for cost savings, in some cases exceeding the suggested limit. Staff costs have also been reduced, principally as a result of natural wastage. Further details of the implementation of plans for cost reduction are provided in Section IV of this report.
28. With the introduction of the new funding model, the Panel was pleased to note that departments / units will be allowed to carry over up to 50% of any savings to the following year. The President currently intends to keep back 1% of the total budget for use on special initiatives throughout the year. The Panel hopes that this proportion will be increased over time, and that it will be made clear to staff that it is intended to support initiatives which contribute directly to the achievement of the University's overall strategic goals. Performance related measures are currently being developed by the RAC to facilitate future resource allocation. The Panel encourages the University to introduce such measures as early as possible in the implementation process, ensuring that staff are made fully aware of their importance.

Conclusions

29. The University has developed clear proposals for the changes it plans to make to its resource allocation processes, following its move to block grant funding by the UGC. The Panel is comfortable with the proposed approach and timing. It was pleased to learn that under the new resource allocation model, departments / units will be required to set out their objectives in annual business plans, making specific reference to the University's overall strategic objectives, and that they will be expected to review their progress against these objectives in an Annual Report.
30. The Panel was also reassured to learn of the University's commitment to achieving significant cost savings within the current triennium. It commends the University on the demonstrated savings to date, and encourages the President and senior management to continue in developing incentives and performance measures which seek to promote value for money even further.

IV Implementation of plans

31. This section focuses on the process for implementing plans (particularly those involving a significant shift from the status quo) and any obstacles which inhibit this process. It also considers issues such as the allocation of responsibility for plan implementation and the use of milestones and performance measures for regular monitoring. It is structured under the following headings:

- allocation of responsibilities for implementation of plans;

- achievements to date;
- monitoring arrangements and follow-up action.

Allocation of responsibilities for implementation of plans

32. The President, together with the Senior Management Group (SMG), is responsible for overseeing the implementation of many of the major new initiatives, such as the academic restructuring. The Panel was pleased to note that the allocation of most of the implementation responsibilities amongst the SMG is clear. For example, the Comptroller is assisting the President with the implementation of the new finance system and the Deans are responsible for the introduction of the credit unit system. The President himself is responsible for the restructuring of his senior management team and the administration. The Panel also noted that the Council been actively involved in overseeing the transition process, enabling it to offer advice and assistance where appropriate.
33. Responsibility for implementation of the activities under each of the strategic objectives is high-lighted in the strategic plan, which identifies the responsible department(s) / unit(s) for key activities and key milestones. Individual academic departments and administrative units have put in place or are currently developing operational plans which identify individual responsibilities and the projected time-scale for implementing the initiatives and proposals within them.
34. The Panel observed that significant effort has gone into the development of these more detailed operational plans. However, it suggests that the links between these plans and the strategic plan could be further strengthened. The Panel recognises that the SMG is currently developing a series of performance indicators (to be ready by July 2000), and recommends that these are used to move the University towards a more consistent and regular use of performance indicators in the next triennium. This will allow for a more meaningful monitoring of progress against the strategic objectives across the various initiatives taking place within the University

Achievements to date

35. The Panel found significant evidence of the University's ability to implement plans successfully. For example, the restructuring of administrative units is already underway, with the establishment of the new Information Technology Services Centre (ITSC), and the proposed Student Services Centre (to be operational from September 1999). Other examples include the development of business plans by departmental / unit budget holders, in anticipation of the implementation of the first phase of the new resource allocation model, as well as efforts to streamline the overall committee structure within the University.
36. The Panel also observed that the President and SMG have worked hard to build awareness of forthcoming changes. For example, staff seemed to be comfortable with proposed changes to the academic structure and the resource allocation

processes. It is evident that the President's efforts to improve communication within the SMG and with staff more generally have helped to reduce the existence of "sub-cultures", and have facilitated transition. It appeared to the Panel that an appropriate balance between collegial decision making by committee and executive leadership has been achieved. The Panel encourages the President to maintain the current momentum for change. It suggests that the University might like to consider whether the appropriate use of external assistance could help to sustain the achievements made to date.

