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**VILNIAUS UNIVERSITETO TARPTAUTINIO VERSLO
MOKYKLOS
VEIKLOS VERTINIMO IŠVADOS**

**INSTITUTIONAL REVIEW REPORT OF
INTERNATIONAL BUSINESS SCHOOL AT VILNIUS
UNIVERSITY**

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CONTENTS

I. INTRODUCTION	3
II. BACKGROUND INFORMATION ABOUT THE INSTITUTION	4
III. STRATEGIC MANAGEMENT	7
IV. ACADEMIC STUDIES AND LIFELONG LEARNING	22
V. RESEARCH AND ART	30
VI. IMPACT ON REGIONAL AND NATIONAL DEVELOPMENT	35
VIII. JUDGEMENT	43
ANNEX 1: INTERNATIONAL BUSINESS SCHOOL AT VILNIUS UNIVERSITY RESPONSE TO THE REVIEW REPORT	44
ANNEX 2: EXPERTS' GROUP RESPONSE TO THE INTERNATIONAL BUSINESS SCHOOL AT VILNIUS UNIVERSITY RESPONSE TO THE REVIEW REPORT	47

I. INTRODUCTION

1. This report presents findings of an institutional review of the International Business School at Vilnius University (hereafter referred to as VU IBS or the School). The review was organised by the Centre for Quality Assessment in Higher Education (SKVC) and conducted by a team of international and Lithuanian experts (the Review Team or the Team). It was carried out in accordance with the Procedure for the External Review of Higher Education (Government Resolution no. 1317 of 22 September 2010) and the Methodology for Conducting an Institutional Review in Higher Education (Order No. 1-01-135 of the Director of SKVC of 25 October 2010).
2. The Review Team was provided with the Self-Evaluation Report (SER), together with detailed annexes, and additional VU IBS documents as requested, in advance of the site visit. It also received the MOSTA Report of 15 April 2015 'Findings regarding the compliance of International Business School at Vilnius University learning resources with the minimum quality requirements for the infrastructure and organisation of higher education studies'. The documents served as the basis for the Team's lines of enquiry which were finalised during the preparatory meeting preceding the visit.
3. The site visit to VU IBS took place between 2 and 4 June 2015. During the visit, the Team had meetings with most of the key stakeholders and a tour of facilities. It did not meet the VU IBS Council, one of its three governing bodies, as the Council composed of new members (candidates put forward in 2014) was yet to be reinstalled by Vilnius University, the Founder of the School. Instead, the Team had an interview with the Vice-Rectors and Vice-Chancellor of Vilnius University acting as former or present supervisors of VU IBS (Order of the Rector of Vilnius University No. 140 of April 2015). After the visit, the Team met to discuss the main review findings, conclusions and recommendations and its report was finalised by correspondence.
4. The documentation from VU IBS provided the evidence necessary for the Team to identify issues to be explored further during the site visit. The SER was clearly structured and, overall, the documents gave the Team a helpful insight into VU IBS's operational framework, including its formal relationship with Vilnius University, and its goals and activities.
5. However, as the 2012 SER (see par. 18), the 2015 SER was rather unfocused, providing details which were not necessarily relevant in various sections, while including relevant details in other sections. It could have also clarified or given a more in-depth insight into some important, both general and more specific, issues. For example, it could have mentioned the recently evolving priorities and clear ideas for future development of the School. These featured quite strongly in discussions during the visit, showing that VU IBS was a genuine learning organisation and one that was responsive and open to change. The SER should have clarified the current status of the VU IBS Council and related issues. It could have mapped the ISO-based internal quality assurance system on the European Standards and Guidelines (on which the relevant SKVC evaluation criterion is based) and discussed at least briefly the issues yet to be tackled. Similarly, more details about the impact of recent changes in various areas would have been very useful. Overall, though containing some self-critical comments, the main body of the SER would have benefitted from a stronger focus on self-analysis and self-reflection, including the main lessons learnt from the self-evaluation conducted as part of the review. By contrast, the SWOT analysis attached to the SER demonstrated that a critical self-analysis had indeed been conducted and that the School was well aware of its main strengths and weaknesses and of the opportunities available to it and the threats or challenges it needed to address, though the connection between the SWOT and strategic plan could have been more specific in terms of content and process.
6. In accordance with the SKVC Methodology for Conducting an Institutional Review in Higher Education, the review focused on the four areas addressed by the evaluation criteria: Strategic Management, Academic Studies and Lifelong Learning, Research and / or Art Activities, and Impact on National and Regional Development. Additionally, the Team

looked carefully at the issues which were highlighted in the recommendations of the previous institutional review of VU IBS (see par. 18). In judging VU IBS against the SKVC evaluation criteria in the following sections, the Team has taken into account both what is currently in place and the future potential of the School as demonstrated by how it has managed the ongoing transition process.

7. The Review Team consisted of the following members:

- Professor Dr. John Lynn Davies (Team Leader), United Kingdom: Emeritus Professor and Pro Vice Chancellor, Anglia Ruskin University and La Trobe University, Australia; international consultant on strategic management and quality in higher education; chair and member of national and international quality review panels and committees (UK, Ireland, Lithuania, Australia, Bahrain, Finland, Russia, Holy See, South Africa, and Latin America; CRE, EUA, OECD, ACA);
- Dr Jacques Kaat (team member), Netherlands: Academic Dean at Wittenborg University in the Netherlands (responsibilities incl. accreditation and quality assurance processes in education and research); previously Academic Director and Interim Director at Webster University, Leiden campus; and director MBA and postgraduate programmes at Breda University of Applied Sciences (NHTV); also external consultant for international accreditation panels, involved in institutional and programme reviews in Ireland, Lithuania and the Netherlands.
- Dr Heinz-Ulrich Schmidt (team member), Germany: former Director General of Higher Education and Research, Government of Land Brandenburg; Special Representative of the Foundation for International Business Administration Accreditation (FIBAA), Bonn; member of international quality review panels in various countries. Dr Schmidt did not participate in the site visit, but contributed substantially to the preparatory work and the review report of the Team;
- Saulius Olencevičius (team member, social partner representative), Lithuania: director and owner of LTD 'Prime Consulting'; focus area: feedback management; PhD student; member of institutional and programme review panels in Lithuania and Latvia since 2010, and of the SKVC Study Evaluation Commission 2011-2014;
- Rimvydas Labanauskis (team member, student representative), Lithuania: PhD student of Economics, Vilnius Gediminas Technical University; interested in strategic management and quality assurance in higher education;
- Ewa Kolanowska (team secretary), Poland: higher education consultant, secretary to ENQA and SKVC panels.

II. BACKGROUND INFORMATION ABOUT THE INSTITUTION

8. The International Business School at Vilnius University is a non-state higher education institution situated in Vilnius. It was established in 1989 by Vilnius University which is the only VU IBS Founder and Shareholder.
9. The governing bodies of the School are the General Meeting of Shareholders (GMS), the Council and the Director. The GMS, among other things, endorses the vision and mission of the School, appoints and dismisses its Director and Council, takes decisions on its organisational structure and approves its annual activity reports and financial statements. The Council (yet to be re-established; see par. 3), is composed of 11 members: one elected from among VU IBS staff; two, including one student of the School, elected by the VU IBS Student Representation; and eight (s)lected by Vilnius University and including four University staff members and four external stakeholders. The Council, among other things, submits proposals for the vision and mission of the School to the GMS; approves its Strategy and Action Plans, study programmes, research and development programmes; evaluates its performance; approves annual financial plans, and gives its opinion on the School's annual reports to the GMS. The Director manages the School in line with its Strategy and Action Plans, being also responsible for preparing the latter. (SER, Annex 3: VU IBS Statutes)

10. Additionally, the relationship between VU IBS and Vilnius University is regulated by a number of agreements and other documents. These cover, in particular, academic cooperation (e.g. joint delivery of degree, including doctoral, programmes; arrangements where students can take courses at the other institution on a tuition-free basis and VU IBS staff can follow doctoral programmes at Vilnius University; joint research and other grant proposals); joint use of library resources which have recently been integrated; and the use by VU IBS of the state-owned building managed by Vilnius University as well as its ICT infrastructure and information system, sports and accommodation facilities. (SER; Annex 2; Supplementary Annex 1.2)
11. The Founder does not provide any funding to the School. Between 2012 and 2014, the income of VU IBS came mainly from tuition fees (68% in 2012 and 65% in 2014), though their share had decreased significantly since 2006 (nearly 100%) due to a steady decline in enrolment, reflecting demographic changes and, thus, a general trend in Lithuanian higher education. Other sources of funding included the European Structural Funds and similar sources (14% in 2012 and 18% in 2014), fees for corporate training (7% and 4% respectively), the State budget (8% and 6%), innovation and research activities (2% and 4%) and other sources (1% and 4%) (SER, Annex 6). The total income fell by 38% between 2012 and 2014. Following amendments to national legislation in 2012, 2015 is the last year when the School, as a non-state institution, is eligible to receive State-budget funding as part of the 'voucher / study basket system' (grants following students, including those choosing to study in non-state institutions) which is being phased out. (SER; Annexes 2 & 6) However, as the Team learned from the SKVC, non-state institutions may still be awarded State-budget funding for a niche ('unique') programme which is not offered by state institutions.
12. VU IBS's Vision is to become '*an innovative business school integrating science, education and business which, together with Vilnius University, develops Entrepreneurship, Life Long Learning education and relevant research activities*'. In its Mission, the School seeks '*to educate current and future business professionals who are socially responsible and environmentally friendly*'. (SER, Annex 2)
13. The School currently provides the following degree programmes (SER, Annexes 8 & 9):
 - Four Bachelor's degree programmes: International Business (both full-time and part-time; delivered in Lithuanian and English, with separate enrolment); International Tourism Business, Business Finance, and Business and Politics (only full-time). While four new specialisation tracks (International Business Management, Tourism Business, Business and Politics, and International Marketing) have recently been introduced as part of the International Business programme, the other three programmes are being phased out, with no enrolments in 2014.
 - Five Master's degree programmes, all offered on a full-time basis: International Marketing and Trade, International Business and Law (no enrolment in 2014), International Business Finance, Creative Business, and International Project Management (delivered in English).

All programmes are provided on a fee-paying basis.

VU IBS has signed agreements on double degrees with three higher education institutions (Finland, France and Ireland) for Bachelor's degrees and with two institutions (Germany and Russia) for Master's degrees. (SER)
14. IBS also provides various stand-alone adult learning or continuing education and training courses, referred to as Corporate Training or Executive Education, to companies and other organisations in the public and private sectors. These have recently ranged from language training to tailor-made and other courses on topics related to the areas of the degree programmes. Additionally, since 2014 corporate clients have been offered module-based training related to the VU IBS Master's degree programmes; thus, they may study selected modules of the Master's programmes and be awarded credits which are recognised towards a degree by the School. (SER)

15. The two main departments in VU IBS are the Study and Academic Divisions. Degree programmes and corporate training are provided by the Study Division which comprises the Bachelor's Degree Group and the Master's Degree and Corporate Training Group, as well as supporting services (the Study Services Group, and the Academic Exchange, Internship and Career Group). The Academic Division includes: the Innovation and Entrepreneurship Centre (IEC), with a research function and a coordinating and supporting role in research activities; the Academic Quality Group focusing specifically on quality assurance, and sharing QA responsibilities with the Study Division; and the Library. Research is conducted by the IEC itself and academic staff in the Study Division. Programme Committees (for Bachelor's degree programmes) and Programme Directors (for Master's degree programmes) act as a liaison between the Study and Academic Divisions. (SER, Annex 1).
16. In 2014, VU IBS had 922 students, including 706 Bachelor's and 216 Master's degree students, as compared to the total number of 1,591 students, including 1,214 and 377 enrolled, respectively, on Bachelor's and Master's degree programmes, in 2012. This shows a 42% decline in total enrolments in three years. The downward trend was equally visible in both cycles (a 42% or 43% decline respectively), but the decline was much less dramatic in part-time Bachelor's programmes (18%) than in full-time Bachelor's programmes (44%). Despite the decline, in 2014 the vast majority of Bachelor's degree students, i.e. 620 or 88%, were still on full-time programmes, as compared to 86, i.e. 12%, on part-time programmes. (SER, Annex 9)
17. The School employed a total number of 122 academic staff in 2014, as compared to 154 in 2012 (a 21% reduction). Over 57% of all academic staff were researchers and 44% held a PhD; the numbers of researchers and PhD holders as a proportion of all academic staff remained quite stable in the last three years (53% and 47% respectively in 2012). In terms of the type of contract, in 2014 VU IBS had 73 permanent academic staff, representing 60% of all staff, and 49, i.e. 40%, were visiting lecturers. The balance between permanent and visiting staff changed significantly in favour of the former in the last three years (33% and 67% respectively in 2012). The last three years also saw some change in the distribution of staff by age, with a decreasing proportion of staff aged 55-64 and 65 and over, and an increasing proportion of those aged 35-44. (SER, Annex 11)
18. The team conducting the previous institutional review of VU IBS in 2012 gave a 'positive evaluation' and recommended that the School:
 - (1) develop its capacity for critical self-reflection and analysis, and become more targeted in providing sources of evidence (Self-Evaluation Report);
 - (2) review its relationship with Vilnius University with a view to energising further the role of the IBS-VU Council in strategic planning and performance monitoring, and to increasing self-reliance and independence of IBS's management team in strategic planning and in the implementation of its strategy;
 - (3) select a set of core performance indicators to support planning and monitoring;
 - (4) develop further its quality policy, with due consideration to be given to the European Standards and Guidelines, and, in particular, to more rigorous use of programme performance data relating to student cohort progress and achievement and fuller and more consistent articulation of intended learning outcomes;
 - (5) adopt a 'You said-we did' or similar model for providing feedback to students on generic issues arising from student surveys;
 - (6) in line with its intention, extend the volume and range of Executive Education short course provision, and develop further the existing credit structure for this activity;
 - (7) in line with the internationalisation policy pursued, expand further international staff mobility opportunities; and
 - (8) review its policy for foreign language provision to enable students to study one language throughout their programme, ideally while retaining the opportunity to learn a second foreign language concurrently.

In 2012 the School was accredited for only three (rather than a full period of six) years as its learning resources did not comply with all of the relevant requirements set by MOSTA for ‘the infrastructure and organisation of higher education studies’, and outcomes of MOSTA assessments were binding before the recent amendments to national legislation

For comments related to Recommendation (1) of the previous review, see par. 5 above. The progress made by VU IBS in implementing the other 2012 review recommendations is discussed in the relevant sections below, but the Team were content they had been acted upon constructively.

It is fair to say that the Team came to its conclusions not only in respect of recent performance in respect of the four domains, but also with confidence in the institution’s future trajectory and its supporting elements.

FINDINGS OF THE REVIEW TEAM

III. STRATEGIC MANAGEMENT

STRATEGIC CONTEXT

19. VU IBS is a small institution in terms of both academic portfolio and support services underpinning its core academic activities. Its size makes it more agile and more flexible in responding to opportunities and challenges on the one hand, and vulnerable to competition from larger institutions on the other hand. It also determines how the School can deal with current and emerging challenges to gain a competitive advantage which is crucial to its viability and further development. Global education in the 21st century is moving from smaller towards bigger entities. However, limited size naturally imposes limits on the breadth and depth of support services, and on interdisciplinary possibilities. This does not necessarily involve mergers between institutions but also various types of partnerships, both within higher education and with business. The Team believes that a key question, for both VU IBS and its Founder, should now be how the School enters into partnerships to increase its capacity and competitiveness in delivering education and training, research, consultancy and knowledge exchange. Such partnerships would need to be established for both core academic activities and support services, including those directly related to market competitiveness, market penetration and student opportunities.
20. The external environment of the School has been evolving and, obviously, will continue to evolve. Fast-paced changes in global higher education are taking place in parallel with those in the domestic market, posing challenges as well as offering opportunities. Within the national context, a major challenge is related to a decline in the population of 19-22 year olds and resulting competition for prospective students. External stakeholders expect more from their academic partners, including VU IBS, and are becoming more sophisticated in their demands; this is a favourable development. Foreign investment which is expected to increase in the coming years and, in particular, the Sunrise Valley established in the Vilnius district by Vilnius University, Vilnius Gediminas Technical University and leading companies present new and ample opportunities. The Valley aims, among other things, to develop Vilnius into a ‘Knowledge City’, strengthen collaboration between industry and higher education, encourage greater investment in research and development, facilitate technology transfer, promote a culture of entrepreneurship and attract foreign investment. Thus, it seems to be the perfect place for VU IBS with its strong focus on entrepreneurship, keen interest in, as well as experience of, knowledge exchange and good links with business. Externally, the Team is also conscious of the inflexible limitations imposed by State policy on, for instance, the ability to deliver an MBA programme – not helpful for an entrepreneurial Business School.
21. Within this evolving environment, the School itself has been in transition in recent years. Its new Director was appointed in 2013 and this was followed by changes in the Management Team. As the Review Team found during the visit, the Director is very keen to formulate

new strategic directions for the School, and discussions are ongoing on how to adjust plans at the midpoint of the implementation of its 2013-2018 Strategy. A staffing reform has been underway since 2013. The School is also streamlining its internal quality assurance system and related performance indicators. The portfolio of degree programmes has been recently rationalised, and some programmes are being phased out. A shift is taking place in the institutional approach to research, with a much stronger emphasis placed on how it can best serve the education and training provided. As a result, bits of the old system and bits of the new system exist side by side. The changes have involved taking and implementing tough decisions and, in the Team's view, the School has managed the transition process very well. We commend the School's approach to the difficult issue of declining numbers, and this success has clearly generated considerable internal cohesion and confidence.

