
SOME CONSIDERATIONS ON THE RELATIONSHIP BETWEEN UNIVERSITY STRATEGIES AND FINANCIAL INDICATORS

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Abstract:

A very important role in establishment and foundation the activities of a university is strategies and policies developed by management authorities. Through this article we identify the relationship between the components of university strategy and financial indicators, taking into account that financial projections are those that can affirm or overturn the objectives. In this respect, the article is structured in such a way that could provide answer to questions like: What kind of university strategy must be adopted to insure academic success? What is the premises development strategy, as requirements for success in university management? What financial indicators can influence the components of the strategic plan?

Keywords: *strategy, the university strategic plan, financial indicators in higher education, income from higher education institutions, expenditure from higher education institutions*

1. What kind of university strategy must be adopted to insure academic success?

Regardless of the entity to which it refers, appropriate decisions taking into account the action plans should define clearly and concisely: actions must be accomplished; period of implementation of each action; place of each action; participants at the completion of each action; the stages of each action; resources to be used.

Studies on management includes numerous definition of the concept of strategy (Nicolescu O., Verboncu I., 1996), their essence is that, development of each organization, efficiency and effectiveness, profitability and maintain market share held,

depends largely on the strategy. All this will have direct implications for managerial success.

To support those mentioned above, we present some definitions of strategy in the vision of specialists, definitions which shows the significant role of financial resources in the strategy:

- "A strategy is, in essence, a set of actions, that coordinate the resource and commitments of a business to boost its performance. " and " Strategic position can be based on customers' needs, customers' accessibility, or the variety of a company's products or services" (Porter M., 1996).

- "A strategy is an integrated and coordinated set of commitments and actions designed to exploit core competencies and gain a competitive advantage" (Hitt M., Ireland D., Hoskisson R., 2007).

- "Constantly integrating the simultaneous incremental process of strategy formulation and implementation is the central art of effective strategic management" (Quinn J., 1980).

- The strategy has been imposed in the theory and practice of management through multiple senses: plan, stratagem, behavior pattern, position (Băcanu B., 1997).

- Strategy means "all major long-term objectives of the organization, main ways of achieving, with the resources allocated, to achieve competitive advantage according to organizational mission" (Nicolescu O., 1996).

Analyzing those specified and taking into account the needs and requirements of a university's success, we can say that the relationship University Strategy - University Success depends very much on: the university goals, the university long-term objectives, the means used to achieve the objectives, establishing the resources necessary to conduct activities and their allocation; timescale for achieving the objectives.

The answer to the question What kind of university strategy must be adopted to insure academic success? can be found on the typology of managerial strategies, namely:

Table 1. A typology of managerial strategies in the university

Types	Explanations
In terms of coverage	
<i>Global Strategies</i>	These strategies are all activities in a university, characterized by high complexity, from the university structure and the binomial learning - research.
<i>Partial Strategies</i>	These strategies are aimed at a specific activity of a university. Since the activity takes place at faculty/department, this strategy can be characterized by a reduced complexity.
In terms of degree of participation in development	
<i>Integrated Strategies</i>	These strategies are those developed by the university rector with representative's supra-systems they belong.

<i>Independent Strategies</i>	These strategies are developed by the university rector and lies in the foreground issues of efficiency and effectiveness of the university he leads.
In terms of objectives	
<i>Recovery Strategies</i>	These strategies are those aimed at achieving the quantitative and qualitative performance similar to those made in an earlier stage. These strategies focus on eliminating deficiencies in the recent past.
<i>Consolidation Strategies</i>	These strategies are those aimed at directions and ways to obtain quantitative and qualitative performance resembling those of the previous period. In these situations we insist on strengthening the competitive capacity and quality improvement activities in the university sides.
<i>Development Strategies</i>	These strategies are those setting superior quantitative and qualitative targets of the previous period. Performance can be obtained through major qualitative changes in all areas of activity of the university.
In terms of nature approaches	
<i>Restructuring Strategies</i>	These strategies have to refocus and/or resize all or part of university activities, which involve changes of substance, sometimes difficult to achieve and supported by teaching staff and non-teaching staff.
<i>Innovative strategies</i>	Strategies are focused particularly on a high potential for research - development. These strategies within the university to introduce new services, improved technology, new systems of organization.
<i>Specialization Strategies</i>	These strategies aimed at a narrower range of benefits, but their continuous upgrading is necessary to not lose its competitive edge.
<i>Organizational Strategies</i>	Strategies based on improving the organization of university, organization is considered essential management leverage. Also, these strategies aim higher professional education for teaching staff and non-teaching staff of the university.
<i>Information Strategies</i>	These strategies focus on redesign the information system on the university.

