

FACULTY FOR MEDITERRANEAN BUSINESS STUDIES

TIVAT

EVALUATION REPORT

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Team:

Finn Junge-Jensen, Chair

Simona Lache

Erazem Bohinc

Jethro Newton, Team

Coordinator

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1. Introduction

This report is the result of the evaluation of the Faculty for Mediterranean Business Studies Tivat. The evaluation took place in the framework of the project “Higher Education and Research for Innovation and Competitiveness” (HERIC), implemented by the government of Montenegro with the overall objective to strengthen the quality and relevance of higher education and research in Montenegro.

While the institutional evaluations are taking place in the context of the project, each university or faculty is assessed by an independent team, using the IEP methodology described below.

1.1 Institutional Evaluation Programme

The Institutional Evaluation Programme (IEP) is an independent membership service of the European University Association (EUA) that offers evaluations to support the participating institutions in the continuing development of their strategic management and internal quality culture. The IEP is a full member of the European Association for Quality Assurance in Higher Education (ENQA) and is listed in the European Quality Assurance Register for Higher Education (EQAR).

The distinctive features of the Institutional Evaluation Programme are:

- A strong emphasis on the self-evaluation phase
- A European and international perspective
- A peer-review approach
- A support to improvement

The focus of the IEP is the institution as a whole and not the individual study programmes or units. It focuses upon:

- Decision-making processes and institutional structures and effectiveness of strategic management.
- Relevance of internal quality processes and the degree to which their outcomes are used in decision-making and strategic management as well as perceived gaps in these internal mechanisms.

The evaluation is guided by four key questions, which are based on a “fitness for (and of) purpose” approach:

- What is the institution trying to do?
- How is the institution trying to do it?
- How does the institution know it works?
- How does the institution change in order to improve?

1.2 Profile of the Faculty for Mediterranean Business Studies Tivat

The Faculty for Mediterranean Business Studies Tivat (FMBS) was established in January 2009 as a private higher education institution, on the basis of a public-private partnership. The faculty enrolled its first students in the academic year 2009/2010, commencing with undergraduate academic studies.

As a higher education institution and private faculty, FMBS is subject to the legal stipulations of the Law on Higher Education (2003) and the amendments to the Law on Higher Education (2010). All such institutions are required to be accredited/re-accredited and licensed to deliver higher education programmes. The faculty is licensed and accredited by the Ministry of Education and Science and the national Council for Higher Education, respectively, to deliver basic undergraduate studies at bachelor level (2009), postgraduate specialist studies (2010), and postgraduate Master studies (2012). Re-accreditation of basic studies was achieved in 2012. The faculty also has a Maritime Training Centre, which is approved by the Ministry of Transport for the delivery of maritime training, and licensed by the Ministry of Tourism and Sustainable Development for the education of tourist guides.

The ownership of FMBS is shared jointly between the Municipal Assembly of Tivat, representing the public dimension, the Institute for Mediterranean Research, and Markoni O.D., a foreign trade and tourism company located in nearby Kotor. The faculty is situated in Tivat, an important regional maritime location that is prominent in Adriatic tourism. In accordance with the law on higher education, FMBS is largely autonomous in terms of budgetary and organisation planning matters, and in the establishment of its management structure and arrangements for teaching and research. The faculty is therefore responsible for its own self-government and for the implementation of its own strategies, policies, and development plans.

At a national level, Montenegro has signed the Bologna Declaration in 2003. This prompted the higher education reforms of the 2003 higher education law that provides the framework under which all higher education institutions continue to function. Today, there is one public university in Montenegro, two private universities, and seven independent private faculties, one of which is the Faculty for Mediterranean Business Studies, Tivat. Of the 25 000 or so higher education students in Montenegro, some 5 000 are enrolled at private higher education institutions, of which around 290 are following study programmes at FMBS.

