

## **MANAGING CHANGE IN HUNGARIAN HIGHER EDUCATION: KEY RISKS AND THEIR HANDLING**

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### **SUMMARY**

Change management in case of universities should not merely involve restructuring based on centralized control, focus on business, and orientation toward profit – that would actually lead to the end of universities. If, however, we are taken aback by the difficulties associated with change and allow academic staff to set up university structure according to their preference for convenience, the institution will develop a rigid architecture and lag behind competition. Change management should involve — both centralized and decentralized — restructuring activities which encourage innovation, competition, contacts with the outside world, and appreciation for real performance.

### **1. INTRODUCTION**

These days, no organization can achieve success without changes (Noszkay 2004, p. 4). Change has become a prerequisite in our rapidly changing world: not a single organization can survive tomorrow without implementing changes (Farkas 2004, p. 27). Institutions of higher education (IHE's) are no exception to this rule, either. The second half of the twentieth century and globalization has triggered changes that represent an unprecedented challenge and threat regarding the historically established structures maintained by universities (Barakonyi 2004b, p. 15). IHE's are inevitably forced to respond to a growing number of challenges, in other words, universities must undergo changes at a rate and speed higher than before.

By the turn of the millennium, changes taking place in higher education (HE) had penetrated into Hungary as well. Expansion in mass education has created complex and large organizations that cannot be managed by old management models in Hungary either (Barakonyi 2004a, p. 584). A significantly larger number of students, an extended arrangement of administration and infrastructure brought about by development in technology have created, through mobilizing enormous financial resources, systems that are several magnitudes larger and more complex (Barakonyi 2004b, p. 64). The problems that Hungarian higher education is to face cannot be resolved within the confines of the present framework of higher education (Barakonyi 2004b, p. 22). Thus, the need for a change is motivated, on the one hand, by internal challenges prevailing in the system of Hungarian higher education. On the other hand, accession of Hungary to the European Higher Education Area in 1999 also entails, as a precondition of implementing the reforms connected to the Bologna process, comprehensive and unavoidable restructuring of Hungarian HE. Current management structures of the universities and colleges that have evolved over centuries and undergone whimsical changes generated by external circumstances based on nostalgic feelings toward periods of time before the Second World War are, as a matter of fact, incapable of elaborating and implementing global reforms (Barakonyi). Consequently, we are now in situation that is both fortunate and unfortunate as the changes are called for as a result of our own needs, on the one hand, and are also facilitated by our accession to the European Higher Education Area, on the other hand. As a result, a situation has evolved in Hungarian HE that is similar to that of a number of other areas (economy, environmental protection): on the one hand, change is motivated by external compulsion, on the other hand, it represent an internal need derived

from our own and justified interest. What is at stake relative to the strategic restructuring and the size of the task stemming from the Bologna process is something that considerably exceeds the importance of integration attempts made so far: a faulty and only superficial change in structure may push Hungarian higher education into the third line. An even more serious threat is related to the damage to the competitiveness of the country (and, hence, that of the EU), in case we cannot provide for the conditions of student mobility and employee mobility at the EU level (Barakonyi).

A restructuring of this size can be implemented successfully only if the management of change is accomplished in a professional way. One of the most important elements of the process is identification of the threats related to the proposed changes, and their possible elimination.

## **2. THREATS OF THE PROPOSED CHANGES**

A key issue in the management of change is identification of the threats that are connected to the change. Three types of problems are distinguished in special literature:

a) the breadth issue:

The breadth issue arises when change is performed without due attention to the relationships that hold within the system, which involves improvement of targeted process parameters but does not result in overall system efficiency.

b) the depth issue:

The depth issue has to do with change that fails to penetrate lower layers and, hence, provide the expected results.

c) the institutionalisation issue:

This issue may lead to failure even if a change is reasonably well elaborated in terms of breadth and depth, especially in case of revolutionary, BPR-like reforms. This source of danger emerges because not only structure affects elements, but elements also exert an impact on structure. While BPR is aimed at structure to make it affect the content of element function, changes oriented toward organizational development (OD) pertain to the content of the function of elements to make the changes taking place in them affect the structure. Since structures cannot be fixed „directly”, it is the change in the content of the function of elements that must be fixed so that changes can be preserved – this is the role of institutionalisation. (Noszkay 2004, pp. 45-47.)

It appears that the second and the third issue of the above three, and, first of all, the third one is to be considered with due respect during the proposed restructuring of Hungarian HE. The first issue may be neglected because the proposed reform has a systematic character, in other words, it is intended to change inter-related issues (training reform, management reform, financial reform) jointly and in harmony with each other.

There is a danger, however, that the changes to be made will affect only the top levels of the university, as the law does not mention changes to be made to the structure and operation of the faculties and departments. Admittedly, it would be difficult for lower levels organized according to former principles and operating in a traditional way to cooperate with a new type of top level in a uniform manner, even if benevolent intentions are presumed. That is especially true, given that such a presumption of benevolent intentions appears rather naive on account of OD and a failure to institutionalise changes, as well as the mistakes made during the elaboration of the reform and those to be possibly made in the course of implementation.

