



# **Re-accreditation**

**University of Dubrovnik**  
**Department of Economics and Business Economics**  
24-25 March 2011



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## **Members of the Panel of experts**

### **Prof. Wolfram Schrettl, Ph.D, Freie Universität Berlin**

Wolfram Schrettl is a professor of Economics at the Department of Economics of Freie Universität Berlin. He is also Director of Economics at the Institute for East-European Studies of Freie Universität Berlin.

### **Prof. Dr. Stefan Ruenzi, Universität Mannheim**

Stefan Ruenzi is a professor and chairman of the Department of International Finance, Universität Mannheim, Fakultät für Betriebswirtschaftslehre (Faculty of Business Administration of University of Mannheim).

### **Prof.dr.sc. Branko Novak, Josip Juraj Strossmayer University of Osijek**

Branko Novak is professor of social sciences in the Field of Economics, scientific branch Finance and Financial Policy at the Faculty of Economics of Josip Juraj Strossmayer University of Osijek.

### **Prof.dr.sc. Ines Kersan-Škabić, Juraj Dobrila University of Pula**

Ines Kersan-Škabić is an associate professor of social sciences in the Field of Economics, scientific branch International Economics and she is the Head of Department of National and International Economics in the Department of Economics and Tourism "Dr. Mijo Mirković" of Juraj Dobrila University of Pula.

### **Mirna Kovačević, University of Zagreb**

Mirna Kovačević is a student of Faculty of Economics and Business of University of Zagreb.

Prof. Wolfram Schrettl, PhD was elected, by the members of the panel, as a Chair for reaccreditation of the Department for Economics and Business Economics at the University of Dubrovnik.

## **Short description of the evaluated institution**

In an effort to promote the role of higher education and science in Dubrovnik, the Charter on the Development of Dubrovnik as an International Science and Education Centre (DISEC Charter) was signed on July 10, 1999, which, as was proved later on, paved the way to establishing the University of Dubrovnik. The University of Dubrovnik was entered in the Register of the Commercial Court in Dubrovnik on November 16, 2003, thus acquiring its legal status, on which date the Polytechnic of Dubrovnik and the Faculty of Tourism and Foreign Trade in Dubrovnik ceased functioning.

The University of Dubrovnik began its operation with six departments: Department of Economics and Business Economics, Maritime Department, Department of Electrical Engineering and Computing, Engineering Department, Department of Aquaculture, and Department of Mass Communication. These departments offered new undergraduate university and professional study programs, while at the same time the study programs which had been followed by the students in or prior to the academic year 2003/2004 at the former Polytechnic of Dubrovnik and the Faculty of Tourism and Foreign Trade were being implemented at the University in accordance with the curriculum of these two former higher education institutions.

The academic year 2007/2008 will be long remembered as the year in which the University of Dubrovnik saw the first students enroll on graduate university programs which were aligned with the Bologna process.

When the number of students who enrolled in and obtained their Transcripts from the former Polytechnic of Dubrovnik and the Faculty of Tourism and Foreign Trade is added, the total number of students who had their Transcripts at the University of Dubrovnik on October 1st 2009 was 2.827.

At the end of academic year 2009/2010 there were 245 employees in permanent employment at the University. Educational, scientific and professional activities were performed by 155 employees out of whom there were 65 holders of the Doctor of Science degree and 30 holders of the Master of Science degree.

The university development strategy is internationally oriented, while the university is greatly honoured to be part of EHEA (*European Higher Education Area*) and ERA (*European Research Area*). The University joined the CIRCLE network (*Centre for International Research in Consumers, Locations and their Environments*).

During the academic year 2009/2010 tremendous efforts were made to continue with investments into the equipment and the University building.

# **Report of the Panel of experts**

## **1. Introduction**

The expert panel was requested to:

- (i) Examine the self-evaluation report submitted by the Department for Economics and Business Economics at the University of Dubrovnik and to conduct an on-site visit at that institution;
- (ii) Prepare this report on the evaluated academic unit, which includes individual performance grades along the dimensions given to the expert panel by the Agency;
- (iii) Identify strong points and weak points found along the way and give recommendations for improvement of the institution's quality.

## **2. Evaluation based on the criteria provided by the Agency**

The expert panel discussed each component contained in the list of criteria; each panel member expressed her/his view. In most cases a perfect consensus could quickly be reached. In a few cases, there emerged some differences which however remained small in terms of the numerical grade given. The overall grade reached by the panel represents the (arithmetic) average of the individual grades given by each of the five panel members.