22. Fully aware that a competitive advantage is a strategic imperative for the School, the VU IBS Management Team have also given some serious thought to how the School should evolve, and to how its vision and identity could be redefined and its brand developed. Ideas are yet to be put on paper and into action, but it is encouraging to see that the School is open to change and to re-positioning rather than defending its present position. As the Team found during the visit, this process of self-reflection is also very much in line with the expectations of the School's graduates and social and business partners who consider that its identity and message should be clearer and its image – currently 'good to positive' – should be improved. At the same time, VU IBS and Vilnius University (the Founder) are discussing various options for the future status of the School, ranging from closer integration with the University to full autonomy. The Review Team believes that a decision on the scenario for the School should be taken quickly to keep the momentum of change going.
23. As part of its evolving concept, VU IBS is also reviewing its international dimension and indeed becoming more international. Its efforts to benchmark internationally are indeed commendable (CEEMAN IQA accreditation awarded; preparations for an international programme accreditation; membership of the European Foundation for Management Development; Diploma Supplement Label). The School community and the Founder agree that VU IBS, as every business school, should by definition be international and, thus, its name, with the International 'modifier' being a legacy of the past, may change in the near future as well.
24. Another key factor to be taken into account is the relationship between VU IBS and Vilnius University as its Founder. As the Team learned during the visit, various agreements signed between the two institutions on the initiative of the new VU IBS Director had clarified previous informal arrangements in some areas, and the relationship is now considered to be mutually beneficial by both parties. There are obvious benefits for the School in being associated with the brand name of the University (with its Rector's signature on the VU IBS diploma), as well as in close academic cooperation and in using its robust infrastructure (see par. 10). A technological park which the University is establishing within the above-mentioned Sunrise Valley is also a promising avenue for further growth of the School. The Management Team of Vilnius University believes that every university needs a business school. With its close links to business, strong focus on practical training as part of degree programmes and on corporate training, VU IBS provides 'a good input into knowledge alliances' and offers University staff opportunities to gain valuable experience which is usefully transferred to the University. There is some overlap between the programmes provided and, consequently, some competition between the two institutions. However, as the Team was told during the visit, some competition is considered 'healthy' and the awareness of mutual benefits help avoid or resolve any real tensions. The Team found no evidence during the visit that the current relationship was an issue for either of the two parties. In the light of the evolving context, the two institutions now need to figure out a relationship which is not determined by short-term considerations but redefined strategically for the coming decade. Whatever option is chosen, it should guarantee growth and stability of VU IBS.

25. As the Team's role is to judge VU IBS against the specific SKVC evaluation criteria, it is not in a position to comment on the various status options for the School which are currently being discussed with the Founder. However, it agrees with VU IBS internal and external stakeholders that the time is right for the School to define clearly where it is heading and how it intends to get there. Obviously, as any other business school, VU IBS needs to be competitive. Thus, it now needs to reposition itself within the Lithuanian higher education system and identify a distinctive niche for itself, capitalising on its strengths, in particular on its international perspective and clear focus on the teaching, research and knowledge exchange triangle. In this, a perusal of options elsewhere in the world of international business education should be considered. The title could well be reconsidered, as the Team encountered a common feeling that IBS is not an International Business School by commonly accepted indicators and criterion, but a business school securing national priorities using international perspectives, which is different. Family business development is now being considered as a potential niche that the School could serve. Other, more ambitious, options are on the table as well, as a way of increasing capacity and competitiveness. These call for alliances and, as mentioned above, the Team believes that attention to partnerships – for both core academic activities and support services – is going to be of paramount importance. Both the Team and VU IBS stakeholders regard the Sunrise Valley as a game changing factor which opens new avenues for development and the School must indeed find its place in the Valley. Since both Vilnius University and Vilnius Gediminas Technical University are key Valley stakeholders, the School would benefit from going even further and engaging more with other disciplines, in particular science and technology. As pointed out by IBS graduates during the site visit, the focus on entrepreneurship is a great advantage of the School but 'one needs to be entrepreneurial about something' or, in other words, cannot be entrepreneurial in a vacuum. Thus, in line with the intentions outlined in the 2013-2018 VU IBS Strategy, it would certainly be worth exploring possibilities for interdisciplinary provision (see paras 82-83), in addition to a re-conceptualisation of its role as a business incubator.
26. Regardless of the scenario chosen for VU IBS and of how the School may integrate further with Vilnius University and other higher education institutions, it also needs international alliances and access to international networks to gain a competitive advantage. These are important for research as well as for education and training. With regard to the latter, the School is now reviewing its existing double degree agreements and considering new ones. Further, as the Team learned during the visit, the VU IBS community, the Founder and external stakeholders agree that there is a genuine demand for MBA and DBA degrees in Lithuania. However, this is not (yet) allowed by national legislation, despite the academic community pushing for relevant amendments. MBA and DBA would give a huge boost to the competitiveness of the School. Thus, it would be a good idea to explore how the School can engage in this within the limits of the law (see paras 82-83).
27. **Recommendations:** The Team recommends that:
- VU IBS and its Founder urgently finalise their discussions on future scenarios for the School to provide it with a framework for its repositioning within the national higher education system;
 - VU IBS identify a distinct niche for itself in the market, and map out and implement a strategy for its repositioning with a view to gaining a competitive advantage;
 - VU IBS devise and implement a strategy for establishing national and international, academic and academic-corporate partnerships, covering both its core academic activities and support services, with a view to increasing its capacity and competitiveness.

STRATEGIC PLANNING

General comment

28. The 2012 review recommended that the relationship between VU IBS and Vilnius University be revisited with a view to energising further the role of the VU IBS Council, and increasing independence of the VU IBS Management Team, in strategic planning (par.18). As explained in the SER, the 2013-2018 Strategy was developed by the School as fully aligned with Vilnius University's 2013-2018 Strategic Action Plan and approved by both the University and the VU IBS Council in 2013. The visit confirmed that the agreement between the two institutions that the VU IBS Strategy should be aligned with the University's Strategic Plan was still in force. According to the VU IBS Statutes amended in 2014, the vision and mission of the School are endorsed by the General Meeting of its Shareholders (GMS), i.e. in practice, by Vilnius University as the sole Founder and Shareholder. The strategy of the School is approved by the Council, with the majority of its members, including external stakeholders, appointed by the University (see par. 9). As confirmed by the VU IBS Director during the visit, the Council can make any changes in the proposed Strategy. The Team considers that the new Statutes provide sufficient space for the Council to play a major role in strategic planning, and it is up to its members to take full advantage of the possibilities offered. The School's autonomy in strategic planning is indeed limited as the University 'intervenes' at three levels (through the GMS, the Council and its own strategic plan). On the other hand, the Team found no indication during the visit that this was considered to be an issue by the VU IBS Management Team. It would, however, like to emphasise that a revised or new Strategy of VU IBS needs to ensure its viability and further development.

Alignment of the strategic plan with the institution's mission, national policies and the principles of the European Higher Education Area and the European Research Area

29. The Vision and Mission of VU IBS (see par. 12), which are an integral part of its current Strategy (2013-2018), are both clear, reflect some key features of a business school, cover the core activities of the School and define the values that business professionals trained by the School are expected to share. At the same time, except for a reference to the relationship with Vilnius University in the Vision, they do not highlight any distinctive features or strengths of VU IBS. These would be features that give it a competitive advantage over rival institutions in Lithuania or in Central and Eastern Europe where it aims to become one of the best business schools, or in other regions which it considers targeting to attract students. The Vision and Mission **could be usefully revisited** when the School defines clearly its new identity and identifies a niche for itself.

30. The Strategy of VU IBS is fully aligned with its Mission, focusing on three core strategic directions (degree programmes, corporate training and research) which are identified in the Mission, and on three supporting directions (quality, internationalisation and partnership, and community). It refers explicitly to various relevant national and European strategic documents. There is an evident link with the Lithuanian Law on Higher Education and Research and / or the 2013-2020 National Higher Education, Research and Experimental (Social, Cultural) Development Programme through the Strategy's focus on priorities such as the unity of education and research, modernisation and internationalisation of education, and international recognition of higher education. The underlying principles of the European Higher Education Area and the European Research Area feature strongly in the Strategy as well (for more detailed comments, see paras 98 & 124).

Validity and interoperability of strategic plan components

31. The 2013-2018 Strategy was drafted by the then Acting Director of VU IBS, supported by an external consultant, and consulted widely within the School and, thus, was a good exercise in participatory strategic planning. The Review Team was glad to hear during the visit that the new Management Team was committed to building a culture of collective engagement, emphasising that the School should be 'a home rather than only a source of income' for its staff. A descriptor recently introduced (as part of the internal quality assurance system) for

strategy development, revision and implementation provides for the involvement of external stakeholders as well. This will be appreciated by external stakeholders who, as the Team learned during the visit, would like to be part of the process.

32. The Strategy is based on an overall compelling analysis of the global, European and national contexts, the competitive position of VU IBS within the Lithuanian higher education system, external factors which have impact on its activities, and its internal situation. More details, though, could have been provided about the job market for the School's graduates (current skills shortages, labour market projections, etc. if such data is available).
33. To be fully fit for purpose, a strategy should set goals; define actions or processes to achieve them together with implementation timeframes, so that it is clear what should be done in each year of the multiannual planning period; indicate expected outcomes; and estimate the resources required. In this respect, the VU IBS Strategy would benefit from some improvements, bearing in mind the danger of overcomplicating and over-bureaucratising arrangements in what is a relatively small operation. The core and supporting strategic directions are logically linked with the analysis of the external and internal environments, and the Strategy is clear and coherent. However, it could make a clearer distinction between strategic goals, operational objectives (i.e. what VU IBS seeks to achieve) and implementation measures (i.e. how it intends, or what it will do, to achieve it). For example, only activities or implementation measures, such as training courses, are listed as the strategic directions for corporate training; the strategic objectives for research are a mix of objectives, e.g. to ensure unity of education and research, and activities, e.g. participation in networks and projects. Nonetheless, overall, it is clear where the School is heading and what it intends to do. More importantly, the Strategy should have set timeframes for each implementation measure or activity planned, and these should have covered the entire 2013-2018 period. Instead, it is accompanied by an Action Plan which covers only the first three years of the strategic planning period (2013-2015).
34. This short-term implementation perspective is understandable in the context of the transition process taking place in the School (see par. 21); the Strategy needed to be urgently developed still before the appointment of the new Director and it was expected that the new Management Team would come up with their own ideas. Nevertheless, as a result, it would, of course, be difficult to judge if the activities within each strategic direction were realistically planned for the entire six-year period. Related to this, the 2013-2015 Action Plan is based on a different methodology ('Objectives', 'Tasks', 'Instruments'). It is not easy to see how the Strategy was operationalised for a three-year period and, as the SER Group acknowledged, the Plan did not correspond fully to the Strategy. All this does not facilitate the process of operationalising the Strategy through annual Action Plans. Further, an activity schedule covering the Strategy's entire six-year timespan would make it easier to monitor the progress in its implementation. Finally, it would be difficult to judge the financial feasibility of the Strategy as it does not estimate resources required to implement it; this is particularly important in view of a decline in the School's income in the recent years.
35. The flaws in the Strategy can be fixed soon since, as explained by the Director, it will be revised in autumn. The Team is confident that the new VU IBS Management Team gives due consideration to multiannual planning and scheduling and resource issues. Both featured strongly in discussions during the visit, and the 2014 Action Plan itself is based on a clear methodology and demonstrates a sound planning capacity (see par. 41).
36. **Recommendation:** The Team recommends that VU IBS:
 - in revising its current Strategy, including the Vision, make a clear distinction between strategic goals, operational objectives and implementation measures and define timeframes for the remaining three-year period, using a methodology that will facilitate its operationalisation through annual Action Plans; the Strategy and annual Action Plans should be based on the same methodology;

- ensure that its Strategy for the next planning period defines goals, objectives and implementation measures together with timeframes for the entire period, and provides an estimation of the resources required.
37. Although discussions are still ongoing about the future scenarios for the School (see par. 22), it is evident to the Team from all discussions held that the VU IBS Management Team has a high level of ambition, a clear sense of direction and a genuine desire to reinvigorate the institution and make it competitive. This is also truly appreciated both inside and outside of the School. The changes made or initiated by the School in the last two years and discussions during the visit equally clearly show that strategic actions have recently focused and / or are likely to focus on several interlinked priorities. These include, in particular, the widening of the student / learner base, with alternative international and local students and adult learners to be targeted; better quality rather than increasing quantity in education, training and research; a tighter link between these three core areas of activity; internationalisation; and partnerships. Though addressed in one way or another in the current Strategy, they are likely to be given a fresh impetus and / or new ways are being devised to push them forward. The Team fully supports VU IBS's plans in all those areas.

Indicators for the implementation of the strategic plan

38. The 2012 review recommended selecting a set of core indicators for planning and monitoring (par. 18). Currently, two sets of indicators are used to monitor progress in the implementation of the 2013-2018 Strategy: one for institutional performance which is based on processes defined as part of the internal quality assurance system, and the other adopted in the 2013-2015 Action Plan accompanying the Strategy. These overlap to a large extent, but are not yet clearly mapped onto each other. They include both quantitative and qualitative indicators. As the VU IBS Management Team acknowledged during the visit, both sets contain too many, too detailed and redundant indicators; this also makes the monitoring process too demanding in terms of resources. Further, there are no target values for institutional performance indicators. Such values are set for selected indicators in the 2013-2015 Action Plan accompanying the Strategy, though not necessarily for key ones (e.g. no values for student employability, the number of staff from business teaching courses at the School, etc.). Thus, there is no solid basis for monitoring the School's progress towards its strategic objectives. Related to the comments on the Strategy above (paras 33-35), target values should be set for the entire six year planning period.
39. Currently, the indicators are in a state of flux but, as the Team found during the visit, things are moving in the right direction. The 2014 Annual Plan, setting target values for each indicator, enables monitoring change from one year to another. Study and research processes together with related indicators (which are defined within the internal quality assurance system to assess institutional performance) are being revisited with a view to reducing significantly their number. Examples of redundant processes and related indicators given to the Team confirm that the Management Team will focus on those which are most relevant to strategic development of VU IBS. Based on the progress made so far in the implementation of the Strategy, the School can now define a smaller number of indicators, together with realistic target values, which reflect its re-defined development priorities, for the second half of the planning period.
40. **Recommendation:** The Team recommends that VU IBS move forward promptly with its work on indicators for planning and monitoring and select a small number of indicators which are critical for success, including those for assessing impact on strategic development. A revised set of indicators should be included in the revised Strategy together with target values which the School seeks to achieve by the end of the planning period in order to enable measuring progress towards strategic goals. The strategy for the next planning period should include indicators together with target values for the entire planning period.

Relevance of monitoring procedures for the implementation of the strategic plan

41. The Strategy is operationalised through annual Action Plans. Due to the flaws discussed above (paras 33-34), it is not easy to see how the 2014 Action Plan precisely maps onto the Strategy, but there is obviously broad correspondence between the two documents. The 2014 Action Plan itself is sound. Its operational objectives and related indicators, activities and timelines are clear, costs not budgeted as operational expenditure are estimated, and the responsible persons are identified. It is realistic and prioritises the objectives and activities which are now particularly relevant to strategic development of the School. All this demonstrates that the new Management Team is streamlining planning processes to sort out issues which are a legacy of the past and provide a solid basis for monitoring processes.
42. The procedure for monitoring the implementation of the Strategy is laid down in a specific descriptor recently developed as part of the internal quality assurance system. According to the descriptor, monitoring is based on indicators defined in the Strategy and in the internal quality assurance system. On-going monitoring involves weekly and quarterly meetings at division level and inter-division meetings where progress is discussed and any necessary changes agreed. As part of an annual review of progress in the implementation of the Strategy, performance is assessed at individual staff and division levels against targets set in Annual Plans. Divisions submit their performance reports to the Director who analyses institutional performance and prepares an Annual Report for the VU IBS Council. Additionally, the School introduced a Balanced Scorecard in 2014 which provides the basis for Annual Plans and shows progress towards targets over a period of two years.
43. VU IBS acknowledged during the visit that the implementation of the Strategy had not been monitored systematically before the introduction of the Scorecard. A useful document mapping the Scorecard onto the Strategy, provided to the Team, shows that the School has made considerable progress in the implementation of the Strategy by the mid-point of the planning period. The Team also considers that all of the above arrangements together are likely to ensure effective monitoring. However, they are not yet fully in place and do not yet provide a coherent framework for monitoring. As mentioned above (paras 38-39), the indicators are yet to be refined to support monitoring. The 2014 Annual Report shows that VU IBS collects and analyses data for a quite large number of its indicators, in particular those which are to a lesser or greater extent common to the Strategy and the internal quality assurance system. The Report does not refer, however, to progress towards the achievement of the goals set in the Strategy. The Balanced Scorecard shows that progress towards targets defined there is indeed measured, but it is not easy to link the targets with the objectives of the Strategy (due to the original flaws in its methodology; pars. 33). Neither the Report nor other documents provide any evidence that the target values set for the indicators in the 2013-2015 Action Plan, an integral part of the Strategy, are used to assess – in a multiannual perspective – where progress towards the achievement of the strategic goals has been adequate and where improvement or adjustment is necessary. In more general terms, fully effective monitoring would also require consistency between all key documents related to planning and monitoring (the Strategy, Action Plan, Annual Report and Balanced Scored). (See the related recommendation in par. 36.)