Monitoring arrangements

37. The Panel understands that academic departments see the Teaching and Learning Quality Process Review (TLQPR) exercise and the validation process by the Hong Kong Council of Academic Accreditation (HKCAA) as a mechanism for monitoring teaching and learning. The submission of Academic Planning Proposals to the UGC for each triennium is also used as an exercise to review progress against academic plans and set student number targets.
38. In addition to the above, the staff appraisal schemes are cited as a monitoring vehicle – although this mechanism is not intended to measure the implementation of plans and ensure follow-up action. Departments also have regular forums and staff-student consultative committees including mandatory student evaluation of teaching, which feeds into staff appraisal. The Panel commends the University for its success in establishing very fruitful staff/student interaction in this area.
39. On the administrative side, the monitoring processes are variable across the University; there are some examples of good practice in monitoring and follow-up action. For instance, the Comptroller's Office, which plays a lead role in many of the new initiatives, has set up six task forces, each responsible for work identified in its strategic plan. A number of operational plans have been developed that identify action required, completion dates and task owners. The Comptroller's Executive Committee meets bi-monthly to monitor progress and identify follow-up action as required. The Panel wishes to encourage sharing of such good practice across the University
40. With the exception of the appraisal of individual staff members, there does not yet appear to be a regular mechanism for reviewing the overall performance of units against strategic and operational plans. The Panel was pleased to learn of the proposed cycle of departmental / unit annual business plans and reports, and expects that this will provide a good vehicle for consistent monitoring and evaluation. This will be further strengthened with the finalisation and implementation of the performance measures which are currently being developed by SMG. The University already monitors progress on particular initiatives through various committees. The Panel suggests that the President may wish to explore whether this monitoring function could be more effectively carried out by members of SMG with the use of clear targets and performance indicators.

41. In terms of follow-up action, the Panel found much evidence to suggest that the University has been responsive to the outcomes of external monitoring exercises. For example, it was reported that the establishment of the integrated information literacy programme and the teaching and learning audit on teaching methods was initiated as a result of the external validation exercises and the Institutional Review. As a result of the last two, there has been investment in the University's learning support services (Library, IT Services).

Conclusions

42. The Panel wishes to commend the President and his SMG on their commitment to implementing key proposals, such as the academic and administrative restructuring exercises. It was encouraged by the momentum and involvement it sensed amongst the staff it met. It urges the University to continue its efforts to build a more consistent and robust approach to monitoring and evaluating the implementation of plans. It believes that the new departmental / unit business plans and reports, and the anticipated performance measures, will be significant components of such an approach.

V Roles, responsibilities and training

43. This section focuses on the extent to which Lingnan's management, staffing and committee structures allow for strong lines of accountability and clarity in the distribution of tasks and responsibilities. It also looks at key human resources functions such as the availability of relevant training and the effectiveness of staff appraisal systems. It is structured under the following headings:

- management structure;
- committee structure;
- staff appraisal systems and training.

Management structure

44. The President is the chief executive officer of the University. He is currently supported by a Vice-President, two Associate Vice-Presidents (AVP), and three Deans. These, together with the Registrar and the Comptroller comprise the Senior Management Group (SMG). However, this arrangement will change from 1 September 1999, with the introduction of the new academic governance structure.
45. The 1998 Institutional Review by the UGC found that the Lingnan University structure was unclear, elaborate and ambiguous with respect to responsibility and authority. The review also found that the senior staff and administrative structure

was more appropriate to a large institution. The Panel was therefore pleased to learn that the University is in the process of introducing a new academic governance structure, as well as making changes to the administration structure. Further details of the administrative restructuring are provided in Section VI of this report.

46. A summary of the main changes to academic governance is as follows:
- elimination of the Faculty layer of governance
 - two posts of AVP and Academic Dean
 - devolution of academic management to Department and Programme level
 - simplification of the administration of academic matters under Department Heads and Programme Directors
 - rationalisation of the number of standing committees reporting to the Academic Board.

The main objective of these changes is to reduce the senior management levels to proportions suitable for the relatively small size of the institution. The proposed changes will take effect on 1 September 1999.

