

УДК 378.014.542(479.22)=111

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**SOME APPROACHES OF STRATEGIC PLANNING  
IN GEORGIAN UNIVERSITIES ACCORDING  
TO THE NEW AUTHORIZATION STANDARDS**

*A modern university is a very complicated and dynamically developing body and its functions are not limited to providing education only. Other issues also of no less importance are on the agenda, which increase the importance of universities in the process of developing a society as well as building a state. Currently, Universities are regarded as companies, because of their conditions and ongoing processes they are involved. More and more often, HEIs utilizes the same methods and approaches which are approved in business organizations. This situation is provided by New Georgian standards of university authorization, which stipulates certain requirements, which are imposed on universities to conduct the relevant processes based on appropriate principles of strategic management.*

*The essence of strategy and its perception, in educational area, is characterized by certain specifications. Strategy could be considered as a general plan of the university in various spheres of its' activities. For the universities with a big range of programmes and diversified services (like ATSU), strategic planning helps to choose the main directions of its' activities and to focus on the proper segment of educational market. So, they need to look at the organization as a portfolio of separate activities and assess their relative superiority and attractiveness.*

*The process of strategy making means that we make decisions simultaneously taking into account plus one generation perspective. In this case, it's apparent, that we foresee strategic perspectives and if this principle becomes the foundation of management it should take domineering part in the present range programs and policies. There are two main approaches of it: classical and modern.*

*For the Georgian universities', because of preparation process for the authorization and the rising level of the competition, it's better somehow to combine classical and modern approaches of strategy making. First of all, they need to start with classical one, because HEI's need to make many different kind of analyses to find a proper starting point, their place in a market, to set the reachable goals, to define their resources, potential, main stakeholders, custom demand and etc. Step by step, universities can shift to the integration of modern approaches in strategy making to become more successful competitors at the international level.*

**Keywords:** *authorization standards; strategic planning; management by objectives.*

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## **ДЕЯКІ ПІДХОДИ СТРАТЕГІЧНОГО ПЛАНУВАННЯ В ГРУЗИНСЬКИХ УНІВЕРСИТЕТАХ ЩОДО НОВИХ СТАНДАРТІВ АВТОРИЗАЦІЇ**

Сучасний університет досить складний організм, що динамічно розвивається, і його функції вже не обмежені тільки пропозицією освіти. У порядку денному вже стоять і інші, не менш важливі питання, які підвищують значимість університету, в справі як громадського, так і державного розвитку.

На нинішньому етапі, університети часто розглядають як компанії, виходячи з ринкових умов, в яких вони опинилися, і процесів в які вони залучені або проходять всередині них. Тому, не викликає здивування той факт, що в нових Грузинських стандартах авторизації університетів з'явилися вимоги, які зобов'язують університети проводити відповідні процеси, спираючись на специфічні принципи стратегічного управління.

Сутність стратегії та її сприйняття в університетській сфері характеризується певними специфікаціями. Стратегію можна уявити як генеральний план університету в академічній та в інших сферах діяльності. Для університету з великим числом освітніх програм і розвиненою системою сервісів (як ГУАЦ), стратегічне планування сприяє виявленню пріоритетних напрямків його діяльності і концентрації на належний сегмент ринку. Так, вони повинні дивитися на організацію як на портфель відокремлених напрямів діяльності і оцінювати їх відносно як переваги, так і привабливості.

Процес формування стратегії має на увазі, що ми рішення приймаємо в перспективі, як мінімум, на одне покоління вперед. У цьому випадку, ми прогнозуємо стратегічні перспективи і якщо цей принцип стане основою управління, це призведе до домінування майбутніх перспектив над поточними проектами. В основному, розглядаються два підходи до стратегічного управління: класичний і сучасний.

Для грузинських університетів, через процес підготовки до майбутньої авторизації і підвищення рівня конкуренції, переважно якимось поєднувати обидва підходи. В першу чергу, вони повинні почати з класичного підходу, тому що вони повинні провести різнобічні аналізи для того щоб знайти належну «відправну точку», місце на освітньому ринку, поставити досяжні цілі, визначити ресурси, власний потенціал, який існує попит тощо. Поступово, університети можуть перейти до інтеграції сучасних підходів у формуванні стратегії для того, щоб стати більш успішними конкурентами на міжнародному рівні.