Information on the implementation of the strategic plan

44. The Team did not find the Strategy of VU IBS on its website. The publication of key documents is now common practice, and there seems to be no reason why the full document or at least its summary should not be easily available to the VU IBS community and the general public. The Annual Report is indeed published on the website and thus accessible to any interested party (but, as mentioned above, it does not explicitly refer to the implementation of the Strategy).
45. As explained in the SER and confirmed during the visit, staff are updated on the implementation of the Strategy at regular division meetings. The students that the Team interviewed emphasised that, in general, the School should do more to inform them about 'the good things that were done'. The School seeks in its Strategy to promote a sense of

community and build a culture of collective engagement, and the SWOT analysis identifies insufficient involvement of staff in the implementation of the Strategy as a weakness. The VU IBS Management Team **could consider** organising regular meetings where the Director gives ‘The State of the Union’ address to brief both staff and students on how much the School has achieved on the way towards its strategic objectives and what it still needs to do, and explain where their support would be particularly welcome.

46. The ‘old’ Council had several meetings with the VU IBS Management Team in recent years (SER, Supplementary Annex 1.1) and, thus, could request any additional information (though, judging from the number of meetings actually devoted to strategic issues, it was not very actively involved in monitoring progress towards the strategic goals). Vilnius University (General Meeting of Shareholders / Founder) has ample opportunities to be briefed about progress and request any additional information (Annual Report submitted for approval; monthly meetings between the VU IBS Management and the Rector or Vice-Rector). The Founder is satisfied with the information provided. Some of the social and business partners that the Team met did indeed receive information about the implementation of the Strategy on various occasions, though a mailing list including all key external stakeholders would be useful in this context. More importantly, however, updates on the implementation of the Strategy would be even more appreciated if external stakeholders were also involved in monitoring, and they were genuinely interested to have ‘a part in goal achievement’. This can be addressed soon through a new Academic Committee, a body advising VU IBS on its activities in three core areas, education, training and research.

Internationalisation

47. Additionally, the Team would like to comment in more general terms on internationalisation as only its selected aspects are discussed under the relevant SKVC criteria further on, internationalisation features as one of the three supporting strategic directions in the Strategy, and VU IBS seeks to be a truly international business school. For an institution of its size, the School is quite extensively involved in international activities (mobility, dual degrees, projects, networks, and accreditation). However, it does not yet have in place a strategic framework where they would all fit together.
48. In devising its strategy, VU IBS would first need to think *why* (fitness of purpose) it seeks to internationalise and what outcomes (fitness for purpose) it expects to achieve. Currently, it tends to think more in terms of what it does and intends to do. It did, however, become clear in discussions during the visit that improvement of programmes and, thus, of graduate competences, as well as income generation through international student recruitment are both important ‘reasons’ behind internationalisation (even if the income from international students is negligible now). Further, an internationalisation strategy should be guided by long-term considerations, as the School now tends to focus on immediate interests and opportunities.
49. The strategy should cover both education and research and knowledge exchange/ research and development and factor in consequences of international engagement for support services, including human resources management, international marketing for student recruitment. At the moment, though a tight link between education and research is a high priority, this is not yet reflected in planning international activities. In a fully-fledged strategy, the education strand would consider both outward mobility and internationalisation at home. Outward mobility, though indeed promoted, is not explicitly mentioned in the VU IBS 2013-2018 Strategy. With regard to outward and inward mobility, it would be advisable to give some thought to whether the School’s current geographical foci are still likely to be the right ones in 10 or 15 years. Both inward mobility and the internationalisation of curricula should feature as part of internationalisation at home, with a clear selection policy for students coming to take full programmes (rather than for a study period). As inward student mobility is high on the VU IBS agenda, the School would need to define more transparent language proficiency criteria for degree mobility and apply them consistently in the selection process to ensure high quality of learning experience (see also paras 102 & 103). The School

is now reviewing its partnerships for education and training activities, including agreements on double degrees. This is a good opportunity to develop a clear policy on double degrees, and to consider joint curriculum development with international partners, not only leading to double degree agreements, but also with a view to internationalising further the contents of programmes offered. Finally, research partnerships are particularly important. While a number of clear criteria for education and training partnerships are given in the SER, VU IBS relies too much on personal links in choosing its research partners, and a policy for research partnerships would be needed (see paras 122 & 123).

50. **Recommendation:** The Team recommends that VU IBS develop a comprehensive internationalisation strategy which covers education, research and knowledge exchange, and factors in implications for its support services, so that its international activities in all areas are clearly geared towards its strategic development priorities. IBS is also advised to consult other business schools for examples of good practice.

EFFECTIVENESS OF MANAGEMENT

Internal quality assurance system.

51. The 2012 review team made two recommendations concerning internal quality assurance at VU IBS: (1) that the quality policy be developed further, with due consideration to be given to the European Standards and Guidelines (ESG), more rigorous use of programme performance data and more consistent articulation of intended learning outcomes; (2) that a 'You said-we did' or similar model be developed for feeding back to students on issues arising from surveys. Intended learning outcomes are now consistently defined across programmes. This is a result of a revised methodology for updating and monitoring learning outcomes and credit accumulation, and of recent structural changes. The Study and Academic Divisions have been established and Programme Committees and Directors were appointed, each with clearly defined quality assurance and / or coordination responsibilities. The School has also made some progress in programme performance data management. In other respects, the recommendations are still valid and there are other issues in the context of the recently revised ESG (see below). In seeking to improve its arrangements, IBS could not rely on its parent organisation as a fully-fledged internal quality assurance system is not yet in place at Vilnius University, and consequently, its efforts are the more commendable.
52. The SWOT analysis attached to the SER and the Team's discussions during the visit clearly demonstrate that VU IBS did indeed take advantage of the self-evaluation as part of this review process as an opportunity for self-reflection (see also comments on the SER in par. 5). Conclusions have been or are being translated into action, as discussed in various sections of this Report.
53. VU IBS has an ISO-based internal quality assurance (Quality and Environmental Protection Management System, QEMPS) which is designed so as to cover all areas of activity (governance, education and training, research, and support services). As the Management Team acknowledged during the visit, it is far too cumbersome, comprising too many processes now being reviewed, and thus it is not yet consistently implemented. The Team agrees that various pieces in place do not yet make up a coherent system, there is too much focus on process and too little on content, and the system is not yet fully effective.
54. The quality assurance documents do not map Part 1 of the ESG onto the QEMPS. The Team's main conclusions concerning the integration of the ESG into the system are given below.
 - a) 'The Quality and Environmental Policy of IBS at VU' (ESG 1.1) focuses more on the objectives of the School and conditions it provides than on the aims of the QEMPS itself, though it may be inferred from the document that the system serves the purpose of quality improvement. Discussions during the visit also showed that those responsible for quality were yet to arrive at a clear and agreed understanding of 'quality culture'.

- b) Clear procedures are in place for programme design and approval (ESG 1.2) and review (ESG 1.9). Both involve students, as they confirmed during the visit, through their representatives in Programme Committees for Bachelor's degree programmes which develop and review programmes and in the Council which approves all programmes. Except through the Council, there is no formal mechanism for consulting Master's degree students as only Programme Directors are appointed at this level, but students are consulted on a more ad-hoc basis by Programme Directors and Study Division Coordinators. On the one hand, external stakeholders are involved in programme development, approval and review as members of the Council and Programme Committees, and as business consultants appointed to advise Programme Directors on the relevance of programmes. Examples of programmes designed jointly with partners (Creative Business, and International Project Management) were given both in the SER and during the visit. Recently introduced roundtables (the first one for one programme held this spring), which bring together external stakeholders hosting internships, staff and students resulted in the introduction of two new courses. On the other hand, the SWOT analysis points to insufficient relevance of programmes to labour market needs and, as the Team learned during the visit, stakeholder involvement is not yet consistently ensured across programmes. The stakeholders that the Team met would like to be more systematically consulted about the programmes delivered as their needs are evolving and would appreciate updates on changes made in response to their suggestions.
- c) As students confirmed during the visit, their feedback is regularly collected through surveys (ESG 1.7) and changes made show that the School does indeed act upon it. On the other hand, the students interviewed also stated that they were not yet regularly informed about how survey findings had been or would be used, which means that the feedback loop is yet to be closed. This may also explain, at least partly, why survey response rates are not yet satisfactory. **Student expect their representatives to do much more** in this respect as the latter are briefed on follow-up action (to be) taken at Programme Committee and management review meetings, though – as explained to the Team – minutes of meetings are published on the VU IBS Student Representation website.
- d) VU IBS regularly collects data on student performance (ESG 1.4 & 1.7), and data is easily accessible in a Vilnius University computerised system, but data management still needs to be improved. As the Management Team acknowledged, data was not yet consistently analysed and used for improvement across programmes (by all Programme Committees, Directors or individual teachers). This is likely to be addressed soon as one of the tasks of the recently appointed Academic Consultant is to coordinate the work of Programme Committees and Directors. As a few programmes have been accredited by the SKVC for only three years, the Consultant is also **strongly encouraged** to ensure that those responsible for different programmes share their experience and learn from one another.
- e) Learning and teaching processes are becoming student-centred (ESG 1.3) (see par. 86). However, as Programme Committee representatives and Directors acknowledged during the visit, VU IBS does not yet have in place a policy or mechanisms for ensuring consistency in student assessment across programmes and an element of externality (e.g. through an institutional Examination Board). Assessment is still quite subjective, though training in student assessment is provided, and Programme Committees and Directors analyse findings from student surveys which include questions about marks given. A procedure is in place for written appeals by students who are dissatisfied with the marks received.
- f) Learning support (ESG 1.6) is provided but, as the SWOT analysis acknowledges, dropout rates are still high, and some improvements could be considered (see paras 86 & 87).

- g) The new Management Team are seriously committed to ensuring high quality of staff and, though some arrangements have only recently been or are being put in place, VU IBS is definitely moving in the right direction (ESG 1.5) (see paras 64, 65 & 67).
 - h) Information about programmes (ESG 1.8) is published on the VU IBS website. Students confirmed during the visit that they had easy access to any information related to academic matters they needed.
55. **Recommendation:** The Team recommends that VU IBS map Part 1 of the European Standards and Guidelines onto its internal quality assurance system to identify gaps which still need to be bridged. In particular, it should ensure that students are informed about action (to be) taken in response to their feedback given in survey; external stakeholders are consistently involved in the development and review of all programmes; and performance data is used for improvement across programmes; and should put in a place a policy for consistent student assessment across programmes which provides, where appropriate, an element of externality. This implies the need for a coherent QA strategy, encompassing scope, instruments, processes, dissemination etc.

Changes in the organisational structure

56. The new structure (par. 15) is quite untypical of higher education institutions as it is not based on subject areas. However, the Review Team agrees with the VU IBS Management Team that the number of students may be too small to have a classical academic structure, though there is a case for informal subject groups for purposes of teamwork, consistency of approach in teaching and assessment etc. Overall, recent structural changes (2014) are likely to make management more effective, though they are still too recent to see their effects.
57. With regard to degree programmes, the main changes included: significant decentralisation, the establishment of the Study Division where Coordinators are specifically responsible for liaising with, and supporting, students; the appointment of Programme Committees and Directors (and business consultants for Directors) with specific academic and quality assurance responsibilities, and of the Academic Consultant in the Academic Division (see par. 54 (d)). All these changes together are likely to improve the quality of programmes and their relevance to labour market needs (once all elements of the quality assurance system are fully in place), and make teaching and learning more student-centred. The students interviewed felt that the changes had already made teaching and learning more student-centred insofar as they now have easy access to teachers and can directly (not only through the Student Representation) make suggestions which teachers are willing to consider. This is appreciated by students and highlighted as an advantage of VU IBS over other institutions.
58. The recently established Innovation and Entrepreneurship Centre (IEC) is responsible for, among other things, the coordination of research. The unit is well-placed to ensure that the School is indeed strategically focused in its research activities. The fact there are no subject groups for research is likely to encourage collaborative and interdisciplinary research, as well as ensure more efficient use of limited resources. Comprehensive support that the IEC now provides to academic staff in the development of research proposals is greatly appreciated, and may help VU IBS to extend the range of, and internationalise, its research activities.

Process management

59. The Statutes of VU IBS define clearly the powers and responsibilities of its three main governance bodies, the General Meeting of Shareholders (GMS), the Council and the Director (see par. 9). The Council plays a key role in strategic decision making as it approves VU IBS's Strategy, degree programmes and research programmes (though, as explained by the Management Team during the visit, the School takes autonomous decisions regarding individual research projects). The Review Team did not find any evidence in the SER or during the visit that the delay in the re-establishment of the Council (par. 3) had any adverse impact on decision-making or that the appointment of the Vilnius University Vice-Rectors / Vice-Chancellor as 'VU IBS supervisors' to fill in the vacuum was perceived by the School as an issue in terms of its autonomy. However, VU IBS's Strategy will soon be revised and

decisions related to programmes may need to be taken in the coming months. The Rector of Vilnius University (GMS / Founder) assured the Team that new members of the Council would be appointed shortly after this institutional review.

60. **Recommendation:** The Team recommends that the VU IBS Council be established as soon as possible so that there is no unnecessary delay in taking decisions of strategic importance to the School.
61. The quite limited autonomy of VU IBS in strategic planning (see par. 28) is not likely to cause delay in approving or amending its Strategy once the Council is re-established. Though the Council is a semi-external body (par. 9), this did not slow down the process of taking decisions to abolish or establish programmes in the past.
62. As for the areas where VU IBS is autonomous, the Review Team found ample evidence in various discussions that the choices made by the new Management Team are guided by strategic development priorities, and this is also reflected in budget setting (see par. 76). Discussions with various internal stakeholders also confirmed that decisions were swiftly taken. Further, while the new Management Team provides strong leadership, it is, as mentioned earlier, genuinely committed to building an open culture and one of collective engagement and to decentralising management. Hence, the budget setting process based on the principle of collegiality, and a number of most welcome recent developments. For example, student representatives are now members of the Council and Programme Committees; staff and students are encouraged to share their views; internal regulations or documents to be amended are discussed with staff and the Student Representation; minutes of weekly division meetings are stored in the internal network (infranet). Further, various decisions are now taken below the top management level (e.g. teachers now selected by Programme Committees or project-related decisions now made by those directly responsible; previously, decisions taken by the Director in both cases). Overall, the approach to decision-making can serve as an example of **good practice**.

Management of human resources

63. High quality of staff and staff development feature prominently as part of the core and supporting strategic directions (degree programmes, research, quality, and community) in the 2013-2018 Strategy, and the team was pleased to learn that IBS is the employer, which gives it necessary flexibility to respond to new challenges. The VU IBS Human Resources Management Strategy Project and Action Plan 2015-2018, developed in 2014, show as well that the School and, in particular, the new Head of the Human Resources Division, have a clear idea of where they are heading and are determined to put their plans into operation. A fully-fledged academic staff management policy is yet to take shape, as acknowledged in the SWOT analysis, and a staffing reform is underway. However, the Team found ample evidence in the SER and its discussions with the IBS Management Team, the Human Resources Division and staff that various commendable arrangements had been put in place in recent years.
64. New regulations on competition-based academic staff recruitment and on certification and performance assessment, with clearly defined requirements or criteria, were adopted in 2013. As it is difficult to monitor effectively performance against existing employment contracts based on academic load, a new type of contract, with 'fixed' and 'individualised' task or work packages, is to be introduced next year. VU IBS takes great care to select best teachers, and values are as important as academic competence in the selection process. Candidates preselected on the basis of their CVs are invited to an extended interview with the staff responsible for a given programme and run classes for students on a trial basis. This is definitely an example of **good practice**. Staff recruitment and staffing are guided by clearly defined priorities, internationalisation and combination of academic knowledge with practical experience, both in line with the 2013-2018 Strategy. VU IBS aims to have 30% of course contents taught by international staff; it is difficult to judge how realistic the target is, but the School is quite resourceful in raising funds to recruit them (e.g. Lithuanian Research Council, Education Exchange Support Fund; Erasmus) (though see also paras 104-106). As programmes are not yet fully relevant to labour market needs, the School is seeking to

increase the number of teachers-practitioners. As they do not necessarily have teaching skills, they are paired with academic staff who act as 'pedagogical advisors' but also learn from their experience – a **good practice** example of knowledge sharing.

