Governance Structure of Non-Public Higher Education Institutions (HEIs) in Poland

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Abstract
By an appropriate design of their organisational structures contemporary non-public HEIs can select the optimum variant of decision to enable achievement of their long-term goals. With the above in mind, this paper discusses the characteristic features of governance of HEI structures from the point of view of increasing their effectiveness.

Keywords: non-public higher education institution (non-public HEI), organisational structure, management

Introduction
The first university in Poland was opened by King Kazimierz the Great in 1364r. (Holub, 2012). Further universities were the University of Vilnius and Lviv Academy set up in the second half of the seventeenth century (Geryk, 2007). At the beginning of the Second Republic, after the annexation, were five universities (in Krakow, Vilnius, Lvov, Warsaw and Poznan), two technical universities (in Lviv and Warsaw), Warsaw Agricultural University (Warsaw), the Mining Academy (Krakow) and the Academy of Medicine Veterinary (Lviv) (Jaczewski, 1987). In the Second Republic as well as public schools were private. Decision of the occupant, while the Second World War, the higher education were eliminated. However, the secret HEIs manages to promote the teaching of 700 masters, 40 doctors and 19 rehabilitation (Mauersberg, 1987). In 1945-1989, the period of PRL - Stalinist regime, and later socialist - higher education is subject to strong indoctrination. Universities were co-managed by the governmental administration.

In the last years, the sector of non-public HEIs was very dynamic. Adopted September 12, 1990. by the Polish Parliament on Higher Education Act (The Act of September 12, 1990) created a legal basis for the development of non-public education in Poland. By 1990 there were only public universities (with one exception - Catholic University of Lublin\(^1\)) while in the academic year 2010/2011 number of non-public HEIs reached 328. Its attractiveness is demonstrated by a constantly growing number of schools and their increasing revenues. However, statistical forecasts show that within the next 10 years the numbers of students will drop by around one third (Kula, 2005).

Fig. 1: The Relationship between the Number of HEI’s and the Number of Students in the Years 1999-2011

Source: own study on the basis of: *Mały rocznik statystyczny 2000-2010*, GUS, Warszawa

\(^1\) Catholic University of Lublin is a non-public school, whose founding body is the Church.
According to the *Higher Education Development Strategy to 2020* in 2008-2020 the number of people aged 18-24 will decrease by approx. 36% (i.e. approx. 1.5 million). If we assume that the enrollment rate will remain unchanged at this direct effect would decrease the number of students by approx. 600-800 thousand. The expected number of students in the years 2015-2025 is shown in Fig. 2.

**Fig. 2 Number of Students in 2015, 2020 and 2025 in Selected OECD Countries, Assuming a Constant Rate of Participation (% Change Compared To 2005)**

![Graph showing number of students in 2015, 2020, and 2025 in selected OECD countries](image)


Non-public HEIs will have to face growing competition which will be a result of not only the coming baby bust but also of competition from foreign schools and from public HEIs (receiving financial support from the central budget). In order to grow further or only to keep their market positions, non-public HEIs will have to face the need to ensure effective management of their organisations, including in particular the finance area.

1. **Specific Features of HEI Governance in Selected Countries**

Non-public HEIs have a certain degree of freedom in shaping their structures. However, the above structures may display some country-specific differences (Table 1).
Table 1: Management Structures of Private HEIs in Selected Countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Characteristic features</th>
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<tbody>
<tr>
<td>Belgium</td>
<td>Management structure involves the participation of representatives of all employees, external stakeholders and employees.</td>
</tr>
<tr>
<td>Cyprus</td>
<td>The first 3 private universities opened in 2007. The structure of their management bodies is laid down in national legislation.</td>
</tr>
<tr>
<td>Estonia</td>
<td>The law on private HEIs specifies the management bodies (rector and council) but it does not provide any details of the areas of their decision-making power. Although the law does not specify any body with the participation of external stakeholders, some schools have appointed such bodies.</td>
</tr>
<tr>
<td>Malta</td>
<td>The only requirement for each school is to obtain the operating licence. In 2007 the National Commission for Higher Education recommended a change in legislation regarding the private education system.</td>
</tr>
<tr>
<td>Norway</td>
<td>Mostly, regulations are the same as for public HEIs. Private HEIs have a board of at least 5 people (in public schools there are at least 11 members).</td>
</tr>
<tr>
<td>England, Bulgaria, Czech Republic, Holland, Latvia, Portugal (since 2007/08), Romania, Slovakia, Slovenia, Sweden, Italy</td>
<td>Regulations are the same as for public universities.</td>
</tr>
</tbody>
</table>

