



***INSTITUTIONAL ACCREDITATION  
2010/2011***

**Accreditation Report of  
INTERNATIONAL BUSINESS SCHOOL  
(IBS NEMZETKÖZI ÜZLETI FŐISKOLA)**

***ANNEX TO HAC RESOLUTION No. 2011/7/V/7***

**30 September 2011**

Previous institutional accreditation: HAC resolution 2006/6/VII/2

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## Accreditation and Evaluation of International Business School

### I. Accreditation decision

<b>International Business School</b>	<p><b>A (Accredited)</b></p> <p>The accreditation of the college – if it is persistently in compliance with the accreditation requirements – is valid until <b>31 December 2016</b> with monitoring procedure due until <b>31 December 2012</b>.</p>
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### Explanation for the accreditation decision

On the basis of the pertaining paragraphs of the Higher Education Act 2005/CXXXIX presently in force, and on the HAC requirements, the **HAC GRANTS ACCREDITATION AS A COLLEGE TO INTERNATIONAL BUSINESS SCHOOL – with remarks detailed below** – for the following reasons,

- The college conducts education in the field of training<sup>1</sup> of Economics in two programmes<sup>2</sup> on the undergraduate (bachelor) level. It thereby fulfils the requirements for teaching on specific academic levels.
- The college has full-time academic and research staff necessary to conduct its tasks: *at least sixty percent* of its research and academic staff required for conducting its basic activities are employed at the institution (**43 persons of a total of 46 persons, that is: 93%**). Employment is for indefinite time in every case (full and part time as well).
- In accordance with its activities as laid down in its Deed of Foundation, the college integrates programmes on various academic levels and the organisational units that provide basic, core education for other programmes offered at the college and relating to the profile of the college. Thereby the college ensures that it is capable of organising education in joint or similar academic areas.
- The college has the necessary facilities and material resources to conduct education and research (buildings with space suitable to fulfil its functions, such as lecture halls, seminar rooms, institutional library, computer labs and infrastructure with adequate access possibilities, practice rooms, equipment, as well as dormitories, sports and cultural facilities, cafeterias).
- An average of the total number of students enrolled in the different levels of education in the last three academic years was **827 students**.
- The college's quality assurance and development processes – including management, planning, control, assessment and evaluation procedures – are still not quite adequate.

The HAC requires IBS to make an **action plan** which covers especially the following two critical points:

- The development of the institutional quality assurance system and its penetration.
- The enhancement of research work at the School.

This **action plan is to be delivered to HAC by 31 December 2011**, and it has to be detailed enough to show the specific actions as to how the above two issues will be solved and by when. The **HAC will check** the implementation of the action plan before **31 December 2012**.

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<sup>1</sup> The pertaining fields of training are: Agriculture, Humanities, Economics, Information Sciences, Law and Public Administration, Engineering, Art, Performing Arts, National Defence and Military, Medicine and Health Sciences, Teaching, Sports, Social Sciences, Natural Sciences.

<sup>2</sup> See the list of programmes in the *Annex*

## II. Evaluation of the quality of the institution's operations and organisation

### 1. Conditions in general at the college

IBS in general shows a positive and worthwhile to follow picture. The professors, teachers and the students are very motivated, the climate inside IBS is very positive, friendly, we can say. The administration of IBS is very helpful in supporting students, it readily assists to solve the problems of both Hungarian and foreign students.

The academic-professional level of the lectures and the whole education are professional, the working conditions, facilities are above the Hungarian average which is a good starting point for professional education.

It has to be underlined that students after graduation can get a job easily. It is a high value of IBS and can be exemplary for other higher education institutions.

Beside of these very promising conditions, the HAC found *two problem areas* which require corrections. One of these is the internal quality assurance system and its penetration, while the other is the scientific activities of the staff, which was already a point of concern in the previous institutional accreditation report back in 2006.