1.3 The evaluation process

In accordance with the IEP methodology and guidelines, and in advance of the first visit, a 28-page self-evaluation report (SER) of the faculty was sent to the evaluation team in January 2014. The SER presented information on the faculty's norms, values, and management processes and arrangements, and the SWOT analysis undertaken in preparation for the SER. The SER was accompanied by appendices, which included institutional data; an organisation chart; information on committees; a document entitled *Quality Assurance Strategy* (2011);

and information on FMBS students and study programmes. During the visit the team also received information on financial matters.

The team learned that the SER had been developed by a team appointed by the dean of the faculty to complete the self-evaluation process. Preparations had been led by Associate Professor Vinko Nikić, the evaluation coordinator. The evaluation team included a number of senior staff and also student representatives. The SER was the product of a series of regular meetings and supporting activities, and included input and data collection from various sources across the faculty and a SWOT analysis. The self-evaluation documentation was made available on the faculty's web site and information was made available on the faculty notice board. From meetings with staff and students it became apparent to the team that there was a reasonable awareness of the broad nature and purposes of the team's visit to the university amongst those whom they met. The team members were warmly received at all levels of the academic community.

In its review of the SER and supporting documentation, the team formed the view that, while it provided a helpful basis for the team to undertake their review activities, and contained much useful information and data, it was somewhat descriptive and lacked self-reflection and self-evaluation. For example, it did not provide clear pointers to strategic priorities, nor did it provide sufficient insights into matters such as the faculty's governance and decision-making processes. Important detail and information required by the team on key areas of the faculty's structures and operation remained absent from the SER, or was unclear. The SER did not provide sufficient information on the faculty's capacity for managing change or indeed the specific directions of such change.

This being said, meetings held with various groups, including senior managers, during both visits to the faculty, helped the team to make up the shortfall in the written SER. Furthermore, for their second visit, the team requested some additional information on the faculty's quality system; student evaluations; staff workloads; student-staff ratio (SSR); the student registration period; research projects and outputs; international conference outputs; and collaborative agreements and joint projects. These requests related to issues discussed during the first visit but which were not fully reflected in the SER. This additional information was provided several weeks in advance of the second visit.

1.4 The evaluation team

The two visits of the evaluation team to the faculty took place from 2 to 4 March and from 11 to 13 May 2014, respectively. The evaluation team consisted of:

- Finn Junge-Jensen, former President, Copenhagen Business School, Denmark, chair.
- Simona Lache, Vice Rector , Internationalisation and Quality Evaluation, Transylvania University of Brasov, Romania
- Erazem Bohinc, Student, Master of Law, European Faculty of Law, Slovenia

- Jethro Newton, former Dean, Academic Quality Enhancement, University of Chester, UK, team coordinator

The team would like to express its sincere thanks to the Dean of the Faculty, Professor Simo Elaković, for the welcome and hospitality provided during their two visits. Special thanks are also offered by the team to the faculty's IEP liaison person, Nikola Vukčević, for his work in ensuring the smooth running of the process and for his support throughout.

2. Governance and institutional decision-making

Vision, mission, and general context

Although not highlighted in the documentation provided for the first visit, the team learned that a key element of the faculty's vision for the future is the aspiration to collaborate with other regional higher education providers, with a view to achieving university status. The team noted that this proposal is in its early stages. Furthermore, the team observed that, in accordance with its mission, the faculty wishes to position itself as a leading higher education institution regionally and nationally in the field of nautical tourism management and the marine sector. FMBS also aspires to being integrated into the mainstream of European development. The team was encouraged by the early signs of progress in working towards achieving the FMBS mission and objectives – educating future managers with a high level of leadership skills, and becoming a leading provider in the Mediterranean in the nautical field. In particular, despite its short history, FMBS is to be commended for its regional role and for its entrepreneurial spirit, and for building strong connections with the region and the local community. From the perspective of the team this spirit will serve the faculty well in the future as it seeks to take advantage of the opportunities which foreign investment may bring to the region in the immediate future, and of emerging opportunities for regional collaboration.

