

FACULTY OF BUSINESS AND TOURISM BUDVA

EVALUATION REPORT

May 2014

Team:

Sokratis Katsikas, Chair

Erdal Emel

Mikus Dubickis

Anna Gover

Ivana Juraga, Team Coordinator

Contents

1. Introduction	3
2. Governance and institutional decision-making.....	6
3. Teaching and learning.....	8
4. Research	10
5. Service to society.....	11
6. Quality culture.....	12
7. Internationalisation	13
8. Conclusion.....	14

1. Introduction

This report is the result of the evaluation of the Faculty of Business and Tourism Budva. The evaluation took place in the framework of the project “Higher Education and Research for Innovation and Competitiveness” (HERIC), implemented by the government of Montenegro with the overall objective to strengthen the quality and relevance of higher education and research in Montenegro.

While the institutional evaluations are taking place in the context of the project, each university is assessed by an independent IEP team, using the IEP methodology described below.

1.1 Institutional Evaluation Programme

The Institutional Evaluation Programme (IEP) is an independent membership service of the European University Association (EUA) that offers evaluations to support the participating institutions in the continuing development of their strategic management and internal quality culture. The IEP is a full member of the European Association for Quality Assurance in Higher Education (ENQA) and is listed in the European Quality Assurance Register for Higher Education (EQAR).

The distinctive features of the Institutional Evaluation Programme are:

- A strong emphasis on the self-evaluation phase
- A European and international perspective
- A peer-review approach
- A support to improvement

The focus of the IEP is the institution as a whole and not the individual study programmes or units. It focuses upon:

- Decision-making processes and institutional structures and effectiveness of strategic management
- Relevance of internal quality processes and the degree to which their outcomes are used in decision-making and strategic management as well as perceived gaps in these internal mechanisms.

The evaluation is guided by four key questions, which are based on a “fitness for (and of) purpose” approach:

- What is the institution trying to do?
- How is the institution trying to do it?
- How does the institution know it works?
- How does the institution change in order to improve?

1.2 Faculty of Business and Tourism Budva's profile

The Faculty of Business and Tourism Budva (FBT) is a young, small, specialised, private institution of higher education, founded by Professor Dr. Rade Ratkovic and Professor Dr. Ivo Armenko, who between them have several decades experience in tourism management and in faculty management. It is one of several higher education institutions in Montenegro devoted to the study of tourism.

The faculty was founded in 2009, accredited in 2010, and began enrolling students in 2011. The first generation of students who have spent their entire course of higher education at the faculty will graduate in 2014. However, as the faculty had also enrolled a number of transfer students directly into the third year of studies, it already has a small number of graduates.

The faculty is small in size. In the academic year 2013-2014, the faculty had 181 students, out of which approximately one-third were mature students. Out of a total of 21 teaching staff members, 15 are part-time staff (affiliated also to other institutions in Montenegro and the wider region, including Croatia and Macedonia). In addition, the faculty operations are supported by 2 administrative staff members. The number of students has increased steadily since 2011.

The faculty offers one study programme: Management in Tourism and Hospitality. The programme is offered at two levels of study (Bachelor and Master I) with the third level (Master II) currently in the process of accreditation. Master I corresponds to postgraduate specialist studies and Master II to postgraduate master studies. There are also plans to introduce a second study programme, focusing on business management for small and medium enterprises, but for the time being financial constraints have prevented this. The faculty also offers lifelong learning courses, notably courses for tourist guides and customised courses at the request of tourist companies.

According to the SER, FBT's strategic orientation is the "acquisition of practical knowledge and skills required for various positions in middle and top management in companies that deal with hospitality and tourism". In conversations with the team, the FBT founders also expressed their vision to educate graduates who will be able to gain practical experience in large tourist companies, and then go on to start their own small and medium-sized enterprises.

The faculty's location in Budva, on the coast of Montenegro, gives it easy access to its primary target audience – the tourism industry. The faculty is housed in a purpose-built "Academy of Knowledge", a project initiated by the Budva municipality with the aim of developing an educational hub in the Budva community. The same building houses two other higher education institutions, as well as the local library, a centre for foreign languages and a minority community school.