65. The approach to academic staff development is as a whole an example of **good practice**. A specific amount is allocated for academic staff development in the budget. Several arrangements are in place to ensure that training is targeted at real needs: needs identified on the basis of annual performance appraisal; an 'open door policy', so that each staff member may come up with suggestions on an ongoing basis; and questions about other possible useful training in evaluation surveys at the end of each training session. The teaching and research staff that the Review Team met praised the new Management Team for genuine willingness to cater to their needs. Plenty of staff development opportunities are available both internally and externally. The School itself provides comprehensive training, including in methodological skills (e.g. research methodology; learning outcomes and academic culture; student assessment; use of the Moodle platform for blended learning; conflict management; institutional development); some sessions are obligatorily attended before each semester. Opportunities for knowledge exchange with teachers-practitioners, as part of training they run for staff at VU IBS or voluntary activities, are also much appreciated. English language training will be provided on a regular basis as from 2015; this is indeed very important for further internationalisation of the School. In-house training is recorded and stored on the Moodle platform so that all teachers may 'follow' it at any time that is convenient for them; this is an excellent arrangement.
66. The School is now considering attracting more students from the post-Soviet (Central Asia) region who are fluent in Russian but do not have a good command of English. VU IBS teachers can deliver courses in English but have, at best, limited knowledge of Russian. Should the 'Central Asia' scenario was chosen, this issue **would need to be addressed** through a well-considered language policy: adequate language training and / or assessment of language proficiency as part of a recruitment and selection policy where requirements should be clearly defined in line with international standards (e.g. Common European Reference Framework for Languages).
67. Certification (for full-time academic staff) and annual performance appraisal (all academic staff) processes are in place. Both are based on clear criteria which enable comprehensive assessment, including the extent of participation in international activities. As they have been only recently introduced, little experience is available to judge how effective they are, but the staff who have worked elsewhere consider that VU IBS has a very rigorous approach to performance appraisal. A number of staff have indeed been dismissed in recent years. Though a fully-fledged incentive scheme is yet to be developed, incentives are offered to research staff and academic staff receive a one-off bonus for excellent performance of a specific teaching, training or research task / assignment.
68. VU IBS does not yet have in place a formal performance appraisal for administrative staff. However, as the Team learned from the Director, roughly 50% of staff have been replaced in recent years, and the same emphasis is placed on values and commitment in their selection. Their training needs are assessed in relation to the VU IBS 2015-2018 Strategy, and funds for training are available in the annual budget. Staff participate in various, more and less formal, training activities (e.g. English language course, training at the Lithuanian Project Management Association; Science Café at VU IBS). They are also encouraged to attend lectures and study for a degree at VU IBS.
69. For some new ways of involving both academic and administrative staff in decision-making, see par. 62. Judging from various discussions during the visit, the Management Team is indeed responsive to suggestions and a culture of collegial decision making is emerging in the School.
70. As the Head of the Human Resources Division explained, much still needs to be done to improve the management and implementation of both academic and administrative processes and change the attitude of some academic and administrative staff in order to make VU IBS a

real business school and one where 'everything is oriented towards students'. At the same time, there is huge potential for development and the School is determined to unlock it.

Change management

71. Systematic management of change is based on ISO 9001:2008 standard and involves internal and external audits of processes. Results provide the basis for Improvement Action Plans and are taken into account in risk analysis. As explained earlier (paras 53-54), the internal quality assurance system is not yet fully in place to show where change is necessary or desirable, and the management of available data would need to be improved. Despite that, various desirable changes introduced, initiated or planned, which are discussed in various sections of this Report, clearly show that VU IBS has correctly recognised the need for change and manages change very well. In general, change, and related risk, management can be considered an example of **good practice**.
72. In recent years, VU IBS has been faced with main risks related to a decline in student enrolment and a resulting reduction in income. Both have been or are being successfully mitigated through five types of measures.
 - (a) Firstly, to rationalise the programme portfolio, the School is phasing out programmes that are underperforming financially, while still offering a good choice to students (see also paras 13 & 82).
 - (b) Secondly, the organisational structure has been changed to make programme and research management more effective (paras 56-58).
 - (c) Thirdly, to increase income, the School raised tuition fees by 30% on the basis of a market analysis; there is no indication that this may have (had) an adverse impact on student enrolment.
 - (d) Fourthly, alternative groups of students and learners are being targeted or considered (e.g. Bachelor's degree programmes now offered to those who have at least two years of work experience after the completion of secondary education; Master's degree modules offered to corporate clients, with credits recognised towards a degree, arrangements now being made to attract (more) students or adult learners from several 'promising' countries). This is combined with expanding marketing activities (more visits to secondary schools; a network of university recruitment agents being developed).
 - (e) Fifthly, some other measures were taken to reduce and rationalise costs (e.g. a reduction in staff; security or cleaning outsourced; no cars now). The changes in the organisational structure, coupled with higher expenditure to upgrade some facilities and make them more attractive to students, did themselves involve a risk and resulted in a budget deficit in 2014. This risk was, however, well managed as well through the above-mentioned 'austerity' measures and, thus, VU IBS has balanced its budget in 2015 (without even using a bank loan obtained as a 'safety net'). Enrolment for 2015/16 is expected to increase by 5%, and the number of applications submitted by the time of the site visit was higher than before. Overall, the Team is confident that the new Management Team is fully able to cope with various challenges that VU IBS may face in the coming years.
73. VU IBS is now considering family business development as a potential niche that it could serve. It may indeed be a promising avenue, but the Team would **advise** that the School conduct a full risk assessment before focusing on this area and do not lose sight of other promising options such as interdisciplinary provision (see par. 82).

Management of learning resources

74. VU IBS' learning resources do not meet the MOSTA requirements concerning floor area and equipment upgrading. VU IBS rents a state-owned property building from Vilnius University. As national regulations on state-owned property have recently been amended, some legal issues need to be sorted out now and the Director is already negotiating a new agreement. This is taking place with full support from the VU IBS Founder who emphasised that the School had spared no expense to modernise the building. The Team agrees that it is

important for VU IBS to keep the building as it could not afford purchasing a building or renting it on a purely commercial basis. The building has 25 lecture rooms / classrooms for 1,600 students and two IT laboratories (21 and 13 computers), with wireless Internet access in all premises. On the basis of a recent agreement, the School shares the Library with Vilnius University (see par. 10). The Team visited the Library and had a tour of facilities available within the VU IBS building. The Library is exceptionally well resourced, offering an impressive variety of learning materials in both Lithuanian and English, and very good conditions for study. The VU IBS facilities appear to the Team more than adequate and are well-managed. The students interviewed were satisfied with premises, IT equipment available (considered even better than at Vilnius University) and library resources, except that they would like to have easier access to printing facilities. Access to course materials through the Moodle platform is particularly welcome by students.

Use of funds

75. The income of VU IBS, which comes mainly from tuition fees, dropped by 38% between 2012 and 2014. This was due mainly to a decline in enrolments reflecting the demographic trend in Lithuania, and partly to the fact that less funding was available, e.g. for corporate training or research projects, under EU Structural Funds at the end of the previous EU financial perspective. As mentioned above, the School had a deficit in 2014 but has balanced its budget in 2015. This was achieved through a number of sound decisions and austerity measures taken recently (see par. 72) which show that limited funds are well managed.
76. The budget is drafted at planning sessions in October and November. The Management Team and Heads of all units review progress in the implementation of the Strategy, now also using the Balanced Scorecard, discuss the annual Action Plan and three possible income scenarios; all units present and justify their proposals. It is clear to the Review Team that the budget setting process is geared towards strategic objectives, based on a financially realistic approach and, at the same time, on the principle of collegiality, so reasonable needs of the individual units are taken into account.

Academic ethics

77. VU IBS has both the Staff Code of Ethics and the Student Code of Ethics. The Staff Code does not include any specific provisions for research (including, for example, provisions concerning the protection of human subjects), and there is no Ethics Committee that could ensure adherence to a research ethics code. The Management Team agreed that this would need to be addressed. Staff and students confirmed during the visit that meetings were held to promote and discuss ethics, and that they were familiar with possible sanctions for misconduct. The Student Representation helps monitor students in exams, and students were aware of some cases where those cheating in exams had been expelled. VU IBS uses Vilnius University software to detect plagiarism in final theses. However, the Team's discussions with students and graduates suggest that the School is yet to ensure consistency of practice in relation to plagiarism detection in coursework assignments across programmes. This is also important in view of VU IBS's plans to recruit more students from different cultural backgrounds.
78. **Recommendation:** The Team recommends that VU IBS adopt a code of ethics for research (as part of its Staff Code of Ethics or a separate document) and establish an Ethics Committee for research. It should also make sure that mechanisms for detecting plagiarism in coursework assignments across programmes are applied consistently.

In summary, VU IBS has been in transition in recent years, with its new Management Team introducing various changes to make it competitive on the market where the small size of the School and related capacity limits put it at a disadvantage. The changes initiated are well underway, but VU IBS still needs to find a niche for itself and ways of enhancing its capacity. These challenges call for partnerships, and there are several promising avenues in the external environment of the School. To boost further growth of VU IBS, the new Management Team has also developed several scenarios for the School which are now being discussed with its Founder.

The Strategy of VU IBS is fully aligned with its Mission and Vision, as well as with national development priorities and the principles of the European Higher Education and Research Areas. It responds to the challenges identified in the external and environment of the School, and is clear and coherent. Some methodological flaws in the Strategy would need to be corrected so that it provides a better basis for its operationalisation, for monitoring progress in its implementation, and for readjustment as needed. The new procedure for progress monitoring is likely to be effective when fully put in place. This would require refining indicators, ensuring methodological consistency between all planning and monitoring documents and, in more general terms, more effective data management. VU IBS is currently addressing all these issues, which are a legacy of the past, and has made considerable progress in implementing its Strategy by the mid-point of the planning period. While the Strategy itself is not published on the VU IBS website, key stakeholders are satisfied with the information about its implementation which they receive.

Internationalisation is a key issue in VU IBS's strategy. The School is quite extensively involved in international activities. However, an internationalisation strategy would need to be developed so that they all fit together and are geared towards the School's development priorities.

VU IBS has recently made progress in internal quality assurance, but various elements are not yet fully in place and thus do not yet make up a fully coherent and effective system. The recent changes in the organisational structure of the School are all likely to make the management of degree programmes and research more effective. The division of responsibilities between the main governing bodies is clear, and external stakeholders are involved. However, the VU IBS Council, one of the main governing bodies, should be urgently re-established so that there is no delay in strategic decisions. The decision-making process is guided by strategic development priorities, effective, and based on strong leadership of the Management Team on the one hand and the principle of collegiality on the other hand. Although a staffing reform is still underway, the arrangements for the selection of academic staff and staff development can serve as examples of good practice. It is too early to judge how effective a new procedure for academic staff appraisal is, and an appraisal procedure for administrative staff is yet to be developed. Change management is another example of good practice, with changes geared towards both immediate effect and long-term impact. Learning resources are well managed. The limited financial resources are well managed as well, and used to further the School's strategic objectives. The School has both the Staff and Student Codes of Ethics, but the issues of ethics in research and of plagiarism in coursework assignments are not yet given due consideration.

Judgement on the area: Strategic Management is given positive evaluation.

IV. ACADEMIC STUDIES AND LIFELONG LEARNING

Alignment of qualifications with the institution's mission and strategic plan, and with national development needs

79. VU IBS offers Bachelor's and Master's degree programmes in the fields of business, creative business, tourism business, business management, business finance, international marketing, and international project management, and corporate training in areas corresponding to the fields of study (see par. 13). Both degree programmes and corporate training courses and modules are fully aligned with the School's Mission (par. 12) and Strategy. While the Strategy aims to introduce MBA programmes, this is not currently allowed by national legislation (see also comments below).
80. Focusing on the development of entrepreneurship, the VU IBS provision is also in line with the priorities of several national development strategies and programmes (Lithuania 2030, National Progress Programme 2014-2020, National Higher Education, Scientific Research and Experimental (Social and Cultural) Development Programme 2013-2020, Investment Promotion and Industry Development Programme 2014-2020). A very high employment rate of VU IBS graduates (97.5%, according to the Vilnius Regional Labour Exchange) and their high salaries (nearly 1,500 euro, according to a recent VU IBS graduate survey) clearly show

that their knowledge and skills are valued on the labour market. The graduates that the Team met confirmed that they used what they had learned at the School to their own and their employers' satisfaction.

81. On the other hand, insufficient relevance of programmes to labour market needs is identified as a weakness in the SWOT analysis. The stakeholders that the Team met consider that the practical component of programmes could still be more robust, and more attention could be paid to the development of transversal (communication and presentation, team work and project leadership or management) skills (but those comments were based only on their experience of hosting student internships or contacts with students in other settings). The Team is confident that various mechanisms at VU IBS (external stakeholders as members of the Council and Programme Committees; business consultants appointed to advise Master Programme Directors; more practitioners teaching at the School; roundtables) are adequate to ensure a desirable level of programme relevance to needs, but they should be put fully in place in line with the Strategy (par. 54 (b)).

Variety of lifelong learning forms and conditions

Degree programmes

82. In recent years, VU IBS has rationalised its portfolio of degree programmes, cutting those which were financially underperforming and introducing new specialisation tracks within best performing ones (see par. 13). Despite that the portfolio is still quite diverse. Five international double degree agreements extend further the range of options available (though this option attracts a rather limited number of students and VU IBS is currently reviewing its agreements). These are not based on jointly developed programmes, but students may complete a study period at the other institution and obtain a double diploma upon graduation (or, in some cases, also take a full Master's degree programme having completed a Bachelor's degree programme at the home institution). VU IBS would like to offer a Technology Management MBA, as well as a DBA, and the Team found in its discussions with external stakeholders that there was genuine demand for both. Though neither is provided for in national legislation, there may be a possibility, within the limits set by law, of delivering selected components of a programme which leads to a degree awarded by an institution abroad as part of an international partnership. VU IBS is also considering (an) interdisciplinary programme(s), e.g. combining business or management and science or engineering fields), which could be provided jointly with Vilnius University or Vilnius Gediminas Technical University. The graduates interviewed during the visit think that this is a promising avenue. The Team considers that the School urgently needs to extend the range of its provision to gain a competitive advantage, and its current collaboration with the two local universities and international partners provides a good basis to do so.
83. **Recommendation:** The Team recommends that to enhance its competitiveness, VU IBS make early progress in its efforts to engage – within the limits of the national law – in MBA and / or DBA provision as part of international partnerships and establish (an) interdisciplinary programme(s) as part of local partnerships.
84. For a small institution like VU IBS, there is good variety in terms of delivery modes and languages of instruction as the main Bachelor's degree programme is offered both as full-time and part-time and in both Lithuanian and English; while Master's degree programmes, including one in English, are all full-time, classes are conveniently held over weekends for those who work or commute from other towns or countries. Blended learning, now being introduced through the Vilnius University Moodle platform, will add to the variety, but this will take time as teachers still need training. The Team **encourages** the School to continue its efforts in this area. Further, the students that the Team met were satisfied with the range of optional courses available and with the number and choice of foreign languages they can learn (even if Tourism students may still wish to learn a third language). Students can learn two languages, one at the School and the other, on the basis of a recent agreement, at Vilnius University which offers courses in, for example, Spanish, Chinese, Italian or Russian. In this way, VU IBS has fully implemented the relevant 2012 review recommendation (para. 18).

