

## **Leading Change in Academic Institutions**

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Cyprus education is currently in a reform process part of which is the legal revision allowing private college-standard institutions to transform to private university-standard institutions. This study adjusts the ITPOSMO framework (Heeks, 2001) to estimate potential gaps between the current (college-standard) and the ideal (university-standard) situation of academic institutions across different parameters. The purpose of the study is to assess the overall likelihood for the success of the change intervention and to recognize the role of the leader in the transformational process to close potential gaps and increase the likelihood of success. To achieve the above, the proposed study employs a case study approach (Yin, 2003) focusing on a private college-standard institution in Cyprus. In-depth interviews will be conducted with college personnel who either have the position or knowledge power to be potential leaders in the transitional process (director, course coordinators, heads of departments, and faculty representatives). The proposed study is of great practical significance, due to new dynamics created by the legalized reformation that necessitates college-standard academic institutions to respond. In this transitional period, the study feeds information to college-standard institutions in Cyprus that have either already embarked on the process of changing to private universities, or are planning to do so in the near future. Specifically, the study aims to suggest a roadmap of how to approach the transformation process successfully through effective leadership. Finally, the theoretical significance lies in the resulting customized model that will be applicable to changes in other educational institutions.

Key words: Leadership, change, education, ITPOSMO

### **Introduction**

Cyprus tertiary education can be characterized as a newly established field, as it essentially started in the 80s. In the late 80s, Cyprus provided some opportunities for third-level training therefore attracting some of those who earlier would have studied abroad. In 1987 there were seven public and ten private institutions of higher learning, where about one-fourth of the island's secondary school graduates were enrolled. At the time, private institutions generally offered courses in business administration, secretarial studies, mechanical and civil engineering, banking and accounting, hotel and catering, and communications (Council of Europe, 2004; Pneumatikos, n.d; Pneumatikos, & Michael, 2005). However, the establishment of the Department of Higher Education

within the Ministry of Education in 1984 gave the momentum needed for the field to develop.

During this decade, there was a huge improvement in all aspects of Higher Education, and the strategic goal is for Cyprus to become a regional centre for quality educational services (Cyprus Ministry of Education and Culture, 2004; Pneumatikos, n.d.). More specifically, in 1991 more than 20 private institutions of Higher Education were registered; in 1992 the University of Cyprus was established; the Council for Recognition of Higher Education Qualifications (KySATS) functioned in 2000; the first programmes of study offered by the registered institutions were accredited in 2000 and then reaccredited in 2004. These developments demonstrate that the field has been experiencing fast and radical changes to achieve the formal strategic goal that has been set.

## **Background Information**

### **Historical Overview and Structure of Cyprus Higher Education**

Third-level education lies within the competence of the Department of Higher and Tertiary Education of the Ministry of Education and Culture. More specifically, Cyprus educational system is centralized and the highest authority for educational policy making is the Council of Ministers. However, a small number of vocational and post-secondary institutions come under the Ministries of Labour and Social Insurance, Agriculture and Health. The Ministry of Education and Culture is responsible for the administration of education and for the enforcement of education Laws (International Bureau of Education, 2001).

Tertiary education is provided in three different types of institutions, i.e. universities, public tertiary institutions, and private tertiary institutions (colleges) (Council of Europe, 2004; International Bureau of Education, 2001; Pneumatikos & Michael, 2005). Organisation and admission procedures vary depending on the type of institution and the objectives of the educational programmes they provide (Council of Europe, 2004; Pneumatikos & Michael, 2005). At the University level, institutions are autonomous and are governed by their own laws. Law 144/1989 regulates the establishment and operation of the University of Cyprus, which at present is the only university in operation and was established as a corporate body in July 1989 by Law. Law 198(I)/2003 regulates the establishment and Operation of the Technological University of Cyprus and Law 234(I)/2002 governs the establishment and operation of the Open University of Cyprus. The last two universities are in the process of establishment and are estimated to operate in the following years. The establishment, control and operation of all the higher education institutions at the non-university level, both public and private, are governed by Laws 67(I)1996 and their amendments. There are currently twenty-three private and eight public tertiary institutions (Pneumatikos & Michael, 2005)

The eight public tertiary institutions are: the Higher Technical Institute; Cyprus Forestry College; Higher Hotel Institute of Cyprus; School of Nursing; Mediterranean Institute of

Management. These institutions function under the supervision of various Ministries and award their own diplomas. (Council of Europe, 2004; Pneumatikos & Michael, 2005). There are also twenty-three private third-level education schools, colleges and institutes that are monitored by the Ministry, which accredits programs rather than institutions. The private tertiary institutions are registered with the Ministry of Education and Culture and offer a wide range of programs of study. The qualifications earned at private third-level institutions are not recognized unless the corresponding program is educationally accredited. Many of the programs offered by the private higher institutions in Cyprus are educationally accredited by the Council for the Recognition of Higher Education Qualifications (KY.S.A.T.S) and from the Council of Educational Evaluation-Accreditation (CEEA) – SEKAP (International Bureau of Education, 2001).

