



# Developmental Strategy & Quality



Gavin Brown | Vice-Chancellor,  
The University of Sydney

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- 제 117호(2002. 5 · 6월호 게재)
  - 21세기 인적자원 개발과 대학의 역할  
이삼주(부총리 겸 교육인적자원부 장관)
  - The Evolving American University  
Samuel H. Smith, President Emeritus, Washington  
State University
- 제 118호(2002. 7 · 8월호 게재)
  - Developmental Strategy and Quality  
Gavin Brown, Vice-Chancellor, University of Sydney
  - Accreditation and Quality in the United  
States  
Judith S. Eaton, President, Council for Higher  
Education Accreditation
- 제 119호(2002. 9 · 10월호 게재)
  - The Strategy and Quality Management of  
Higher Education in Hong Kong  
John Leong Chi Yan, Chairman, Hong kong Council for  
Academic Accreditation
  - 한국의 고등교육 질 관리와 평가 방향  
최한선(한국대학교육협의회 평가인정위원회 부위원장/  
대구가톨릭대 총장),  
이현철(한국대학교육협의회 사무총장)

## INTRODUCTION

It is a great honour to be invited to speak to you today and I congratulate the Korean Council for University Education on its 20th anniversary. My understanding is that all 193 four-year colleges and universities in Korea participate in the Council, working cooperatively to enhance the quality of higher education in your country. When President Lee, your Chairman, invited me to address you, he suggested that I might consider the issue of developmental strategy for universities in the age of quality assurance. He was, as always, very polite and indicated that I might like to choose a different topic. In truth there is no problem of scope with such a task. My difficulty is selectivity. My hope is that observations based on my own experience

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in Australian universities will provoke some thoughts which translate to the Korean context. Although higher education systems vary across the world I am sure that we share many common challenges.

## QUALITY ASSURANCE

Many people regard the American, W. Edwards Deming, as the founder of the quality movement, based on his work with Japanese companies beginning in the late 1940's. He used to perform an illustrative experiment which is still worth recalling. Let me describe a simplified version in which I will focus on one particular aspect. Imagine a box with a mixture of red and white beads. Volunteers are issued with flat wooden paddles each with a collection of bead-size hollows on the surface. The task is to dip the paddle in the box and carry as many white beads as possible without spillage to another location. Red beads are bad and must be avoided insofar as possible. People work diligently at the task although they have very little control over the process. Their performance typically shows some initial improvement then settles down with statistical variation around a mean. Encouragement or threats serve only to increase frustration, guilt and variability.

It is the system not individual skill that determines the outcome. Indeed Deming had a catchphrase that productivity is 85% dependent on management and only 15% dependent on workers.

I have reminded you of the parable of the beads because not everything which is done in the name of quality management is necessarily good. We must be careful that we arrange structures so that people are empowered by the process rather than that the opposite happens.

Similar discipline must apply to governments. A university president from Hong Kong gave a rather cynical interpretation of world trends when he said that governments increase student numbers, reduce resources then blame university management if there is any drop in quality. Some go so far as to say that national quality audits are a device to make university presidents claim that quality has risen rather than admit a more sinister truth!

In Britain there was a recent revolt, (I believe, led by the major research universities) against the audit agency. The main reason for this was somewhat different. It was felt that the emphasis of the elaborate and expensive process was to ensure minimal compliance with a set of protocols which did not capture the important features of quality in the leading universities. I do know that, some years ago, the mathematics department at Oxford believed that it was marked down because it was adjudged to spend too little time giving students practice in the use of hand-held calculators.

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The Australian government has recently put in place the Australian Universities Quality Agency and all universities will be audited on a rolling basis. Much of the methodology appears to be imported from New Zealand whose universities have had comprehensive quality audits in recent years. In both countries all the major universities are publicly funded so that one motivation from a governance perspective is to demonstrate effective spending of government subsidies. There is also a claim that the audit provides a guarantee of minimum standards to overseas students. From the perspective of the universities, it will be important to demonstrate that self-reviews can be linked to worthwhile improvements. Getting staff to see this as an outcome is no easy task in a climate of diminishing and stretched resources.

The State Government of New South Wales, which has oversight of the governance of the University of Sydney, has very recently enacted legislation which requires each university to report in detail on all commercial ventures and the methodology and protocols involved in their establishment. These 'self-audits' are in addition to the annual financial audits of all our activities conducted by the State Auditor General.

It is worth remarking that the operating grant which we receive (which amounts to about one-third of our annual income) comes from a different government, namely the national Federal Government, which, of course, imposes its own reporting requirements through the Department of Education, Science and Training which, in turn, is distinct from the national quality audit agency. Our operations are subject to great scrutiny from a variety of sources and levels.

I have described this background in order to emphasise that quality compliance, not just in our core activities of research and teaching but in all our processes and operations, is a major societal demand on the modern university. We must take the task seriously and that requires that we devote significant resources to this function. I argue, however, that quality assurance for our own purposes is even more important than quality compliance for external agencies and that the real art of management is to combine the two in the furtherance of our strategic objectives.