(Source: typology of the strategies developed by Nicolescu O., 2000; Verboncu I., 2000; Petrescu I., 2002)

2. What are the premises development strategy, as requirements for success in university management?

Designing and implementing an effective management strategy involves establishing a set of methodological elements that relate, on the first, the premises for development strategy, and on the other hand, strategic stages.

With regard to premises development strategy, as requirements for success in university management, will take into account:

➤ Background strategies based on technological and organizational forecasts (structural aspect of the system, procedural aspect of the system, system resources).

➤ Background market research strategies.

➤ Systemic approach to all aspects involved in the development of the university. Each university must be treated as a system, and therefore the strategy will be developed and implemented to be a result of the variables within it. To ensure success, each university must undergo a continuous process of change, the most important issues are: setting the future of the university; the introduction of new working and organization methods; establishing a means of organization necessary to realize strategic advantage; the definition of work and organization in a connected world; the definition of organizational health.

➤ Using of participative management at all stages of design and implementation strategy.

Strategic process steps can be considered requirements for management success in university, they aimed at:

✓ Accurate establishing the place occupied by university in environment and the opportunities that are available;

✓ Establishing those real, mobilizing, stimulating and comprehensible strategic objectives;

✓ Establishing strategic approach and resources needed to achieve the university mission;

✓ Establishing the type and size of resources allocated to achieve objectives;

✓ Phasing strategy implementation;

✓ Operationalization the strategy;

✓ The performance obtained as a result of the strategy implementation.

Based on these considerations, universities take into account in strategic plans, issues such as:

- academic excellence; a people-centered university; excellence in the university's core functions; excellence in the university's support services; local impact; transformation; interfaces; sustainability (University of Pretoria, 2007).

- maintain and enhance the academic excellence of the federal university; deliver highly effective services to colleges, offering excellent value for money; ensure the financial sustainability of all university operations; fulfill the regional, national and international roles of the university; create and retain a workforce with the necessary

ethos, working practices and competences to deliver the university's strategic plan (University of London, 2009).

- refine the governance structures; manage more effectively the size and shape of the university; initiate a university-wide program of curriculum renewal; enrich the experience of university life for all students; expand and diversify opportunities for students to develop as global citizens; develop the capacity to identify and support research excellence; develop the capacity to identify and promulgate excellence in teaching; develop a small number of major cross-disciplinary initiatives in research and education; agree coordinated strategies for identifying, developing and supporting research talent from undergraduate students to research leaders; promote indigenous participation, engagement, education and research; attract and support promising students from a diversity of social and cultural backgrounds; provide enhanced learning opportunities for all staff; prioritize international engagement on a regional basis to support the effective development of university-wide partnerships and networks; develop and implement a coordinated university-wide framework for local and rural community engagement; deepen the engagement with a supportive network of alumni and friends; refine and apply the new university economic model to ensure greater transparency in resource and cost allocation and support strategic decision-making; systematically review arrangements for the provision of administrative and professional services (University of Sydney, 2010).

- high international standing; world class research; innovative knowledge transfer; excellent teaching and learning; widening participation; empowering collegiality; efficient and effective management; internationally competitive resources; more effective community service (University of Manchester, 2007).

- teaching and learning; student experience; research; infrastructure management; financial management; people management; information management; internationalization; work process improvement; stakeholder and community relations; faculty/division annual operational plans (University Charles Strut, 2007).

- academically excellent; develop confident employable graduates; create, exploit and transfer knowledge; international university; preferred partner; achieve the highest organizational standards (University Edinburgh Napier, 2009).

3. What financial indicators can influence the components of the strategic plan?

Whatever the structure of the university strategic plan, financial projections are those that can confirm or non-confirm objectives achievement.

To support this claim we present components of a strategic plan for higher education institutions, specifying the role of financial resources for each component (Burzănescu Ș., 2004):

Table 2. The role of financial indicators in the university's strategic plan

Components	Questions can be answered by the strategic plan component	Financial indicators that can influence the strategic plan component
University Mission	What is the purpose of university? What is the purpose of each faculty of the university? What kind of university we are? What kind of university is going to become? In what way educational services are offered? How scientific services are offered?	Total revenue; Total expenditure; Income structure; Expenditure structure; Public budget allocation.
Academic goals	How many faculties are in university? What are the specializations of each university? The orientation is towards higher education or postgraduate education? What is the future of the university's portfolio?	Surplus or deficit for each faculty; Distribution of income and expenditures at each faculty; Efficiency for each program of study; Cost - benefit analysis for each program of study; Cost indices.
Number of students	How is the student's access in the university? What is the distribution of students in the faculties and specializations? What is failure rate of graduates in employment? What is the ratio of students/MA/PhD? What is the flow of students in relation to labor market demand? What is the ratio of students without charge / tax students? What is the implication of students in scientific research?	Number of equivalent students; The amount of budgetary allocation; The amount of tuition fees; The amount of administrative fees; Relationship between extra-budgetary revenue and budgetary revenue; The amount of income because the flow of students; Income and expenditure of scientific research.
Strategies for teaching technology	Teaching methods are in correspondence with the expectations of students? Educational technologies are effective? It improves the quality of teaching?	The cost of modern educational technologies; The cost of maintenance modern means of teaching and learning.