The panel wishes to alert readers of the grade sheet that grades in the range 1 to 3 are meant to signal that remedial action is needed. The grades by and large speak for themselves. However, on one occasion in particular, some interpretative remarks are in order: The grade 5 ("fully implemented") given for criterium 1.1 ("The institution conducts systematic strategic planning ...") is only meant to signal that we are happy with the extent of strategic planning activities going on and with the amount of strategic documents produced. Much the same applies to other overarching activities (eg. quality assurance) going on at the central management level of the University. We are less satisfied, as will become clear below, with the contents and results of the strategic planning.

Beyond that, for more detail and emphasis we refer the reader to the subsequent section.

### ***a) Management and quality assurance***

The leadership of the university does not seem to accord to the department of economics and business economics the same high level of priority as to some other departments. This relative neglect, combined with the centralisation of managerial and financial decision-making at the very top of the university, does not make the life of the department easier. Other departments seem to given a higher level of attention from head offices of the university than the economics department. For example, the head office was not even aware about a serious breakdown in the Department's computer services that apparently had lasted already for no less than half a year. For more on that problem, see below. Other departments (and the head office of the university) also seem to have better access to financial resources. The centralization of supposedly problem-solving personnel seems to create a rich set of procedural and administrative documents, while the problems themselves tend to remain elusive. What seems to be called for is a more decentralized approach. The staff needed to

solve problems should be positioned closer to where the problems arise, i.e. mostly within the Department.

### ***b) Study programs***

The Department carries out the following study programmes:

- Economics: Course in Economics
- Business Economics: Course in Tourism, Course in International Trade, Course in Marketing.

All study programmes are organized at the undergraduate and graduate level.

The Department also launched a postgraduate specialist study “Marketing Management in Tourism” in 2007, and it has now enrolled the second generation.

All programs are well structured and allow students to acquire knowledge in various economic disciplines, in addition to the field of general economy, and in specific subjects such as tourism, international trade and marketing. There is little interest and thus only a small number of students is enrolled in the study of Economics; it would be good to investigate the cause of this condition. Also, the Department leadership should think about focusing the study of Economics onto specific areas that are of interest for the region.

The Department staff constantly makes improvement in the study programmes according to the needs of the labour market. Teachers select appropriate methods of teaching: essays, discussion, field work, projects, etc.

For now, e-learning (with the teaching materials) is available for a small number of subjects and it is needed to significantly improve in the further development.

Most of the enrolled students come from vocational schools (80%) with insufficient knowledge and that seems to be the main reason for their success/failure at the University.

The enrolment quotas are in accordance with the needs of society and with the institutional resources. The teacher/student ratio has been changed and it is now better than the quota of 1:30 that provides a good possibility for quality teaching and good communication (interaction) with students. In the academic year 2009/2010 the quota was 182 for undergraduate full-time students of Economics and Business Economics and 30 for part time students. The number of enrolled students that year was 153 full-time, and 23 part-time students. The quota for graduate studies was 105 for full-time students and 30 for part-time students, while the number of enrolled students was 96 for full-time and 12 for part-time students.

The Department has established regulations for review and recognition of prior learning and qualification in a way that if 2/3 of the content matches the particular one of the Department, the latter will recognize the qualification.

The teaching staff has begun organizing the lectures and monitoring students' work toward learning outcomes. There are no lifelong learning programs, but their development is underway.

The University has introduced an award for top students, they get diplomas cum laude, magna cum laude and summa cum laude, and in this way the University encourages students to achieve better success.

### ***c) Students***

The students have very clear views about the different teaching styles of the older generation of professors and the younger professors. They say that old professors have old-fashioned teaching methods which can be very difficult to fathom. Students have much better relations

with younger teaching staff who enrich learning with more practice. Younger teachers use DUEL to provide students with learning materials, they use e-mail to contact students, and they organize small trips to some touristic destinations nearby. 50% of students work during summer, some on smaller jobs, but they would also like to engage in practical work during semesters.

Large numbers of students want to study in Zagreb. In Dubrovnik there is no student residence hall, and the prices of apartments are very high. Some of the students had to leave their flats in May because owners wanted to rent them to tourists who can pay higher prices. In the future, there will be a smaller number of students from BIH because of the Croatian high school final examination. Those students who have to commute daily from outside of Dubrovnik complained that they have no studying place at the University where can spend time between lectures. The library is small, there is no online catalogue, there is only a small number of tables, and a general lack of books. There is no wireless LAN, which is a very big problem for students. Students speak English very well and they would like to have some courses in English. Also, they would like to have more lectures in business English, not only during the first year of undergraduate study. The University supports them in their extracurricular activities, it provides them with a culture card which allows free visits to museums and cinemas. The Department is a member of the ERASMUS system, but not many of the students take advantage of that. The students seem to be very motivated, they organize their own polls and complain if something is wrong. Students can freely express their opinions, but they are afraid that no-one will initiate any major changes as a result.