### 2. Organisation and operation: evaluation of the current situation and processes

#### 2.1. The organisation of the institution, its governance structure as reflected in its mission statement

##### *The institution's organization and governance*

The governance of IBS is unique. In some respects it differs from the common Hungarian practice described in the HE act. It is rather like a business model where the Senate seems to function as a Management Board with the Vice-Chancellor as CEO at its helm. The Board members are the heads of the five centres together with the Secretary General, the Postgraduate Director and the head of the Marketing Department.

An Education and Scientific Council supports the Senate and consists of elected representatives headed by the Vice-Chancellor/CEO. The Council is tasked with the supervision of the teaching content, quality and development.

Directly under the direction of the Council, assigned to the authority of the Teaching Centre, are the departments, the research centre and the committee.

It shall be noted that IBS cannot be assigned to any category among Hungarian higher education institutions because all education is tuition supported without any financing from government. IBS is closely connected to a foreign higher education institution, Oxford Brookes University, and issues that university's degrees (UK degrees) on the basis of foreign accreditation (*European Council for Business Education – ECBE, British Accreditation Council – BAC*), uses its teaching material, methods and assessment system and holds the status of "higher education institution of international character" defined in the Hungarian Higher Education Act (Section 138/A).

The task of the HAC expert team was of course not to investigate the differences between the two systems but to check whether the institution complies with the requirements that pertain to institutions within Hungarian jurisdiction set by the Higher Education Act and the Hungarian Accreditation Committee.

##### *Mission statement and the Strategic Plan*

Besides the self-evaluation report two other documents are crucial for the evaluation: The *mission statement* of IBS and the *strategic plan* and its implementation in IBS's reality.

The mission statement has important implications for the work of IBS, not only in the purely scientific fields, but also on more general educational and cultural levels. We can read in the self-evaluation report that: “*The mission of IBS as a Budapest-based European business school is to provide an excellent academic and practice-based education to an exclusive group of students of diverse cultural background*”. The mission statement is elaborated more thoroughly and mentions the added value IBS is providing to its students and teachers. This will certainly help to keep IBS in the right track in the turbulent days of changes, stressing its unique face and at the same time provide space for to be flexible enough. However, IBS should prepare a specific document which will deal with the major threat of the whole institution: the continuing decline of the number of domestic students.

IBS has a strategic plan adopted in 2009 and extending until 2020, which describes the institution’s objectives through seven key aims. For the HAC visiting committee this plan seemed to be a loose collection of principles, even if they are valid ones (student-centred service delivery model, cooperative business structure, practice-based scholarship etc.). The action plans to be worked out for the individual goals are described, but there is no tangible information regarding the deadlines and costs for the actions.

#### *Planning and efficiency*

What is essential for the implementation of the strategic plan is a very precisely formulated financial plan with concrete sums allocated to each project defining also the financial resources. Although it is mentioned under the Strategic Goal No. 7 that IBS has some financial plans but they were not included in the material the HAC visiting committee received. Care should be taken to avoid the strategic plan being a wish list rather than a mirror of reality. A discussion should start IBS wide and agreement should be reached on a few carefully chosen basic priorities and attainable goals, and a detailed and viable financial plan for implementing this vision should be elaborated.<sup>3</sup>

One of the important features of IBS and a key indicator for its efficiency is the quite good 46 staff per 683 students (15 students per teacher) ratio. The visiting committee was not fully able to ascertain whether this number of personnel is, as a whole, sufficient or not, but an answer was given to this question that this is the number the budget can support.

As concerns the organization, the institution has adapted it in line with the given budgetary scope when, in 2005, five functional units were established: the Teaching, Student, Finance and Logistics, Recruitment and Marketing, and Business Network Centres.

#### *External relations of the management*

Among the activities of IBS, its communications and marketing strategy updated in 2005 and elaborated by the Recruitment and Marketing Centre is especially well developed. It encompasses three units: student recruitment, marketing and PR, and international student support. Having visited the unit it is evident that it is becoming increasingly important, especially considering the intensified competition in recruiting students. According to the CEO, traditional recruiting strategies are no longer sufficient; rather, a presence in the individual markets is needed. To this end, a representation system was set up with an up to date virtual system to reach and acquire potential students. They could achieve this more quickly but are often limited by the available resources.

