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UGC Management Review Exercise Follow-up
Progress Report from The Chinese University of Hong Kong

Introduction

As a follow-up to the Management Reviews, each UGC-funded institution was requested to submit a progress report two years after receiving its final report (ref. 78 in UGC/GEN/114/81 dated March 1, 2000).

This progress report is structured according to the six good management principles adopted for CUHK's Management Review Report issued in August 1999. We believe that the Response from the University to the Review Report ("Response" hereafter) submitted to UGC in October 1999 is a useful starting point for addressing the outstanding issues. A copy is attached in the annex for ease of reference.

I. **Strategic Planning**

The Review Panel commended the University on its effort to involve relevant expertise from the industrial sector in the search for and development of new initiatives, and to take into full consideration government policies and UGC objectives in strategic planning. The Panel also commended CUHK on the clarity and participatory nature of our planning processes and the widespread ownership of our mission and strategic plan, which informs planning at the faculty and departmental level.

Since the visit of the Review Panel in April 1999, the Institutional Development Plan was further reviewed with inputs invited from the Senate members. The updated Plan was submitted to and approved by the Senate and the Council in October 1999. The Plan is disseminated on the University's website for the perusal of all university staff and students and other interested parties at all times.

For better integration of plans of individual units in support of the Institutional Development Plan, a two-day Strategic Planning Workshop chaired by an external consultant and led by the Vice-Chancellor was held again in January

2000. At the Workshop, all Faculty Deans, College Heads and Administrative Unit Heads participated and presented their strategic plans for discussions and feedback. Views on the strategic development of the University were also exchanged. Subsequent to the Workshop, participants also initiated similar workshops or brainstorming sessions within their own faculty, department or administrative unit as a follow-up. To solicit external inputs, a number of new advisory boards and committees and new industrial links have also been established in the past two years.

To meet the challenges brought about by the enormous changes in the local educational scene, the University Council has also set up in March 2000 a Task Force on the Development and Financing of the University in the Next Decade and Beyond to review proactively the positioning of the Chinese University both in Hong Kong and abroad, to generate long-term strategic plans, and to liaise with the Government and external bodies in this regard.

II. Resource Allocation

The Review Panel was very satisfied with CUHK's resource allocation processes, in particular, the performance-based, transparent, flexible and effective New Funding Model implemented since 1995. The One-line Budget operation, which is constantly enhanced to respond to the ongoing changes in the operation environment of the University, also provides incentives for budget holders to deploy their resources in an efficient and accountable manner and, in doing so, maximizes value for money. With regard to limited resources, the Panel suggested the University to be more flexible in the allocation of space and to maximize the potential of external funding sources.

As explained in our Response in October 1999, we shared the Panel's concern on space. For the allocation of this scarce resource, our Committee on Space Allocation, chaired by the Vice-Chancellor, vets all space requests and sets criteria and priorities to ensure fairness. The Campus Planning and Building Committee under the Council also plays an active role in the planning of long-term campus development to support new academic and research initiatives. However, without any buffer space, it is difficult for us to meet all competing demands because approval of new space (and construction of new buildings) by the UGC and the Government is on a short-term

incremental basis. There is often an unexpectedly long and variable time lag between the identification of space needs and the approval for commencement of construction, not to mention the completion of buildings.

This inherent limitation notwithstanding, we have coped with the problem of limited space by reiterating the following policies: (a) all space for projects are fixed-period allocations with expiry dates; and (b) all space on campus, including those within purpose-designated academic buildings, are University space which will be subject to allocation and reallocation by the University.

The need to maximize the potential of external funding sources is indisputable in an era of funding cut. While the audited account for 2000-2001 is being worked out, we would like to report that the percentage of <u>non</u>-government income out of our total income has increased from 29.2% in 1998-99 to 31.5% in 1999-2000.