47. Under the new structure, the AVPs will hold responsibility for institutional matters as well as oversight for academic management. One AVP will be full-time, and will focus on humanities and social sciences. The other will be a concurrent appointment. The Vice-President will continue to take charge of institution-wide academic quality assurance matters, as well as to provide representational and management support to the President. The first phase of the restructuring has already taken place, with the abolition of the Faculty Board on 1 January 1999, and the devolution of all its responsibilities to the relevant Programme or Department level committees.
48. The Panel was pleased to find that staff welcome the new changes, and understand the rationale behind them. It observed that on the whole, staff were clear about the new reporting lines. However, the Panel urges SMG to continue its efforts to ensure that understanding of the new structure is filtered down to all levels of staff. It encourages the President to continue in his efforts to communicate on a regular basis with students and staff (for example through breakfast meetings and visits to departments).
49. Within the new structure, Department Heads will play a key role in co-ordinating both academic development and managing resource allocation. The Panel found that most of the Heads it met were comfortable with the changes in their roles and responsibilities, considering this to represent “modified business as usual”, although they expressed some concerns about the potential increase in paperwork. The Heads were also clear about their new reporting lines to the Associate Vice-Presidents. The Panel was pleased to see that the transition to the new

management structure and resource allocation model appears to be going smoothly, but wishes to stress the importance of providing adequate support to the Heads in adjusting to their new role, and monitoring the impact of their increased workload.

50. The Panel did not have sufficient time to explore the proposed role of Programme Directors in much depth. However, the staff it met appeared to be comfortable with the overall concept and proposed role and responsibilities.

Committee structure

51. The University's committee structure is set out in Annex F. The Panel understands that the University has taken steps to reduce the overall number of committees, in response to concerns about the overall scale and effectiveness of the existing structure. For example, the number of committees reporting to the Academic Board has been reduced from 11 to 7. Specific examples of changes include the merger of the Post graduate Studies Committee (PSC) and the Research Committee (RC) to form the new RPSC. Another example is the abolition of the APDC, with its responsibilities divided out between the Department Boards and the Resource Allocation Committee (RAC). The Panel encourages the University to capitalise on the opportunity provided by the academic and administrative restructuring to remove further committees if appropriate.
52. The Panel observed that the Council takes a considerable interest in the management of the University, and assumes some direct responsibility for aspects of its detailed management. The Panel commends the Council for its commitment to supporting the University during its transition from a post-secondary University, and recognises that some direct involvement may well have been necessary during this time. Looking to the future, the Panel hopes that the Council will increasingly focus its efforts on strategic issues, lending its support and expertise in general management. The Panel recommends that the President and Council seek to communicate regularly, and that the Council empowers the SMG to undertake its management duties on a day-to-day basis without further assistance from themselves..

Staff appraisal process and training

53. On the academic side, the Panel understands that there are currently individual job specifications for academic staff although there is a clear expectation that academic staff should work to meet the University's objectives. Non-academic staff already have high-level post specifications. However, the Panel recommends that the University pursues its expressed intention to undertake job evaluations for all non-academic staff, following the restructuring, leading to the development of clear job descriptions to ensure that :
 - each non-academic unit of the University is appropriately organised internally to support the new organisational and management structures;

- each unit is appropriately staffed with regard to numbers and ranks of staff; and
- reporting relationships are clear with each unit.

Individual and unit level objectives are set during the performance appraisal process.

54. The University has established a relatively comprehensive system of performance appraisals for all staff. These are intended to be judgmental as well as developmental and include four elements:
- critical self-review by member of staff
 - interview with line manager
 - evaluation by appraisee
 - written report prepared by appraisee.
55. A review of the staff appraisal system in 1995-96 found that there were too many forms of appraisal within the University. As a result, it was decided to link the staff appraisal process to the timing of the contract renewal process, whereby appraisal takes place every two/three years instead of every year. The Panel suggests that this arrangement may be too infrequent and recommends that the University consider introducing an annual appraisal system for all staff, including Chair Professors, substantiated and long-serving staff.
56. The Panel was pleased to note that the appraisal system appears to be functioning effectively on the administrative side. However, on the academic side, it was reported that staff have concerns about a ‘ politicisation’ of the process resulting in a degree of distrust of the system on the part of academics and, in some instances, on the part of the Council.
57. Training needs are identified as part of the appraisal process. The Panel understands that 32% of Lingnan’s academic staff have enrolled for PhD studies, and that this is seen as a way of improving the quality of staff. While the Panel supports the University’s commitment to developing its staff, it is concerned that such a heavy investment in PhD studies may be inappropriate, especially in the short-term, for an institution with a primarily undergraduate teaching mission. Therefore, the Panel recommends that the University carefully consider the relative importance of PhD studies versus other areas of investment in staff as a means of achieving its strategic objectives. It suggests that the University should set out a clear programme of staff development, which focuses on building up skills which support the overall mission of the University, such as teaching and pedagogical skills development.