Institutionalisation of changes is especially timely in HE, as units of, and individuals at the universities characterized by Cohen and March as organized anarchies (Cohen, March, 1986) have ample opportunity to „sabotage” and reverse changes. As an example, one can think of

the extent of autonomy that university departments and instructors enjoy, in contrast with departments of a business entity, and the small scope of competence assigned to university management and administration. Departments are free to decide who they wish to employ or promote, what they wish to teach and according to what curriculum, what kind of research they wish to pursue – the scope of competence of any manager or decision-maker over them appears plainly formal. If individuals and departments do not undergo a change in their attitude and if a top level with a completely different composition, thinking, approach, and culture is imposed on the current low levels, thereby preventing changes from pertaining even the lowest level of organization and thus becoming institutionalised, then the current disturbances in operation will be impossible to eliminate, in addition, further conflicts will be encoded into the system. Available draft reforms appear to be silent about restructuring lower levels, or organizational development, training, programmes of „accustomisation”.

### **3. MANAGING RESISTANCE**

Human body always tries to maintain equilibrium of the functions of operation, an employer would perceive a change as a moment disturbing the said equilibrium, and therefore he develops resistance to it (Farkas 2004, p. 94). Managing resistance to proposed changes is of special importance in a conservative institution such as a university.

Among other factors, the special literature lists the following reasons for resistance to change:

- misconception and lack of confidence
- different assessment of the situation by senior staff and their subordinates
- organization-related issues (threat to power or position, adherence to habits, dependence, organizational structure, etc.) (Farkas 2004, pp. 98-100),

In addition to the above, the following reasons for resistance to change can be noted with respect to Hungarian HE:

- cultural barriers (conservative institutional culture, adherence to out-dated traditions, autarchic faculty intentions, ivory tower approach)
- myths (faulty or idealistic views on autonomy, looking down on americanisation)
- management problems (weakening of central management, institutional management lacking professionalism – see below later)
- insufficient financing and lack of advanced infrastructure (Barakonyi 2004b, pp. 123-124).

According to Kotter, it is necessary to obtain the support of more than half of the employees of a company and more than 75% of its management in order to effect change successfully (Kotter 1999). As far as the situation in Hungary is concerned, support of the management of universities and the national bodies of HE (dominated by university managers) for the draft law has been obtained, at least on „paper”. This may, presumably, have been due to the fact that current rectors may automatically become chairpersons of the governing bodies. One should not, however, disregard the fact that these bodies supported the draft only with a number of reservations and conditions which was later omitted from governmental communication. Also, it can be suspected that a part of the university rectors do not consent to the attitude formulated in the law and would rather stick to the old arrangement in case they had a word in it. They are likely to implement only as much of the change as is absolutely necessary. Especially because although the rector will be appointed by the governing body in the future, he or she will have to cooperate with the deans and department heads, and a lack of their support would place the rector in between two fires or into a vacuous space.

According to my experience, the majority of university staff also disagree with drastic and mandatory changes; senates decided not to vote against the draft law as they were afraid of a political „revenge” (regarding the outcome of their submitted applications). In fact, senates

conducted fierce disputes about passing a decision on whether to support or reject the law, and rather extreme positions were articulated, in particular, with respect to restructuring university management. One of the deans did not hesitate to identify the implementation of a board type management as „imposing stupid bourgeoisie on us”. Thus, it cannot be stated at the moment that 75% of the management and half of the employees are in favour of the proposed changes.

It is exactly the control of universities that is the target of most fierce attack. The government had to consent to the largest number of compromises in this area in the course of preparing the draft law, and also that is why the Law on Higher Education had to be submitted to the Constitutional Court, which found it contradictory to fundamental law.

The relevant reasons are as follows:

- a change in status quo is against the interests of current management and termination of collegiate control leads to uncertainty in personal career
- there is a lack of knowledge regarding management
- there is a lack of knowledge regarding related practical experience
- vehement protection of out-dated principles and a low-efficiency practice motivated by the university ideal of Humboldt (Barakonyi 2004b, p. 186).

Let us turn now to a consideration of the circumstances and approaches that would allow for higher support and successful implementation of the proposed changes.

a) raising awareness to the necessity of the changes:

The need for a change is to a large extent dependent upon how urgent the problem to be resolved appears to people (Bakacsi 1996, p. 288). A major part of Hungarian university instructors do not sense a need for a change. They find that existing problems are only related to financing and state control, with teaching and research being pursued on the highest level, and structure and operation being appropriate. They like to refer to the outstanding achievement of Hungarian front-line scholars (see the rank prepared by the University of Shanghai which assigns a favourable position to the University of Szeged, attributed, however, to a large extent, to Albert Szent-Györgyi alone), while a large number of instructors have a rather medium-level output both as instructors and as researchers, and there are also many of them who would have to have lost their jobs at the university a long time ago. Their short-sightedness prevails in their sensing no trouble as long as there is no radical drop in the number of students and they can teach their customary subjects as usual, while concepts like market (of knowledge), competition, efficiency, transparency, etc. appear to them as remote, vague and often pejorative notions.