Nevertheless, it was apparent to the team that, as a private higher education faculty, FMBS is subject to noteworthy external constraints through national higher education legislation in matters such as being prevented by law from establishing a doctoral school. The team noted further restrictions in matters relating to academic staff appointments, and in conferring academic titles such as professorships. Here, there is a notable reliance on using the expertise of professors from outside Montenegro. Moreover, the small size of FMBS, the uncertainties of the recent past across the Balkans region, the legacy of a poor regional economy and market, and the faculty's brief history as a private higher education institution in the former Yugoslavia, mean that it faces very real resource and funding challenges if it is to become a viable and sustainable institution in the longer term. As with other similarly placed faculties, it was brought to the team's attention that FMBS also faces the apparent prejudice regarding private higher education providers in the mind of the public. This being said, the team took the view that the faculty's niche focus on the marine and nautical sector will serve it well in the future.

On the basis of these deliberations, the team concluded that a key motivation for the faculty's future growth and sustainability is the strategic aspiration to collaborate with other regional higher education providers, and to seek university status. With this in mind, in addressing future challenges, the team identifies six strategic priority areas for the Faculty:

- Governance, decision-making and planning
- Learning and teaching
- Research and knowledge transfer

- Service to society
- Quality culture
- Internationalisation

Governance and management

The present ownership, governance, organisational management and strategic planning arrangements are described in the SER and in various other documents provided to the team. The team was able to explore the use made of these institutional arrangements in a series of helpful meetings with FMBS owners, managers, staff, students and external stakeholders. The team noted that, unlike a university faculty, which operates within legal restrictions on its sphere of authority, FMBS is a legal entity. In accordance with the national law on higher education, such private faculties have a significant degree of autonomy in establishing management structures, and are able to manage these structures and their staff participation in accordance with the faculty's own Statutes. The faculty is able to define its own priorities for education, scientific research, and innovation.

Governance and management, including the principal decision-making bodies, are defined and regulated by the faculty's Statutes. The highest governance bodies are the Founders Council and the Steering Council, while the highest academic body is the Academic Council. The most senior manager is the faculty dean, while the faculty's secretariat organises the legal, administrative and financial affairs of FMBS and is responsible to the dean for the efficient functioning of these arrangements. The team noted that the position of pro dean dean is largely focused on academic administration, with the post-holder meeting with heads of study programmes to plan teaching schedules, and implement decisions of the Academic Council.

As the principal governance body, the Founders Council is empowered to make structural modifications to the faculty, though its main on-going function is to propose the raising and allocation of funds and to implement and oversee financial audits. The council, whose membership incorporates representatives of the original founders, also holds responsibility for proposing to the Steering Council the appointment of the position of dean. In general terms, the team noted that the Founders Council makes the important decisions regarding the expansion and strategic direction of the business, and provides guidelines in respect of these matters to the Steering Council.

The team observed that, as the second most prominent governance body, the faculty's Steering Council acts as an executive body and determines the faculty budget. Based on the resource envelope made available by the Founders Council, it allocates funds for the operation of the faculty accordingly. The Steering Committee approves and supervises the financial plan as proposed by the dean, and ratifies the annual financial report of the faculty. Other responsibilities of the council include approval and adoption of the faculty's institutional (strategic) plan and quality strategy; oversight of tuition fees and student enrolment; and supervising elections to the positions of dean and pro dean. In turn, the team

noted that responsibility for academic affairs resides with the Academic Council, which oversees all matters relating to study programmes, teaching, and research. The documentation made available to the team indicated that, in addition to determining procedures for the assessment and evaluation of quality, this body also proposes new study programmes, deals with student discipline, puts in place arrangements for examinations and teaching, and elects heads of study programmes from proposals put forward by the dean. The Academic Council also oversees the use and implementation of the faculty's code for academic ethics.