Conclusions

58. The Panel commends the University on its commitment to the restructuring of both academic and administrative management. It is also pleased that steps have been taken to reduce the overall number of committees. The staff who met with the Panel expressed their support for the new structures and demonstrated clear understanding of the overall rationale for the changes. The Panel expects that the restructuring will result in a much clearer and more appropriate allocation of role and responsibilities. The Panel urges the President and SMG to ensure that the sense of involvement in the changes filters down to all staff, by continuing efforts to maintain wide consultation and communication.

VI Service Delivery

59. This section, describes the measures taken by the University to improve service delivery. These include:
- restructuring of administrative departments;
 - monitoring of service delivery.

Restructuring of administrative departments

60. The Panel learned that the University is in the process of implementing considerable changes to its administrative services. The Institutional Review (1998) was an important stimulus for the recent developments. A study group has been overseeing a restructuring of certain key units including:
- the creation of the Student Services Centre, from a merger between the Student Affairs Office and the Counselling and Career Unit (to be implemented in September 1999)
 - disbanding of the University Secretariat leading to the establishment of two separate offices: Human Resources Office and the PAO (implemented January 1999)
 - the creation of the Information Technology Services Centre (ITSC), from a merger between the Computing Service Centre (CSC), the Management Information Unit (MIU) and the multi-media component of the Educational Technology and Development Centre (ETDC) (implemented September 1998).

Monitoring of service delivery

61. The University has clearly responded to earlier concerns about the attitudes of some administrative staff and the standards of service being provided by a number of the administrative units. The Panel was pleased to note that the University is

moving towards the establishment of a more service oriented culture, through the implementation of its Customer Services Programme (launched in January 1999). It saw some examples of emerging best practice such as the introduction of service pledges and the establishment of mechanisms for accessing customer feedback in a number of units. For example, the ITSC has established a network of cross-functional faculty liaison officers to act as the interface between the departments and the ITSC. The Library and the Student Hostels have student evaluation questionnaires and the Student Affairs Office conducts surveys of students following activities / training events. A further example is the move to increase the accessibility of administrative services through the provision of services on the University Intranet.

62. The Panel commends these efforts, and encourages the University to keep the momentum for change achieved to date, through considering how it might further instil and maintain a 'service culture' within the service units.
63. In terms of audits and reviews, the Panel understands that there have been regular reviews of administrative structures and processes since the appointment of the President in 1995 and the University's Upgrading Initiative. The Panel suggests that this practice could be built upon to develop a more formal and regular mechanism to conduct audits, to promote continuous performance improvement.

Conclusions

64. The Panel observed that the University has made considerable efforts to move towards the establishment of a more service oriented culture. It found examples of emerging best practice, such as the introduction of service pledges and the establishment of mechanisms for customer feedback. It was encouraged by the early signs of the success of the restructuring efforts within key units, and hopes that the University will maintain the momentum for change achieved to date.

VII Management information and systems

65. The Panel was pleased to observe that the University has a well-developed management information system in the operational sense, and has made some important structural changes allowing a more integrated delivery of IT services by creating the Information Technology Services Centre (ITSC). Staff who met with the Panel expressed enthusiasm for the changes, which they expect will improve the efficiency and effectiveness of the IT services.
66. In line with other efforts to improve service delivery, the University has introduced measures to provide more customer-oriented services. The Panel was pleased to note that it has established:

- an Information Technology Steering Group to consider institution-wide IT and management information needs;
 - an Administrative Services Working Group and a Teaching and Learning Working Group, to focus on administrative information requirement and assess user needs.
67. The University has also undertaken the strategic development of a data warehouse of administrative information to integrate the data contained within the administrative databases and to facilitate data access for academic departments and administrative units through an Executive Information System on the world wide web. This is considered to be particularly important in view of the University's intention to move towards more devolved management and a one-line budget system.
68. The ITSC has taken on the former MIU's responsibilities for the production of all operational and management reports for all functions, including budget / expenditure reports, staffing establishment reports and analyses of student profile and enrolment data. The dissemination of management data is undertaken by the relevant administrative units. Academic departments have on-line access to the student records system and there are plans to move to open access for the new Oracle Financials system. The President's Group (comprising the President, Vice President and the Associate Vice-Presidents) now has access to personnel data. It was reported that the University's one-source data capture approach helps to eliminate duplications and inconsistencies. Administrative units also have well defined data input procedures and reconciliation processes. The Panel was impressed by these recent developments, and wishes to highlight the importance of building on these changes by developing an overall strategy for management information.
69. The Panel was pleased to note that the University has developed an IT Strategic Plan for 1997-2002 which incorporates the technology required to support the management information requirements including the development of the data warehousing technology and the Executive Information System. There appear to be clear links between the IT plan and the overall strategic plan.
70. The migration of the systems to the new campus in 1995 was used as an opportunity to review backup arrangements and disaster recovery plans. It was reported that the University has put in place mechanisms to ensure that its campus network and its systems would be equipped to deal with the Year 2000 problem. The University will also issue guidelines to departments and hold a series of briefing seminars to inform them of the new requirements.

Conclusions

71. The Panel was impressed by the recent developments to IT service delivery. It supports the restructuring of the IT services, and was pleased to learn of a number of examples which demonstrated the ITSC's efforts to achieve a more customer

oriented approach. Looking to the future, the University will want to keep the provision of management information under careful review, to meet the growing demands of both senior management and department / unit budget holders.

VIII Interface with the UGC

72. The Panel understands that the University has some concerns about the extent to which funding provision reflects its unique characteristics – specifically, its small size and higher unit costs resulting from its diverse programme offerings and distinctive teaching style.
73. The Panel recognises that smaller institutions face some particular challenges and difficulties and notes that the University has received some recognition for this in the current triennium. However, it is also aware of the potential advantages of being small such as quicker communication and easier implementation of change. It urges the University to consider ways of maximising the benefits of its small size in the future and minimise any diseconomies of scale, for example, through “multi-tasking” on the part of administrators.
74. Regarding the argument about the University’s “distinctive teaching style” resulting in higher unit costs, the Panel thinks it is very difficult to assess whether this is justified when there still scope for improving the efficiency of the University’s management and administration processes. In essence, the Panel suggests that the University vigorously search for ways of reducing its unit costs without damaging quality. It believes that the introduction of the new management structure, with the removal of one tier, is a good first step in this direction.

ENDS

List of Lingnan University staff met during the Review Panel visits

1. Prof. Edward Kwan-yiu CHEN, President
2. Dr. Hin-kwong CHIU, Chairman of the Board of Governors and the Council
3. Mr. Joseph Yuk-wing PANG, Deputy Chairman of the Board of Governors and the Council and Chairman of the Staffing Committee
4. Mr. Patrick Po-kong WU, Treasurer of the Board of Governors and the Council and Chairman of Finance Committee
5. Dr. David Pun CHAN, Chairman of the Council's Campus Development & Management Committee
6. Dr. Tin-sun TONG, Chairman of the Council's Appeals Committee
7. Prof. Mee-kau NYAW, Vice-President
8. Prof. Barry John BANNISTER, Associate Vice-President (Academic)
9. Ms Andrea HOPE, Associate Vice-President (Development)
10. Prof. Joseph Shiu-ming LAU, Dean of Arts
11. Prof. Tsang-sing CHAN, Dean of Business and Chair of Learning Support Services Committee
12. Prof. Yak-Yeow KUEH, Dean of Social Sciences
13. Mr. Herdip SINGH, Comptroller
14. Dr. Katherine York-bing YAO, University Secretary
15. Mr. Lok-Wood MUI, Registrar
16. Prof. Stein Haugom OLSEN, School of General Education
17. Dr. Barry ASKER, Head, Department of English
18. Prof. Dean William TJOSVOLD, Head, Department of Management
19. Dr. William Keng-mun LEE, Social and Public Policy Programme Director
20. Dr. Rosanna Yuet-ngor CHAN, Director of Student Affairs
21. Dr. Yolanda Oi-chun YOUNG, Head, Counselling and Career Unit
22. Prof. Ming-te LU, Chair, Campus Life and Student Services Committee
23. Mr. Alan Yuk-shing HO, Director, Information Technology Services Centre
24. Ms. Eva CHAN, Head, Management Information Unit
25. Mrs. Lily Li-huan HU, Librarian