Following the guidelines of the Bologna Process, the Ministry of Education and the University of Cyprus developed a Quality Assurance Body for all Institutions of Higher Education, public and private. The Council of Educational Evaluation-Accreditation (CEEA) is the competent authority responsible for the Educational Evaluation-Accreditation of the Programs of Study offered by Private Institutions of Tertiary Education. The Council is an autonomous body, appointed for this purpose by the Council of Ministers, upon the recommendation of the Minister of Education and Culture and consists of 7 members from academia from Cyprus and abroad. In addition, the Council for the Recognition of Higher Education Qualifications (KY.S.A.T.S) is the competent authority responsible for the recognition of Titles (or Degrees) which are awarded from institutions of Higher Education recognized in the country they operate. It serves the role of the National Academic Recognition Information Center (NARIC) for Cyprus (International Bureau of Education, 2001; Pneumatikos & Michael, 2005).

During the last 10 years structural and other changes were promoted which contributed to the upgrading of the quality standards of the educational system of the country (International Bureau of Education, 2001). More specifically, in 1998 the Cyprus government had launched a most ambitious educational reform program through dialogue among all interested parties, with a view to turn into reality the vision of a better and more modern educational system that would meet future needs and challenges. The government approved a plan to improve research and development efforts and to promote Cyprus as a centre for services, business and education. One of the components of this plan was to improve the higher education provided by both public and private institutions. In addition, at the European Education Ministers meeting in Prague in May 2001, Cyprus was a signatory of the Bologna Declaration, which aims to create a European Higher Education Area. Thirty two European countries have pledged to reform the structures of their higher education systems so that overall convergence emerges. The aim of the European higher education space is to foster employability and mobility in Europe as well as the international competitiveness of European higher education (Association of Commonwealth Universities, 2002; Vrasidas, 2002).

### **The need to expand Cyprus Higher Education and the Educational reform**

As far as higher education is concerned there is an immediate need for expansion. As mentioned above, Cyprus did not have a public university until 1992 and even though several private higher education institutions have been operating on the island for decades, their focus was on teaching rather than research and development. Consequently, research and development in the island has been minimal. During the last decade, due to the establishment of the University of Cyprus and the Cyprus Research Promotion Foundation, as well as due to the expansion of operations by the Cyprus Institute of Neurology and Genetics, government spending on research and development has increased substantially.

An indication of the importance given in research and development the last couple of years is the money spent for this purpose. In 2002, £19,4 million were spent for R&D, that is 0,31% of GDP, in 2003, £23,9 million were spent for R&D, that is 0,35% of GDP, and in 2006 £70-80 million were spent, that is close to 1% of GDP. In comparison to other countries, the share of R&D expenditure to the GDP of the member-states of the European Union stands at 1,93% (ranging from 0,42% in Latvia and 0,57% in the Slovak Republic to 3,46% in Finland and 4,27% in Sweden) (Cyprus Statistical Service, 2003). It is revealed that Cyprus is still behind the target set by the European Union that the share of R & D expenditure to the GDP to be 3%. It is clearly shown that there is an immediate need to increase research and development in the island; a need that could be largely satisfied through the expansion and support of private higher education in the island.

Besides the above, the need to promote and support private higher education can be found in the fact that Cypriot culture valued education (Hughes, 1999) and consequently there is a large number of Cypriot students attending higher education institutions. Additionally, a big portion of Cyprus students study in private higher institutions and abroad since Cyprus state university cannot cover the need. Besides the above, private institutions attract international students from countries like Egypt, Syria and Eastern Europe, as well as students from as far as Pakistan, India and China since they use English as language of instruction and, as such, they can serve students whose native language is not Greek; as opposed to the University of Cyprus.

Because the provision of third-level education is relatively recent in Cyprus, there is a strong tradition of Cypriot students studying abroad (well over 50 percent of those studying at third-level), and the percentage of students studying at the university level (29 percent) was among the highest in the world. During the 1970s and 1980s, an average of more than over 10,000 Cypriots studied abroad annually. By far the most popular destination for those who study abroad is Greece (during the 1970s, more than half of these students studied in Greece), followed by the UK (about one-fifth) and the United States. In the 1980s USA became an important destination for students going abroad, generally surpassing Britain (Cyprus Ministry of Education and Culture, 2004).