The team noted that there are reasonable opportunities for student representation, including an active Student Parliament, which meets twice monthly, and which includes representatives from each year of study and each study programme. The team was informed that students have rights to representation under the faculty's Statutes. Students also have representation on the faculty's Steering Committee (one member) and on the Academic Council (three student members). In addition, the student pro dean is a member of the Academic Council, which enables student-related issues to be raised and discussed at meetings of that body. From the team's enquiries, these arrangements appear to work well and enable the student voice to be heard.

Considering these matters, and taking full account of both the documentation provided to them and of the various discussions held during both visits, the team notes that leadership and governance arrangements, including the position of dean and the operation of the Founders Council, Steering Committee, and Academic Council, are still relatively new. The team therefore formed the view that it is too soon to fully judge their impact. The team noted that while the operation of these arrangements is generally well understood within the faculty, the degree of central control and direction from senior management is quite strong. With this in mind, the team feels that the governance task of achieving the best balance between the "centre" (represented by senior managers) and the wider organisation (represented by teaching and administrative staff and students) is significant. In the judgement of the team this represents a challenge for the faculty in the future if it is to become a cohesive organisation and academic community, with good involvement of the wider academic body in governance, planning, and decision-making processes. In the view of the team, these organisational and governance matters will have a significant bearing on the future organisational culture, on the effectiveness of the faculty's future decision making, on its capacity for managing change, and on the achievement of its strategic goals. That being said, the team wishes to put on record that students with whom they met showed a high degree of loyalty to FMBS, and that the staff of the faculty displayed an equally high level of commitment to ensuring that students succeed.

Academic organisation

The faculty's academic organisation reflects the size and academic profile of FMBS. The faculty is accredited for three undergraduate programmes at Bachelor level (BSc/BA), all of which are in the maritime and nautical tourism fields, with an emphasis on management and

business. The team noted that FMBS was accredited in 2010/11 for postgraduate specialist studies in nautical tourism and marina management, leading to a specialist (Spec. Sci.) diploma and, most recently, in 2012/13, the faculty gained accreditation for postgraduate Master's studies (MSci.) in nautical tourism. At the time of the team's visit, figures made available to the team indicated a total of 293 enrolled students. Reflecting its specialist focus on the maritime sector, the faculty also provides training for specialist maritime qualifications through the FMBS Maritime Training Centre, whose quality management system is accredited by Lloyds Register.

The team was informed that a total of 35 academic staff are engaged by the faculty at the level of full professor, associate professor, or assistant professor, and that 10 of these are on permanent contracts. A further 28 staff are employed as full-time or part-time teaching assistants, or associates, some of whom are on a permanent basis. The team was told that academic staff numbers are determined by national legislation, and that administrative staff levels are also determined by legislation on internal organisation and job classification. Moreover, the team learned that some students are engaged in teaching as assistants. The team noted that, according to both national legislation and the faculty's own Statutes, in common with other faculties, FMBS is required to employ two professors and two assistants for each accredited study programme. The team also noted that the faculty has in place a policy for sabbatical leave, approved by both the Steering Council and the Academic Council, whereby a member of the academic staff may apply after having completed five years of service.

The team also explored the student-staff ratio (SSR). The Faculty supplied information on staff numbers and deployment (e.g. number of classes per week) and on tenure (full-time, part-time, permanent). But, since this information was not "full-time equivalent" format, it was not possible to determine the "true", nor was it possible for the team to establish if the faculty calculates the "true" SSR. To be sufficiently robust, such calculations would need to take account of the specific workloads/teaching hours of all teaching staff, and each of these would need to be converted to a full-time equivalent prior to being used in calculations involving student numbers. It appeared to the IEP Team that current institutional practice is such that it does not permit the calculation of a "true" SSR.