**Ключові слова:** стандарти авторизації; стратегічне планування; управління за цілями.

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## НЕКОТОРЫЕ ПОДХОДЫ СТРАТЕГИЧЕСКОГО ПЛАНИРОВАНИЯ В ГРУЗИНСКИХ УНИВЕРСИТЕТАХ В ОТНОШЕНИИ НОВЫХ СТАНДАРТОВ АВТОРИЗАЦИИ

*Современный университет довольно сложный и динамично развивающийся организм и его функции уже не ограничены только предложением образования. На порядке дня уже стоят и другие, не менее важные вопросы, которые повышают значимость университета в деле как общественного, так и государственного развития.*

*На нынешнем этапе, университеты часто рассматриваются как компании, исходя из рыночных условий, в которых они оказались и процессов, в которые они вовлечены или проходят внутри них. Поэтому не вызывает удивление тот факт, что в новых Грузинских стандартах авторизации университетов появились требования, которые обязывают университеты проводить соответствующие процессы, опираясь на специфические принципах стратегического управления.*

*Суть стратегии и её восприятие в университетской сфере характеризуется определёнными спецификациями. Стратегию можно представить как генеральный план университета в академической и в других сферах деятельности. Для университета с большим числом образовательных программ и развитой системой сервисов (как ГУАЦ), стратегическое планирование способствует выявлению приоритетных направлений его деятельности и концентрации на надлежащий сегмент рынка. Так, они должны смотреть на организацию как на портфель обособленных направлений деятельности и оценивать их относительно как превосходства, так и привлекательности.*

*Процесс формирования стратегии подразумевает, что мы решения принимаем в перспективе, как минимум, на одно поколение вперёд. В этом случае, мы прогнозируем стратегические перспективы и если этот принцип станет основой управления, это приведёт к доминированию будущих перспектив над текущими проектами. В основном, рассматриваются два подхода к стратегическому управлению: классический и современный.*

*Для грузинских университетов, из-за процесса подготовки к предстоящей авторизации и повышению уровня конкуренции, предпочтительно как-то совмещать оба подхода. В первую очередь, они должны начать с классического подхода, потому что они должны провести разносторонние анализы для того чтобы найти надлежащую «отправную точку», место на образовательном рынке, поставить достижимые цели, определить ресурсы, собственный потенциал, существующий спрос и т.д. Постепенно, университеты могут перейти к интеграции современных*

*подходов в формировании стратегии для того, чтобы стать более успешными конкурентами на международном уровне.*

**Ключевые слова:** *стандарты авторизации; стратегическое планирование; управление по целям.*

Modern age is characterized with an abundance and diversity of changes everywhere, including Georgia. This is especially true for education, which undergoes almost permanent changes even in Europe, which serves as a model for the world education system. In accordance with the fact that Georgia joined the Bologna process already in 2005 it could be said that we are participants and co-authors of the formation of future common European education system outline, its development principles, common values, tendencies, etc. and we are completely involved in this very hard, responsible and challenging process.

The intensity of reforms, main priorities or the ways of implementation are such large scale and diverse that it is impossible to cover all of them in one article. That's why we have focused on and paid attention to the issues, which, on the one hand, were not characteristic for the post-Soviet space<sup>1</sup> and their activation causes drastic changes in our thinking, attitude and conduct, and on the other hand, has drawn significant attention in new Georgian standards of authorization. Among them, we consider it to be of primary importance to introduce the elements of strategic management and long-term planning in the management of university or its main educational and different structural units and rethinking the relevant process in a new<sup>2</sup> way.

A modern university is a very complicated and dynamically developing body and its functions are not limited to providing education only. Other issues also of no less importance are on the agenda, which increase the importance of universities in the process of developing a society as well as building a state.

The above mentioned situation conditions significant integration of strategic management in Educational institutions as well as organizations, and general management in most cases prevails operative management in accordance with the importance of concerned tasks.

Currently, Universities are regarded as companies, because of the conditions they are in and ongoing processes they are involved. *HEI already got used to frequently applied concepts such as: profit, efficiency, strategic planning, revenue diversification, insurance, etc. Consequently, in case of formation of development strategies, planning and carrying out scheduling changes, HEIs utilizes the same methods and approaches which are approved in business organizations.* So, I wouldn't be a subject of surprise, that the new Georgian standards of university

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<sup>1</sup> We've been part of it for a long time and unfortunately we are not entirely freed from it yet.