External relations with regard to the recognition of the School and their high-quality PR activities are reflected in the following achievement: EDUCATIO fair prize, Superbrand prize 2010, Webpage of the Year 2010.

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<sup>3</sup> In its remarks to the draft accreditation report IBS indicated that it has a detailed financial plan which it considers confidential and only for internal use due to business reasons.

It should be noted at this point that external relations constitute an important aspect of IBS and they conduct it in exemplary manner relating to the whole of practice-oriented higher education as conducted by the Business Network Centre. They have a quite well developed, proficient system for placing students, whereby they send them on 11-month internships; 35% of the students find permanent employment in the firms where they had their training.

#### *Students' Union*

The Students' Union (with 15 fellows) has started its new operation after the last election in November 2010. Since then, they have been working together as a fresh and motivated team with new aims. They have reorganised their operation, every fellow has his/her own speciality.

The programs organised by the Students' Union such as Fresher's Camp and Freshmen's Ball are well attended and successful. The "open door policy" which determines the whole operation of the college is also typical of the relation between the SU and the institutional governance. (There is a contact person between the governance and the SU.) The students' quality assurances system takes into consideration the students' opinion about their teachers' work.

The communication and the relation between the students and the organization (SU) is not as good as the Union wants to. They hardly can reach the students directly, the inactivity is generally typical among the Hungarian students. The Organizational and Operational Rules and Regulations of the SU were not available for the visiting committee to check. Student participation in the Senate is guaranteed, but there is only one Senate meeting in a semester, so student participation in the decision-making is weak, they complained. The fellows of the SU are not aware of their rights which are set down in the Organizational and Operational Rules and Regulations of IBS. According to the financing system of the college, the SU doesn't have the right to have their own budget; they are depending on the governance's decision.

#### *Students*

Asking foreign students who responded in a matter-of-fact way it turned out that they planned to work in Hungary since they already had job offers. They chose IBS for its well known quality of education, providing teaching and learning in the fields that they are interested in. They clearly articulated their pride to their IBS. Interestingly, the teachers mentioned the same positive aspects, for example that the students are good, that they are satisfied with facilities, good reputation of IBS, and good relation between the college, departments and external environment. So the students – teachers relation and *vice versa* can be assessed as harmonic.

An organic element of the placement system is the management of the alumni relations and career office. Another important part of the system is the ongoing feedback about employer expectations, and since IBS has been adjusting its training to the employers' needs, the School's results are quite good.

#### *Resources for Quality Assurance.*

##### *Institutional processes, methods for regulations*

IBS has an institutional organigram with a person responsible for quality management. However, there is no link and connection of this person to the other units. The quality management position formally exists, but a coherent quality management system has not been built around it. There is no committee and apparently, no real power, authority for the person being formally responsible for quality. This person was appointed in January 2011 and it was the definite impression of the visiting committee that he had no any formal or informal knowledge, experience about various quality management models, systems, or actual

questions concerning the *European Standards Guidelines*, nor seems he be aware that there is a problem in understanding HAC guidelines in this respect.

It seems that the quality manager's role is focused on validation subjects and student performance measurement. Tasks concerning validation belong to the director of Education Centre. The vice rector is responsible for leadership processes in the institution, but in his introduction during the site visit there wasn't an institution wide approach for quality system, the focus was on the validation processes.

Institutional processes are organised into different centres. There is no clear description of leadership processes, decision-making, education service processes, student services and other organisational processes. In case of a small organisation there is of course no need to develop a large bureaucratic system but it is important to see mutual cooperation.

## **2.2. Evidence for compliance with the accreditation criteria**

### *Description of the educational structure grouped according to fields of training*

A description of the educational structure again needs to begin with characteristics of IBS, and that is the duality of the Hungarian and UK degree awards. As regards the entire system, the educational structure at IBS is as follows: Bachelor programmes, Master programmes, Certificate programmes, Staff development programmes.