The team also considered regulations governing termination of studies and the student registration period. This has a bearing on how student numbers are presented on a year-by-year basis. Through their enquiries the team understood that, in accordance with the faculty's regulations (Article 25), the status of "inactive" student applies to pregnancy, hospitalisation, period of enrolment abroad, or special personal reasons. The Team learned that decisions on such cases, including the last of these categories, are made by the dean and if the outcome is in the applicant's favour, the right to study may be lifelong. From this, the team deduced that, should a study programme be discontinued or undergo major change then it is hard to see how a student who remains "inactive" for an extended period beyond that point could complete the programme and the relevant examinations at a significantly later date. In the

view of the team the faculty could be more proactive by taking practical steps to encourage “inactive” students to return to and complete their studies at the earliest opportunity.

Strategic planning and organisational development

The team paid close attention to arrangements for strategic and operational planning, to resource allocation processes and, through this, to the faculty’s capacity for managing change and for monitoring progress. The team noted that, in formal terms, the Steering Council defines the detail of the faculty’s strategy, based on proposals from the dean, which take account of national and institutional legal and regulatory requirements, and guidelines from the Council of Higher Education.

However, the team observed that the faculty’s “Management Plan” is synonymous with the FMBS “Quality Strategy”, and is also designated as an “Institutional Strategic Plan”. While this document contains helpful information, the team found this to be somewhat confusing and formed the view that the document fell short of what should be expected of a “fit for purpose” strategic plan for a modern entrepreneurial higher education institution. For example, it contained no SMART (specific, measurable, achievable, realistic, and timely) objectives, nor did it appear to the team that some of the more prominent challenges facing the faculty were included in the document. There was no reference, for example, to resource limitations, the need to diversify income sources, or the need to address space limitations. In reflecting on the foregoing observations the team **recommends** that the faculty builds on its work to date in this area and draws up a three-year strategic plan containing a set of Key Performance Indicators (KPIs) and related targets against which progress can be measured and monitored in a transparent manner. This should be supported by a published annual report, which highlights the major achievements for each phase of the planning period.

Finance and resources

The team’s enquiries in the areas of governance and planning prompted them to consider the faculty’s arrangements and processes for financial planning, budget formation, and resource allocation. The team noted that the faculty’s income is almost entirely drawn from student fees and the faculty’s own services, but that this is supplemented to a degree by modest levels of income generated from external projects and collaborative arrangements, including industry and European sources. For income and funding purposes the faculty is financially independent from the owners and founders. The team noted that, historically, there is no financial support for private faculties from government. Nor, the team learned, is there income from any foundations. The team noted that student tuition fees are currently set at 1 500 euros. This compares to around 500 EUR for state universities, a figure which, the team was told, is topped up to 1 500 EUR by the state. The team noted that some higher-grade students qualify for fee exemption or fee reduction.

As noted earlier in this section (page 8), the faculty’s annual budget is determined by the Steering Council, based on the resource envelope provided by the Founders Council. From there, funds are allocated for the operation of the faculty as appropriate. The principal

expenditure relates to teaching and salary costs and on-going maintenance and, as a consequence, scientific research is, inevitably, relatively under-resourced. While the Founders Council provides the annual resource envelope for the Steering Council for the purpose of managing the faculty, the team learned that the budget can be adjusted during the year, according to needs. The team was also told by representatives of the owners and founders that the faculty has a contingency fund of around 20% of its budget which can be called upon during the financial year to meet special needs, and to support some research-related activities. In the view of the team, the degree of centralisation in financial matters is entirely appropriate to the size, short history, and governance profile of the faculty. The team formed the view that financial affairs are conducted in accordance with the prevailing faculty policies and financial regulations, and heard that matters are dealt with transparently in financial reports to the Founders Council and to the appropriate tax authorities. The team noted that all financial accountancy operations are conducted through a prominent external financial accountancy agency, located in nearby Kotor. From the team's perspective, the prevailing arrangements for finance, resourcing, budget formation, and budget allocation, are well understood within the faculty and work well.

