



***Private higher educational institutions  
under tough competition***

**Krzysztof Pawłowski**

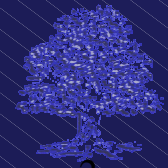
WSB-NLU Rector in Nowy Sącz and WSB Rector in Tarnów

**Private Higher Education: Challenges and Risk**

***Kiev, March, 2004***

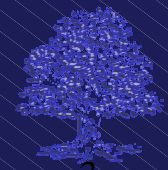
# *Higher Education in Poland – academic year 2002/2003 (Census Bureau of Poland)*

- 1800 thousand students (824 thousand daily students)
  - 528 thousand students study in private institutions
  - 342 thousand graduates
  - 377 higher education institutions, including 125 state and 252 private ones
- scholarization rate:  
gross - 46,2%, net - 35,0%



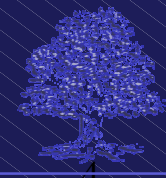
# *Competition in higher education*

- unfair conditions – state institutions of higher education accept every year 200 thousand students into their tuition-free programs;
- the biggest competition – in business programs – 460 thousand students, including 153 thousand students in full-time programs



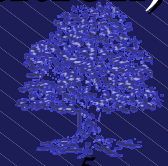
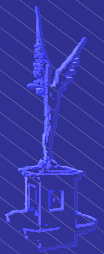
# *The structure of business studies*

State					Private		Total
Institution	University	Polytechnic	Economic	Others	Economic	Others	
Full-time programs	31,743	34,139	29,044	23,550	34,203	1,238	153,917
Weekend programs	40,718	38,555	38,225	20,485	164,679	3,118	305,780
<b>Total</b>	<b>72,461</b>	<b>72,694</b>	<b>67,269</b>	<b>44,035</b>	<b>198,882</b>	<b>4,356</b>	<b>459,697</b>



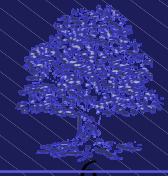
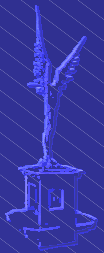
# *The future of higher education in Poland*

- 2003 is the beginning of a significant drop in the population of 19-year-old students (a drop from 687 thousand per year to fewer than 400 thousand in 15 years time);
- the number of students will decrease from 1,8 milion to 1,0-1,2 milion;
- only public institutions of higher education are eligible for the public money (unfair conditions of competition).



## Three kinds of institutions of higher education offer tuition-driving programs:

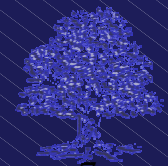
- state universities
  - „cooperatives of professors”
  - private institutions
- 
- the new Higher Education Act – the key issue





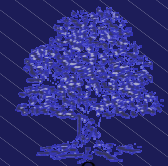
# *The beginning of WSB-NLU*

- ✓ lack of academic tradition in Nowy Sącz
- ✓ lack of financial support from the Government and local authorities
- ✓ initial capital of the Founder – \$ 2,000 in 1991
- ✓ lack of professional programmes for teaching business in Poland in 1991



## *Initial assumptions:*

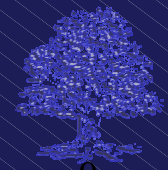
- an elite academic institution created by people with non-academic background
- incorporation of the academic program and educational standards of American University
- primary study format – full-time on-campus studies
- intensive foreign language instruction program
- primary function – educating students





# *Principal objectives of the Founders of the School*

- American degrees awarded to all graduates of full-time programs
- the most respected business higher education institution in Poland



# *A Profile of WSB-NLU (I)*

## Academic programs offered in Polish:

- ✓ Management and Marketing (Polish Bachelor's and Master's degrees, American Bachelor of Arts);
- ✓ Computer Information Systems (Polish Bachelor's degree and American Bachelor of Arts);
- ✓ Political Science launched in 2002 (Polish Bachelor's degree and American Bachelor of Arts).

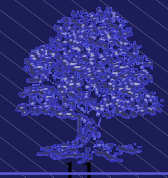
All these academic programs offer intensive foreign language instruction and a wide selection of courses in humanities and general studies.