85. Even if some external stakeholders suggest extending further the practical component (par. 81), the Team considers that VU IBS does focus strongly on practical training in its degree programmes, and this can serve as an example of **good practice**. Emphasis is placed in curricula on the applicability of knowledge and skills; the number of teachers-practitioners has been increasing; students undertake internships; Bachelor's degree students who run their own businesses can present a business project as their final thesis; and Master's degree students are encouraged to analyse and propose solutions to practical problems related to their work in their final theses. A course in Entrepreneurship and Leadership is compulsory in one of the programmes and offered as optional to students of all other programmes. Most of the students that the Team met think that there is a very good balance between theoretical and practical training; however, they would welcome more international teachers, from both higher education institutions and business. (See a related recommendation in par. 106).
86. The Strategy of VU IBS does not refer explicitly or implicitly to student-centred learning and, as acknowledged during the visit, changes are still necessary to make it truly student-centred in teaching and learning processes. However, the Team is confident that things are moving in the right direction, and this is also reflected in the School's focus on intended and achieved learning outcomes (see par. 51). The School is yet to, and is **encouraged** to, develop an institutional 'policy' for student-centred learning across programmes, covering both instructional approaches and learning support strategies that seek to address needs of individual students and different groups of students. It is, however, becoming genuinely responsive to the needs of students. This is **commendable** and, as the Team learned, indeed appreciated by students. As members of the VU IBS Council and Programme Committees and through the newly appointed Study Division Coordinators and Master Programme Directors, students have plenty of opportunities to influence learning contents, methods and materials. The Student Representation has a great role in ensuring that these are not missed opportunities, and it is **encouraged** to help students understand what student-centred learning is about and how they can push forward further changes in this direction. In terms of teaching and learning methods, emphasis in degree programmes is placed on project- and problem-based learning and, more generally, on approaches developing critical and creative thinking skills. Further, VU IBS students can choose 'individual study plans' and, as mentioned above, the School has adjusted timetables (weekend classes) to suit the needs of students who commute or combine study and work.
87. As mentioned earlier (par. 54), student performance data is collected but is not yet used for comparative cross-programme analysis and improvement across programmes. Such analysis may show that in some programmes curricular changes are necessary, teaching approaches need to be revisited and / or learning support improved. VU IBS student dropout rates have been high in recent years, and the SWOT analysis acknowledges that this is a weakness. Personal reasons and academic failure are the main reasons of dropout. Within the latter group, a large proportion of students failed to complete programmes and / or submit their final theses by the deadline. VU IBS responded flexibly and the deadline is now extended by at individual students' requests. However, there also are students who fail to meet academic requirements before the final stage of their study, and VU IBS is seeking to attract students from various countries who may not necessarily meet all prerequisite knowledge or skill requirements. As explained by Programme Directors and Committees, underachieving students or those who fail in an exam or assignment may discuss problems with teachers and receive a list of additional materials to study. The Team considers that VU IBS could do more for newly enrolled students at both Bachelor and Master levels. Individualised 'bridging courses' or other forms of support could be offered to fill in gaps in knowledge or methodological skills when they are identified at the initial stage. This might facilitate both student progression and the preparation of final theses to complete a programme.
88. **Recommendation:** The Team recommends that VU IBS regularly perform a comparative analysis of all degree programmes in terms of curricular contents, learning outcomes, teaching and learning methods and learning support for students with a view to increasing student retention. To facilitate progression and completion, it is also encouraged to consider

providing support to newly enrolled students to bridge possible gaps in their knowledge and skills. (See also a related recommendation concerning student assessment in par. 55).

Lifelong learning opportunities

89. VU IBS is quite extensively involved in lifelong learning as its activities are targeted at both secondary school students and adults. It organises the Entrepreneurship Academy where IBS teachers help secondary school students develop business ideas and put them in action. As part of the 'Be a student for one day' project, secondary school students attend lectures on business at VU IBS. In cooperation with local institutions, the School has also organised for some years 'The Academy of Leadership' to encourage secondary school students to become responsible leaders in their schools and communities. This is certainly an excellent starting point for educating future socially responsible business professionals in line with the School's Mission (and to attract prospective students).
90. The 2012 review recommended that VU IBS extend the volume and range of its corporate training provision and develop further existing credit arrangements. The recommendation has been implemented, and the Team is confident that corporate training will develop further in line with the 2013-2018 Strategy. Between 2012 and 2014, VU IBS provided training courses on various topics (e.g. entrepreneurship, taxation, accounting; language training) to various organisations in both the public and private sectors; the total number of participants (over 5,000; SER) is indeed impressive. More recently, as the Director explained, VU IBS has been shifting from 'mass training' to customised training which is most in demand. Aside from stand-alone customised training courses, corporate clients are now offered module-based training related to Master's degree programmes and can choose selected modules of a Master's degree programme; credits awarded are recognised towards a degree. This is a true lifelong learning opportunity (and a good way of attracting prospective students to degree programmes), and, certainly, an example of **good practice**. Arrangements which are now in place for the recognition of prior learning and validation of non-formal learning are another **good practice** example. VU IBS developed methodologies for credit accumulation for non-formal learning and for the assessment and recognition of competences acquired through normal learning. These were successfully used in the last two years to award a Bachelor's degree to 10 of 15 candidates and admit 9 participants who had been awarded credits as part of corporate training to a Master's degree programme.
91. Several target groups (civil servants, executive job seekers, high-calibre executives and businessmen) are identified in the Strategy and were also mentioned during the visit. In the Team's view, the groups are not yet sufficiently clearly identified, while each target group may need a different marketing strategy. A general or targeted marketing strategy is not yet in place, and VU IBS may miss some good opportunities to attract potential corporate training participants as, for example, some of the external stakeholders that the Team met were not aware that the School offered Master's degree modules.
92. **Recommendation:** The Team recommends that VU IBS identify clearly target groups for its corporate training (including Master's degree modules) and develop (a) marketing strategy/ies to reach them.

Graduate career monitoring

93. The SWOT analysis refers to inadequate graduate career monitoring, and the Team agrees that VU IBS would still need to address some issues in this respect. On the one hand, it does indeed monitor careers of its graduates through surveys conducted every year by its Academic Exchange, Internship and Career Group and data made available by the Vilnius Regional Labour Exchange (VTDB) (a cooperation agreement signed in 2013). Graduates teach at the School and participate in VU IBS Programme Committees and final thesis defence committees, which may all be ways of collecting feedback as well. VU IBS is also involved in a national project run by Vilnius University aimed at developing a career guidance and monitoring system. It seems that once successfully completed, it will indeed enable VU IBS to collect all data necessary for programme improvement and analysis of

labour market trends (but it is not entirely clear that the expectation to have the system in place by July 2015 is realistic). On the other hand, the graduate monitoring system in place at VU IBS does not yet serve its purpose as effectively as it could. The register of graduates would still need to be updated to collect feedback from a fully representative sample of graduates (a total of over 7,000 over 25 years) (and, as the responsible Coordinator acknowledged, it is not easy to track down graduates as their contact details change). Further, the School does not seem to have yet a consistent approach to using VTDB data and findings from its own graduate surveys for programme improvement. This reflects a more general weakness in internal quality assurance and data management. However, it could also partly result from the fact that while focusing on career development, surveys do not enable collecting sufficiently detailed feedback on the structure and content of programmes that graduates have completed and on the relevance of the knowledge and skills acquired.

94. **Recommendation:** The Team recommends that VU IBS ensure consistent use of findings from graduate surveys for programme improvement. It is also encouraged to make early progress in updating its register of graduates.

Cooperation with partners and their impact on education and training provided

95. VU IBS has extensive and close links, based on agreements, with local academic partners. It is evident that they extend the range of provision and options available to current students and help it attract new students. For example, VU IBS students take language courses at the University, and the Business and Politics programme is delivered jointly with some faculties of Vilnius University. VU IBS students can take Creativity courses at the Lithuanian Academy of Music and Theatre (and, 'in return', the School offers Business courses to Academy students). The agreements with the Vilnius College and the Vilnius College of Technologies and Design enable their students to take 'supplementary courses' and enrol on Bachelor's or Master's degree programmes at VU IBS. Similar agreements are now being negotiated with other local institutions. Other options are worth exploring; see paras 82-83.
96. Five double degree agreements with international academic partners are mentioned above in the context of variety of courses. VU IBS also has a total of 83 international agreements which are currently used for student and staff exchange. The School is **encouraged** to use its network of international partners for broader academic cooperation to push forward the internationalisation of curricula; this could focus on the internationalisation of curricular contents, not necessarily leading to double degrees. Erasmus+ Strategic Partnerships and Knowledge Alliances provide ample opportunities for joint development and improvement of both degree programmes and adult education courses (corporate training).
97. VU IBS is tightly linked with the business community, and this is also its competitive advantage highlighted by the students, graduates and other external stakeholders that the Team met. Through the various arrangements discussed above (par. 54 (b)), business partners have recently had an increasingly significant impact on degree VU IBS degree programmes. The stakeholders interviewed emphasised that VU IBS, unlike rival institutions, responded favourably to their suggestions to introduce new courses. Two programmes, International Project Management and Creative Business, can serve as **good practice examples** of stakeholder involvement in programme development and delivery. Both were developed jointly with national associations working in the field concerned and include courses or lectures delivered by their members. On the other hand, the impact of business partners is not yet 'evenly spread' because, as mentioned several times earlier, they are not yet consistently involved in the development and review of all programmes. Corporate clients, obviously, determine contents of customised training courses to which VU IBS now gives priority in its lifelong learning provision.

Alignment of the institution's strategic documents with the principles of the European Higher Education Area

98. The VU IBS Strategy and various related documents explicitly refer to some key documents and principles underpinning the Bologna Process and the European Higher Education Area

(EHEA). The Strategy is directly connected to the priorities of the EHEA through its focus on student employability, lifelong learning and recognition of prior learning, quality assurance, internationalisation, including mobility, and the knowledge triangle. Student-centred learning, a key priority in the EHEA, does not feature as such in the Strategy. In general, the Strategy does not address instructional models or teaching and learning approaches that VU IBS seeks to have in place. Student-centred learning **could be introduced** to fill in this gap when the document is revised in autumn.

International mobility

99. VU IBS's network of international partners (61 Erasmus agreements and 22 bilateral cooperation agreements) offers opportunities for mobility both within Europe and far beyond it (e.g. Kazakhstan, USA, Brazil, Malaysia, South Korea and China). The choice of destinations for outgoing students and staff is more than adequate in relation to the actual volume of mobility. The School has achieved a balance in student exchange (outgoing students: 71 in 2012/13, 66 in 2013/14 and 52 in 2014/15; incoming students: 75, 74 and 69 respectively). The number of outgoing students has dropped but, given the decline in enrolment, the volume of outward student mobility has actually increased slightly in recent years (currently, outgoing students represent almost 6% of all students). There are no 'typical' barriers to outward mobility such as a lack of funding (the number of applicants is not much higher than the number of Erasmus grants available) or insufficient language skills (good language learning opportunities provided). However, considering that roughly 60-70% of all VU IBS students combine study and work, the number of outgoing students is unlikely to increase significantly in the future. At the same time, two full programmes delivered in English (see par. 13) make the School a quite attractive place for international students (and, as the Team learned during the visit, some students coming to Vilnius University actually follow courses at VU IBS). All this seems to suggest that while outward mobility should, of course, be promoted, internationalisation at home should be high on the VU IBS agenda. This is clearly reflected in the 2015-2018 Strategy, except that, as mentioned in various contexts above, the School seems to focus on attracting international students and staff and give much less consideration to the internationalisation of curricula through joint curriculum development with international partners.
100. The students interviewed confirmed that information about mobility opportunities was easily available. The procedure for selecting outgoing students is transparent (clear criteria and a selection committee). In students' view, the School provides adequate support to both outgoing students (language preparation) and incoming students (an induction week, mentors), but there is too little information in English about practical matters and various events for the VU IBS community. Outgoing students have no recognition problems upon return.
101. **Recommendation:** The Team recommends that VU IBS (or its Student Representation) ensure that international students have easy access not only to academic information, as it is currently the case, but also to information about practical matters and any information that they may need to participate fully in the life of the School community.
102. With regard to inward student mobility, VU IBS does not use standardised language proficiency requirements for international students who wish to take full programmes (see also par. 49) (degree mobility as opposed to credit mobility under Erasmus+). As VU IBS acknowledged during the visit, the current procedure, comprising a written test and an online interview in English, does not necessarily enable selecting students who can successfully follow and complete courses. This may also have an adverse effect on the overall quality of the education provided.
103. **Recommendation:** The Team recommends that VU IBS define and consistently apply standardised language proficiency requirements for international students to be admitted to full degree programmes.

104. The 2012 review recommended that VU IBS expand further international staff mobility opportunities. This has been addressed insofar as opportunities are indeed available and information is easily accessible. However, the statistics do not really show that the volume of staff mobility is increasing (7 outgoing teachers each year between 2012/13 and 2014/15; 16, 4 and 9 incoming teachers in 2012/13, 2013/14 and 2014/15 respectively). The low number of outgoing staff can be partly explained by the recent staffing reform (a reduction in staff and related uncertainty). Even though some international teachers give lectures online, the number of incoming teachers is too low to really push forward internationalisation at home in line with the VU IBS Strategy; in this context, the target of 30% course contents to be taught in English may not necessarily be realistic. Increasing the number of international teachers and practitioners would also respond to students' suggestion (par. 85).
105. Participation in internationalisation activities is one of the criteria in academic staff certification and annual performance appraisal. Since, as mentioned earlier, both procedures have only recently put in place, it is too early to see if they can contribute to increasing staff mobility. As the Team was told in the meeting with the Head of Study Division and Academic Exchange Coordinators, staff are interested in mobility and apply for grants. No financial or other incentives are offered. However, as the staff interviewed confirmed as well, expertise gained abroad is indeed used to improve and, at least to some extent, internationalise programmes as teachers introduce new contents, methods and materials. It is also commendable that upon return teachers are required to present a plan how they are going to use their new expertise and do share their experience with colleagues.
106. **Recommendation:** The Team recommends that VU IBS double its efforts to increase the number of incoming teachers as part of internationalisation at home in line with its Strategy. It may also consider introducing financial or other incentives to encourage outward staff mobility.

In summary, VU IBS's degree programmes and corporate training are fully aligned with its Mission and Vision, as well as with national development needs, though a fully effective internal quality assurance system, and in particular consistent involvement of external stakeholders in the development and review of all programmes, would increase further their relevance to labour market needs. There is a good variety in terms of the subject areas of degree programmes, modes of programme delivery, languages of instruction, optional courses available and foreign language provision. In terms of enhancing its competitiveness, the School would benefit from offering interdisciplinary degrees, as well as from engaging in MBA and DBA provision insofar as it may be possible, within the limits of the national law, as part of international partnerships. There is a good balance between theoretical and practical training, even though some external stakeholders suggest expanding further the latter. The School still has some work to do to become truly student-centred in teaching and learning, but it has recently put in place various arrangements to be more responsive to students' needs; the effect is appreciated by students. VU IBS collects student performance data and has introduced some changes to reduce the high dropout, but regular and more in-depth comparative analysis of all programmes, including dropout data, would be advisable to increase retention, and learning support could still be improved. Target groups for corporate training would need to be more clearly identified and specific marketing strategies for them developed. Despite that, VU IBS has been quite extensively involved in lifelong learning, and its Master's degree modules as well as successfully tested methodologies for the recognition of prior learning are examples of good practice. Graduate career development data is collected but not yet consistently used for programme improvement. VU IBS has extensive and tight links with academic and business partners. Cooperation with the former adds to the variety of courses available to students; the latter have strong impact on some degree programmes but, again, this is not equally evident for other programmes.

There is a close link between VU IBS's strategic documents and the priorities of the European Higher Education Area, except that student-centred learning does not yet feature in the former. The network of international partners offers students and staff a very wide choice of possible destinations. The School has achieved a balance in student mobility; there are limits to growth in outward student mobility since the majority of VU IBS students combine study and work. As

internationalisation at home is a high priority, the volume of inward staff mobility is not yet satisfactory. Outward mobility of staff is also quite limited, but good arrangements are in place to ensure knowledge sharing upon their return.