3. Teaching and learning

The team notes that the main purpose of the education offer of the faculty is to address the needs of the regional economy and the nautical tourism industry, and to develop highly skilled personnel with capabilities that can meet such market needs. The team learned that the FMBS curriculum is profiled to reflect this and that study programmes and the teaching process emphasise applied knowledge and practical learning. The faculty has at very close proximity significant regional and international investors that represent a burgeoning regional labour market. Amongst these are Porto Montenegro, the Lustica Development, and nautical centres such as the Port of Kotor, Marina Budva, and Marina Bar, all of which have a growing need for appropriately qualified and skilled higher education graduates. As part of the practical learning made available to FMBS students, the faculty's Maritime Training Centre enables a student to obtain additional nautical qualifications that are practically focused and are much in demand by employers in the nautical tourism sector. The members of the team were also pleased to note that the faculty has taken account of external bodies such as the marinas and port authorities in the development of the accredited FMBS curriculum at postgraduate and Master's levels. Furthermore, provision is made by the faculty for students to gain work-based experience through placements and internships with local businesses and commercial enterprises, in both the public and private sectors.

The team explored the type and level of provision made available by the faculty in the form of student support services. The team considered services such as library provision, student welfare and guidance, and student hostel accommodation. The members of the team formed the view that, while provision is currently fit for purpose, as FMBS expands its student numbers, perhaps even to include incoming foreign students, this would be an area that the faculty will wish to keep under review.

The team noted that the faculty has recognised the need to modernise learning and teaching methods and the curriculum and to be flexible in adapting to societal needs by improving competitiveness. The team heard that emphasis was being placed on more interactive forms of teaching, and that a balance was being sought between theoretical and practical knowledge and competencies. The team viewed all of this as providing encouraging signs of efforts to bring about pedagogic change. The team observed that account is being taken of national and European requirements and, specifically, of trends such as the Bologna Process and changes in the national law on higher education. Discussions with staff and students confirmed that approaches to teaching are moving in the direction of a less teacher-centred approach, and students expressed the view that as a small private faculty, FMBS is more responsive than a large state university. The team noted that teaching materials are made available on the faculty's website.

The opportunity was also taken to explore how well students understood assessment requirements. The team learned that assessment included mid-term and final examinations and seminar papers, and that evaluation comprised both oral and written formats. Students whom the team met confirmed that their grades were explained to them, that the comments

were helpful, and that criteria for obtaining good grades were clear. It appeared to the team that there was continuous monitoring of student progress.

In reflecting on their deliberations regarding learning and teaching, the team formed the view that while progress has been made by the faculty in taking forward a modern agenda, there remains much scope to improve understanding of how student-centred learning might be developed and taken further forward. In some of the discussions between the members of the team and FMBS staff, it appeared to the team that, amongst some staff, there was a somewhat low level of understanding of modern concepts of student-centred learning. With this in mind, it appeared to the team that, for staff development purposes, the faculty might wish to make use of some of the ideas, interpretations, and discussions relating to student-centred learning that can be found in the EUA publication *Trends 2010: A Decade of Change in European Higher Education*¹. On the broader topic of modernisation of learning and teaching, the team noted that, while use is being made of ECTS and the Diploma Supplement, and while the SER asserts that study programme design is in accordance with the national law on higher education and the Bologna Process, it does not appear that Bologna principles in areas such as curriculum design and a learning-outcome approach are fully addressed and embedded by the faculty. The team was reassured by the fact that some faculty staff was aware of the need to avoid identifying too many learning outcomes and the need to pay close attention to setting a suitable student workload, appropriately aligning workload and academic credit. However, there are no electives at Bachelor level, and assessment is not yet fully aligned to learning outcomes.