1.3 The evaluation process

The self-evaluation process was undertaken by a small team nominated by the dean. The team distributed the tasks among themselves and held regular meetings over a period of three months. The draft report was made available on the Distance Learning System and presented to the Academic Council. The report was drafted in Montenegrin and the final version was translated to English.

The self-evaluation report of the Faculty of Business and Tourism Budva, together with the appendices, was sent to the evaluation team in February 2014. The visits of the evaluation team to FBT took place from 4 to 6 March and from 13 to 15 May, respectively. In between the visits the Faculty of Business and Tourism Budva provided the evaluation team with some additional documentation.

The evaluation team (hereinafter named the team) consisted of:

- Sokratis Katsikas, former Rector, University of Piraeus, Greece, Chair
- Erdal Emel, former Vice-Rector, Uludag University, Turkey
- Mikus Dubickis, student, Riga Technical University, Latvia
- Anna Gover, Administrative Officer, European University Association¹
- Ivana Juraga, Project Officer, European University Association, Team Coordinator

The evaluation team wishes to express its gratitude to all participants in the interviews for their openness and willingness to discuss all issues concerning the Faculty during the meetings. Special thanks go to Ana Tripkovic Markovic and Olivera Popovic, who provided invaluable support to the team and were responsible for the efficient organisation of all the meetings and discussions. Finally, the evaluation team would like to express its sincere thanks to the Dean, Professor Dr. Rade Ratkovic, and the President of the Steering Board, Professor Dr. Ivo Armenko, for their friendly hospitality.

¹ Joined the team for the second site visit.

2. Governance and institutional decision-making

The governing body of FBT is the Steering Board, comprising the two founders (one of whom is the president of the Steering Board and the other of whom is the dean) and a staff member. Academic issues are the responsibility of the Academic Council, which consists of the same people, plus the vice-dean and a student representative. The Academic Council also serves as the Quality Board.

Owing to its small size, FBT aims to nurture a collegial and informal governance culture, rather than formal relationships and processes between various bodies. According to the SER, the faculty feels that the "separation of activities in closed organisational units" would not be justified due to the size of the faculty. The team found that the faculty relies to a great extent on the expertise and experience of its two founders in the tourism management industry and in higher education in the field of tourism. The organigram supplied by the institution demonstrates that the leadership staff, including the founders, has many overlapping roles.

The team was happy to witness that the founders of FBT are passionate about and dedicated to the faculty's mission. However, at the same time, the team felt there lacked a sense of true academic community at FBT. For example, the team found that, in practice, the role of the Student Parliament is mostly limited to resolving students' complaints. *The team therefore encourages FBT to invest efforts into further developing its academic community.* Possible actions to achieve this might include increasing the number of full-time staff, and developing more projects on which staff and students can work together. Furthermore, *the team believes that involving students in institutional governance would produce dual benefits of building the academic community and enhancing quality.*

The team was told of various external legal constraints within which FBT is operating. These include the high financial guarantees required to open new study programmes, the inability of independent faculties to offer PhD programmes, and most importantly, the inability to confer academic titles to staff. The team was told that, according to the Montenegrin legislation, independent faculties do not have the right to confer academic titles, which results in them being dependent on partner institutions, often abroad, for the conferral of titles to their staff. This makes FBT's staffing situation challenging, especially in the context of its desire, as stated in the SER, to focus primarily on the recruitment of young staff from the ranks of their own students.

FBT has developed a strategic plan, however the team found the plan to be somewhat too generalised. Considering the constraints presented above, the team's view was that at present FBT lacks a long-term vision, and relies to a great extent on a potential system reform of higher education in Montenegro. *The team recommends that FBT actively explores different scenarios for its future development.* Such scenarios may include taking up potential opportunities that could be created by changing the higher education law; merging or partnering with other higher education institutions; or maintaining its current structure and academic offering while strongly enhancing quality. *Priority should be given to those scenarios*

that do not rely upon external factors over which FBT has no control. This process should also include the development of an elaborated business plan.