During the academic year 1998–1999, there were 2,379 students at the University of Cyprus and 5,780 students in all private higher education institutions combined. The numbers increased during the academic year 2000–2001, when 13,118 students studied in higher education institutions in Cyprus; 8,408 of which attending private institutions

(which corresponds with 64% of the students) (Chrysanthou, 2002). According to the Cyprus Statistical Services, the total number of Cypriot Students during the academic year of 2002-2003 was 28,696, thus comprising more than 50% of the total population in the age range 20-24. From of the above, 12,322 students were following programmes in Cyprus and the remaining 16,374 studied abroad, mainly in Greece, UK, and USA (Pneumatikos, n.d). Besides the above, 36.79% of the students (which corresponds to 3,093 students) attending private higher institutions in Cyprus were international students (Chrysanthou, 2002).

The next academic year, 2003-2004, the total number of Cypriot students studying in Cyprus was 15,313, while at the same time an additional number of 5,482 international students were attending courses in Cyprus, mainly in the private institutions. The percentage ratio of the Cypriot students attending courses in public higher education institutions is about 40% as compared to those attending courses in private institutions. At the same time 17,365 Cypriot students are attending courses abroad mainly in Greece, UK and USA. Thus more than 50% of the Cypriot students are attending courses outside Cyprus (Pneumatikos & Michael, 2005).

These statistics indicate that Cyprus needs university-level private institutions and that the public tertiary education system cannot serve the needs of the largest portion of Cypriots. Private higher education institutions are flourishing in the island. Vrasidas (2002) argues that as soon as the government grants the university status to private colleges, it is expected that the number of students attending these institutions will increase dramatically in the next couple of years.

Based on the above, Cyprus is currently in the process of educational reform; part of which is the legal revision allowing private colleges to transform to private universities. What seems to be promising for research and development in Cyprus is the gradual expansion and growth of private higher education institutions. To succeed in this, it needs the co-operation of the government in furthering the process for accrediting the private higher education institutions. As Mavroides (2002) supports, once these institutions receive the status of a university, they then need to receive comparable support from the state, if they will be able to compete on equal grounds with other state institutions. Building collaboration among private and public institutions will benefit education and all Cypriots.

### **Policy for Cyprus Private Universities**

Upgrading the private institutions of higher and tertiary education is of great importance and constitutes a priority of the Ministry of Education and Culture. The legislation that governs the establishment and operation of Private Universities in Cyprus has been signed and approved by the House of Representatives 2005. Specifically, Law 109(I)/2005, entitled "Private Universities Law", regulates the establishment and operation of private universities in Cyprus. It allows not only private colleges to become private universities but also the establishment of private universities from scratch; institutions that have the status of private colleges and that are interested in becoming private universities can apply to get the relevant permission from the pertinent

authorities. Following the development of this Law, four private colleges submitted their applications to become private universities in January 2006 and their transformation process has already begun.

The Law describes the basic requirements of a private university based on a number of parameters as well as the functions of private university. The Law has six main parts. The first part is called “Introductory Provisions” and defines basic terms used in the rest of the document related to an academic institution. The second part deals with the “Purpose and the Legal Status” of the university, describing the goals of the university, the legal requirements of establishment and operation as well as the legal context to operate. The next part, entitled “Establishment Process and University Operation License”, explains the process that has to be followed in order to start operating as a university, such as application submission, accreditation process, evaluation process, and other. The fourth part has to do with the organizational structure, the administration, the faculty members and in general all the issues regarding staffing issues. This part of the Law actually has several sections that describe in detail the responsibilities and roles of the University’s governing bodies, including the University Council, Senate, Dean, Schools Councils, Departments Councils, research and administrative staff, faculty members, teaching staff, etc. The following part is entitled “Students” and it explains the students’ admission and evaluation processes. Finally, the Law ends up with a section called “General Provisions” (Cyprus Ministry of Education and Culture, 2005).

Given the above, private colleges in Cyprus should go through a transformation process guided by the requirements set by the related Law, in order to become private universities. Various questions arise related to the new era created by this educational reform. Is it possible for private colleges to meet all the requirements set by Law? Only four out of the twenty three registered private colleges submitted applications. How about the rest of the colleges that their size, facilities and human resources restrict application? Will they survive? How these colleges will position themselves in the new “higher education market” created? How far are they from being transformed into universities? What are the challenges they have to face in the new higher education context developed by the establishment of the Law? Are there the necessary people to lead the change process? What would be the role of these leaders?

### **Leadership for Educational Reform OR Leadership for Change**

Since the study aims also to recognize the role of the leader in the change process to close potential gaps and increase the likelihood of success, leadership for educational reform is discussed in this section. Change is generally complex, challenging, risky and ambiguous, thus in order to have a successful application it requires the knowledge and participation of more than a visionary leader (Elmore, 1995). This implies that no single person is enough to undertake the task of being a leader. Leaders are not supposed to run a tight ship, instead they ought to foster collegiality and seek cooperative arrangements. Based on the above, new concepts of leadership have been introduced in the literature, such as collaborative and participatory leadership. The leader’s role under this approach is redefined: leader is the person that guides leadership activity which is teamwork.