Those under the HAC's jurisdiction are just a narrow segment of the total of programmes offered. The BA programmes in the area of business-management are: *BA in Business Administration and Management* (in English and Hungarian) and *BA in Finance and Accounting* (in English).

Another feature of the above programmes is that in addition to Hungarian accreditation, Oxford Brookes University also validates the education and on this basis graduates receive also UK degrees (in case of BA in Business Administration and Management OBU validated the programme under the name of *BA in Business Studies*). In addition, the *BA in Business Administration and Management* programme that has been running for twenty years in IBS has been given ECBE accreditation in 2010.

The International Relations programme of IBS has been accredited earlier (later changed to *International Studies*) but the 57 students graduating this year are the final ones since the programme will be discontinued for lack of new students.

The special postgraduate program of Supervisor has met a similar fate, where the final year was in 2009/10.

In evaluating the programmes, the main differences must be taken into account that generally characterizes BA programmes in Hungarian higher education. One is the "practice based" approach that IBS has always emphasized in its documents. That means that it does not provide the strong theoretical-methodological foundation that is common in higher education institutions in Hungary, but the ongoing adaptation to the demands of applied education and the continuing professional training make this type of education recognized and even competitive. Scrutinizing the curricula, these are more like those in Anglo-Saxon countries – but here, too, there are too many subjects – and there is a danger of overlaps. In response to the question, IBS' reply was that the HAC requires this. After sitting in on classes (one seminar, two consultations with department staff, looking at teaching materials and transparencies) the visiting committee had the distinct impression that education at IBS serves much more the needs of the employment market than those of a general foundation for special disciplinary knowledge. It is difficult to draw a line where one is to the detriment of the other.

The committee was keen on having a look at the content of the *BA in Finance and Accounting* programme. The finance part is completely acceptable both in content and as far as the teaching staff is regarded, but the accounting part is not too strong and rather serves only to show the role accounting plays in preparing and analysing accounts and reports. This area should be strengthened.

*Suitability of the academic and research staff for fulfilling the tasks*

In summary it can be said that the view about IBS academic staff consisting mainly of retired teachers without scientific degrees but with a broad business experience is not at all valid any more. In itself that may not even be a disadvantage, but the committee has been able to see for itself that it is not so. A list was asked to be prepared on full-time academic staff that holds PhD degrees and 18 persons were listed. One of them is a Doctor of the Academy of Sciences. Thus, the composition of academic staff with scientific degrees is no weaker than at other colleges.

IBS is basically a teaching institution and research is not yet among the key strengths of the academic staff. Yet, there is a progress in that area as well, first of all among the young staff. During the visit to the departments of finance and accounting and to marketing the committee was able to ascertain that most staff – first of all the PhD holders – have research topics and conduct research regularly and have publications in their field. However these research activities must be strengthened and intensified.

*Student figures*

Looking at the figures for the last three years the following conclusions can be drawn. The competitiveness of IBS in the higher education market is basically determined by its educational structure, its teaching in a foreign language, and the cost situation. The focus group of applicants from Hungary is about 280 and IBS takes about half of them if all goes well. However, the drop in student numbers – first of all among Hungarian applicants – presents an annual decrease of about 15-17% , which the number of foreign applicants is able to balance only to some extent.

The following table shows the relevant data for the last three years.

	2008/9	2009/10	2010/11
Student number (total)	<b>975</b>	<b>824</b>	<b>683</b>
Number of foreign students	272	259	227
Hungarian students	703	565	456

The institution is making serious efforts and it can be said that the direction is positive in that it addresses international student markets to balance the decline.

*Description of the facilities and equipment*

The facilities and equipment for teaching is quite appropriate for Hungarian, and even foreign student and teaching needs. The buildings of the institution, well-equipped classrooms, a library, IT, dormitory etc. are suited for accommodating 2000 students. A few comments are to be made, however.

The Student Centre is open five hours a day and eight hours on Thursdays to assist students. The students' requests are considered without delay and taken care of in the shortest possible time; students are highly satisfied with the service.

The IBS Career Office operates with a well developed service system that contributes to helping students in finding professional training places and jobs.