In the same spirit of seeking solutions which do not hinge on changes to the Montenegrin higher education legislation, *the team urges FBT to investigate possibilities for formal cooperation with universities (including foreign ones) which would provide a more stable solution to the problem of appointing academic staff.*

Finally, the team noted that there are a large number of faculties focusing on similar activities to those at FBT in Montenegro, which represents a potential threat to student enrolment at FBT. Moreover, the SER shows that FBT has attracted lower student numbers than was expected at the moment of its founding, and the realisation of its goals is therefore progressing slower than planned. The team feels that this might pose a threat to the faculty's financial sustainability in the long term. Therefore, *the team advises FBT to define and articulate its unique competitive advantages and accordingly develop a clearly articulated marketing strategy which would highlight these advantages, both to prospective students and partners from industry.* This can also include the local authorities.

3. Teaching and learning

According to the SER, FBT's aim is "to establish itself as a leading institution for personnel training for tourism and hospitality industry, both for higher education and lifelong learning, at local, regional and national level".

FBT reports its academic staff to student ratio as 1:16. The team heard from FBT students that they are generally satisfied with the education provided to them. Moreover, keeping in mind that one-third of its student population consists of mature students, the team was pleased to find evidence that FBT makes an effort to adapt to the students' situation. This is done, for example, by adjusting the academic calendar so as to accommodate the tourist season, by organising catch-up assignments for students unable to attend classes, and through the use of the Distance Learning System.

Practical application is well integrated into the study programme, and FBT provides substantial support to students in finding placements with tourist companies in Budva. Internships are documented and assessed and according to the SER, usually last 12 weeks. The practical application of knowledge is further supported through the good practice of regularly bringing in employers as guest lecturers at FBT.

The team also noted that FBT provides its students with a diploma supplement in English and Montenegrin.

While commending the above-mentioned elements, overall the team found that compatibility with Bologna goals and practices at FBT was limited. For example, the team found that learning outcomes were not well understood by students, and that the flexibility of learning paths through the choice of electives was limited. *The team encourages FBT to continue and increase its efforts towards fully implementing the Bologna principles and guidelines, including the evaluation of learning outcomes, and allowing for individual learning paths by increasing the number of elective courses.*

Furthermore, the team was concerned by the relatively high failure and drop-out rates reported in the SER. In order to reduce these, *the team recommends that FBT develops a comprehensive system for learning support for students.* Such a system can include academic advisers, preparatory courses for incoming students, communal spaces for students, etc. The team found the above-mentioned Distance Learning System to be widely used; however, its use could be further enhanced, also in the context of developing learning support. *The team therefore encourages FBT staff to exploit the Distance Learning System to its full capacity, e.g. by allowing online interaction between teaching staff and students, or among the students themselves.*

With regard to teaching staff, the SER states that the faculty is oriented towards hiring young staff with a high level of computer literacy and foreign language skills, and in the future aims to recruit some of its own best students to teaching positions. However, despite the orientation towards young staff and professionals from the tourism industry, who may need

significant guidance when dealing with pedagogical issues, the team was told that no formal pedagogical support for teaching staff exists. At the same time, the team learned of good practices which are being implemented informally, such as the individual mentoring of new staff. *The team recommends that FBT introduces some formal pedagogical training for staff. In this respect, FBT should also make use of its own resources, e.g. by encouraging teaching staff to share good practices among each other.*

4. Research

One of FBT's proclaimed aims is to conduct research relevant to the tourism and hospitality industry. The SER elaborates this aim to include research on the reality of the tourism and hospitality industry in Montenegro, as well as to contribute to the formulation of tourism policy at the corporate and national level.

The faculty has been active in submitting applications for funding of research, but has not yet been successful. According to the SER, FBT staff undertakes research activities mainly in their home institutions, while the faculty contributes towards the costs of presenting the research findings in conferences. For the time being, FBT does not offer any doctoral study programmes, nor does it have any plans to do so in the near future.

The team urges FBT to use the planned Masters II level study programme, which is expected to start in the near future, to nurture a research culture among its staff and students. In this context the team was positive about the fact that the faculty had already expressed its intention to involve students in the research activities of the projects submitted for funding.

During the site visits, the team learned that the faculty provides some financial support for conference participation, but not all staff takes advantage of this. The team finds that there is potential for development in this area and *encourages the FBT staff to make greater use of the funds available at the faculty for participation in conferences.*

From the above it can be concluded that, while individual research initiatives are undertaken by some teaching staff, no systematic effort or strategy exists at the level of the faculty. In order to concentrate and enhance its research efforts and resources, *the team recommends that FBT develops a well-defined and focused research strategy. The team believes that FBT's potential in research lies primarily with applied research, which will also serve the local needs of the region and benefit the businesses concerned.*

As part of the research strategy, *the team encourages FBT to develop a concrete action plan for the establishment of the research centre within a defined timeline.* While for the moment such a centre does not exist, the team learned from the staff that the faculty does have the legal possibility to open one. The team believes that this centre could facilitate research synergies among staff, support the preparation of competitive project proposals, and undertake the administration of funded research projects.