School leaders are moving toward collegiality, shared and collective power (Blasé & Blasé, 2000; Elmore, 1995; Murphy, 1988).

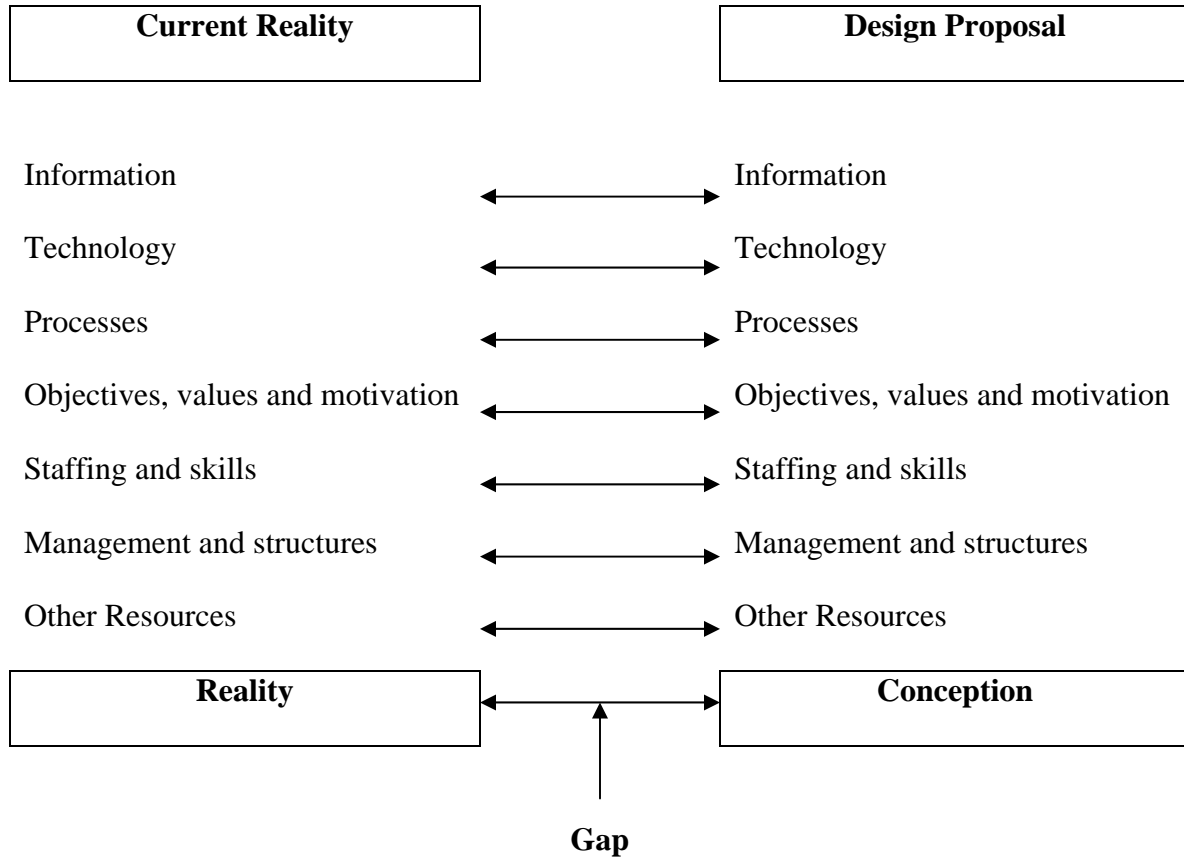
School leaders should give the opportunity to other people in the organization to promote change and renewal (Blasé & Blasé, 2000; Elmore, 1995; Murphy, 1988; Rowan, 1995a; Rowan, 1995b; Senge, 2000; Schlechty, 1994). Schools move from single-person-role-oriented to a view of leadership as organizational property, shared among various stakeholders, such as policymakers, educators, students, parents, and the community. Leadership is treated not as the province of a few people in certain parts of organization, but as a quality of organizations.

For a leader to guide and lead change, he/she needs to have a particular number of characteristics. Elmore (1995), Duffy et al. (2000) as well as Hammer & Champy (1993) expect the leader to have charisma, “the ability to instill values, respect, and pride and to articulate a vision” (Duffy et al., 2000, p. 189). Hammer and Champy (1993) mention that leaders motivate, inspire and advise. Furthermore, Elmore (1995), Duffy et al. (2000), and Rowan, (1995a; 1995b) indicate that the leader should act as a coach or facilitator and promote the message that “we are all in this together”. Senge (2000) portrays the leader as someone who is sensitive, reflective and a team player. Also, Duffy et al. (2000) and Senge (2000) discuss self –awareness and reflection. Leaders should have persistence, intelligence, and strength, be strong-minded, bright, risk-takers, who are not turned off by change and uncertainty. Leaders articulate a blueprint of the future, are visionaries and motivators (Hammer & Champy, 1993; Schlechty, 1994; Senge. 2000). Finally, Hammer and Champy (1993) mention that the leader should be ambitious, strong, restless and have intellectual curiosity.