# *A Profile of WSB-NLU (II)*

## Academic programs offered in English:

- ✓ MBA *General Management* – American degree from NLU – one-year program for full-time students, two-year program for part-time students;
- ✓ MSc in *Computer Science* from DePaul University (two-year program, only full-time);
- ✓ BA in *International Business* – Polish and American BA (three-year program, full-time);
- ✓ MA in *Management* with a choice of three specializations:
  - *Financial Management*
  - *European Business*
  - *International Relations for Business*(two-year program – Polish MA).



# *A Profile of WSB-NLU (III)*

## *MBA Program*

- *Introduction to Graduate Studies*
- *Organizational Behavior*
- *Human Resource Management*
- *Ethical and Legal Issues*
- *Managerial Economics*
- *Macroeconomics*
- *International Management*
- *Managerial Accounting*
- *Financial Markets*
- *Financial Management*
- *Operations Management*
- *Strategic Marketing*
- *Strategic Management*

# *A Profile of WSB-NLU (III)*

## *Computer Science DePaul University Program*

- *Computer Architecture*
- *Design and Analysis of Algorithms*
- *Object-Oriented Software Dev. Methodologies*
- *Cryptology*
- *Concepts of Programming Languages*
- *Automata Theory and Formal Grammars*
- *Network Programming*
- *Theory of Computation*
- *Protocols and Technologies for Data Networks*
- *Advanced Database Systems*
- *Expert Systems*
- *Distributed Algorithms*
- *Network Management*
- *Neural Networks and Machine Learning*



# *A Profile of WSB-NLU (IV)*

## Educational facilities and equipment:

- ✓ excellent on-campus conditions for roughly 3000 students enrolled full-time;
- ✓ over 450 computers within a Local Area Computer Network;
- ✓ libraries (including electronic library section), reading rooms;
- ✓ complex of sport facilities (multi-purpose outdoor and indoor, fitness club).

A number of dormitories and students' hostels  
(560 places available).









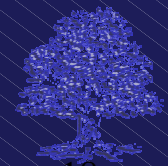


# *A Profile of WSB-NLU (V)*

Founders – non-active body, specially formed Polish-American Foundation solely involved in *non-profit* operations, its primary rights are confined to participation in re-formulation of the School's Statute and election of new presidents of the School.

All premises and on-campus property are solely owned by the School.

*Non-profit* organization – profits accrued from operations are statutorily reinvested in modernization of the School and further educational development.

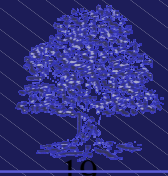




# *Students (I)*

## **Mission of the School:**

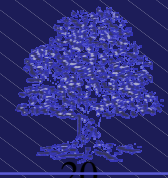
- ▶ a supportive and rigorous learning environment;
- ▶ development of a strong sense of individualism in students;
- ▶ a friendly atmosphere and prevailing strong relations between students and the faculty members that are bound to become major differentiators of the School.



# *Students (II)*

## **Mission of the School:**

- ▶ students' active participation in extracurricular activities foster the development of long-term interpersonal relationships (students living in a small community can only „*count upon each other*”);
- ▶ students' individual initiative leads to the establishment of various student scientific associations and interests clubs.

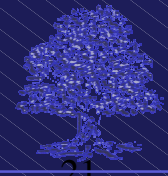




# *Students (III)*

## **Students are involved in:**

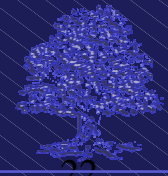
- ▶ organization of applied conferences addressed to their own student community;
- ▶ operations of diverse scientific student associations (e.g. *MarketPlace*, *Marketing Student Association*, etc.);
- ▶ operations of independent student organizations (e.g. AIESEC, NZS, AEGEE, etc.)



# *Students (IV)*

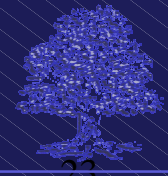
## **Students are involved in:**

- ▲ creative artistic initiatives (e.g. musicals - *Serenade in Dunajec Valley*, 1997; *Wonderful Dreams*, 2002);
- ▲ charitable actions and campaigns;
- ▲ activities of diverse interests clubs and discipline-related groups (Photography-related group, Discussion Club, Toastmasters, etc.).