III.   <u>Implementation of Plans</u>

The Panel commended the University on its processes to ensure the effective implementation of its plans across the University and its efforts to develop clear procedures for monitoring progress with the support of an effective and participatory infrastructure. During the time of review, clear milestones and performance indicators have already been established in a number of major administrative units, such as the Registry, Bursary, Personnel Office, Campus Planning Office, and Estates Management Office. They are now being developed across the University, wherever appropriate.

IV.   <u>Roles, Responsibilities and Training</u>

The Panel was impressed with the overall calibre, the strong sense of identity, and commitment of our staff as well as the leadership and spirit of collegiality at CUHK. Our enhanced developmental staff appraisal scheme, supported by a proactive staff training and development policy, has been regarded as a successful important step. The contribution of the Colleges as a unique feature of CUHK has been recognized and reaffirmed by the Panel as our special strength in offering a balanced and holistic education, in delivering general education, in providing counseling and pastoral care, in fostering a

strong sense of belonging and fellowship, and in enhancing the fund raising and networking functions.

The Panel suggested CUHK to reconsider the issue of elected versus appointed Deans and concurrent versus full-time appointments. As explained in our Response in October 1999, these issues have been debated at length in the University prior to the Management Review and the current system is the majority's preference and has been found to be working well by the Panel. Taking note of the Panel's concern about potential tension, we have since invited the Faculty Deans to consider whether a discussion should be initiated within their Faculties as the University considers it more appropriate to refrain from taking a top-down approach in this case. No request to re-open these issues has been received so far but we will keep these under constant review.

The importance the University attaches to continuing education, and our mechanism to ensure synergy between the School of Continuing Studies (SCS) and the academic departments have been explained at length in our 1999 Response. We are glad to report that the statutory amendment to include the SCS Director as a full member of the Senate (as recommended in our SCS Review completed in February 1999) was completed. Developments of continuing education and related policy issues are also adequately represented at the Administrative and Planning Committee (AAPC) as the Vice-Chancellor, being Chairman of the Senate Committee on Continuing Studies, and the Registrar, being its ex-officio member, will be present at the AAPC. The University Secretary and the Bursar, both members of AAPC, are also ex-officio members of the Advisory Board of Continuing Studies.
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V. <u>Service Delivery</u>

Our internal management efficiency reviews (MER) have been highly regarded by the Review Panel and our service culture has also been registered. The Panel's suggestion to roll out the MER to academic departments as well as to step up efforts in benchmarking against local and overseas institutions were debated at our Task Force on Management Efficiency (METF).

Academic departments are quite different from administrative units as the outputs of the former are measurable by their teaching and research activities, and incentives based on teaching and research performance indicators have

been built into the new funding formula and the one-line budget operation. This funding mechanism provides incentives for academic departments to operate efficiently. It is therefore the University's decision that no comprehensive efficiency reviews covering all academic units will be launched. However, academic units are welcome to approach METF for management inputs and MER for academic units will be conducted upon request.

Benchmarking with counterparts in sister institutions, and where appropriate, companies in the trade or overseas universities, has been performed in all the MER conducted for the administrative units. Having considered the cost and benefits, the University is of the opinion that it is not necessary to push for an elaborate benchmarking exercise at the university level. It will be more useful to request individual units to continue to establish their own performance indicators, bearing in mind institutional differences in making comparisons. The administrative units are also encouraged to join the relevant benchmarking associations, where appropriate, to share information and practices.

IV. <u>Management Information and Systems</u>

The Panel commended CUHK on its widespread and effective application of Information Technology (IT) across the University and also thought highly of the overarching IT Strategy of the University, which mapped out key development goals for the following five years.

Building on this excellent start, an IT Policy Committee under the Administrative and Planning Committee was set up in April 2000, with two steering committees underneath, taking care of the IT developments respectively for administrative and academic needs. The steering committees will prioritize the IT projects and central coordination will ensure that resources are directed to the most needed areas. In the new IT Policy Committee, the University Librarian also serves as one of the ex-officio members. This ensures a closer interaction between the Library and the Information Technology Service Centre as recommended by the Panel.

<u>August 30, 2001</u>

(o:sec/ugcmer/ MR Progress Report to UGC –30.8.2001)