### **The ITPOSMO model**

The establishment of the Cyprus Law for private universities and the submission of the applications of four private colleges to become private universities introduces a new era for Cyprus Higher Education. Besides the private colleges that have applied to become private universities there are lots of others that they are not in the position to apply. To be able to make this transition reality it is important for private colleges to estimate potential gaps between the current (college-standard) and the ideal (university-standard) situation across different parameters. The estimated size of these gaps would indicate whether attempting to make the transition would be successful and which specific areas need to be addressed to increase the likelihood of success. To achieve the above, the design-reality gaps approach developed by Heeks (1999; 2001), namely the ITPOSMO framework, is adopted and adjusted. This contingency approach recognizes that the organizational context determines the success of change initiatives (Heeks and Mundy, 2001). It must be kept in mind, though, that there are no rules or guidelines for evaluating the design-reality gaps (Heeks, 1999). Therefore, the gap assessments that appear in the Analysis and Discussion section simply show the subjective understanding of the writers. The seven dimensions of the framework of the design-reality gaps that are summarized by the ITPOSMO acronym (Heeks and Bhatnagar, 1999) (Table 1) are the following:

**Table 1 - The ITPOSMO Dimensions of Change**




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*Reference:* Heeks, 1999:77; Heeks and Mundy, 2001:213.

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The IPTOSMO framework has been applied in various situations where changes/ reforms were introduced. More specifically, it has been applied to address the introduction of eGovernment concept - the use of information and communication technologies (ICTs) to improve the activities of public sector organizations – in various contexts such as the UK and Thailand (Council of Europe, 2004; Pneumatikos & Michael, 2005). Additionally, it has been applied to address the introduction of Information Systems (IS) projects in Developing Countries (DCs). Finally, it has been used to estimate the reality gaps in an attempt to introduce information systems to health care organizations. In this case, it will be employed to estimate the gaps of transforming private colleges to private universities in Cyprus context.

#### **Main Aim and Research Objectives of the study**

This study adjusts the ITPOSMO framework (Heeks, 1999; 2001) to estimate potential gaps between the current (college-standard) and the ideal (university-standard) situation

of academic institutions across different parameters. Specifically, the current paper focuses on one small private college in Cyprus to assess the overall likelihood for the success of the change intervention and to recognize the role of the leader in the transformational process to close potential gaps and increase the likelihood of success.

The proposed study is of great practical significance, due to new dynamics created by the legalized reformation that necessitates college-standard academic institutions to respond. In this transitional period, the study feeds information to college-standard institutions in Cyprus that have either already embarked on the process of changing to private universities, or are planning to do so in the near future. Specifically, the study aims to suggest a roadmap of how to approach the transformation process successfully through effective leadership. Finally, the theoretical significance lies in the resulting customized model that will be applicable to changes in other educational institutions.

### **Research Methodology**

This research is conducted as a qualitative study employing a case study methodology (see Creswell, 1996; Creswell, 2002; Merriam, 1988) since it focuses on developing an in-depth analysis of a single case, a private college-standard institution in Cyprus and the process of change in being transformed into a private university (see Yin, 1994).

The qualitative approach assisted in the construction of semi-structured, open ended questions that encouraged the participants to use their own terminology to describe their experiences and perceptions on the subject under investigation. Purposive sampling was used in an attempt to draw the subjects for the interviews (Merriam, 1988). Qualitative data were collected through in-depth interviews conducted with college personnel who either have the position or knowledge power to be potential leaders in the transitional process. Specifically, five interviews were conducted with the Course Coordinator and faculty members. The in-depth interviews provided the opportunity to explore College personnel perceptions on various parameters related to the ITPOSMO framework as well better realize the current situation and be in a position to estimate the reality gaps (Kvale, 1996; Rist, 1982). The data collection phase took place during April – May 2006.

The time needed to complete each interview varied depending on each person, its position, and responsibilities at the college. The interviews were structured around the seven dimensions of the ITPOSMO framework. To analyze the data collected from the interviews, three stages were followed as suggested by the case study methodology: description of the data, analysis of themes and assertions. At the first stage, the authors simply stated the information gained about the case under investigation as recorded based on the seven dimensions of the ITPOSMO Framework, regarding the particular college. Following, the description of the data, the researchers analyzed the data for specific themes, aggregating information into large clusters (Creswell, 1996). In this case, the development of the reality gaps took place by comparing the current with the ideal situation; the former as presented by the college and the latter as presented by the Law that governs the establishment of private universities in Cyprus. Finally, during the last stage – assertions – the researchers made sense of the data providing interpretations and

rich descriptions couched in terms of personal views and in terms of theories and/or constructs in the literature, predicting failure or success based on the reality gaps of the ITPOSMO framework.