5. Service to society

FBT places great importance on its geographical location in Budva, which, according to the SER, is the largest tourist centre in Montenegro and home to a large number of companies potentially interested in FBT graduates. The SER states that FBT aims to achieve a synergy of municipal and faculty resources to profile itself as a regional leader in education for management in the tourism and hospitality industry.

It was evident to the team that FBT had very good connections with the local authorities and the tourism industry, both locally and in the wider region. Moreover, the team found that FBT had made substantial efforts to listen to the needs of the market in designing study programmes, through constant contacts and, more formally, through the work of the Quality Board. *The team supports FBT's idea to further exploit its good relationship with local businesses to organise an annual international roundtable on the topic of tourist barometer of Montenegro.*

Lifelong learning courses offered by FBT, notably those for tourist guides, seem to be successful. However, there are legal obstacles which prevent the faculty from providing officially recognised certificates to those who complete the courses. The SER states that the faculty plans to explore other possible lifelong learning courses once the legal obstacles to issuing certificates are resolved. However, seeing the success of the existing courses so far, even in the face of these obstacles, *the team recommends that FBT investigates further the training needs in its immediate surroundings and expands its offer of lifelong learning programmes, for example for in-house training of hotel employees.*

The team applauds FBT's efforts to further develop its cooperation with the local authorities, for example through building a student residence hall in Budva. FBT's contribution to the cultural life of Budva could be further expanded. *The team recommends that FBT further develops its social responsibility activities in Budva, for example through organising joint social activities with and for students.*

6. Quality culture

FBT's quality assurance strategy states that "the faculty is permanently committed and strives to improve the higher education quality, respecting international standards in this field and immediately targeting involvement in the unique European and World Higher Education Space".

Overall, the team gained the impression that efforts have been made to introduce formal quality assurance documents, processes and bodies at the faculty. In addition to the quality assurance strategy cited above, the team saw evidence of quality assurance processes. For example, the senior teaching staff is required to provide feedback on the work of junior teaching staff each year. Student feedback questionnaires are implemented twice per year through the Distance Learning System. Statistics on student progression and success rates are collected periodically.

At the same time, however, the team gained the impression that quality monitoring is primarily equated with external requirements (re-accreditation), which are taken as the primary guidance for the collection of data and standards. *The team encourages FBT to establish its own quality goals, based on its defined learning outcomes and its desired research outcomes, so as to set the foundations of its quality culture.*

In its conversations with students and staff, the team was pleased to learn that the staff is highly receptive to informal feedback from students. However, at the same time, response rates to student questionnaires are very low, which the staff identifies as a problem. *The team advises FBT to address the low student response rate to questionnaires by exploring alternative models of collecting feedback, e.g. student focus groups.* Being a small institution can serve as an advantage in this respect, making it is easier to communicate and collect feedback through less formal channels.

Finally, the team learned from the additional documentation submitted that FBT conducts on an annual basis an internal enrolment survey of their incoming students, with the aim of understanding their motivation for choosing the faculty and their expectations regarding future employment. The team commends this practice and recommends setting up a similar mechanism for outgoing students. *The team recommends that FBT uses the occasion of having its first full-term graduates in 2014 to establish alumni tracking mechanisms from the very beginning.*

7. Internationalisation

As noted above, FBT aims to profile itself as a regional leader in education for management in the tourism and hospitality industry. The faculty prides itself on developing its programmes based on a benchmark analysis of the leading academic programmes in the USA and the EU.