<sup>2</sup> Obviously "new" does not mean that it is a novelty for everybody. We are well aware that education experts and policy makers were involved long ago but it is important that as many people as possible in this system should have modern attitudes and approaches.

authorization stipulates certain requirements, which are imposed on universities to conduct the relevant processes based on appropriate principles. It is noteworthy that, the first standard was devoted to strategic development, and it proves how significant it is.

Standard requirements are as follows [5, 1]:

- Existence of the mission of higher education institution, which defines its particular place in the *sphere* of higher education.
- *The Higher education institution plays an important role in the development of society.*
- *University has along-term (7 years) strategic and medium term(4 years) action plans.*
- *HEI evaluates the strategic development plans and adequately response to feedback of assessment and analyses.*

The first one mostly deals with marketing, as for the forth – it's under preliminary, current and subsequent control. Thus, because of the main aims of this article, we consider necessary to pay more attention to the second and third.

The essence of strategy and its perception, in educational area, is characterized by certain specifications. Strategy could be considered as a general plan of the university in various *spheres of its' activities, which may infer:*

- Priorities and shapes of main activity direction.
- Scope and nature of the formation of resources for uninterrupted of basic activities.
- Sequence of realization of long-term investmentsgoals (both in infrastructure and in human capital).
- Development of the institution in accordance with predetermined goals.
- Analysis of outcomes and provide a basis for further strategy planning and so on.

Unification of system of objectives and the ways of their achievement within the strategy, stipulates the boundaries of the planning of activities and relevant decisions in perspective. For universities, strategy can be defined as a system of formalized criteria, by means of which it assesses and realize its capabilities, maintains modeling and achieving its perspective position (both on national and international levels).

There are two main approaches related to the strategy making, used in business practice and which could be used for educational sphere too [7, p. 33].

Corporate strategy, based on classical approach, helps a large business to decide where it should focus its efforts and whether it is in the right markets, which can be done with the help of portfolio analysis. We aren't going to go in details of business analysis, but we'll try to transfer it in the "land" of the universities.

For the universities with a big range of programmes and diversified services, strategic planning helps to choose the main directions of its' activities, to focus on the proper segment of educational market and so on. For ATSU, as a university with many faculties and structural units with more than 150 different kinds of educational

programmes and certificate courses, we need to look at our organization as a portfolio of separate activities and assess their relative attractiveness.

Keeping in mind the rising competition in educational sphere on national and international levels, universities need to start thinking about profitability of faculties, programmes and provided services. Thus, it becomes necessary to make analyzes of predicted and real incomes of each faculty with comparison of market growth and market sharing relative to competition (may be with BCG matrix) or on the basis of market attractiveness and competitive position of the University in general (for example with GE grid). The same could be done for each programme, as a “products” of the faculties. These analyses will help the organization to build up a proper strategy of development, which might be the policy of “build”, “hold”, “harvest” or “divest”. So, the classical approach of strategy making is based on the analyses and uses the result of it in strategic decision making, setting goals, solving the problems and so on.

Strategic planning is something new in educational sphere of Georgia and we need to get accustomed to it. Just for now, all the universities in Georgia (and not only) as usual follows the more or less the same strategies. But, we think that once everyone follows the same strategy, the strategies cancel each other out. That’s why, we need to try to have different or various tools for strategy to be successful.

Unlike the classical approach, modern strategy more oriented on creativity and discovery rather than analyses to find the answer, which is perfectly corresponds with the era of innovations and creativeness. An author of the book “How to lead”, J. Owen, gives us a five ways to how we can be creative and come up with the great idea and we tried to transfer them into educational sphere: 1) copy someone else; 2) solve the customer problem; 3) spend a day in the life of your customer; 4) keep trying; 5) analyze your way to insight [7, p. 38].

With the help of modern approach of strategy planning, organization can make many kind of simplified analyses, which might show where:

- we have opportunity to change the rules of the game;
- to concentrate our investment potential;
- think more about what our customers want and what our competitors offer;
- avoid spending on not valued things (from the point of view customers);
- find out where the opportunity lies and so on.

The most interesting thing of modern approach is that large companies (in education: old and big universities) with big traditions, huge resources are no defense against small enterprise (in education: relatively new, small, regional universities) with great idea and a strong team. We mean that, if you have so called “IPA”<sup>3</sup>, you can succeed and not care about power and privilege of “Giants”. We can find many examples of success of new companies (with the modern approach of strategy) changed the rules of the game, find a proper segment of the market (so called a “Blue

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<sup>3</sup> IPA – abbreviator of Idea, People, Action.