Judgement on the area: *Academic Studies and Lifelong Learning is given positive evaluation.*

V. RESEARCH AND ART

Alignment of research activities with the institution's mission and strategic documents

107. The Mission of VU IBS (par. 12) focuses on the education and training of business professionals, and in this respect VU IBS is a typical business school. In its Vision, VU IBS aims to become an innovative business school which integrates research, education and business and develops relevant research activities. This is clearly reflected in the Strategy. The strategic directions for research and development or innovation activities include: greater unity of research and education; research staff development and the establishment of a research-friendly environment; promotion of top quality and relevant research; provision of research and consultancy services and development of a 'business acceleration platform'; participation in international research networks and projects; and promotion of VU IBS as an entrepreneurship research centre in Lithuania. As VU IBS put research on its agenda just a few years ago, the priorities related to staff development, a friendly environment and the promotion of quality are particularly relevant. The SER and the Team's discussions during the visit clearly demonstrate that VU IBS's activities are indeed aligned with its Mission, Vision and Strategy. Overall, a lot has been done; obviously, there still is some work to do, and there are also some issues that could be usefully considered or would need to be addressed within some of the VU IBS strategic directions for research.
108. As explained by the Management Team during the visit, VU IBS seeks to conduct research which feeds into its education, caters to business needs and serves public interests. At the same time, it was emphasised in various discussions that VU IBS gave priority to research directly relevant to the degree programmes offered (and, thus, to the specific areas and topics). In any professional school within a university, research has to fulfil several concurrent functions: to advance original contributions to knowledge; to inform education; to inform professional practice, to assist in organisational development; to solve problems; and to inform public debate. The continuum of basic to applied research is a given, the point being that whatever research is conducted needs to be excellent. The School accepts this and the need for a strong research focus. The current Research and Innovation Committee (RIC), an advisory body serving as a forum for discussion on research, is to be replaced soon by an Academic Committee which will advise VU IBS on education, training and research and involve teaching and research staff (RIC members), students and business partners. The VU IBS Management Team is aware they need to ensure that the Academic Committee, despite its broader focus and composition, gives due consideration to both further development and quality of research.
109. The establishment of the Academic Committee will, obviously, be a very sensible move to ensure greater unity of education, training and research. The Team **encourages** VU IBS to appoint it as soon as possible after the reinstallation of the VU IBS Council. Even without the Committee, there already is a tight link between education and research, and this can serve as an example of **good practice**. Examples of projects and publications given in the SER evidently correspond to the subject areas in which degree programmes are offered. The SER also provides evidence that findings from research are indeed used to improve degree programmes (new materials and courses / modules, e.g. a new Entrepreneurship and New Business Creation module). Students confirmed during the visit that they were involved in research, and the statistics available to the Team show that, for example, in 2014 as many as 10 students published their research work under the supervision of academic staff. In this context, more money paid to research staff when students are involved is a very good idea.
110. VU IBS has done a lot to support research staff development in line with its strategic direction. In general, the School is at a disadvantage as it is not allowed by its Founder to provide doctoral programmes and, thus, to train its future researchers (though this is not atypical of business schools). However, this has been successfully addressed by the new Management Team through an agreement with Vilnius University whereby VU IBS staff now follow PhD programmes at the University. The staffing reform now underway is also likely to make a difference in terms of human resources capacity as it aims to establish a

- core of 15 full-time staff (there are limits to how much part-time staff can now be expected to contribute to research). Staff have recently developed their competence through a number of relevant training activities (e.g. a course on academic entrepreneurship to develop commercially attractive research ideas; a cycle of seminars on technology transfer development; a course on qualitative research). In the context of staff development, The Team would like to emphasise again that research ethics should be given due consideration (see paras 77-78).
111. It is also evident to the Team that, in line with its Strategy, VU IBS has created a research-friendly environment in recent years (not only through staff development opportunities), another **good practice** example. The research staff interviewed felt encouraged to undertake research, appreciated both the support provided by the Innovation and Entrepreneurship Centre and research incentives offered as part of a salary, and considered that the combination of both did indeed work. The statistics available to the Team show that the number of publications is gradually increasing (from 33 in 2012 to 40 in 2014). A special event (Science Café) is regularly held for staff, students and external stakeholders to share their research experience. Though this was not raised by the IEC staff, the team considers that the Centre is overloaded with tasks and understaffed (3 staff, including the Head); it may not necessarily cope with new challenges when the School develops its international research activities in line with its Strategy. It would benefit considerably from expertise and resources available at bigger local higher education institutions. The agreement recently signed with Vilnius University (par. 10) may be very helpful in this respect, as could be similar partnerships with other local higher education institutions, for example, those with which it may deliver (an) interdisciplinary programme(s) (see paras 82 & 83).
112. The quality of VU IBS research is a major issue in the most recent MOSTA report available to the Team (mainly conference proceedings or papers mainly published in local journals, though including an internationally recognised one). The incentive scheme (an element of the 'Vilnius Menu', a research and innovation process management model as part of the internal quality assurance system) is designed to promote quality as research staff receive more money for publications in widely cited journals. The growing number of publications peer reviewed by the ISI Web database (3 in 2012 and 9 in 2014) may indeed be an indication that quality is improving. However, the Team was not confident that the monitoring of the incentive scheme was sufficiently effective yet to ensure that low-quality research was not supported (and the limited funding available was used most efficiently). If staff tended to choose easiest options (for a smaller amount of money), the scheme would need to be adjusted. The Team also notes that while the School has good personal links with a number of researchers, it does not have a peer research committee. Such an advisory body could effectively encourage further quality improvement.
113. **Recommendation:** The Team recommends that VU IBS monitor effectively its research incentive scheme to ensure that it promotes quality. It may also consider establishing an international peer committee to advise on, and encourage further improvement in, the quality of research
114. Depending on the source, the income from or funding for research has varied or dropped in recent years, mainly due to a decline in EU funding available. The Lithuanian business sector does not have its own funding for research and development. VU IBS (SWOT analysis and discussions during the visit), MOSTA (recent report) and the Team agree that a lack of its own funding for research makes the School vulnerable (only small grants available for the development of research proposals and participation in conferences). As a result, its research activities are or may be driven solely by customer demand and / or by external funding opportunities available rather than by its strategic development priorities (including research serving the needs of degree programmes). Heavy reliance on funding awarded on a competitive basis and / or for commissioned research is a real concern for the research staff interviewed during the visit. At the same time, as the Team learned from the Heads of the units concerned (Career and Practice; Marketing and Communication Group; Innovation and Entrepreneurship Centre), VU IBS is quite flexible in its pricing policy for

- research services, making less profit from contracts that are promising as ‘investment’ in future partnerships. This approach has evident advantages, especially because VU IBS is still seeking to build its brand name as an entrepreneurship research centre. However, obviously, it does not help the School increase its self-reliance in research and push forward its ambitious research agenda.
115. **Recommendation:** The Team recommends that VU IBS put in place a pricing policy for its research and other services which enables it to generate profit, and establish its own Research and Innovation Fund, i.e. set aside within the VU IBS budget an amount of money, earned from research and other services, which will reduce the School’s reliance on external funding for research and will be used for research supporting its strategic development.
116. VU IBS aims to provide ‘relevant research’ in its Strategy. As most of its research is commissioned by clients (even if funded from other sources), it is by definition relevant to their needs. As the Team learned during the visit, the School is also becoming pro-active in this respect, offering its services rather than waiting for an enquiry. The Strategy refers to a more systematic approach to needs assessment (an annual analysis of business needs), and the School is involved in an annual entrepreneurship monitoring study as part of the Global Entrepreneurship Monitor. At the same time, the Team’s discussions during the visit suggest that there is no institutional mechanism for promoting VU IBS research and development services to corporate clients on a regular basis (except, for example, press releases and conferences for the annual entrepreneurship study). This seems to be done on an ad-hoc and / or informal basis (e.g. through contact with practitioners teaching at the School or sitting on Programme Committees, at events, etc.).
117. **Recommendation:** The Team recommends that VU IBS devise a marketing strategy for its research and development services.
118. In the context of the promotion of VU IBS as an entrepreneurship research centre, the Team also notes that the School does not yet have a mechanism for systematic dissemination of its research. Diffusion is not easy, especially because, as explained during the visit, there are no journals for business in the Lithuanian language. However, VU IBS has strong links with social and business partners, including national associations. These would provide a great dissemination channel if used not only on an ad-hoc and informal basis through the participation of staff in various events, but also in a more structured way (regular meetings, updates on partners’ websites, a newsletter with links to publications, etc.).
119. **Recommendation:** The Team recommends that VU IBS put in place mechanisms for systematic dissemination of its research.

Alignment of research activities with priorities of national and regional development

120. VU IBS’s research and development (R & D) activities are indeed strongly aligned with priorities of national and regional economic development. They focus on business development and entrepreneurship which feature as priorities in national development documents (‘Lithuania 2030’ Progress Strategy, the Investment Promotion and Industry Development Programme 2014-2020 or the Lithuanian Entrepreneurship Action Plan 2014-2020). The School even contributed to the development of the Entrepreneurship Action Plan. The evidence provided to the Team (SER and its Annexes 10 & 12) shows a clear link with the national business and entrepreneurship development priorities as well. For example, in the last three years, VU IBS provided R & D services to both public and private organisations, including 12 companies which benefited from ‘innovation vouchers’; this is a new instrument of the Ministry of Economy to promote innovation in SMEs which enables them to buy services from research and higher education institutions. The areas of VU IBS’s services fully corresponded to the national priorities (e.g. branding, innovation management and leadership companies). The School’s research projects were, likewise, evidently concerned with national economic development priorities (e.g. Entrepreneurship and Intrapreneurship Dynamics in Lithuania, Investment attractiveness of the Lithuanian capital market or Methodology for improving creative business enterprises).

Impact of academic, social and business partners on research activities

121. Research and development services that VU IBS provides are, obviously, driven by demand; hence, a key role of business partners in defining topics of the School's research. VU IBS has also recently been involved in eight research projects together with both academic and business partners. They have a strong impact on VU IBS in terms of developing its research expertise and establishing new research links.
122. The Team has emphasised the importance of partnerships for VU IBS as a small institution in various contexts above. The joint initiative of VU IBS, Vilnius University and the Sunrise Valley to involve students and research staff in the national INOVEKS (Promotion of Business Creation) project is indeed noteworthy as an example of a partnership established in line with the School's strategic direction 'Business acceleration platform'. At the same time, as explained by the Innovation and Entrepreneurship Centre during the visit, in establishing its network of partners, in particular international ones, the School relies on personal links as they ensure a successful partnership. There are no clear criteria or priorities for further development of institutional partnerships in terms of types or profile of organisations, their research or innovation capacity, national or international standing, geographical foci, etc. The School seems to have an opportunistic and self-constraining approach rather than one driven by strategic priorities which may require reaching out to specific (types of) new academic and business partners.
123. **Recommendation:** The Team recommends that VU IBS develop a clear policy for establishing new and reviewing existing research partnerships with academic and business partners in line with its strategic development priorities.

Alignment of the institution's strategic documents with priorities of the European Research Area

124. The VU IBS Strategy does not refer explicitly to the European Research Area (ERA), but a document attached to the SER (Supplementary Annex 3.4), which maps the School's strategic objectives for research onto ERA priorities, shows that the School is fully familiar with them. The Strategy is indeed consistent with the ERA priorities. Most of VU IBS's strategic objectives (par. 107) reflect priority given in the ERA to the knowledge triangle (education, research and innovation). The objectives concerning research staff development and a research-friendly environment are fully in line (insofar as it can be expected from a business school) with the ERA principle that research stakeholders should put in place strategies supporting career development of researchers. While the VU IBS objectives include participation in international networks and projects, research mobility does not really feature in the Strategy or other documents (see also par. 128).
125. Two strengths of VU IBS are noteworthy as they help it pursue its ERA-relevant strategic objectives. One unit (Innovation and Entrepreneurship Centre) is specifically responsible for promoting and supporting research activities. The above-mentioned 'Vilnius Menu' model is in place specifically to ensure the unity of education and research, promote relevant research and encourage participation in international research activities.

Participation in international research projects, and international mobility

126. VU IBS has recently been a partner in four international projects involving, importantly, both academic institutions and business organisations from various countries (e.g. Belarus, Denmark, Estonia, Finland, Germany, Latvia, Netherlands, Poland, Spain and the UK). One of these is a Horizon 2020 project; this is indeed an achievement as it is not easy for Central and Eastern European institutions to get involved in Horizon projects. Another Horizon project is being developed now. Overall, the level of participation in international projects is satisfactory for the moment, considering that VU IBS has been engaged in research activities for just a few years, has been in transition in recent years and this has involved a staffing reform.

127. VU IBS does indeed encourage its research staff to participate in international conferences and staff make good use of the opportunities available. As stated in the SER and confirmed during the visit, each researcher receives almost 900 euro every year to participate as a speaker in international conferences. Between 2012 and 2014, 51 researchers presented papers at 22 international conferences, including five peer reviewed in the ISI Web of Science database. In the same period, VU IBS hosted four international researchers (Cyprus, Liechtenstein, Sweden and USA) who ran seminars for VU IBS, Vilnius University and Gediminas Technical University students; their number would need to be higher to exert a significant impact on the School's research activities. The School also initiated a seminar bringing together young researchers, including Lithuanians studying abroad, which has now become an event hosted by a different higher education institution each year. Overall, these activities have kept staff abreast of latest developments in their research areas, developed their research competence, extended international links and resulted in joint publications which are also used as teaching materials. On the other hand, VU IBS does not yet take advantage of opportunities for staff to do research or participate in training abroad. The Team **encourages** the School to consider how it could benefit from, for example, the EU Maria Skłodowska Curie Research Fellowship Programme as part of the ERA.

In summary, VU IBS's research activities are fully in line with its Mission and Strategy. As the School now gives high priority to research geared towards the needs of degree programmes, it should also make sure that it does not lose focus on high-quality research. In line with its priority, it does give due consideration to the unity of education and research. It has recently done a lot to develop competence of its research staff and has created a climate which is indeed conducive to the development of research, both aspects featuring strongly in the Strategy. Research output is gradually increasing, but its quality raises concerns and needs to be (more) effectively monitored. VU IBS does not have its own funding for research; this is a major issue as its research activities are likely to be driven (only) by external demand and funding opportunities rather than its own strategic priorities. This would need to be addressed by a pricing policy for its services that enables it to generate profit and use income for research and innovation activities. A marketing strategy for its research services and a mechanism for systematic dissemination of its research would need to be developed as well. Overall, research is still at the development stage; however, this is understandable as it is a quite new area of activity for the School, and there is strong determination to stimulate its development.

VU IBS's research is aligned with national development priorities as identified in various strategic documents. Business partners have a decisive impact on VU IBS's research insofar as a large part of it is commissioned by them. Cooperation with other, both academic and business, partners as part of projects is an important way of developing the School's research expertise and establishing new links. With regard to the latter, the School relies heavily on personal links and would additionally need a clear policy for establishing and reviewing research partnerships in line with its strategic priorities. As part of the development, the DBA is seen as a national progression from the MBA when established, and the Team urges Ministry reconsideration of the relevant resolutions.

The Strategy fits well into the priorities of the European Research Area. The School has recently been involved in several international research projects. Its current level of involvement is satisfactory, considering its relatively short 'period of service' in research and the fact that it has been in transition for the last three years. VU IBS offers incentives to its research staff to participate in international conferences and staff do indeed take advantage of the opportunities available. On the other hand, they do not yet take advantage of opportunities available in the EU to conduct research and participate in training abroad.

Judgement on the area: Research and Art is given positive evaluation.

VI. IMPACT ON REGIONAL AND NATIONAL DEVELOPMENT

Measures to achieve impact in the institution's mission and strategic documents

128. The Vision and Mission of VU IBS (par. 12) make it clear that it seeks to achieve impact through all of its three core activities, education, training and research, and this is reflected in its Strategy. With regard to degree programmes, the Strategy places emphasis on training future graduates who will be sought-after on the labour market and will become not only good employees but also business leaders and employers. As stated in the Strategy in this context, VU IBS aims to develop into the most attractive business school in Lithuania, which may suggest that it seeks to have impact at national level. Through its corporate training, the School intends to target both the public and private sectors (civil servants, current and future executives, businessmen, etc.). Outputs of VU IBS research, relevant to the needs of the market and society, are expected to play an important role in fostering collaboration between research and business and social and economic development. The Strategy also refers to the VU IBS community as a bridge where students, staff, graduates and business partners and employers can make useful contacts.
129. At the same time, the Strategy does not address explicitly the issue of expected impact of VU IBS on national and / or regional development. It does not provide an institutional policy framework within which the three core and any other activities of the School would fit together and be geared towards achieving impact.
130. The SWOT analysis acknowledges that the strategic documents do not provide 'measures on the determination of the impact' on national and / or regional development. Indeed, no indicator has been defined specifically for this purpose. The usefulness of the available indicators for measuring impact of the three core activities varies greatly. Some indicators that can be relevant are defined for degree programmes (student employability / graduate employment rate or a percentage of graduates who have established their own business). The numbers of courses and participants may indeed be indicative of the impact achieved through corporate training (even if they are more 'output' than 'impact' indicators as the latter should refer to a change that has occurred as a result of training). The main indicators for research refer to the level of income, research output or the volume of activity or quality of research. None of them can be used to measure the impact of research on economic or social development at national and / or regional level (e.g. new businesses established, innovations introduced or improved performance of business organisations). They do not even cover the number of business organisations to which VU IBS has delivered its research and development services (though such data is, of course, available), for which it has developed innovative solutions, etc.
131. **Recommendation:** The Team recommends that VU IBS address the issue of its impact on national and regional development in its Strategy to provide a framework for its core activities, and define or identify a small number of indicators for measuring its impact on national and regional development. It is also encouraged to consider benchmarking with other higher educations in terms of impact on national and regional development.

Effectiveness of measures, and link between impact and national and / or regional development priorities

132. VU IBS's core activities focus on business and entrepreneurship development, with a strong emphasis placed on social responsibility. These feature strongly in several key national policy documents on economic and social development (see paras 80 & 120). In that sense, the impact achieved is fully in line with national priorities. Besides, VU IBS has contributed to policy development at national level. For example, it participated in the development of the strategy for internationalisation of higher education, and findings from its entrepreneurship monitoring study were used to develop the Entrepreneurship Action Plan 2014-2020.