List of Review Panel members

Professor William Massy	(Chairman)
Mr. Tim Lui	
Professor Sir Ronald Oxburgh	
Professor Dr. Frans A van Vught	
Professor Wee Chow Hou	
Dr. Anne Wright	
Dr. M H Mok	(Institutional representative – HKBU)
Mr. Nigel French	(Secretary-General, UGC - ex-officio)
Mr. John Fielden	(PricewaterhouseCoopers)
Mrs. Emma Watson	(PricewaterhouseCoopers – Secretary)

Framework for the Management Reviews

This annex describes the framework used by the UGC in conducting and reporting on the Management Reviews. The Management Review Steering Group (MRSG) developed this framework during the preparation for the reviews, in consultation with the Consultative Group of institutional representatives. This framework has been developed during the course of the reviews, following feedback from the institutions.

Scope and objectives of the reviews

The reviews cover all the management processes and systems in the areas of academic administration, research administration, maintenance and development of the estate, procurement, student support services, human resources, IT and finance. They are qualitative in nature and seek to promote self-assessment and self-improvement within the institutions through dialogue, discussion and analysis of issues with the consultants and members of the Review Panels. They also seek to promote the sharing of experiences and best practice.

Overall approach

A recognition of the diversity in the existing management structures and processes of individual institutions stemming from their different missions, histories and cultures inform the approach to the review. The MRSG considers that it would be wrong for any review to seek to impose a uniform management style across different institutions. It therefore distinguishes between the principles of good management (as it perceives them) and which it would therefore expect all institutions to display, and the form in which these principles are (or perhaps, are not) put in place. The MRSG is concerned with the manifestation of these principles and recognises that there is a wide range of valid approaches to their implementation.

A list of good management principles was developed with the Consultative Group of institutional representatives. These relate to the identification of strategic direction and its implementation, the overall planning, budgeting and resource allocation processes and the mechanisms for feedback, self-learning, adjustment and control. This list may evolve during the course of the Management Reviews following feedback from institutions and members of the Consultative Group. The current list is provided in Annex D.

Role of the Consultative Group

The Consultative Group comprises a representative of each of the UGC-funded institutions. Its role is to comment on the framework and processes for the Management Reviews, so as to help ensure their appropriateness and effectiveness, and to facilitate the process of sharing good practices among the institutions. As noted below, each Review Panel will include one member of the consultative group.

Processes involved in the Management Reviews

The Management Reviews involve four key steps:

- information collection and analysis;
- preparatory visits by PricewaterhouseCoopers consultants;
- Review Panel visits;
- report preparation.

In terms of information collection and analysis, the intention is that the Review Panels are well briefed on the institutional context, management structures and processes in advance of their visits. For this purpose, each institution is asked to provide some background documentation. This does not require institutions to prepare extensive new documentation nor to undertake further internal reviews. In order to help minimise the burden of preparation, the MRSG (again in consultation with the Consultative Group) developed a proforma providing a list of questions to which institutions may respond either by providing existing documents which address the same issues or by drafting brief (one paragraph) answers.

The next stage is the preparatory visits by PricewaterhouseCoopers consultants. These preparatory visits provide an opportunity for institutions to discuss the issues raised in the background documentation in more detail. The outcomes of these visits are then written up by the consultants in a briefing paper for the Review Panel in advance of the Panel visit.

The reviews themselves are undertaken by Review Panels, which consist of about 10 or 11 members in total: seven or eight from the MRSG, two members from PricewaterhouseCoopers (one of whom will act as the Review Panel Secretary); and one member from the Consultative Group. The Review Panel works according to the principle of peer review - each member will have management experience in institutions of higher education. The main role of the Review Panels is to examine and test the institution's management processes and systems through discussion and dialogue with institutional staff.

The Review Panel visits last for about one and a half days. They involve a series of meetings and discussions with the senior management including the heads of academic and non-academic departments. At the end of the visits, the Review Panel provides some initial feedback. This is followed at a later date by a comprehensive report on the effectiveness of the management of the institution including good practice observed and suggestions for improvements (see below).