Importantly, a WIFI network is available for students not only in the school but also in the dormitory. The majority of students have some kind of a personal computer, therefore it is a key requirement that internet access be ensured at all times.

With regard to the dormitories students noted that they are quite well equipped and fully meet their needs but have a stiff price. For this reason many students are forced to find less expensive accommodation.

#### *Management of joint education*

The visiting committee examined if IBS has succeeded in separating Hungarian and UK education to the degree necessary. The answer was – reassuringly – that UK type education is not for licence but it is an outsourcing-type education, which means that in the structure and also the content of subjects it is possible for IBS to diverge in order to accommodate Hungarian requirements.

### ***2.3. Evaluation of the key results of the institution, with special consideration of its research, development, creative/artistic activities and financial management, and its Hungarian and international relationships.***

#### *Research*

Speaking about research in the context of limited resources, the trends of globalization and the Lisbon declaration, it is especially necessary for IBS to have an institution-wide research policy. The research strategy was, unfortunately, not discussed thoroughly in the self-evaluation report and one got the feeling that research is not regarded as important at IBS as it is required by the Hungarian Higher Education Act (Section 4) and understood in the whole developed world today. IBS is certainly developing in the right direction however, without research no higher education institution can successfully compete and be recognized as a fully developed institution. Explicit research objectives are not included in the IBS development plan and therefore it could not cover any aspects related to the organization of research. For IBS it should be a must to define the research areas in which efforts are to be concentrated. Such an IBS policy should indicate clear priorities concerning the development of research at the School. The policy and priorities should also show how research is related to the educational process, in order to ensure that research activity also means research-based education and teaching. The development of these priorities should be based on IBS' own criteria and needs. Currently research at IBS is scattered. Moreover, it is an individual matter of each member of the institution and not enough concentrated attention is paid on behalf of the leadership to it, nor any specific support (for example financial) is provided to support this important activity.

There is considerable room for strategic improvement here. The IBS leadership has to be more proactive in the matter and should take a more active role in acquiring research funds from abroad. The participation in eligible European programs such as the 7th Framework Program could be a way forward.

Supporting young colleagues is a good tool to form a pool of high-quality young people from which IBS can take advantage. To improve IBS' own research support scheme for young teachers and to establish the internal grant system to finance such activities are tasks to be done. Moreover, one of the measures of intensive research activity run by a HEI (college) is the participation of its instructors in PhD studies. This can also be promoted by IBS. As far as students are concerned, they are performing some research work, as they indicated.

In light of the self-evaluation report, the additional materials, especially the list of papers and publications, etc. it should be stated that research, as generally understood at university-like institutions, is at IBS well below the average or, better to say, it is not in the focus of the

School. Definitely, it cannot be in the focus since research is not even mentioned in the vision and mission statement of IBS. However, speaking with the representatives of the Research Centre, young, enthusiastic and dedicated people, having seen the results of the Research Centre, it is clear that some of IBS' staff members are doing an excellent applied research with high added value. This is exactly the way how such an institution like IBS should perform in this field.

#### *Finances*

IBS receives no subsidy from the Hungarian state budget thus, most of its income is the tuition fee paid by students. The non-diversified income is quite a strong threat especially taking into account the declining number of students. In 2009 IBS' net income was higher than in 2008. The School collects all the tuition fees. However, it was not clear if after recalculation at the "Rectorate" level, some of the financial means are redistributed to departments for their own needs or not. Apparently, all the resources are in disposition to the Vice-Chancellor's office, and the departments (or better to say: heads of departments) even do not think of asking for their "own" money for their own development plans. An agreed system should operate across IBS. This should state how much (in percent) the department and how much the common IBS budget will receive from the earned income according to the strategic plan of the IBS and the individual strategic plans of the departments. Set and agreed rules can certainly stimulate the departments to be more active in this area of economy. It is clear that not all the departments could contribute in the same manner to the financial success of the institution.