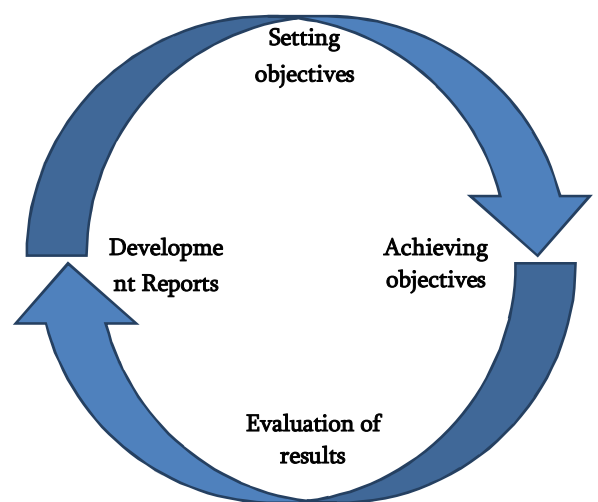
ocean”) where they can grow fast. In classical approach, based on rational analyses, they will never decide to start and to take a “Giants” into the fight.

Nethertheless, which strategy approach will be preferable, for the university strategy represents systematic concept, which unifies and conducts its activities in a long term perspective. *It’s noteworthy that in case of any organization (also university), while for ming the long-term perspective visions and facing difficulties in current period, of ten leaves behind a close connection between modern solutions and those strategic challenges, which are to require much time and endeavor to accomplish. It’s undeniable that neglecting these kinds of tights may guarantee success at the current stage, but undoubtedly it is going to cause serious problems in future and the amount of acute problems will drastically grow.*

The prevale of future upon the current means that we make decisions simultaneously taking into account plus one generation perspective. In this case, it’s apparent, that we foresee strategic perspectives and if this principle becomes the foundation of management it should take domineering part in the present range programs and policies. As a result, what we get, it will be the mixture of past, presnt an future and strategic objectives will finally be integrated in short-term and long-term management activities.

In business language, the approach described above, is involved in the system so called Management By Objectives (MBO)<sup>4</sup>, which implies setting goals for every level of management, based on the general vision of the organization. Usually, in accordance with existing traditions, university managerial staff is guided by the charter, the provisions of offices, departments and etc., which entails their main duties and responsibilities and this seems to be acceptable. But, in case of MBO, the coming results are more accentuated and in certain circumstances may cause changes even to the existing legal environment of the organization. As this system is more oriented on the results, because of this quality, it is often regarded as MBO/R (*Result*) concept.

MBO program can be reckoned as worthless if lacks of regular reports of further development. It’s not sufficient to set business objectives, since it’s indispensable to reinforce it by means of regular redefinition of improvement. MBO stipulates to evaluate job performance of the staff. While assessing the activity, the MBO system focuses not on subjective factors (e.g. leadership skills), but on objective. This system can be imagined as a circle consisting of four parts, as shown on the shape.



<sup>4</sup> first outlined by Peter Drucker and then developed by George Odiorne, his student, was popular in the 1960s and 1970s.

Integrating MBO in University management, in Georgia, may be linked with a certain amount of problems such as:

1. The tradition of this kind of management is unfamiliar in Georgia.
2. There aren't high level specialists who will handle the problems and take responsibilities.

3. Because of high requirements of new standards of authorization as well as limited time, there is a great threat that universities might underestimate their capabilities, set Objective incompatible with reality and without appropriate preparation start to apply the MBO.

4. By virtue of the dynamically changing environment, as well as systematic changes in higher education system, it's difficult to forecast and make a appropriate long-term decisions;

Finely, we can say that two styles of strategy making, mentioned above, are two different thinking style with their own value and their usage depends on current problems, future perspectives and challenges of the organization. We think, that for the Georgian universities', because of preparation process for the authorization and the rising level of the competition, it's better somehow to combine both approaches. First of all, they need to start with classical one, because HEI's need to make many different kind of analyses to find a proper starting point, their place in a market, to set the reachable goals, to define their resources, potential, main stakeholders, custom demand and etc. Step by step, universities can shift to the integration of modern approaches in strategy making to become more successful competitors at the international level.

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