Finally, the investigators are aware that the methods used, especially the personal interviews, are vulnerable to self-report bias (Maxwell, 1996). Therefore, they were conscious of threats to their reliability and worked towards insuring that the information collected was reliable minimizing self-bias in the interpretation of data. The interviews were tape-recorded and the researchers made verbatim transcriptions of these recordings. They also made detailed, descriptive, concrete, specific, and chronological notes of the interviews, and transcribed the notes immediately. The goal was to understand as best as possible the interviewees' perspectives with as little bias as possible the meanings the college personnel attached to their words and actions (Maxwell, 1996). Finally, the researchers strived not to impose their values on the conduct or the conclusions of the study. They worked towards producing an informative report that strives for objectivity and integrity.

### **Data Analysis and Discussion**

The information gathered from the interviews is structured around the ITPOSMO framework and each dimension of the framework is discussed in turn to indicate the college's current situation and estimate the gap from the ideal situation. Conclusively, an overall estimation of the feasibility of a successful transformation is provided and the role of leaders in this process is discussed.

### **Information**

Academic institutions need to manage information for legal purposes, administration, students, and faculty. Nevertheless, information management in the specific college is currently problematic, despite the fact that the necessary information exists. Faculty and administration prepare specialized information according to their needs and this information is stored in different places. Moreover, information duplication exists even intra-departmentally, since each administrative/secretarial staff keeps different records to perform his/her duties. The absence of a common database makes information sharing time-consuming because any required information must be specifically asked and routed via e-mail, disks, or even in hard copies because some secretarial/administrative members do not have e-mail access. Information is disseminated to faculty either electronically, or through board announcements. The latter is the most common means for disseminating information to students; the alternatives being personal letters, oral announcements during lectures, or through the student union. Electronic communication with students is not feasible because they neither have college e-mail accounts nor access to an intranet that would enable such interactive communication.

Fragmented access to information causes delays and frequently decisions are based on informal information, feelings, and common practice. Information storage and record keeping are ineffective mostly due to the legal requirements for keeping formal records electronically and in hard copies. Manual record-keeping is time-consuming and

bureaucratic and the electronic records that must be legally kept are in a different format than the one used for college purposes. These requirements inevitably cause duplication of information records and contribute to the ineffective management of information. Moreover, course materials must be stored for five years for inspection purposes, but since the necessary space is not available, they are stored away from the workplace and their retrieval is difficult and time-consuming.

The gap in this case is moderate because the required information is available and satisfies legal requirements, but access to it is fragmented. The college needs a system for effective storage, dissemination, and management of information to avoid duplicated records and to facilitate information sharing. Moreover, an appropriate internal network that will provide formal and timely information to decision-makers is needed.

### **Technology**

Currently, administration keeps records in general-application software packages. Specialized software is used by the library but not in its full potential because the library is only for reference and not for lending purposes. Faculty members make extensive use of technology for course preparation and research, but not for teaching purposes because of the limited available infrastructure. Moreover, faculty and staff do not have personal faxes, printers, and telephones; therefore the performance of their duties is more time-consuming. The use of technology for internal communication is limited to the exchange of e-mails and there is no intranet to facilitate electronic communication among college staff and students.

To resolve the problem of duplicated efforts, a specialized and comprehensive information system is necessary. The design and installation of such a system has been outsourced to experts since June 2005 and is currently in the final testing stages to be implemented during the following academic year. The course coordinator and the director are the ones responsible for managing the software company and make attempts to build a long-term relationship to have expert support in the future, since necessary skills are internally unavailable. Nevertheless, the information system under construction has a wide range of applications and is quite complicated because it operates on a different platform than the software currently used. Although this system is expected to improve information management, it should better use a simpler software technology, designed around existing networking links. Moreover, an internal network and technology for teaching purposes are also essential. The gap is therefore estimated as moderate, since a comprehensive information system is almost finalized and the design of an intranet is planned; yet the new system is more complicated than the systems currently used.

### **Processes**

The college has numerous procedures concerning student, course, and faculty issues, quality assurance, and daily operations. Describing these processes is beyond the scope of this research, but some examples are provided to demonstrate that they are bureaucratic and lengthy. Some persons claim that certain processes are too inward-looking and

inflexible and that there is procedure duplication. For instance, the director is responsible for ordering office supplies once needs arise, but this causes delays.

The processes concerning the admission, evaluation, advancement and graduation of students are centrally managed and coordinated by the administration office, with contribution from the department heads and the director. These processes are quite rigorous and allow little deviation from defined standards. The quality assurance process takes place internally and externally; internally, course material is approved by the department head and the course coordinator. The external quality assurance is coordinated by the college's external counselor, who appoints other external assessors to review the final exams, among others. As explained by the course coordinator, these processes have been established through experience over time and within legal specifications. There is also a specific disciplinary procedure, according to which the disciplinary committee investigates written complaints against students and decides on penalties. No such procedure is in place regarding disciplinary issues for faculty members; these are handled by the department heads and the director.