#### *IBS and the stakeholders*

IBS has a good overall position in Budapest and the region. As the Employer Satisfaction Survey 2010 shows, the rating of students was (by 34 companies who responded) overall 4.22 on the 0 – 5 scale (5 was the best grade). Moreover, in a world where more and more HEI graduates are unemployed, the integration of IBS graduates in the working environment is very high: 4.78, (some 95%). This is an excellent result indicating the very good added value that IBS is providing to its students. However, IBS should take advantage from this positive outcome, for example by trying to get more support, including direct financial assistance, from the recipients of their graduates.

#### *Implementation of change*

The implementation of change is often the most difficult part of the internal processes within an institution. It is however easier when change is accepted by the members of that institution as an on-going process. This acceptance of change as a permanent process and as a continuous means for improvement seems to be embedded in the life of IBS. This is a tribute to the strategic leadership of IBS, but especially to the ordinary IBS staff who must themselves implement this change.

### **3. Principles and practice of quality assurance**

#### **3.1. Policy and procedures for quality assurance**

The self-evaluation document (p. 19) states that „*IBS has developed its own quality assurance system based on the standard procedures of international quality systems and higher education regulations*”. However, there is no any clear description of the system; one can't find systemic order of quality management processes. The strategic plan has an element „*IBS Quality Enhancement Programme*” (2007), but this is the only document available on this topic. There is no common understanding about the quality management system, function and there are no ideas about different models. There are no clear rules, approaches for strategy development, strategy procedures, operative plans and quality strategy.

According to the very first standard of ESG: „1.1 Policy and procedures for quality assurance: Institutions should have a policy and associated procedures for the assurance of the quality and standards of their programmes and awards. (...) The strategy, policy and procedures should have a formal status and be publicly available. They should also include a role for students and other stakeholders.” The Hungarian Higher Education Act prescribes in Section 20 (4): „The higher education institution shall operate a quality assurance system.” Section 21 (6): “The higher education institution shall prepare a quality development programme. The institutional quality development programme shall specify the process of operation of the higher education institution, as part thereof the execution of management, planning, control, measurement, assessment, and consumer protection related tasks”.

The quality assurance procedures have to be built to meet these requirements above. IBS has focused its strategy on international cooperation and double degree programmes. IBS was hit by European changes related to the Bologna process. Its programme structure became richer, but its strategy mainly focused on programme validation processes. The Bologna procedures gave attention to new trends in the European Higher Education Area, and caused changes in Hungarian accreditation procedures, where the accent is placed on quality of institution management procedures. As the cooperation model is a model for the nineties in the 20th century, IBS has to pay for licences and in recent years this makes a burden on budget with licence fees and human resources with constant validation procedures.

It is recommended for IBS to develop a new type of international cooperation based on joint degree models where partners are equal, and this way ease the stress of extensive validation, personal costs of validation and licence fees. It is important to be more independent from an international partner. The experience of cooperation with Oxford Brookes University is a great value for IBS, and the results of the cooperation are very useful for development in an international institution. This cooperation can be very useful in case of opening a new campus in Vienna in September 2011 ([http://web.ibs-b.hu/hu/uj\\_szakok](http://web.ibs-b.hu/hu/uj_szakok)).

It is advised for IBS to reorganise the leadership resources focusing on quality in the whole organisation, and establishing a quality unit similarly to other centres („Quality development centre”) with strong and competent management leader who can form a competence centre for planning, measuring, monitoring, and development. They also can develop a unit and committee under the Chief Quality Assurance Officer with appropriate rights and responsibilities. The current responsibilities of CQAO are similar to a Human Resource Management office accented on competency and development appraisal and performance assessment. The plan of the development of the institutional quality assurance and its fulfilment should be made available on the website.

### 3.2. Approval, monitoring and periodic review of programmes

IBS has a special situation because most of the programmes offered are programmes in cooperation. All international programmes are validated by Oxford Brookes University Business School. (BA in Arts Management offered by IBS is a unique programme and has no Oxford Brookes equivalent, but it is validated.) As far as the Hungarian degree programmes are regarded, the self-evaluation document stated: since 2005 there have been no new programmes accredited. IBS introduced a periodic internal review of programmes aimed at developing more integrated learning experience, but there are no clear policies matching the Hungarian programmes with offered modules, the emphasis is on validation.