133. The very high employment rate of its graduates (97.5%) shows that VU IBS contributes significantly to economic development through the education provided. Student enrolment data in a geographical breakdown (SER) indicates that the impact is spread across the country but is most visible at regional level. Roughly 50% of students have come from the Vilnius region in recent years, and the rest are distributed fairly evenly among the other regions. Insofar as graduates can be mobile, it would be useful to have data for graduates in a breakdown by region. The data from the most recent VU IBS graduate survey (SER) shows that most graduates work in business and the impact is widespread in terms of sectors (e.g. 18% in sales; 15% in consulting, human resources management, real estate, pharmacy, fashion, publishing business, leisure, etc.; 8% marketing and finance; 6% in administration and health care). Aside from some anecdotal evidence, there is no data on graduates who have established their own businesses over the last decade or five years and (may have) contributed to job creation. The employment data suggest that VU IBS degree programmes are highly relevant to economic development needs (but, as discussed in various contexts above, their relevance to needs could still be increased through consistent involvement of external stakeholders across programmes). Further, student internships and final theses (see below) are other ways in which VU IBS supports business development.
134. The data collected (SER) shows that, overall, VU IBS corporate training has contributed quite substantially to the development of knowledge and skills of those employed and running their businesses, if impact is measured by the number of participants (5,148 over the last three years). As in the case of degree programmes, impact seems to be mainly at the regional level and, as the Management Team explained, though the School receives many enquiries from other regions, it does not have the capacity to 'serve' other regions (thus, partnerships may be important for corporate training as well). Some information in the SER (e.g. 28 entrepreneurship training sessions in various towns) indicates that the impact may have extended beyond the regional level, and it may be a good idea to collect more detailed data for impact analysis. Some other data collected (e.g. number of degrees awarded or adult students admitted to a degree programme on the basis of the new procedures for the recognition of prior learning; see par. 90) could also be considered by VU IBS in the context of the impact achieved.
135. In general terms, it is quite clear from the SER and discussions during the visit that VU IBS's research activities have supported business development. This concerns, in particular, 16 research and knowledge transfer projects commissioned by business and other organisations in the last three years. VU IBS acknowledges (SWOT analysis and discussions) that impact is still insufficient. Quantitative data collected for the indicators does not enable the School to assess and demonstrate impact on national and / or regional development. As mentioned earlier, (potential) impact is limited by no or little funding available for research and development in the Lithuanian business sector as a systemic problem. On the other hand, as mentioned earlier as well, it is also limited by the fact that VU IBS does not yet have in place a mechanism for the diffusion of its research findings (see a related recommendation in par. 119).
136. VU IBS staff and students are extensively involved in educational and other initiatives. Aside from the Academies of Entrepreneurship and Leadership (see par. 89) and visits to secondary schools, these include, for example, civic activities such as 'Food Bank' or 'Organ donation', public events such as 'Song festival', 'Capital Day', 'Lithuanian Youth Days', etc. Even though their impact can hardly be measured, the Academies have certainly developed entrepreneurial skills in young people, and other activities have contributed to local community development.
137. The VU IBS Alumni Club, a link between the School and the local community, social and business partners, has been recently regaining its vigour. Alumni are members of Programme Committees and final thesis committees, teach at the School, host students for internships in their own organisations, help to place them in other organisations and find employment. An amount of money raised by alumni as a grant for a Ukrainian student at VU IBS is worthy of note as an example of the Club's recent initiatives and sense of social

responsibility. On the other hand, as graduates explained during the visit, the Club is still looking for its place within the structure of the School and some ‘institutional measures’ **would help** to ensure effective cooperation.

138. In sum, VU IBS does not yet collect a full set of relevant data to monitor and measure its impact on national and / or regional development, but it seems that it now contributes most significantly to economic development at the regional level. As emphasised in the previous sections, VU IBS has strong and extensive links with academic, social and business partners. Some are personal or informal and other have been or are being formalised or institutionalised. All are an invaluable asset of the School if ‘well-managed’ within a strategic framework (see the recommendation in par. 131). The Team has also emphasised in various contexts the importance of partnerships for VU IBS as a small institution and made related recommendations. Strategic partnerships would be crucial for VU IBS if its core activities are to have impact on development at national level.

Topics related to national and regional development in student internships and final theses

139. It is evident to the Team from the SER and various discussions during the visit that topics of internships are directly relevant to the needs of organisations hosting students, as are final theses focusing on solutions to specific problems of businesses and other organisations. It is also commendable that VU IBS seeks feedback and is willing to make improvements to increase further the relevance of internships and theses. Internship topics are discussed with host organisations and hosts are involved in the evaluation of internships. The stakeholders interviewed during the visit who hosted students valued the work they had done during internships. As mentioned earlier, this spring VU IBS organised a roundtable, bringing together host organisations, students and staff who evaluated internships, which will help to improve the internship scheme – an example of **good practice**. As a result of the roundtable, the duration of internships is likely to be extended from three to four months as a longer period brings more benefits to both hosting organisations and students. Many theses offer business solutions to specific organisations. The examples given by the School also show that theses cover topics relevant to a wide range of areas of social and economic development (e.g. ‘a playground area for children’ or ‘shared spaces regeneration in garden communities’, aside from those strictly related to business such as ‘employee motivation improvement’, ‘evaluation of the brand image’, ‘trading strategy’, etc.). In many cases, there is an obvious link between thesis topics and needs. As mentioned earlier, Bachelor’s degree students who run their own businesses may submit business projects or development plans as their final theses; as most Master’s degree students combine study and work, they are asked at the admission interview to explain benefits from their thesis for their work. As VU IBS felt that theses were not yet sufficiently ‘well developed’, it has recently organised a seminar for staff so that they focus more on the quality of research underpinning theses – another **commendable** initiative.

140. Family business development seems to be very much on the radar of VU IBS, also in the context of internship placement and topics of final theses. As mentioned earlier, it may indeed be an area worth exploring as a potential niche for the School. On the other hand, the Team would **advise** that VU IBS focus on big companies for student placement as, obviously, this may open more promising avenues for further development of corporate training and research.

Recognition for participation of staff in voluntary activities

141. The SER (Annex 13) provides an impressive list which shows that many VU IBS staff members are very extensively engaged in the activities of a wide variety of national and international organisations and bodies. These range from business organisations, science associations and professional associations to committees and councils and EU working groups. In many cases VU IBS staff have received special recognition (awards, prizes, etc.) for their contribution. As mentioned above, staff are also actively involved in various local community and education events. As the Team learned from staff during the visit, this is all welcome by the School. On the other hand, staff participate in the activities of various

organisations and bodies very much on their own initiative. While participation in voluntary activities is one of the criteria in annual academic staff appraisal, no incentives are offered to encourage or reward such activities. Considering its tight budget, it is understandable that VU IBS does not offer special bonuses for engagement in various voluntary activities. However, to move from an 'individual' to a more 'strategic' approach, it **could consider**, for example, paying membership fees for staff active in organisations that are particularly relevant to both VU IBS's own development and national and / or regional development.

In summary, in its Vision and Mission, VU IBS seeks to achieve impact through all of its three core activities: education, training and research. The Strategy does not, however, address explicitly the issue of impact on national and / or regional development and, consequently, does not identify ways of measuring the impact achieved. Thus, there is no framework within which the School's activities would fit together and be geared towards national and / or regional development. The indicators which are available enable measuring, to some extent, the impact of education and training but are not relevant for assessing impact of research.

Despite that, VU IBS has established strong and extensive links with social and business, and graduate employment data and the number of corporate training participants clearly show that VU IBS contributes significantly to business development, mainly at regional level, through its education and training. To some extent, it also supports business development through students' final theses which offer solutions to specific problems in a wide range of areas of social and economic development. Further, VU IBS staff and students are extensively involved in various voluntary activities; some of these develop entrepreneurship skills in young people and other contribute to local community development. Staff are active members of various national and international organisations and bodies, and the School could consider some ways of rewarding them for activities which are particularly relevant to both its own development and economic or social development at national and / or regional level. The VU IBS Alumni Club, as a 'liaison' between the School, local community and social and business partners, is now expanding its activities, and greater institutional support from the School would foster its further development. Overall, with its various strengths discussed in previous sections and its extensive links with the external environment, VU IBS has considerable potential in terms of impact on national and / or regional development which can be effectively exploited within an appropriate strategic framework and further developed in partnership with other institutions and organisations.

Judgement on the area: *Impact on Regional and National Development is given positive evaluation.*

VII. GOOD PRACTICE AND ENHANCEMENT RECOMMENDATIONS

EXAMPLES OF GOOD PRACTICE

- Decision-making: real focus on strategic priorities, strong leadership provided by the Management Team combined with the principle of collegiality and commitment to building a culture of collective engagement; efficient decision-making (par. 62)
- Careful selection of academic staff where emphasis is placed on both competence and values, and which includes the teaching of classes on a trial basis (par. 64)
- Academic staff and practitioners teaching at the School paired for mutual support and knowledge sharing (par. 64)
- Responsiveness of the Management Team to the training needs of staff and ample opportunities for staff development (par. 65)
- Efficient and effective management of change geared towards both immediate effects and long-term impact (par. 71)
- A wide range of arrangements being put in place to ensure the involvement of external stakeholders in programme development and review and enhance the relevance of programmes to labour market needs (various bodies involving stakeholders; business consultants advising on the relevance of programmes; roundtables bringing together stakeholders, staff and students) (paras 54 (b), 81, 97 & 139)
- Extensive involvement of external stakeholders in the development and delivery of some degree programmes (par. 97)
- Strong focus on practical training in degree programmes, with good balance ensured between theoretical and practical training (par. 85)
- Responsiveness to the needs of students, good relations between students and teachers, and easy access to teachers for students (par. 86)
- An increasingly wide range of lifelong learning opportunities for corporate clients, including modules bearing credits which are recognised towards a degree (par. 90)
- Methodology in place for the recognition of prior learning (par. 90)
- Tight link between education and research, with research findings used to improve programmes (par. 109)
- Emphasis placed on research staff development, good research staff development opportunities and a research-friendly climate (paras 110 & 111)
- Extensive and strong links with the world of business as the main external stakeholder of VU IBS (paras 95-97 and 120-121, as well as 54 (b), 80, 81, 90, 97 & 139)
- Strong emphasis placed on the relevance of student internships and final theses to the needs of stakeholders / economic development (par. 139).

RECOMMENDATIONS

The Team recommends that the VU IBS Founder / General Meeting of Stakeholders:

- re-establish the VU IBS Council as soon as possible so that there is no unnecessary delay in taking decisions of strategic importance to the School; (par. 60)
- urgently finalise their discussions with VU IBS on future scenarios for the School to provide it with a framework for its repositioning within the national higher education system. (par. 27)

The Team recommends that VU IBS:

Strategic Management

- identify a distinct niche for itself in the market, and map out and implement a strategy for its repositioning with a view to gaining a competitive advantage; (par. 27)

- devise and implement a strategy for establishing national and international, academic and academic-corporate partnerships, covering both its core academic activities and support services, with a view to increasing its capacity and competitiveness; (par. 27)
- in revising its current Strategy, including the Vision, make a clear distinction between strategic goals, operational objectives and implementation measures and define timeframes for the remaining three-year period, using a methodology that will facilitate its operationalisation through annual Action Plans; the Strategy and annual Action Plans should be based on the same methodology; (par. 36)
- ensure that its Strategy for the next planning period defines goals, objectives and implementation measures together with timeframes for the entire period, and provides an estimation of the resources required; (par. 36)
- move forward promptly with its work on indicators for planning and monitoring and select a small number of indicators which are critical for success, including those for assessing impact on strategic development. A revised set of indicators should be included in the revised Strategy together with target values which the School seeks to achieve by the end of the planning period in order to enable measuring progress towards strategic goals. The strategy for the next planning period should include indicators together with target values for the entire planning period; (par. 40)
- develop a comprehensive internationalisation strategy which covers education, research and knowledge exchange, and factors in implications for its support services, so that its international activities in all areas are clearly geared towards its strategic development priorities; in this context, VU IBS is also advised to consult other business schools for examples of good practice; (par. 50)
- map Part 1 of the European Standards and Guidelines onto its internal quality assurance system to identify gaps which still need to be bridged. In particular, it should ensure that students are informed about action (to be) taken in response to feedback given in surveys; external stakeholders are consistently involved in the development and review of all programmes; and performance data is used for improvement across programmes; and should put in a place a policy for consistent student assessment across programmes which provides, where appropriate, an element of externality; this implies the need for a coherent QA strategy, encompassing scope, instruments, processes, dissemination etc. (par. 55)
- adopt a code of ethics for research (as part of its Staff Code of Ethics or a separate document) and establish an Ethics Committee for research. It should also make sure that mechanisms for detecting plagiarism in coursework assignments across programmes are applied consistently; (par. 78)

Academic Studies and Lifelong Learning

- to enhance its competitiveness, make early progress in its efforts to engage – within the limits of the national law – in MBA and / or DBA provision as part of international partnerships and establish (an) interdisciplinary programme(s) as part of local partnerships; (par. 83)
- regularly perform a comparative analysis of all degree programmes in terms of curricular contents, learning outcomes, teaching and learning methods and learning support for students with a view to increasing student retention. To facilitate progression and completion, it is also encouraged to consider providing support to newly enrolled students to bridge possible gaps in their knowledge and skills; (par. 88)
- identify clearly target groups for its corporate training (including Master's degree modules) and develop (a) marketing strategy/ies to reach them; (par. 92)
- ensure consistent use of findings from graduate surveys for programme improvement; it is also encouraged to make early progress in updating its register of graduates; (par. 94)
- (or its Student Representation) ensure that international students have easy access not only to academic information, as it is currently the case, but also to information about practical matters and any information that they may need to participate fully in the life of the School community; (par. 101)

- define and consistently apply standardised language proficiency requirements for international students to be admitted to full degree programmes; (par. 103)
- double its efforts to increase the number of incoming teachers as part of internationalisation at home in line with its Strategy; it may also consider introducing financial or other incentives to encourage outward staff mobility; (par. 106)

Research

- monitor effectively its research incentive scheme to ensure that it promotes quality. It may also consider establishing an international peer committee to advise on, and encourage further improvement in, the quality of research; (par. 113)
- put in place a pricing policy for its research and other services which enables it to generate profit, and establish its own Research and Innovation Fund, i.e. set aside within the VU IBS budget an amount of money, earned from research and other services, which will reduce the School's reliance on external funding for research and will be used for research supporting its strategic development; (par. 115)
- devise a marketing strategy for its research and development services; (par. 117)
- put in place mechanisms for systematic dissemination of its research; (par. 119)
- develop a clear policy for establishing new and reviewing existing research partnerships with academic and business partners in line with its strategic development priorities; (par. 123)

Impact on national and / or regional development

- address the issue of its impact on national and regional development in its Strategy to provide a framework for its core activities, and define or identify a small number of indicators for measuring its impact on national and regional development. It is also encouraged to consider benchmarking with other higher educations in terms of impact on national and regional development. (par. 131)

SUGGESTIONS

The Team has also made a number of suggestions concerning various areas which the School may consider when reflecting on its further development. In particular, VU IBS is encouraged to:

- consider revising its Vision and Mission so that they highlight its distinctive features that give it a competitive advantage (once it has identified a niche for itself); (par. 29)
- as soon as the VU IBS Council is re-installed, establish the Academic Committee which will be well-placed to advise on further comprehensive development of the School; (par. 109)
- consider a full risk assessment before focusing on family business development as a niche to be served by the School; (par. 73)
- organise regular meetings where the Director briefs all staff and students on latest (strategic) developments and encourages them to engage in activities which are particularly important for further development of the School; (par. 45)
- support the recently appointed Academic Consultant in her efforts to ensure that academic staff responsible for different degree programmes share their experience and learn from one another; (par. 54 (d))
- adopt a language policy for academic staff, covering language training and assessment of language proficiency as part of its recruitment and selection policy, and based on international standards, in particular in case the School chooses to focus on Russian-speaking countries in Central Asia in its student recruitment strategy; (par. 66)
- continue its efforts to introduce blended learning; (par. 84)
- consider introducing student-centred learning into its revised Strategy and developing an institutional 'policy' for student-centred learning which covers instructional approaches and learning support strategies; and encourage the Student Representation to promote the student-learning concept among students; (paras 86 & 98)

- use its network of international partners for broader academic cooperation to push forward the internationalisation of its curricula, and take advantage of opportunities offered by the Erasmus+ Programme in this respect; (par. 96)
- encourage international mobility of its research staff for research and training purposes, and take advantage of opportunities offered by EU programmes, for example the Maria Skłodowska Curie Research Fellowship Programme, in this respect; (par. 127)
- put in place arrangements to 'institutionalise' the Alumni Club within its structures; (par. 137)
- focus on big companies for student placement as those offering wider opportunities for further development of the School's corporate training and research; (par. 140)
- consider, for example, paying membership fees for academic staff who are active in organisations that are particularly relevant to both the School's own development and national and / or regional development, also as a way of rewarding staff for their participation in voluntary activities (par. 141).