## DEVELOPMENT STRATEGY

As I suggested in the introduction I find it easier to use concrete examples from my direct experience. The University of Sydney has over 35,000 students and 5,500 staff. The governing body, our Senate, is a mix of government appointees and elected members from students, staff and graduates. In the belief that the quality of governance determines the quality of the enterprise we conducted a review of our governance processes last year. Let me try to summarise the outcome as an affirmation of the principle that the governing body determines broad policy and not management detail. To do that effectively it must be well-informed on a regular basis (in

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such a way that there is confidence that such is the case) and its members must work to familiarize themselves with the operations of the University and must be assisted in that process by an effective induction program. A major task of the governing body is to appoint the CEO (i.e. the Vice-Chancellor) and review that officer's progress against the University's goals. The governing body plays a key role in the selection of the senior management team and its progress review. The setting of key performance indicators is an interaction where all should be mindful of the parable of the beads. Above all, the governing body is committed to open process and the success of the University depends very much on the effective working relationships established between the governing body and the senior management.

No university can risk losing sight of its prime purposes in research and teaching. For that reason I believe that the senior administrators should be 'academic managers'. Scholars who have attained academic distinction and then acquired management skills. A variation occurs with the position of Chief Finance Officer, reporting directly to the CEO, who is required to have developed considerable business experience and be in possession of a sensitive appreciation of the academic environment.

For reasons of size we have grouped the Faculties in three academic colleges - Sciences and Technology, Health Sciences and Humanities and Social Sciences. In addition to the normal central deputy CEO positions we have senior academic managers leading each of these colleges.

At this point you may well seek to stop me and ask in what way am I describing development and in what way am I addressing quality? My response is that quality assurance must have the full commitment of senior management and that workable structures are a prerequisite for strategy development. What we work hard to achieve (imperfectly) is that all decisions are taken at the appropriate level. We believe that a commitment to quality must pervade the entire management structure and not be a separate function.

Allow me to make two final comments on structure. Within the Faculties we have encouraged discipline areas to cluster in schools in order that the infrastructure for financial reporting, industrial relations, etc is not wastefully replicated in a myriad of departments. In parallel to these management structures we have an independent Academic Board with a mixture of ex officio and elected membership which provides the chief forum for deliberation on major academic matters.

As regards quality development, the Chair of the Academic Board has organized review teams which will visit faculties or other units and conduct an internal interactive audit. This is an iterative process which communicates best practice through the institution. In addition the University is making a concerted effort through the operation of a Quality Assurance

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Coordination Group to share quality processes already being implemented in Faculties and administrative units.

We seek to foster strategic development through our internal budget allocation process. In the first place the budget is top-sliced to provide a multi-million dollar internal research support program which operates competitively. Further funds are reserved for general strategic initiatives which currently include 15 new lectureships a year to enhance quality teaching and research developments in the faculties. The remainder is distributed to the academic colleges by a formula which rewards the quality of their research performance and their teaching achievements as benchmarked against a group of leading research intensive Australian universities.

It can be argued that a formulaic reward for high performance is bad quality practice because it can compound the difficulties of areas which, through no fault of their own, produce less. Within the centrally retained strategic development funds lies the capacity to address such matters on a case-by-case basis. A soundly-based quality program requires that we do all we can to remedy the ills unearthed by our review processes.

In the course of the last two years we have introduced a comprehensive system of performance management for all staff. The emphasis is very much developmental rather than punitive and the aspiration is that each employee and supervisor benefits from a reflective evaluation of aims and outcomes. The policy is that everyone should have a clear framework within which to operate with room for initiative, moreover that the taking of appropriate initiatives is to be encouraged rather than the outcome 'marked'.

A further objective of our employee relations strategy is that everyone should be well-informed of overall institutional goals and outcomes in order that they may see their own contribution fitting the wider purpose. Internal communication continues to improve but there remains much to be done in tackling this challenge.

Every university seeks to attract and retain the highest quality students. This fits well with an overall strategy of development which focuses on improvement of performance in our fundamental activities of research and teaching. The most important benefit we can confer upon our students is an atmosphere of intellectual creativity wherein the staff they meet are themselves engaged in continuous learning. That said, it matters also that we take steps to enhance the teaching process which ensures that the students share fully in that ethos. We learn by exchanging information on best practice between different departments in our own institution, and we learn by benchmarking with other universities whose achievements we respect. I consider it important that such cooperative interchange takes place internationally and we have joint projects for teaching improvement with universities from several countries.

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In those cases where students can legitimately be regarded as customers – the mechanics of enrollment, counselling support, the convenience of timetabling – it is appropriate to optimize the quality of the services we provide. Information technology has helped to make many processes more efficient, although it is always necessary to design systems to benefit the users rather than fulfill the dreams of the technical experts who provide them!

## CONCLUSION

I am conscious that these observations merely skim the surface, but it is time to draw to a conclusion. There is a worldwide movement towards greater accountability and quality compliance in universities. As I have said, we should embrace this trend by focussing on quality assurance for our own university objectives. We must never lose sight of the fact that the health of our universities depends on the vigour of our research and teaching. The quality of these must be ensured through strategic planning, planning which is sensitive to the importance of the individual so that what we provide is a framework of support rather than one of authoritarian control. We should also appreciate that emphasis on quality assurance in all our operations is to be valued because every improvement, no matter how simple, makes it easier to achieve our prime goals. Above all, in an environment of increasing complexity and increasing financial stringency we should demonstrate how much we can achieve with what little is available. There is no advantage in showing poor outcomes in the pious hope that this will encourage others to provide us with more resources.

Finally, let me say that all universities operate in an international sphere. Our standards must be set by international benchmarks and we should seek to discover good ideas from worldwide exemplars. That is why I congratulate KCUE on holding this international meeting and why I feel so privileged to have been invited to speak with you.