The recruitment and selection procedure for academic staff starts after the preliminary student registration indicates the needs for the following academic year. The selection process includes an interview with the director and a presentation to some faculty members; thereafter, the persons selected meet with the recruitment and appraisal committee and go through an induction process with the course coordinator and the research committee. The job design and allocation of courses to faculty members mainly depends on students' requirements and are the responsibility of the course coordinator. Faculty members are evaluated internally and these evaluations are validated by external academics for promotional purposes. Students evaluate each faculty member at the end of each year, but their evaluations mainly serve as feedback for the director and academics and have minimum impact on formal evaluation and promotion. Salary increases are determined by the director considering the person's ability and interest in teaching and research, professionalism, punctuality, and adherence to college rules, but salaries are generally kept at market, or even above-market, levels.

Overall, this gap is assessed as moderate. The college already has clear processes concerning all issues as legally required. Nonetheless, our analysis shows that some processes need to be re-designed in order to be more outward-looking, by including students and staff. Moreover, some processes need to be standardised and automated to avoid rework and duplication and to become less complicated and time-consuming.

### **Objectives/ values**

The core value of the college, which is embraced by everybody, is offering high-quality education. Nevertheless, interviews indicated that the institutional goals are unclear to the staff and that the perceptions of faculty and administration/management regarding the prevailing culture differ. Whereas administration/management perceives the culture as supportive and participative, faculty members believe it is inflexible and autocratic; a bureaucratic, act-as-told, culture that discourages openness and teamwork. Moreover, staff members feel that they are not trusted enough by the management to make decisions

and take initiatives. Consequently, institutional members are mostly concerned with their field of expertise without a broader view of the institution and are more satisfied with the job itself than with the specific institution. Nevertheless, the majority of staff members is cooperative and support each other in a climate of mutual respect. There is also a difference on how management and faculty view students, with the former believing that students should be strictly controlled and the latter supporting that students should be guided and encouraged and therefore maintain good relations with students. These different perspectives sometimes lead to conflicts and misunderstandings that damage the climate in the institution.

Overall, as typically family-run businesses, small colleges appear to have a low risk-taking culture, which is not embraced equally by all institutional members. Management therefore needs to effectively communicate its vision to encourage its internalisation by all institutional members. For this purpose, all members must have a holistic view of the institution in a culture that values cooperation and openness. Moreover, it is important that management develops the belief that the majority of faculty members are professionals and willing to make an extra effort; this is the only way for change to be managed successfully.

### **Staffing / skills**

Currently, all faculty members have the skills to carry out their duties, but some need to deliver courses beyond their specialization and only few members have a PhD; most are MSc holders. Moreover, many faculty members are young graduates with little experience in teaching and research, although some have years of experience in the field and the specific institution. Nevertheless, it should be noted that faculty members are employed on an annual basis and their contracts are renewed if both parties, i.e. management and employee, wish to continue their cooperation. This causes a feeling of insecurity among faculty members, who are also disturbed by the fact that a variety of employment contracts are used, therefore causing issues of equity among them. The above could explain why there is considerably high turnover among faculty members that in turn obstructs the accumulation of experience, knowledge, and skills. This is reinforced by the fact that training and development seminars are not frequently offered to faculty to update their knowledge and skills. The administration staff has the necessary experience, but no specialized administration skills and inadequate skills to use the new information system under construction. Moreover, it is questionable whether there are persons within the institution who can lead and/or manage its transformation to a university.

Consequently, the gap here is estimated as large because according to the relevant Law, faculty members need to hold a PhD and analogous experience in their field. Only a special category of teaching staff may have fewer educational credentials, but they must still have professional experience and not to exceed 30% of the teaching staff of each School. Therefore, the college needs to recruit an adequate number of qualified faculty members and to take measures to reduce staff turnover and therefore enable the accumulation of skills and experience. Additionally, high quality training and development opportunities must frequently be offered to faculty and administrative staff

to update their knowledge and skills in the necessary areas. It is also important that all institutional members go through workshops for managing change to be prepared for the dynamics of the transformation and it might be necessary to recruit external consultants to act as leaders during the transition. External experts might need to be useful in the future as well because the Law requires the university to provide counseling services to outside parties, but the necessary skills and people for the purpose are not currently available.

### **Management systems/structures**

The existing structure is hierarchical, with a narrow span of control, and reporting lines are strictly defined to maintain the centralization of decision-making. Faculty members and administrative staff report to the two department heads and course coordinator respectively, and the latter report to the director. The only exception concerns employment issues, for which each member communicates directly with the director. Internal and external committees and assessors are also included in this structure and have considerable authority concerning management issues. Employees are generally excluded from strategic decision-making and participate only in tactical decisions, but they do have considerable academic freedom. It should also be noted that although research-related targets are set for each faculty member, many feel that these are unclear and infeasible because they are not discussed with them.