In focusing on the progress being made in bringing about change in the area of learning and teaching, the team's enquiries led them to the conclusion that there has been insufficient in-house training and development work to support the enhancement of learning and teaching and academic practice. In the view of the team, there is an over-dependency on the use made of nationally organised workshops and presentations. Although opportunities for sharing good practice were available on an informal basis, not least due to the small size of the faculty, and while the meetings of the Academic Council provide a helpful forum for discussing learning and teaching issues and practices, there is no formal mechanism or context to facilitate such exchanges.

Taking into account the above comments, team feels there is more work to be done in the area of learning and teaching enhancement and, therefore, puts forward two recommendations. First, the team **advises** that steps should be taken to ensure that for each subject and each study programme, learning outcomes are identified which are aligned to assessment strategies; appropriate in type and number; can be assessed; and transparent to

¹ Surssock, A. and Smidt, H., (2010). *Trends 2010: A Decade of Change in European Higher Education*. European University Association, Belgium
http://www.ond.vlaanderen.be/hogeronderwijs/bologna/2010_conference/documents/EUA_Trends_2010.pdf

all students. Second, to enable the examples of good and innovative practice that are emerging in the area of student-centred learning to be shared (such as problem-based learning, the use of case studies, and interactive learning), the team **recommends** that a learning and teaching forum should be established that would meet on an occasional basis for the purpose of sharing and disseminating innovative ideas on student-centred learning.

The team also considered the use being made of the Bologna three-cycle system. As is stated elsewhere in this report, the faculty is not permitted to provide individual doctoral studies. The team noted that FMBS has uses a modification of the Bologna three-cycle model whereby, instead of a two-year Master's degree, students must progress from a one-year Specialist Postgraduate qualification (Spec. Sci.) to a one-year Master's (MSc.) programme, thus reflecting arrangements that originate in the former Yugoslav higher education system. From this the team concluded that conversion to the Bologna three-cycle approach is not yet complete.

Finally, the team also took an interest in the issue of student dropout rate, student non-completion and student attendance. From the team's perspective, these are important quality issues. The team noted that these are matters in which the FMBS management and Academic Council take a close interest from the point of view of quality monitoring. The team noted that a large proportion of students, while registered on a full-time basis, some of whom are sponsored by their employers, are unable to attend all classes regularly. In some cases, where students are following maritime study programmes, they may be away at sea for prolonged periods. However, the members of the team did not feel that they were able to obtain a complete understanding of these matters, particularly given the potential for some overlap between categories. For example, the team learned that some 200 students are recorded as having not completed their studies but it was not clear at what point the category of "non-completion" is used (as opposed to "poor attendance"), or at what point "absence" may lead to the termination of studies by the faculty authorities themselves. Furthermore, the team was unable to ascertain how and at what point a distinction is drawn by the faculty between "student drop-out" on the one hand, and the category of "inactive" student, as discussed in section 2 (see sub-section, "Academic organisation"), on the other hand. These are matters upon which the faculty may wish to reflect going forward, as it refines its approach to quality monitoring of issues relating to student engagement and student progression and achievement.

4. Research

The team noted from the documentation provided that senior managers attach importance to growing the FMBS research profile and capabilities. However, as a young higher education institution, the faculty is starting from a low base and, as a private faculty that does not have university status, it receives no state funding for research. Indeed, in its SER the faculty acknowledges that the lack of funds for research is one of its principal weaknesses. Reflecting this overall situation, although the faculty is licensed to pursue scientific research activity since December 2012, the volume and scope of such activity and outputs is quite low. This was illustrated by the information presented to the team on research projects and research outputs by faculty staff (professors, assistant professors), and attendance at or presentations made at international conferences, covering the periods 2011/12 and 2012/13, and up to the present time.

The team also learned that private faculties are currently not permitted, by law, to establish doctoral schools or to provide doctoral studies on an individual basis. Clearly, this provides an additional barrier to the faculty's aspirations in the area of research. However, the team was told that this restriction would be lifted if the faculty achieved university status. Moreover, the team was also informed by the faculty that under a new draft higher education law, private faculties would be able to join together to apply for permission to deliver doctoral level provision and to establish doctoral schools. The team was also advised that the faculty already possesses the requisite number of suitably qualified professorial staff to enable doctoral supervision to be provided.