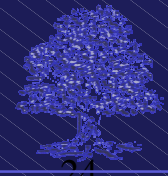
# *Students (V) - Accomplishments*

- ▲ it has become a tradition that a group of students represents the School at the semi-finals and finals of the Annual Entrepreneurship Competition initiated by the Enterprise Educational Foundation (FEP);
- ▲ every year WSB-NLU students attain leading positions in the Worldwide Business Computer Simulation Competition – *MarketPlace*;
- ▲ in 2003, team of WSB-NLU won the L'Oreal Marketing Award competition in Poland.



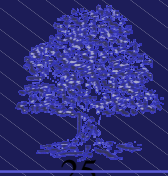
# *Students (VI) - Accomplishments*

- ▶ Tomasz Kobus – President of the national branch of AIESEC for Poland, has been elected the first Polish representative to the AIESEC - World;
- ▶ WSB-NLU undergraduates top the graduate admissions charts at Warsaw School of Business (SGH) regularly made by the SGH President – M. Rocki.



# *Alumni*

- relationships are developed among the School's graduates, but also with the School itself;
- the Alumni Reunion organized for the 10<sup>th</sup> Anniversary of the School's Foundation attracted more than 400 former students from all over the country;
- the School has designed and maintained a special password-protected on-line service used exclusively by the School's Alumni.

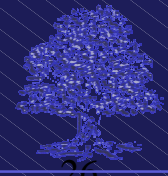




# *A Profile of WSB-NLU Alumni (I)*

The survey carried out within a sample group of 1000 alumni (response rate – 270 quest.) indicated as follows:

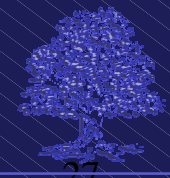
- nearly 32% of all alumni are employed in Warsaw (as only 2% of all surveyed originally descend from Warsaw);
- roughly 65% of all graduates define their financial situation as very good and fairly good.





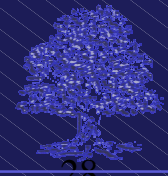
# *A Profile of WSB-NLU Alumni (II)*

- 53,5% of surveyed graduates admitted to holding various managerial positions in large multinational and global enterprises;
- 93,6% of all surveyed were utterly gratified with the fact that they had graduated WSB-NLU;
- roughly 25% of all surveyed alumni claim to have a company car at their exclusive disposal.



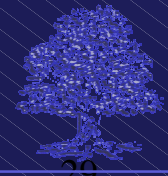
# *Academic faculty (I)*

- » since 1997, the School has been orientated towards forming its own academic faculty;
- » language instructors (60 persons) and major course instructors (40 persons) are employed exclusively by WSB-NLU with full-time contracts;
- » in 2001, the School incorporated a special employee appraisal and motivation system encompassing assistant professors alongside language and major courses instructors.



## *Academic faculty (II)*

- » the School is seriously engaged in the process of developing its own academic faculty;
- » out of 34 faculty members (professors and doctors) employed in the Department of Marketing and Management, 19 work exclusively at WSB-NLU, and 9 got their Ph.D. while working at WSB-NLU;
- » weaknesses – still an overall percentage of distinguished professors working exclusively for WSB-NLU is rather insignificant.



# *Managing the School (I)*

The School was initiated and centrally managed by its founder – President

Till 1997 - *Absolute Dictatorship*

1998-2000 - *Benevolent Dictatorship*

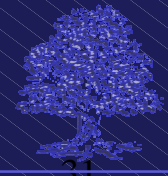
Since 2001 - the School has been undergoing major structural overhauls as part of the transition into a new organizational form with a decreasing role of the current leader.



# *Managing the School (II)*

Disjointing of two managerial functions:

- general management of the institution
- decision – making with respect to academics.





# *Managing the School (III)*

1. The President takes responsibility for formulating the budget, policies on employee remuneration, recruitment and general employment, alongside developing an organizational structure of the Institution.
2. Vice-President for Didactics makes decisions relating to the development and implementation of academic programs, as well as acts as a liaison for student affairs.
3. Vice-President for Academics supports the growth and professional development of the academic faculty

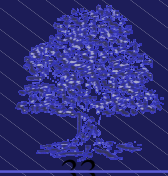




# *Managing the School (IV)*

The role of the Collegiate Bodies has been limited:

- Board of Advisors (Senat) approves of new programs and verifies international agreements,
- Divisional Programming Board develops and institutes the curricula for academic programs.