Report preparations

The reporting preparations involve three key stages:

- preparation of a draft report by the Review Panel;
- submission of the draft report to the institution to check factual accuracy;
- finalisation and publication of the report.

The institutions are invited to also publish a statement describing their comments on the report and any actions they plan to make by way of improvement.

Principles of good management practice

Introduction

This annex presents the Principles of Good Management Practice which guide the work of the Management Review Steering Group (MRSG) and the Review Panels in their work.

The MRSG recognises that each institution has its own mission, history and culture, as well as varying in size and disciplinary spread. For that reason, it considers that it would be inappropriate for this review to impose or even suggest that the management style or processes should be the same in each institution. Therefore, in consultation with the Consultative Committee, the MRSG has developed the following Principles of Good Management. The form in which these principles are put in place will differ according to the circumstances of each institution.

The principles relate to all the management processes across an institution in the different areas of academic administration, research administration, maintenance and development of the estate, procurement, student support services, human resources, IT and finance.

As the reviews progress, the principles will be refined as the MRSG, the Review Panels and the institutions learn from the experience.

The Principles of Management Practice

1. Development of the strategic plan

- The strategic plan is consistent with the mission of the institution
- The strategic plan is developed using both internal and external contributions and information. The development process provides the opportunity for the institution to learn from its own performance and from external developments
- The development of the strategic plan is an iterative process whereby different elements of the plan - academic direction, academic facilities and services, staffing, estates, finance, IS - are brought together to form a consistent and coherent plan
- Mechanisms are in place to ensure that any decision, which has significant resource implications (for revenue, expenditures and capital), is only incorporated in the strategy after those implications have been identified, estimated and built into future plans
- There is a mechanism to facilitate the 'ownership' of the strategic plan and supporting operational plans through use of the management structure.

2. Resource allocation

- There is a clear mechanism and criteria to determine priorities for resource allocation - the criteria follow from the strategy and inform the planning process
- Mechanisms and formulae, if any, for allocating resources (for example, performance-based formulae and the use of 'top-slicing') are understood and transparent
- There are agreed ways of allocating resources on an ad hoc basis as necessary
- The resource allocation process provides incentives for increased value for money in all functions (academic and non-academic)

3. Implementation of plans

- Operational plans are developed from the strategic plan and include milestones and performance measures for regular monitoring
- It is clear who is responsible for the implementation of each plan component and how that responsibility is to be discharged
- Appropriate action is taken as a result of the outcomes of monitoring the implementation of the operational plans

4. Roles, responsibilities and training

- There is a clear management structure, with the managerial responsibilities, reporting lines and means of accountability well defined and accepted by all concerned; the scope of any delegated authorities is clear to both parties
- The responsibilities of each member of staff is defined and included in a job description; there is a staff appraisal process for the performance of individuals against their tasks
- For each committee, its terms of reference are clear, unambiguous and accepted by its members; in particular it is clear whether a committee is consultative, advisory or decision making; each is subject to periodic review explicitly to consider its continuing usefulness
- The competencies of committee members and staff are appropriate to their roles, with training available relevant to their needs, especially for those with new managerial responsibilities (e.g. financial responsibilities)
- There is clarity in roles and responsibilities with respect to committees and individual staff members, especially in relation to the roles of professional staff