### 3.3. System of assessment of students and the effectiveness of teaching

IBS’ student assessment system (moderation process) is unique in Hungarian higher education. It consists of three parts: the review of module descriptions, the review of the assessment material, the review of the grading. Acknowledging that this is an important

element of the internal quality assurance measures at IBS still, it is a rather complex process measuring student performance and internal accreditation for tests. It is similar to the Oxford Brookes University model, but it seems to be a too heavy burden with bureaucratic internal procedures. Internal accreditation processes could be less time consuming and give more feeling of autonomy for teachers. Regarding the outputs, there are clear policies for analysing student performance, there are good statistical methods for analysing student retention and analysing results of students. Satisfaction surveys for students are introduced. The results are circulated in different centres, but one couldn't find evidence for actual impact, for improving weak points, problem areas.

### 3.4. Quality assurance of teaching staff

There are some new results related to staff development at IBS. The introduction of performance based assessment for teachers is a good practice, mostly missing from the Hungarian higher education. The system of HR resource planning is very well built, especially in case of adjusting teachers' tasks (there are different multipliers for introducing a new module or other extra tasks). There is no evidence for measuring teachers' satisfaction with the institutional management processes, but there is a system surveying satisfaction with programmes and student knowledge.

### 3.5. Learning resources and student support

IBS has an impressive infrastructure, a well developed building with good technical equipment, and with other facilities for student accommodation and free time activities. The only place which seems to be very small is the library. The IBS library has no public library status as opposed to other higher education institutions' libraries, the on-line journal services seem to be available only for internal use. According to the self-evaluation data the number of books and journals is 16,000 and 32 respectively, but according to the official website of IBS library the number of records is 7527 (Huntéka catalogue). This is acceptable for accreditation but IBS may consider developing its library further and increasing the number of books and journals even if Budapest can offer other professional libraries for students.

The education administration services for students are organised and provided by the Student Centre. The Student Centre is a complex education service centre offering services for teachers as well. It is well managed. However, the students' satisfaction with opening hours is low (60% is satisfied) thus, it would be useful to extend the opening hours to make services available in lunch time, too.

IBS developed a good system for introducing students into higher education studies, such as the introductory sessions, team building activities, special forms of counselling (for example mental counselling) and services for practice placement of students, carrier and diploma services. Recreation services for students are exceptionally good, unique with personal trainer.

### 3.6. Internal information systems

The internal information system is well developed; Neptun is available for students and faculty administration. It is important to point out the quite well developed modular-structure intranet system that ensures the provision of information for students and staff. It contains the regulations, curricula, subject programmes, Erasmus programmes, etc. A great advantage of the system is that it is continually updated and is thus able to convey the needed information. The Central Module database is a model for knowledge management system concerning knowledge built into programmes.

### 3.7. Public information, website

The Recruitment and Marketing Centre opened in 2005, is responsible for institutional PR, communication, general marketing and student recruitment. IBS' good communication performance has been acknowledged by several prizes (e.g. website of the year 2010). Information about programmes and departments is available on the website. The department pages are a bit less informative, and there are a lot of missing elements concerning teachers.

## **4. C-SWOT analysis – conclusions drawn, actions planned**

The SWOT analysis presented in the self-evaluation report is an honest and detailed summary. The only point which can be added to threats is the continuous decrease of the number of students. This point can be rectified by effective marketing activities.

The most important recommendations are summarised below in chapter III.

### **III. Recommendations to IBS**

#### **Quality development**

IBS has developed a lot of elements concerning public responsibility of a higher education institution operating internationally. These elements are focused on criteria giving double degree and accented on validation system. With decreasing number of Hungarian students and degrees the international programmes and transnational quality management became more important.