#### *d) Teaching staff*

The University's Department of economics and business economics includes teachers and associates from the field of economics. The ratio of permanently employed teachers and external associates is appropriate. The number of external associates is constantly being reduced due to curriculum adjustments made with regard to human resources and the fact that more of the Department's assistants received PhDs and were appointed into scientific research-teaching grades. Contrary to the period before the University of Dubrovnik was established, from the onset the University has introduced an active staff policy providing help to the personnel of the Department in their progress through the employment of young researchers, offering help even outside the doctoral study, the enrolment in doctoral studies, procuring professional literature and attending scientific conferences. Today six teaching staff are involved in the Department teaching activities as full professors (average age 64,2), two as associate professor (average age 64), eight as assistant professors, two as higher assistants, thirteen as teaching assistants, three as senior lecturer, and four as junior lecturers, all permanently employed full-time at the University of Dubrovnik. There are also two full-time professors from other departments of the University. The hiring of new teachers has stopped after 2009/2010. In line with the planned quality strategy, over the past five years there is an obvious trend towards improvement of the teacher/student ratio. The number of students has been reduced by 17% over the last five years, and the number of teachers has been increased by 22%. In October 2010 the teacher-student ratio is 1:18. The teaching load is kept within the framework of the prevailing teaching standard with a discrepancy of about 10%. If engaged by other entities all teachers must have/get approval for such work. Based on the requests from and permission for some teachers, the scope of such activities outside their host institution can be monitored. The number of students attending lectures/exercises varies depending on the year of study. The number of students attending exercises is considerably smaller due to group work. The number varies according to the course category. On obligatory courses, there are more students, while on electives there are fewer students. The

University provides the teachers with full support in the field of training and the improvement of the teaching competences (spending a period of time at a higher education institution, attending international symposia, participation in international projects, publishing books, textbooks, and articles).

#### *e) Scientific and Professional Activity*

Regarding research productivity, the scientific staff at the Department has to be divided into two groups. There is a group of older professors approaching retirement that do not seem to be engaged in research at all and a group of younger staff that actively works on various research projects. We spoke to several researchers that are in the process of getting their PhD degrees from other Croatian institutions and plan to continue their career in Dubrovnik. Unfortunately, even among the younger scientific staff, not all are interested in doing research. The research focus of most of the active researchers we spoke to is on tourism and hospitality management. Given the location of the university in a prime tourist destination this seems to make sense and there are also some small-scale cooperations with the local business community. Having said this, there still does not seem to be a clear research strategy for the Department. We have the feeling that the management of the university thinks the Department is primarily useful because it provides much needed teaching in business and economics for its own as well as students from other departments, but is not seriously interested in supporting research at the Department. The leadership of the University as well as of the Department seems to be mainly interested in making sure that younger teachers fulfill the necessary requirements for promotion, i.e. they are satisfied if researchers publish the necessary number of papers in journals which are rated as A1/A2 according to the central research council's list of journals and conferences. They also prepare statistics that document the research productivity of the department. Researchers seem to publish roughly two papers per year. However, none of those papers is published in recognized international journals of high standards. Currently, there is no incentive system that encourages young researchers to aim higher and the university administration seems reluctant to introduce such a system. Young researchers do get funding to attend scientific conferences – but the conferences visited by the Department's researchers are typically regional conferences with relatively modest standards. The department does not seem to have an active research seminar series. There is a local journal entitled “**Economic Thought and Practice**”, which is published by the Department. It mainly contains articles in Croatian and other languages and its focus is on applied research.

#### *f) Mobility and expert collaboration*

The Department defined ECTS points for the courses it offers and it is thus possible for students who want to come to Dubrovnik from other Croatian HEIs to count ECTS points earned before towards their degree here if the courses previously taken fit into the programs. Similarly, students should have no problems in getting their courses counted towards degrees at other Croatian HEIs, if they move away from Dubrovnik. The Department is a member of the ERASMUS system, but only very few slots for outgoing students are available. Thus, as of now, there is no significant international mobility of students. The University plans to apply for more ERASMUS slots, but does not seem to have taken up serious other measures to improve mobility of students. Currently, there are no courses taught in English. This makes it virtually impossible to set up meaningful exchange programs for students and makes the Department very unattractive for international students. While several of the younger teaching and research staff members seem to be proficient in English and would generally be willing to teach courses in English, for some reason the University administration seems to be reluctant



to introduce such courses fast. Generally, the international mobility of staff is also too low. Some researchers had some international exposure, e.g. in the UK, but most planned activities abroad are relatively short term. We were told that there was one professor in Accounting who visited the department in the past – but other than that there do not seem to be many international visitors, which is surprising giving the attractive location of this institution.