b) identification of challenges:

A part of the Hungarian university instructors have but a cursory knowledge of the Bologna process and the idea lying behind the European Higher Education Area, including the patterns rooted in Western tradition and to be followed as the basis of the reform. Although a large part of academic staff often travel abroad, they are not exempt from selective perception, just like our politicians. They also appear to ignore the challenges listed above because they do not maintain close relations with the world of work and economy. It would be illusionary to expect them to accommodate their thinking to the responses to be provided for challenges which they fail to understand.

c) thorough presentation of the efforts toward change:

Newly emerging drafts of the law on higher education, sometimes re-written almost every other day, were hard to follow even by those obliged to do so ex officio; the „plain” university instructor will face its entering into force without an idea about its content. There are some who still think – in line with the original concept – that universities will be

transformed into business enterprises where instructors will lose their status as a public servant. No wonder then that many of them talk of the devil.

d) assessing the advantages and disadvantages of change:

Most instructors have no exact idea how the changes will affect him personally, and what kind of advantages he may derive from them. They need to be informed clearly on the consequences of the planned changes for an individual, assuming the risk of having to tell bad news to some of them. It goes without saying that a comprehensive impact assessment is to be conducted by the relevant decision-makers prior to implementing a reform of such magnitude, so that a picture of the consequences of change can be obtained. To the best of my knowledge, no such impact assessment has been prepared.

e) enabling the management and the employees

Changes necessitate professional change management even in cases where less radical reforms are to be implemented in systems that are less complicated compared to HE. However, there is a risk that the proposed reform will fail, owing to a reason similar to that currently faced by Hungarian HE: lack of a professional management. While regular training of HE managers in other countries is absolutely common, the same is not even mentioned in our context. Actually, it is hard to imagine our current rectors and deans sitting at a school desk and learning management from professional managers (the stupid bourgeois), or a senior lecturer teaching management. Similarly, retraining of the instructors in line with the new training requirements would be important in order to acquire familiarity with mass training, achievements in information technology, and challenges posed by globalization. As a fearsome phenomenon, mention should be made of the fact that a part of the instructors have not taken part in any type of professional or methodological training for decades now. In addition, the constraints imposed by the law on public servants, lack of performance assessment, and characteristic institutional culture make it very hard to get rid of such personnel. Similarly, training would be necessary in order to acquire the new attitude toward employment. OD that ensures institutionalisation of the changes is simply impossible without these activities. A programme accommodating external members of the governing body, acquainting them with the operation of and actors within the institution that they will actually assume responsibility for is also indispensable. Unfortunately, there is no mention thereof in the reform concepts either.

f) convincing and authentic communication

Regrettably, a considerable part of the academic staff perceives the proposed reforms as a matter of politics and sees them as apocryphal as any other initiative coming from top level politics. One can observe that politically active instructors take positions according to their respective political bias, while the others would, for the same reason, rather keep themselves away from such issues. This is not at all beneficial for the outcome of the proposed changes. Many have emphasized for a long time now that a political consensus in training issues or, to put it differently, a common strategic platform would be desirable. That is a precondition for our experts in educational policy to ensure uniform and authentic communication of the proposed concepts, regardless of their political adherence. In the given case, however, the consensus and, therefore, authentic communication, failed to be realized. As a result, there are many who consider the Hungarian Universitas Programme as an intention of the present minister of education to erect a monument for himself, thereby questioning the authenticity of its content. This feeling is further strengthened by the forced, mandatory, and immediate implementation of these changes, notwithstanding the fact that authentic experts have opted for voluntary (albeit encouraged) and gradual implementation (see, for example, the studies prepared by the otherwise reform-advocating Barakonyi).

- g) financial promotion of change, provision of required resources  
According to analysts, HE integration in Hungary, at least in terms of relevant respects pertaining to content, has failed, among other reasons, because the government did not provide for the necessary resources. Current reform efforts, too, may fail because the financial support and infrastructure necessary, first of all, for restructuring the system of training, is unavailable. Provision of appropriate financial incentives would also help increase dedication to change. As mentioned above, there have been proposals advocating voluntary implementation of the changes, backed with financial support. This idea was rejected by the government. Under these circumstances, the resources necessary to implement the changes should be provided as a minimum. An institute that has problems in making ends meet, one that has accumulated debts and faces permanent difficulties concerning infrastructure will not be an ideal place to achieve substantial changes, and will be less likely to be persuaded by reference to advantages to be derived from the changes in the long run.
- f) performance evaluation, introduction of a system of interests and incentives  
Implementing a system of performance evaluation based on objective, formal assessment relying on a variety of aspects, as well as introducing a system of interests and incentives based on such assessment is extremely timely, among other things, for letting employees who perform well enjoy the benefits of change. Otherwise, those capitalizing on change will be not those who in fact deserve such benefits. As a result, those who could make the greatest efforts to implement the reforms and raise the efficiency of operation of HE may turn against changes.

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