Given that the structure of a private university legally needs to include at least three different Schools covering a wide range of fields, an executive board, council, senate, school and department councils, the gap here is evaluated as large. The creation of new courses and departments is a lengthy process that requires the approval of the academic board and the pertinent authorities and therefore takes about 6-7 years. Moreover, the Law calls for a decentralized structure, through the assignment of specific responsibilities to the aforementioned bodies, internal evaluation committees, and partnerships with European research and educational centers. For such a structure to be feasible, all employees must have clear and mutually agreed performance targets. Consequently, transforming a college to a university requires radical restructuring and offering courses in fields different than the college's specialization areas.

### **Other resources: Students, facilities, services, time, money**

Currently, the college has about 200 students, allocated in two different departments. Most students come from the surrounding geographic area and therefore are not provided with college accommodation or catering. Catering is available from the college's cantina, but is quite limited and students find it rather expensive. Counseling services are unavailable, though they are offered on an informal basis, and some scholarships are provided by the director depending on the student's financial situation and performance. Moreover, the facilities of the college are considered as inappropriate and cannot satisfy the students' needs, since there are inadequate lecture rooms, sitting and study areas, there are no sporting facilities, and the facilities are not accessible by disabled persons.

There seems to be a large gap between this situation and the ideal one, since the Law requires a minimum number of 700 students, to whom the university shall provide

support for accommodation and catering, scholarship plans and other forms of financial support, in appropriate facilities. Therefore, the college's transformation would require significant financial resources that are unavailable in small, family-run colleges, in addition to the fact that funds are controlled centrally by the director. Consequently, the college might not be in place to reach legal standards and to prepare the necessary long-term plans and budgets that are required to get formal approval.

### **Conclusions**

The design-reality gap analysis shows that the transformation of small, local colleges to universities is difficult and has significant chances of failure. The management of this specific college realizes this and considers that the change is infeasible; therefore it has decided not to get involved in the transformation process. The management actually perceives the relevant Law as unrealistic and prohibitive because a small local college can never satisfy the legally required number of students. It seems that the Law is indeed prohibitive for small colleges, especially considering the required numbers of Schools, departments and students, as well as the facilities and services that should be offered.

Although transforming into a university-level institution is not in its immediate plans, the college management needs to seriously consider the findings of this analysis. It appears that one of the most significant obstacles to change is the prevailing bureaucratic model with its inhibiting features and its accompanying hierarchical structure, which negatively influence motivation, performance, coordination, and teamwork. Given that changing structures and management systems is time-consuming and requires radical internal changes, it would perhaps be worth considering to begin with small, incremental changes that can be managed more easily.

Indications are that the role of the leader is perhaps more vital for small colleges than for larger ones because apart from managing the actual change, leaders in small colleges need to manage a change of minds and hearts. Therefore, a visionary leader, who is able to inspire cooperation and teamwork, is required to guide small private colleges through the process of transformation (Blasé & Blasé, 2000; Elmore, 1995). Cultural change seems to be an important prerequisite of any successful institutional transformation and perhaps an external leader is required in this case for this exact reason. An external leader that has not embedded the existing values and culture would be more suitable for guiding all the institutional members to move away from closely-controlled style to more decentralized systems. Moreover, an external leader is more likely to be mutually accepted by management, administration, and faculty; something that is very important given the somewhat conflicting orientations and values of these parties.

The management's view is that it is not necessary for an academic institution to be a university to be successful; what matters is the quality of its services that is assured from the years of experience and specialization. Nonetheless, there are competitive pressures from the local and foreign market as other institutions have already enacted the transformation process. This fact, combined with the perceptions of people that an institution labeled as a university offers higher quality services compared to a college, and the small size of the Cypriot market, increases pressures on smaller colleges.

The above lead us to question the viability of the strategic decision of the college to maintain the status quo. Although we agree that currently it is infeasible to proceed with the transformation to a university, we doubt whether avoiding to plan such a transformation is indeed an option. It would probably be better for small colleges to start preparing by including the transformation in their longer-term plans and by developing tactical strategies to finally implement this strategy. A more viable option for small colleges would perhaps be to form partnerships and therefore join their forces under the same organizational structure to form one institution with various specializations. Such partnerships would allow the exploitation of synergies that would significantly increase the likelihood of achieving a university-status. Nonetheless, given that small colleges are typically family businesses, with the authoritative culture that values strict control, how acceptable would such an option be?

Since it is doubtful whether small colleges can survive by upholding their current status, it seems that whatever their future direction, i.e. long-term planning or partnerships, it would be difficult to be achieved. Therefore, leaders are essential in these institutions to use their skills and abilities in order to inspire change and to guide these institutions into a more viable future.

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