International cooperation exists with some foreign higher education institutions, in the form of receiving visiting lecturers. However, according to the SER, inter-institutional cooperation is more informal than formal. *The team recommends that FBT intensifies its cooperation with foreign higher education institutions, by setting up bilateral exchanges of staff and students, as well as research collaboration.*

There are currently no courses taught in any foreign language as part of the study programme. There is a plan to offer one lifelong learning course in English – but not within the study programmes. *The team recommends that FBT considers introducing into the study programme an elective course taught in English, as a pilot project.*

English and Italian are offered as foreign languages in the first and second years of study, whereas Russian, even though significant for the region, is not offered. The team learned from students that they would welcome more language teaching and opportunities for mobility. *The team suggests that FBT extends its offering of foreign language teaching to the third year of study, as well as considers expanding the offer to include Russian.*

Finally, as an effort towards developing internationalisation, *the team recommends that FBT explores its potential to attract students from the Western Balkans region, and that it defines an appropriate marketing strategy to this end.*

8. Conclusion

The team recognises that FBT is a new, small institution still in the early stages of development. It is also operating in a higher education system unfamiliar with private HE institutions and in an environment subject to a number of legal constraints. Despite this, the team appreciates the efforts that FBT has undertaken to listen to the needs of the sector and the local community that it serves. The team encourages the founders and staff of FBT to build on their achievements to date and work towards developing a sustainable, high-quality academic environment. The team hopes that the evaluation process and recommendations in this report will help the institution to consider its future and work towards its goals in a strategic way.

Summary of the recommendations

Governance and institutional decision-making

- The team encourages FBT to invest efforts into further developing its academic community.
- The team believes that involving students in institutional governance would produce dual benefits of building the academic community and enhancing quality.
- The team recommends that FBT actively explores different scenarios for its future development. Priority should be given to those that do not rely upon external factors over which FBT has no control. This process should also include the development of an elaborated business plan.
- The team urges FBT to investigate possibilities for formal cooperation with universities (including foreign ones) which would provide a more stable solution to the problem of appointing academic staff.
- The team advises FBT to define and articulate its unique competitive advantages and accordingly develop a clearly articulated marketing strategy which would highlight these advantages, both to prospective students and partners from industry.

Teaching and learning

- The team encourages FBT to continue and increase its efforts towards fully implementing the Bologna principles and guidelines, including the evaluation of learning outcomes, and allowing for individual learning paths by increasing the number of elective courses.
- The team recommends that FBT develops a comprehensive system for learning support for students.

- The team encourages FBT staff to exploit the Distance Learning System to its full capacity, e.g. by allowing online interaction between teaching staff and students, or among the students themselves.
- The team recommends that FBT introduces some formal pedagogical training for staff. In this respect, FBT should also make use of its own resources, e.g. by encouraging teaching staff to share good practices among each other.

Research

- The team urges FBT to use the planned Masters II level study programme, which is expected to start in the near future, to nurture a research culture among its staff and students.
- The team encourages the FBT staff to make greater use of the funds available at the faculty for participation in conferences.
- The team recommends that FBT develops a well-defined and focused research strategy.
- The team believes that FBT's potential in research lies primarily with applied research, which will also serve the local needs of the region and benefit the businesses concerned.
- The team encourages FBT to develop a concrete action plan for the establishment of the research centre within a defined timeline.

Service to society

- The team supports FBT's idea to further exploit its good relationship with local businesses to organise an annual international roundtable on the topic of tourist barometer of Montenegro.
- The team recommends that FBT investigates further the training needs in its immediate surroundings and expands its offer of lifelong learning programmes, for example for in-house training of hotel employees.
- The team recommends that FBT further develops its social responsibility activities in Budva, for example through organising joint social activities with and for students.

Quality culture

- The team encourages FBT to establish its own quality goals, based on its defined learning outcomes and its desired research outcomes, so as to set the foundations of its quality culture.

- The team advises FBT to address the low student response rate to questionnaires by exploring alternative models of collecting feedback, e.g. student focus groups.
- The team recommends that FBT uses the occasion of having its first full-term graduates in 2014 to establish alumni tracking mechanisms from the very beginning.

Internationalisation

- The team recommends that FBT intensifies its cooperation with foreign higher education institutions, by setting up bilateral exchanges of staff and students, as well as research collaboration.
- The team recommends that FBT considers introducing into the study programme an elective course taught in English, as a pilot project.
- The team suggests that FBT extends its offer of foreign language teaching to the third year of study, as well as considers expanding the offer to include Russian.
- The team recommends that FBT explores its potential to attract students from the Western Balkans region, and that it defines an appropriate marketing strategy to this end.