Source: own study on the basis of: “Zarządzanie szkolnictwem wyższym w Europie. Strategie, struktury, finansowanie i kadra akademicka” (English original title: Higher Education Governance in Europe. Policies, structures, funding and academic staff), Eurydice, The information network on education in Europe, pp. 42-43

2. Governance Bodies of Non-Public HEIs in Poland

Non-public higher education institutions are legal persons and as such they operate through their bodies (Article 38 of the Civil Code). The said bodies should be defined in the charter which represents the main source of the institution's internal law. W. Kopaliński defines a charter as a "set of regulations defining the structure, tasks and manner of operation of an institution or organisation" (Kopaliński, 1989). The charter is adopted by resolution or conferred by the bodies of the institution or by its founder and requires the approval of the minister in charge of higher education.

Higher education institutions play a very important social and economic role in their environments. That is why, the charter should reflect the expectations of all stakeholders of a HEI, so that to make it a tool enabling the closest possible integration between the internal environment and the external environment of the school. The charter specifies, inter alia:

- Rights and duties of the founder,
- Entity (body or founder) authorised to represent the HEI,
- Procedure for appointing single-person and collective bodies,
- Powers of the HEI's bodies,
- Scope of authority of employees,
- The HEI structure,
- The HEI's financial year.

The founder of the HEI may be either a natural or a legal person. Pursuant to the relevant legislation, the founder has a right to:

- Appoint the first rector of the HEI,
- Confer the school’s charter to regulate its rights and obligations,
- Determine the application of the assets remaining after liquidation of the HEI,
- Indicate the person who will take over his duties in the event of his death (natural person) or liquidation (legal person).
The following are among the powers that are most frequently conferred on the founder by the charter:

- Appointment and removal of rectors,
- Taking a decision to establish a regional branch / branch office or to liquidate the HEI,
- Giving opinions regarding the appointment and removal of persons serving on single-person bodies of the HEI and of persons appointed to collective bodies of the school,
- Determining organisational rules, work rules and remuneration rules of the HEI,
- Granting approval for activities connected with disposing of the school’s assets that are beyond the scope of ordinary management.

**Single-person bodies**, responsible for day-to-day functioning of the HEI are in most cases the rector, chancellor/president and dean (as the manager of the basic organisational unit).

The **rector** represents the HEI, the academic community and exercises supervision over research and academic activity. In accordance with Article 80(1) of the Act on Higher Education the rector is appointed by the founder or by another body indicated in the charter (Act on Higher Education of 27 July 2005). Usually, this function is conferred on an academic staff member holding a professional title or degree and employed by the HEI as his basic place of employment. “Historically there has been a bimodal distribution of power in most European HEIs. In many countries, the Rector formerly had a relatively weak position while the external governance bodies and the institutional professoriate had the most decision-making powers. With increased institutional autonomy, the position of the executive head has changed dramatically throughout most of Europe: the head of the institution now assumes more diverse duties in terms of governance and decision-making than before.” (“Zarządzanie ...”). The following are among the rector’s duties most frequently included in the charter:

- Supervision of the substantive course of the teaching process,
- Submission of motions relating to the appointment and removal of pro-vice-chancellor and deans(s),
- consideration of appeals from decisions issued relating to student affairs,
- Expressing opinions on the motions submitted by the dean (e.g. regarding the employment of academic teachers or appointment of heads of educational organisational units within departments).

Often, like in Anglophone countries, management and supervision over administrative staff and over the management of the financial and administrative functions are delegated by the rector to the **chancellor** (in some HEIs these duties are performed, like in American HEIs, by the **president**). The following are the main duties of the chancellor:

- To implement the strategy of the HEI,
- To make decisions concerning the assets and economic matters of the HEI within ordinary management,
- To develop and implement the material and financial plan of the HEI,
- To establish advisory bodies (subject to the approval of the founder/council),
- To makes declarations of will on behalf of the HEI on matters relating to property.

The chancellor may delegate some of his duties to the vice-chancellor or to the general director.

The post of the **dean** may be entrusted to an academic staff member holding a professional title or degree and for whom the HEI is the basic place of employment. The dean makes decisions relating to the functioning of his department, manages the department and represents it outside within the scope of his powers. The dean may act through deputy deans.