5. Service delivery

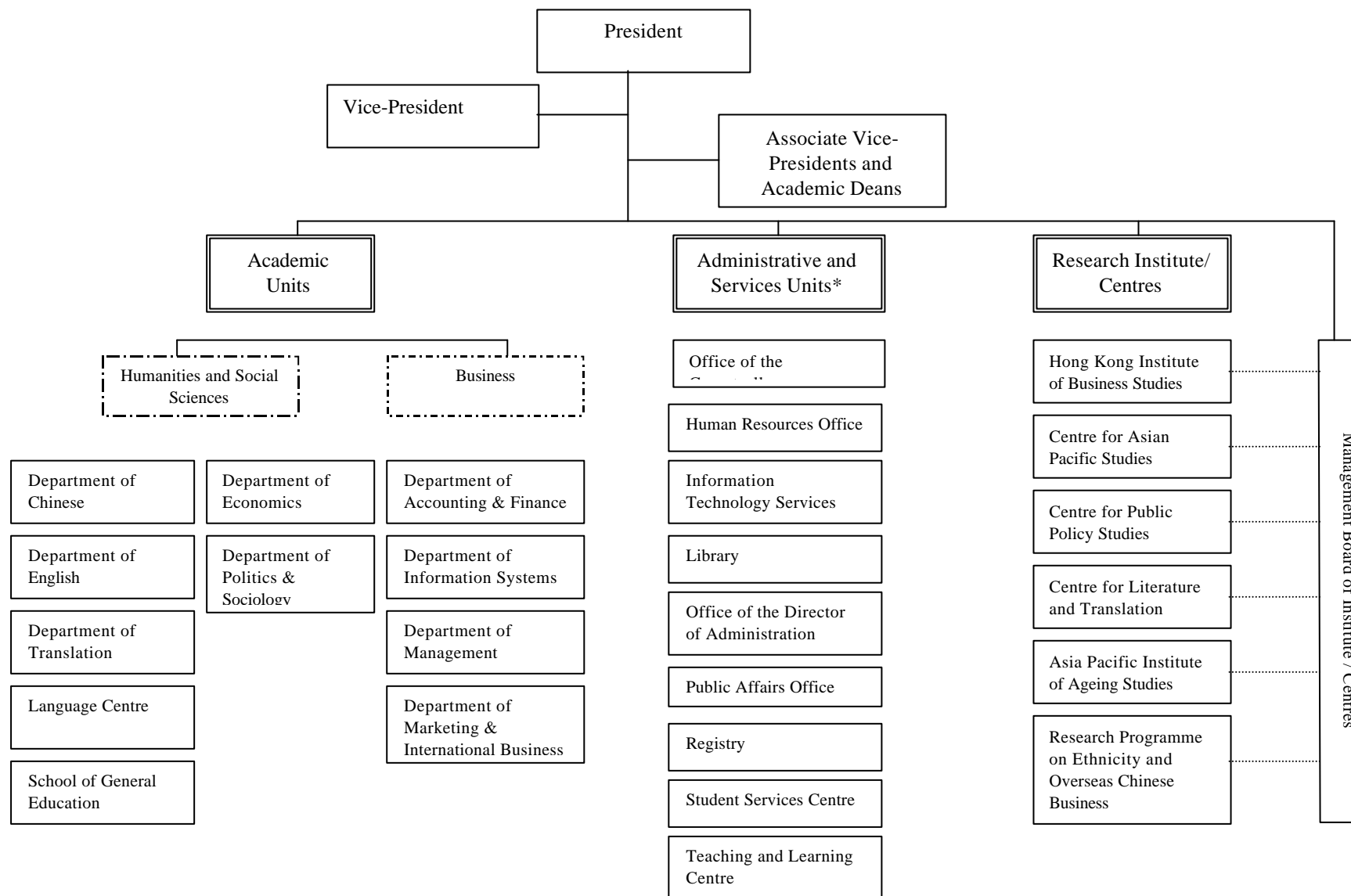
- There is a process to ensure that the University is meeting the administrative and operational needs of its students, staff and external constituencies - this includes mechanisms whereby service users can comment on the level of service, priorities and related performance improvement plans and mechanisms to ensure that the plans are acted upon
- There is a regular review processes (or audits) in place to assess and improve the performance and structure of all administrative, academic and committee functions and services (e.g. to ensure that there are no unnecessary steps, duplication of activities or levels of management)
- There is appropriate means to respond to external and internal audits or reviews of functions with structures and processes such that change is possible within reasonable time scales

6. Management information and systems

- In producing management information, both financial and non-financial - the differing needs of different users are established, assessed and reflected in the information provided to users
- There is a procedure in place to ensure that all management information used in decision making and monitoring is adequately reliable, valid and consistent and that the level of detail given to users is appropriate to their needs

- Systems in place support administrative and management processes across the institution. Systems are developed and operated on the basis of user need
- Systems are reviewed on a regular basis taking full account of user feedback and other benchmark information
- Disaster recovery exist plans for all systems, for example with respect to the Year 2000 issue.

Lingnan University Organisation Structure (from September 1999)



* The revised structure of the Administrative and Services Units, with the exception of the Student Services Centre, has already been implemented from

Lingnan University Governance Structure and Committee Organisation