***g) Resources: expert services, space, equipment and finances***

The lecture halls and classrooms seem to be very well equipped. The rooms we saw were very modern and had beamers installed that were used by teachers and students. The library is quite small and does not have an online catalogue that students can access. Books are only listed in a Word-File and staff writes down by hand if books are lent out. This makes it quite difficult to find out whether a book is really accessible in the library. Generally, there are too few English language books and there are not many copies of the main textbooks used in classes. Some key readings for courses are not available in the library. There are only a few outdated volumes of some of the important Economics and Business journals. The library currently does not subscribe to important international journals. Electronic versions of many journals are available via the country-wide access financed by the Ministry. However, a big problem seems to be access to the internet on the premises of the Department. This is particularly relevant as an important way for students to access scientific research articles from the databases mentioned via internet access at the Department. The Panel was provided with conflicting information, but the truth seems to be that WLAN did not work since at least 6 months. Possibly due to the integrated structure of the institution, the central IT administration either was not aware or did not care about this problem. This is a severe issue, because there are also no internet stations or work places in the library or anywhere else in the Department where students could access the internet. Generally, there seems to be too little or no space for students to work. Regarding finances, the Head of Department told us that resources are sufficient. He also told us that the department gets the necessary funds if it asks the central university administration for them. However, at the same time, the self evaluation document mentioned at several instances that the biggest hurdle for improvement in various areas (e.g. teaching courses in English) is the lack of funding. Overall, it was impossible for the Panel to get a clear picture of the finances of the Department as meaningful statistics were only provided for the university level, i.e. the availability of financial resources at the Department level is not clear.

**3. Final report and recommendations by the expert panel for the Accreditation council**

The panel members thank the University of Dubrovnik and the Department of Economics and Business Economics for their very informative self-evaluation report and for their hospitality during the panel's visit to the institution.

The Department of Economics at the University of Dubrovnik, having been established only in 2003, is a quite young institution. It offers attractive programs of studies to students. The program meets an obvious demand and is readily accepted by young people mostly from the surrounding regions. The department offers both a Bachelor and a Master sequence, but does not provide a Ph.D. program.

The main points of our perception, based on the self-evaluation report and impressions gathered during an admittedly brief two-day on-site visit, are the following:

#### ***a) Advantages (strong points)***

- Although a teaching institution specialised in tourism had existed before 2003, it was only then that a full-fledged Department of Economics and Business Economics was established and could begin to develop. During its relatively short period of existence, the department has taken a dynamic path of development. It is the impression of the expert panel that the leaderships of both the university and the department have contributed considerably to this respectable achievement.
- Another factor explaining the achievement is to be found in the young and ambitious faculty (young professors, assistants etc.) who deliver state-of-the-art courses in their respective fields.
- In synergy with the teaching staff and the management, a body of very lively and ambitious students considerably contributes to the overall result.
- The task of teaching is greatly helped by a quite favourable teacher-student ratio.
- Similarly helpful is the in some respects impressive infrastructure (equipment, facilities etc.) of the department.

#### ***b) Disadvantages (weak points)***

- The leadership of the university does not accord to the department of economics and business economics the same high level of priority as to some other departments. This relative neglect, combined with the centralisation of managerial and financial decision-making at the very top of the university, does not make the life of the department easier. It seems to us that “integrated university” in Dubrovnik is equated with a centralized university.
- The research activities of the department seem to be in clear need of improvement. This applies both to the research ambitions and to the dissemination of the research results. We will return to this point and to the subsequent points in our recommendations.
- Internationalisation in general is still underdeveloped. This applies e.g. to international mobility (of the student body, the teaching and the research staff) which is too low, to course offerings especially in English which are practically non-existent, and to the library which keeps way too few international (again especially English) textbooks on stock.
- The department's contacts with the local, national, and international business community do exist, but are few and seem to be fragile.

#### ***c) Recommendations for improvement of quality***

Many, although not all, of our recommendations are implicit in the strengths and weaknesses just outlined.