Research strategies	There is scientific research plan? How to support scientific research? What is the framework for research activity? What are the results of scientific research? How research results are exploited? What scientific events held in the university?	Revenues from research; Expenses necessary to conduct scientific research; Financial results of scientific research; Funds mobilized by the university for scientific research projects; The cost of scientific events; The cost – benefit analysis for scientific research.
Collaborations	There are specific strategies for collaboration on local, regional or international? What are the stages of collaboration? Who designed the collaboration? What is the impact of locally, regionally, nationally and internationally collaboration?	Income from donations and sponsorships; Revenue derived from contracts; Expenditure cooperation agreements; Financial resources allocated for student's mobility; Financial resources allocated for teacher's mobility.
Strategies on human resource management	How is recruitment and selection off staff? How is done and when is done the promotion of staff? Staff performance is assessed? It uses the associated teaching staff?	The share of personnel expenditure in total expenditure; Salary scale; Pay arrangements depending on performance; Relationship between teaching positions filled and vacant staff positions, with implications for remuneration; Expenses related to teaching, research, administrative activities.
Base materials management strategies	What is the current portfolio of the base materials? What are the intentions of future development of the base materials? What are assets owned by the university? How is development of the base materials?	Capital expenditure; Expenditure for the maintenance of base materials; Expenditure for current and capital repairs.
Strategies for information, documentation and libraries	There are systems for teaching, learning, research and administration? There is adequate space to store information materials? What is the book background for learning and research? What	Costs for procurement, implementation and use of information systems; Costs for equipping laboratories; Costs for equipping libraries; Expenses for access to international databases.

	is the access to international information system?	
Quality Strategy's vision of Total Quality Management	What is organizational culture? It is necessary to change organizational culture? What is the strategic vision to eliminate disturbances in the university? There is a quality strategy? Quality is quantified in the university?	Structure of revenues; Structure of expenditures.
Managerial Strategies	How the university intends to improve the management system? What are the procedures for evaluating management performance? How to develop communication system? How to improve transmission system and adopting the decision? How to ensure transparency in decision making? How to assess organizational climate? How to improve organizational climate?	Income available to faculty; Income available to university; Administrative expenses at university or faculty; Settlement between faculties; Distribution of income and expenditure within the faculty departments.
University's strengths	What is curriculum diversity? What is the professional experience of the teaching staff? What's own editorial production? What are the priorities of the scientific, teaching and methodology plan?	Cost of curriculum diversification; The cost - benefit for a new educational program; Expenses to improve the teaching; Promotion and advertising expenses.
The weaknesses of the university	What is self-image? What resources exist to optimize? What activities are ineffective? What are the possibilities of correction of the negative aspects? How can it be avoided in the future occurrence of the negative?	Structure of revenues; Structure of expenditures.

Potential threats and manifests	What are the areas of competition? How can we achieve a competitive alternative curriculum? How to manage unfair competition? What is the impact of changes in the external environment on the university? What is the relationship of public school - private school?	Structure of revenues; Structure of expenditures.
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4. Conclusions

New financial strategy of higher education institutions based on the overall financing provides flexibility in administrative plan and "determined to a considerable extent the economic rationale for the overall strategy of higher education institutions, providing an essential tool and an expression of university autonomy" (Mureşan V., Zaharia S., Stan E., Stan M., 1998).

Based on budgetary autonomy, freedom of universities to design, approve, execute and report its own budget in accordance with the law and its own objectives, main features of the financial strategy are: "achieve a differentiated funding to support research and teaching specializations that may prove competitive, support centers of excellence and departments to ensure a closer relationship with the socio - economic and cultural environment, encouraging initiative and competition" (Mureşan V., Zaharia S., Stan E., Stan M., 1998).

University should be considered an important economic sector with a clear mission to provide training services and scientific research. Modern University uses two very important instruments of management: Institutional Development Strategic Plan "whose objectives are to meet the continuing evolution of civil society and the economy, the aspirations and expectations of students, educational practice guidelines of the Government's overall" (Brătianu I., Lefter V., 2001) and unique university budget, which is the main tool to ensure financial balance, an instrument that reflected the strategic plan of institutional development.

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