VIII. JUDGEMENT

International Business School at Vilnius University is given positive evaluation.

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ANNEX 1: INTERNATIONAL BUSINESS SCHOOL AT VILNIUS UNIVERSITY RESPONSE TO THE REVIEW REPORT

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10-08-2015 No. S-O-157

ON DRAFT CONCLUSIONS OF THE EXPERT GROUP

In response to your e-mail of 31 July 2015 regarding factual mistakes in the draft conclusions of institutional assessment of International Business School at Vilnius University, we would like to thank you for the possibility to get acquainted with the conclusions of the experts in the original language and translation into the Lithuanian language. We would like to draw your attention to the fact that the translation is inaccurate and misleading; therefore, it needs to be clarified.

We are grateful to the expert group for in-depth analysis of our activity and favourable evaluation; nevertheless, we would like to make some comments and point out factual mistakes that, in our opinion, occurred in the draft conclusions:

1. Paragraph 54 of the draft conclusions claim that Part 1 of European Standards and Guidelines (hereinafter referred to as ESG) are not included in the Quality and Environmental Management System. To the best of our knowledge, all ESG requirements are introduced as far as documentation is concerned, not all of them, however, are being implemented yet.
2. Part c) of Paragraph 54 claims that students are not regularly informed about results of surveys. The administration of VU IBS believes that students are informed constantly and sufficiently: results of surveys are discussed at sittings of committees of study programmes and meetings of study programme managers, the latter also involve active participation of student representatives. The meetings are minuted, the minutes are presented to the Student's Representation of VU IBS, which then publishes them on its website. Therefore, we would like to believe that all students that what to familiarise themselves with the information can easily access it through the Students' Representation.
3. Paragraph 58 contains an incorrect fact. The Innovation and Entrepreneurship Centre was established in 2011, it did not take over any functions as none of the functions had been carried out at VU IBS before.
4. Paragraph 62 provides incorrect information that minutes of weekly subdivision meetings are published online; in reality, they are stored on the internal network – the infranet.
5. Paragraph 87 suggests that individual additional studies and other assistance to eliminate existing gaps of knowledge and methodical skills could be offered provided that such gap is identified in the initial stage. We would like to clarify that during motivational interviews for admission to Master's studies VU IBS not only ascertains the applicant's motivation but possible knowledge gaps as well and suggests additional studies.
6. Paragraph 79 enumerates wrong names of study programmes implemented at VU IBS.
7. Paragraph 114 mentions certain faculties, yet no such subdivisions exist at VU IBS.

8. What regards Paragraph 115, we would like the experts to shed some clarity on the recommendation to VU IBS to implement pricing policy. VU IBS would find it useful to receive more detailed arguments and further explanation of the recommendation. The expert group recommends establishing a foundation from funds (profit) received from contracted research, which will be used in research development. However, VU IBS allocates much more funds to research than it receives; therefore, it is unclear what the purpose of such foundation would be.

9. Indicators provided by in the strategy, i.e. targets and indicators foreseen in the VU IBS strategy under activity 'Research and Innovation', are monitored and publicised (in regard with Paragraph 130), e.g.:

Target – 2.2. To establish VU IBS entrepreneurship laboratory (VU innovation accelerator);

Indicator: number of products/services developed at the entrepreneurship laboratory.

Target – 2.4. To provide the market with research and consulting services

Indicators:

2.4.1. Number of knowledge transfer (contracted research) projects carried out;

2.4.2. Within 5 years, by 2018, the amount of contracted applied research commissioned by the service sector makes up 10 % of the VU IBS income;

2.4.4. Annual number of national research projects carried out is no less than 3;

2.4.5. The number of grants – 1.

Therefore, the strategy foresees indicators of implementation of each particular target under activity 'Research and Innovation', which are monitored, analysed and publicised. In was mentioned several times in the self-analysis document that implementation of activities under Target 2.2 'To establish VU IBS entrepreneurship laboratory' encompassed establishment of enterprises and development of products (English, 79 page of the Table). Meanwhile, monitoring and analysis of Target 2.4 as well as planning of further activity is intended to be carried out in accordance to the indicators of number of contracted research projects and income rather than the indicator of number of enterprises as the number of enterprises does not reflect the amount of projects, the scope of contracted works or the intensity of relationships established with the enterprises (when one enterprise is provided with different research and consulting services in the period of a few years). The result of enterprise number was also provided – in the self-analysis, i.e. we mentioned that 12 enterprises were provided with serviced through innovouchers throughout the reference period (English, page 61).

All indicators of implementation of targets under activity 'Research and Innovation' are monitored and publicised in the yearly Science and Innovation report: <http://www.tvm.vu.lt/lt/main/mokslas/ma>.

10. What regards the recommendation provided in Paragraph 131, we hereby inform that VU IBS has been applying a comparative analysis with the Lithuanian Academy of Music and Theatre (LMT) for four years already, taking into consideration the impact on national and regional development.

11. Paragraph 139 incorrectly informs that VU IBS held the first round table discussion this spring. In fact, this year the first discussion on the topic of family business was held, yet in general, such meetings and discussions have been taking place on the regular basis for a few years already.

12. Summary of Part VI claims that 'no system has been implemented for coordination of the university's activity with national and (or) regional development and orientation towards it'. We would like to explain that the system does exist, but has not yet been put into operation.

13. The strategic management part includes a recommendation to include external social stakeholders into the process of preparing and reviewing study programmes. We would like to inform that social stakeholders take part in the process regularly.

14. In regard to the recommendation (Research part, page 39) on establishment of a research and innovation foundation: we would like the experts to clarify whether, in their opinion, the foundation should be formed from internal funds of VU IBS or it should be a

registered foundation (organisation) that would attract funds from outside and allocate them to development of science activity.

Personnel manager,
acting in the capacity of the director

Nijolė Kudabienė

ANNEX 2: EXPERTS' GROUP RESPONSE TO THE INTERNATIONAL BUSINESS SCHOOL AT VILNIUS UNIVERSITY RESPONSE TO THE REVIEW REPORT

20 August 2015

INSTITUTIONAL REVIEW OF THE INTERNATIONAL BUSINESS SCHOOL AT VILNIUS UNIVERSITY (VU IBS) RESPONSE OF THE REVIEW TEAM TO THE COMMENTS FROM VU IBS ON FACTUAL ERRORS IN THE INSTITUTIONAL REVIEW REPORT

The Team would like to thank the International Business School at Vilnius University for its comments on factual errors in the Institutional Review Report and offer some additional comments and clarifications. The following remarks refer to each of the paragraphs discussed in the letter from Mrs Nijolė Kudabienė, Personnel Manager acting in the capacity of the VU IBS Director, to the SKVC.

1. **Par. 54:** According to the VU IBS Note, the paragraph in the draft Report states that Part 1 of the European Standards and Guidelines (ESG) '*are not included in the Quality and Environmental Management System*'. This is not a quotation from the draft Report; par. 54 states that 'The quality assurance documents do not map Part 1 of the ESG onto the QEMPS' (Quality and Environmental Protection Management System). This means that the QA documents do not link the QEMPS, which is based on ISO (as explained in par. 53 of the draft Report), to Part 1 of the ESG; in other words, the documents do not show how the QEMPS is connected with Part 1 of the ESG. As acknowledged by VU IBS and stated in the Report, some of the ESG are yet to be fully implemented. The Team considers that *mapping* the QEMPS onto the ESG may help VU IBS to identify more accurately where it needs to take action to fully implement the ESG; hence the relevant recommendation in par. 55 of the Report. There is no factual error and the Team's conclusions and recommendation remain unchanged in the Final Report.
2. **Par. 54 (c):** The Team would like to clarify that the statement in the draft Report that students are not yet regularly informed about findings from surveys refers to what the students interviewed explicitly stated during the site visit. The relevant paragraph of the draft also explains that student representatives are expected to do much more in this respect as they are briefed on follow-up action to be taken at Programme Committee and management review meetings. This covers most of the arrangements in place mentioned by IBS VU in its Note on factual errors. The Team does not see any factual error here and thus its conclusions have been kept as they were in the draft Report. However, to make it clearer and complete, the paragraph has been rephrased in the Final Report to state more explicitly that the comment about no regular feedback on survey findings comes from the students interviewed, and to include a reference to minutes of meetings being published on the VU IBS website (which was not mentioned during the visit). The phrase 'Student representatives are expected to do much more in this respect ...' is now in bold to show more clearly who would need to take greater effort to inform students about survey findings.

3. **Par. 58:** The factual error pointed out by VU IBS Note has been corrected in the Final Report: the phrase about the Innovation and Entrepreneurship Centre taking over functions of some units existing earlier has been removed. The Team understood from its interviews with teaching and research staff during the visit that some (however limited and uncoordinated) support in developing research had been provided to staff by various VU IBS units before the establishment of the Centre. The change made does not affect the Team's conclusions.
4. **Par. 62:** The statement that 'minutes of weekly division meetings are published on the website', based on what the Team was told during the visit, has been replaced with 'minutes of weekly division meetings are stored in the internal network (infranet)', as suggested in the VU IBS Note. The change made does not affect the Team's conclusions.
5. **Par. 87:** As in point above, the relevant statement in the draft Report is not quoted correctly in the VU IBS Note. It is stated in par. 87 of the draft Report that 'Individualised 'bridging courses' or other forms of support could be offered to fill in gaps in knowledge or methodological skills when they are identified at the initial stage' (and not, as suggested in the VU IBS Note, '*provided that such gap is identified at the initial stage*'). The statement in the draft Report does not imply that VU IBS does not identify gaps; it encourages VU IBS to do more to bridge the gaps identified in order to reduce high dropout rates. The VU IBS Note states further that the School '*suggests additional studies*' where such gaps have been identified. The representatives of Programme Directors and Committees that the Team interviewed explicitly stated that underachieving students could discuss problems with teachers and received a list of additional materials to study. This is fully reflected in par. 87 and corresponds to the phrase 'suggest additional studies' in VU IBS Note. The Team considers that further support could be provided to underachieving students; hence, the relevant statement in the Report and the related recommendation in par. 88. There is no factual error and the Team has kept both its statements in par. 87 and its recommendation in par. 88.
6. **Par. 79:** The VU IBS Note refers to '*wrong names of study programmes implemented at VU IBS*'. The relevant statement in par. 79 of the draft Report does not list the programmes offered by the School. It is a general statement which indicates areas or fields of study in which VU IBS offers its programmes. It also refers to par. 13 of the Report where the programmes are listed and where VU IBS did not find any factual error. Thus, the statement in par. 79 remains unchanged.
7. **Par. 114:** According to the VU IBS Note, the paragraph '*mentions certain faculties, yet no such subdivisions exist at VU IBS*'. Par. 114 in the draft Report does not refer to any faculties. It mentions 'the Heads of the units concerned', which is a generic term the Team used to refer jointly to the Coordinators / Heads of Units (Career and Practice Coordinator, Head of Marketing and Communication Group, and Head of Innovation and Entrepreneurship Centre) present at the meeting devoted to the impact on national and regional development (3 June 2015). The names of the units have been added to make the statement clearer.
8. **Par. 115:** The Team would like to clarify that it does not recommend establishing a foundation. It recommends establishing a Research and Innovation Fund within the VU IBS budget / financial framework, i.e. setting aside an amount of money, earned from the School's research and other services, which will be used for research supporting its strategic development. In case the English term 'fund' can be confusing, the recommendation has been rephrased to explain that the Team refers to an amount of money allocated for a specific purpose (i.e. for research) within VU IBS rather than a separate or external entity to be established by the School. The arguments justifying the recommendation are given in par. 114: VU IBS does not have its own funding for research activities / projects as such (only small grants for the development of research proposals and participation in conferences are

available); this makes the School vulnerable and heavily reliant on external funding; hence, the risk that the School's research activities may be driven by external funding opportunities available rather than its strategic development priorities. Further, as also stated in the draft Report, heavy reliance on external funding is a serious concern for the research staff interviewed during the visit. As explained in the draft Report, the Research and Innovation Fund set up by VU IBS would be used for research which supports strategic development of the School (rather than only research driven by external contractors / funding). The recommendation in par. 115 has been slightly rephrased in the Final Report to emphasise additionally that the Fund would reduce the School's reliance on external funding.

9. **Par. 130:** The paragraph in the draft Report refers explicitly to measuring impact of VU IBS' activities on national and regional development. The VU IBS Note does not mention any factual errors; it quotes a number of indicators which are used to monitor 'Research and Innovation' activities as part of the VU IBS Strategy, with which the Team is familiar, and to which it refers in par. 130. The indicators are indeed useful to measure the volume of, or progress in, research activities as part of the Strategy but, as explained in the draft Report, they cannot serve to measure impact of research activities on national and / or regional development (or, in other words, what has changed as a result of VU IBS activities). This conclusion is also in line with the VU IBS SWOT analysis, referred to in par. 130 of the draft Report, which explicitly states that the strategic documents do not provide 'measures on the determination of the impact'. The VU IBS Note does not provide any new evidence and thus the Team has kept its conclusions in the Final Report as they were formulated in the draft.
10. **Par. 131:** The recommendation in the paragraph of the draft Report refers to benchmarking with other higher education institutions in terms of impact on national and regional development. The VU IBS Note states that a comparative analysis of the School's and the Lithuanian Academy of Music and Theatre's activities has been conducted for four years, taking into consideration the impact on national and regional development. This was not mentioned at the meeting devoted to the impact on national and regional development during the visit, and the statement in the Note is too general to provide evidence that would justify rephrasing the recommendation in par. 131. Further, VU IBS may consider whether it would not be more beneficial to benchmark in terms of impact on national and regional development with higher education institutions which provide education and conduct research in areas covered by the School's activities (business and management) rather than only with a higher education institution focusing on fine arts.
11. **Par. 139:** According to the VU IBS Note, the draft Report '*incorrectly informs that VU IBS held the first round table discussion this spring*' as '*such meetings and discussions have been taking place on the regular basis for a few years already*'. This comment is not consistent with what the Team was told at two meetings during the site visit (the meeting with the Heads of Departments, 2 June 2015; and the meeting devoted to Academic Studies and Lifelong Learning, 3 June 2015). At both meetings, VU IBS representatives explicitly stated that roundtable discussions bringing together social and business partners, VU IBS staff and students to discuss student placements were a new initiative and that the first roundtable was held in spring 2015. The comment in the VU IBS Note seems to refer to various other meetings and discussions held with social and business partners, not to those specifically devoted to student practical placements. Thus, the relevant statement in par. 139 of the draft Report has been only slightly rephrased.
12. According to the VU IBS Note, '**Summary of Part VI** claims that '*no system has been implemented for coordination of the university's activity with national and (or) regional development and orientation towards it*'. *We would like to explain that the system does exist, but has not yet been put into operation.*' Again, this is not a quotation from the draft Report. The VU IBS Note seems to refer to the following statement(s) in the draft: '[The Strategy does not, however, address explicitly the issue of impact on national and / or regional

development and, consequently, does not identify ways of measuring the impact achieved]. Thus, there is no framework within which the School's activities would fit together and be geared towards national and / or regional development.' The VU IBS Note does not provide any new evidence which would justify revising the statements in the draft.

The misquoted statement about '*no system ... implemented for coordination ...*' in the VU IBS Note would also be justified since, as the VU IBS acknowledges in its Note, such a system has 'not yet been put into operation', i.e. has not been implemented.

13. The **recommendation in the Strategic Management section** on including external stakeholders (social and business partners) in the process of developing and reviewing study programmes: The VU IBS Note seems to refer to the recommendation in par. 55 and states that '*social stakeholders take part in the process regularly*'. The Team would like to emphasise that in par. 55 it recommends that external stakeholders be consistently involved in the development and review of all programmes; this is not a general recommendation that stakeholders should be involved in the process, and various paragraphs of the draft Report acknowledge that mechanisms for involving stakeholders exist, but they are not yet fully or equally effective in all programmes. The evidence referred to in par. 54, which provides the basis for the recommendation, shows that external stakeholders are not yet consistently or to the same extent involved in the development and review of all programmes; in other words, they are more extensively and / or regularly involved in the development of some programmes (which are explicitly mentioned in the draft Report). Further, at the final meeting during the site visit, the representatives of the VU IBS Management Team acknowledged that feedback from stakeholders was not yet consistently collected across the programmes. Thus, the recommendation has remained unchanged in the Final Report.
14. The **recommendation in the Research section** on establishing 'a research and innovation foundation' (par. 115): As mentioned above, the Team does not recommend establishing a foundation and the recommendation in par. 115 of the draft Report refers to a Research and Innovation Fund; for details, see point 8 above.

Yours sincerely,

VU IBS Review Team