- The department is at a critical juncture of its development. A large number of older professors are about to retire in the near future. This change should be seen as a welcome opportunity. It is of utmost importance that this opportunity must not be wasted. With that goal in mind, we recommend that the new faculty be selected in the

most competitive manner. In-house candidates may be worthy followers of the present generation of professors. At the same time, however, it seems to us that the University needs reminding that it should provide a level playing field for outside applicants. Ideally, in-house candidates should have a record of teaching at some other university as a pre-condition for successful application at the University of Dubrovnik. Even more important is a record of respectable publications in refereed journals. (See below.)

- The research activity of the department, while acceptable in focus (much of it on tourism) and in quantity (at present, an average of close to two annual publications per person), are in clear need of a qualitative improvement. So far, practically none of the research results get published in internationally accepted refereed journals. To make the required headway, we suggest that from now on not more than one article (per year per person) should appear in the presently favoured research outlets. The other half (or more) of the research results should be submitted to refereed international journals -- not necessarily to the highest ranked journals, but at least to journals with a respectable refereeing process. Referee reports or even rejections from such journals should be valued higher than a second or third of the usual (mostly in-house) publications. Young researchers in particular should be required to generate, as a rule of thumb, at least one response from a peer-reviewed international journal per year. To repeat, rejections should not be regarded as a sign of defeat but as a sign of energy and courage that needs to be rewarded by the department leadership accordingly.
- Prior to publication, the research output should be made readily available on the department's website. Papers written in Croatian should be accompanied by a one-page non-technical summary, plus an abstract, both in English.
- To make the department more attractive especially for international, but also for national students, more courses should be taught in English. A start could be made with elective courses. Teachers of such courses should be allowed to decide for themselves whether to offer a course in English or in Croatian. It is our impression that the majority of students would not have a language problem at all, but would rather welcome this innovation. It is the teachers who are partly in need of encouragement. Again, the process of hiring the next generation of professors is of critical importance in this context. Candidates should be proficient in teaching courses in English or some other widely used foreign language.
- While much of the department's infrastructure is in very good shape, the wireless local area network (WLAN) is apparently not. This is unacceptable at a time when course-related material and information can routinely be offered to students via that highly efficient channel. Immediate remedial action is called for.
- The shortage of international (again especially English-language) textbooks in the library needs to be overcome by a resolute restocking program. Without much better access to international standard textbooks in English the students will be kept at a disadvantage when applying for either jobs or graduate programs outside the country.
- The present level of mobility of both teachers and students can only be regarded as a start. The department should stronger encourage its students to pursue Ph.D.-level studies at universities abroad, it should invite more visiting teachers from abroad, and it should give the present teaching staff better opportunities to visit foreign universities for one semester of teaching (rather than only brief one or two week visits as seems to be the present practice). Stronger cooperation with foreign academic individuals or economics departments should make such exchanges easier.
- The department's contacts with the business community need to be strengthened. Given that tourism is the dominant regional industry, the university should better use its weight (e.g. in the political or alumni community) to give students the opportunity

to enter internships that go beyond the present practice of working as waiters or waitresses in local restaurants and hotels.

- Calling the department a "Department of Economics and Business Economics" appears, in its second component, as a misnomer. The responsible authorities should think about a new label.

## Annexes

### Re-accreditation of the University of Dubrovnik, Department of Economics and Business Economics

#### Thursday, 24 March 2011

- 09.30-10.15 Meeting with the Management Board (Rector) and the Head of the Department
  - 10.20-11.20 Meeting with the self-evaluation working group and QA Committee representative
  - 11.25-11.45 *Break and internal meeting of expert panel, discussion*
  - 11.50-12.35 Meeting with the teaching assistants and junior researchers
  - 12.40-13.30 Meeting with students
  - 13.40-14.50 *Working Lunch: expert committee*
  - 15.00-16.00 Meeting with the Vice-Deans (for Studies and QA, International Cooperation, Science and Technology)
  - 16.00-16.35 *Internal meeting of expert panel, discussion and the analysis of the first day*
  - 16.40-17.00 Meeting with the management of the Department
- Working dinner at the hotel, preparation for the next day and working on the final draft of the report

#### Friday, 25 March 2011

- 09.30-10.15 Meeting with the Heads of study programmes (undergraduate / graduate / postgraduate)
- 10.20-11.15 Class attendance (tour)
- 11.20-11.45 *Break and internal meeting of expert panel, discussion*
- 11.50-12.50 Tour of the library, IT labs/classrooms, student register desk - meeting with Secretary of the Department of Economics
- 13.00-14.30 *Working Lunch: expert committee*
- 14.30-15.20 *Internal meeting of expert panel - analyses of the visit, conclusions*
- 15.30-16.00 The final meeting with the management of the Department and Rector
- 16.10-17.00 Drafting the final report