# *Current Financial Situation*

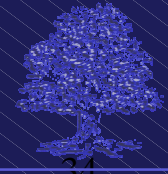
- ✓ completing the investment in the material development of the campus (over 46 mln PLN);
- ✓ paying off the loan by the end of 2007;
- ✓ high salaries of the faculty (from 3,143 PLN – 60 foreign languages instructors – to 19,500 PLN – to the top professors).

## The Results of the Investments:

- the best studying conditions in Poland.

## Prospects for the Future:

- the tuition needs to remain unchanged within the next few years.



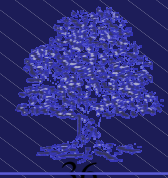
# *The budget structure*

	Oct 1997 – Sept. 1998	Oct. 1999 – Sept. 2000	Oct. 2002 – Sept. 2003
the number of students	2,147	2,802	4,008
tuition	10,982 thousand	17,496 thousand	21,868 thousand
other inflow	1,102 thousand	2,679 thousand	1,586 thousand
together	12,084 thousand	20,175 thousand	23,454 thousand
<u>Expenditure</u>			
salaries	6,048 thousand	9,730 thousand	15,237 thousand
fixed costs	3,339 thousand	4,883 thousand	3,910 thousand
depreciation	399 thousand	803 thousand	1,642 thousand
projects	423 thousand	566 thousand	220 thousand
together	10,209 thousand	15,982 thousand	21,669 thousand
income without depreciation	1,875 thousand	4,193 thousand	1,785 thousand
development expenditure	2,274 thousand	4,996 thousand	3,427 thousand

# *How was it possible?*

## A – academic reasons

- ↘ basing the teaching program on the experience of the American partner-institution;
- ↘ intensive program of foreign languages (990 hours during first three years);
- ↘ additional, preparatory year for students with insufficient command of English (729 hours);



- wide, comprehensive, *head opening* program of teaching;
- wonderful atmosphere of co-operation and respect between students and faculty;
- support from the partner-institutions from abroad (in the first period there were 62 courses lectured by foreign professors);
- strong priority – quality of education (about 50% of classes in small groups, interactive methods), instead of financially attractive model of the fast increase in the number of students.



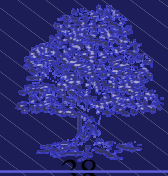


# *How was it possible?*

## B – financial reasons

↘ Financial support from international institutions in the first period :

- Polish – German Co-operation Fund
- United States Information Agency
- Swedish Institute for International Support
- Ebert's Fund
- European Programmes PHARE
- Centre for International Private Enterprise;



# *How was it possible?*

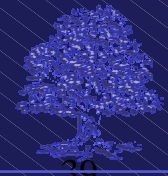
## B – financial reasons

➤ Support from Polish business circles:

- Polish Chamber of Commerce
- large companies and banks;

➤ Careful budgeting (only 9% of administrative expenses and only 11% of permanent costs);

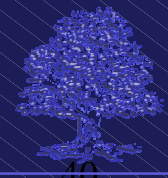
➤ Faculty and staff members' consciousness that there has been a need to limit salary requirements.



# *How was it possible?*

## C – leadership

- strong leadership, sometimes stubbornness and constant availing of opportunities from the founder and Rector;
- opening the founders of the School towards the world and lots of innovation activities;
- effective work of a small but extremely engaged group of the School organisers;



# *How was it possible?*

## C – leadership

- ↘ unique in Polish circumstances, strong relationship between the School and a large group of different companies;
- ↘ fast opening beyond traditional academic activities – in the period 1994 –1998 WSB-NLU organised 33 multienviromental scientific, regional and political conferences;
- ↘ strong engagement of a large group of students in the conference and organisational activities.



# *How was it possible?*

## D – media

↘ for the Polish media from the very beginning, WSB-NLU became a positive symbol of the process of transformation in Poland (dozens of articles, TV and radio programs);

↘ article about WSB-NLU by Kevin Dove in *Financial Times* on 25 March, 1998 –

(...) *cutting edge of transition in Poland*







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