A major task of the HAC institutional accreditation process is to evaluate the given HEI's institution wide system of quality management and quality processes, and the present procedure found some serious problems in this regard. IBS has to choose an appropriate and widely accepted institutional quality system, develop a quality strategy, quality development programmes, quality policies and measurement system and regulations concerning tasks to deal with results of satisfaction surveys.

#### **1. Identify a quality system**

It is important to decide which quality management system will be appropriate for IBS: ISO standards for higher education, an EFQM based model, the ESG, or a specially designed one with clear system descriptions.

As IBS quality assurance elements are mostly close to the ESG (and the HAC institutional accreditation procedure is focusing on the ESG), it is advised to fully implement an internal quality system focused on ESG. However, since IBS is a non-profit institution, with no state subsidized students, the EFQM model can also be useful because it is focused more on internal business processes. And finally, the validation system at IBS is close to the ISO HE standards, it could be easy to match them. That is, IBS can choose any of the three systems.

#### **2. Implement a holistic quality management system**

A quality management system is rarely good and efficient without clear and distinctive description of quality processes for

- leadership, decision making, implementation and monitoring,
- education and student service processes,
- functional and helping organisational processes.

As at IBS the quality management for the first part and partly for the second part of main education services has been built, it is advised for the School to implement a holistic system prescribed by the current Hungarian Higher Education Act in force and the ESG. Allocating responsibilities for different processes concerning quality issues is crucial for a quality management system.

#### **3. Develop QA organisational resources with an efficient leader responsible for quality**

Quality management processes need clearly defined organisational structures (unit, committee, with clearly defined roles, procedures, services) and staff with sound professional (quality management) knowledge. The Chief Quality Assurance Officer could be a member of the Management Board and it is recommended that certain QA responsibility be assigned to a person (as an additional task) in each of the Centres of IBS. Moreover, it is advised to organise formal or informal trainings for persons responsible for quality management. The institution should build quality management modules into programmes and the module leader can give counselling for the management body as well.

#### **4. Decide on quality strategy, policy and programme, monitoring system, measuring system, and quality communication system**

This task is important for maintaining institutional accreditation and it can be accomplished effectively only with expert knowledge.

As IBS approved its engagement concerning education quality, there are no reasons why not to pay attention to institutional level quality management issues. The organisational level quality management is important for the business sector, and for public and non-profit organisations in order to lessen bureaucratic burdens, to make more transparent the leadership, service operation and organisational processes, and to be more competitive and decrease financial costs. At organisations awarded by various organisational awards, standard quality cost proved to be marginal and helped to attain better financial performance.

IBS has developed a lot of competitive resources by transnational higher education services so it is crucial for them to monitor the whole internal organisational processes.

#### **Research development**

Even if the quality of the education is proper at IBS, there is a need for improvement of the research activity of the institution. The current research activity is good, but it can be improved and intensified in order to adjust the research performance to the very high reputation of IBS. More intensive research work is necessary resulting in more publications in well respected, refereed journals. This can further enhance the goodwill of IBS.

#### **Concluding remark**

The Hungarian Accreditation Committee acknowledges the efforts made by IBS in following a non-conventional path in the Hungarian higher education context. IBS is especially to be praised for its strong international embedding, the excellent teaching and learning environment, the facilities, and the motivation and enthusiasm of its staff and students alike. However, as at most higher education institutions, there are still some areas for improvement which deserve focused and urgent attention at IBS. The HAC institutional accreditation review aimed at helping the School in identifying these areas and the HAC has made the above major recommendations, and some others in the text of the present report, with this aim in mind. The action plan required by HAC should, when ready, prove the willingness and ability of IBS to enhance its operations in these respects.

## **Annex**

### **List of accredited programmes provided by the institution (according to field of training)**

<b>Economics</b>
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- BA in *Business Administration and Management* (in English and in Hungarian)
- BA in *Finance and Accounting* (in English)

### **Members of the Visiting Team:**

#### Chair

**László Ábrahám**, General Manager, National Instruments Hungary Ltd

#### Members

**Ferdinand Devinsky**, DSc, Comenius University, Slovakia

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**Date of site visit: 4<sup>th</sup> of April, 2011.**