The **collective bodies** responsible for strategic activities are the council/ board of the HEI, the senate and faculty board.

The **council** (in some non-public HEIs this function is performed by the board of the HEI) is the highest collective body. It is composed of: the founder or his representatives, rector (as the representative of teachers), chancellor (as the representative of non-teaching staff of the HEI) and representatives of the students. The work of the council is directed by its chairman.
The following are among the powers of the council:

- Making decisions regarding transformation of the HEI in accordance with the law,
- Making decisions regarding the establishment/liquidation of a new department/branch office or a new major,
- Passing resolutions, after consulting the senate, on the operating directions of the HEI,
- Passing resolutions on and monitoring the implementation of material and financial plans,
- Appointment of a chartered accountant and approval of financial statements,
- Granting approval for the performance by the HEI's bodies of activities beyond ordinary management (e.g. acquisition of real property, taking a loan, granting a loan, purchase of shares/bonds, establishment of a company/another business entity),
- Delivery of opinion with respect to annual reports of the rector and chancellor on the activity of the HEI,
- Setting the amount of tuition fees,
- Delivery of opinion and submitting motions to the founder for the appointment of a chancellor, pro-vice-chancellor, dean, deputy chancellor and general director,
- Submitting motions to the founder for the performance of activities reserved for the founder,
- Passing of resolutions on other matters, not reserved for other bodies.

The senate is composed of the rector (as its chairman), pro-vice-chancellors (if any), the founder or the founder's representatives, the chancellor, deans and deputy-deans (if any), librarian, representatives of academic teachers, non-teaching staff members and students. The term of office of senate members, who are elected by direct secret ballot, is 3 years. The following are the powers of the senate:

- Passing resolutions to adopt study rules and library rules,
- Delivery of opinion with respect to the rector's annual report on the activity of the HEI,
- Delivery of opinion regarding the establishment/liquidation of new departments/branch offices or new majors,
- Delivery of opinion on the candidates for the post of rector, pro-vice-chancellor and dean,
- Creating forecasts regarding the development directions of the HEI,
- Granting of honorary titles (e.g. "For meritorious service for…", "Senior Rector")
- Submitting motions to the council for the performance of activities reserved for the council.

The duties of the faculty board are similar. However, the powers of the faculty board are exercised within a department and do not cover the entire HEI. The faculty board is chaired by the dean and its members include deputy deans, deputy chancellor, representatives of academic teachers, representatives of non-teaching staff and students.

3. Organisational Structure of Non-Public HEIs

Effective and efficient governance of a non-public HEI requires a precise definition of the powers and duties not only of the above mentioned bodies but also of their relations with middle management. The most popular organisational structure of a HEI and its internal relations are presented in Fig. 3.
A majority of HEIs in Poland have a lean organisational structure with multiple decision-making levels. The above structure is split into two functions:

- educational,
- administrative & finance.

Management of the educational function is the responsibility of the rector, while the administrative function is managed by the chancellor.

The phenomena taking place in the process of managing a HEI and their relationships are presented if Fig.
The development of the educational market in Poland changed the perception of HEIs which today are no longer regarded merely as institutions whose aim is to teach students but also as specialist enterprises. In accordance with T. Wojciechowski, a HEI is an organisation functioning thanks to people (Wojciechowski, 2005). The task of non-public HEIs is not only to organise the educational process but also to ensure suitable conditions for a long-term existence of the HEI as an entity operating on a competitive market. Therefore, top and middle management of a non-public HEI should have special skills, such as knowledge of the theory and practice of managing organisations and their individual areas (e.g. marketing, PR, finance, human resources), sense of mission (development of the HEI) or knowledge of the local environment (e.g. useful when hiring teaching staff). Additionally, if the HEI is to be effective, its management must cooperate, exchange information on an ongoing basis and act in a reliable manner.²

Conclusion

The above discussed concept of management structures in non-public HEIs is extremely important in the process of managing non-public HEIs in view of the activities aimed to increase their effectiveness. Private HEIs may be regarded as specific forms of enterprises operating on the educational services market. Effective and efficient governance of non-public HEIs requires a precise definition of the powers and duties of the entity's bodies and of their mutual relations.

² More details in: Zarządzanie szkolnictwem wyższym w Europie, p. 43-44
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