The team also used the opportunity to explore current infrastructure and activities designed to stimulate and encourage research and noted that the faculty has a head of research. The post-holder emphasised to the team that there is still work to be done to ensure that the faculty is fully eligible to apply for national project funding. This involves registering all professors in the national database. The team was informed that, up to the present time, a small team of active researchers had been formed, which met on an *ad hoc* basis for the purpose of discussing and preparing possible applications for external project funding. To assist with this and other work in the area of research, the faculty depends to a large extent on hiring professors who, in addition to providing teaching expertise, also possess relevant research expertise and research profiles. The team noted that the faculty makes every effort to support the attendance of staff at national and international conferences, but that members of staff also make a personal financial contribution. The team also learned from staff that those members of staff who wish to pursue doctoral studies are required to be self-funding.

In reflecting upon matters relating to research funding, the team formed the view that although the faculty has generated some external income from projects, including EU projects, it has not yet developed a track record for successfully attracting project money for research *per se*. Indeed, even though it has obtained the necessary research licence and is therefore

permitted to compete for national and international research projects, in reality, and in view of its current non-university status, FMBS is not well placed to compete either for state funded projects or EU projects. In practice, therefore, there are limited external funding opportunities.

Even so, notwithstanding such challenging external constraints, the team believes that the faculty does not maximise or prioritise potential opportunities. For example, there is scope to internationalise research in the maritime and nautical tourism fields by collaborating on a selective basis with other higher education institutions across Europe that also specialise in areas similar to those where FMBS has strengths. Or, perhaps, the faculty might consider increasing its research capability by setting aside some seed funding for projects to enable students to work with professors on research that would be of interest to employers. The team formed the view that even from small origins, the faculty can increase its applied research capability by strengthening links with external partners, especially those with an international profile. Here FMBS can seek income-generation opportunities, including with regionally-based international partners, by providing knowledge transfer and consultancy, and offering business solutions. An area such as safety and risk research, perhaps in conjunction with insurance companies in the nautical industry, is just one example of the kind of problem-solving, applied research that the faculty could potentially undertake. With these sorts of opportunities in mind, the team **advises** that as it works towards achieving university status, the faculty should prioritise its aspirations in research by agreeing on a set of realistic, achievable, and measurable targets for the next three to five years, paying particular attention to applied research opportunities for income-generating knowledge transfer, consultancy, and business solution agreements with regional businesses.

5. Service to society

The team examined closely how FMBS is positioning itself in relation to community engagement and service to society. The team took a close interest in the various ways in which the faculty's contribution to regional society can be seen to be having a positive impact, even within the limitations of its relatively short history. As is noted in section 3, the faculty's academic provision places clear emphasis on the practical dimension of education, work-based learning, student employability and employment opportunities, and tracking regional employment needs. The faculty has made good progress in establishing the faculty's corporate identity and the FMBS "brand". Support from the municipality is exceptionally strong, and the level of interest amongst the business community is high. From the team's perspective, the faculty is to be commended for the connections it has developed with the region and community.

Taking these points into account, the team's view is that the faculty's future evolution and general community engagement strategy are well aligned to regional economic needs and to coastal developments in particular. Its specialist focus on nautical tourism and management will serve the faculty well in the future. As the region evolves as a sailing destination and a focal point for the nautical industry, the faculty's visibility makes it well placed to realise its ambition to become the leading higher education provider in nautical tourism and maritime affairs across the entire region. The team saw evidence of this potential in the various contracts and agreements that the faculty has developed with regional business entities such as port authorities, government ministries, and marina and leisure complexes.

However, while bearing in mind this generally positive picture of future prospects, in the view of the team there is scope for the faculty to strengthen its efforts in the area of service to society. As the team extended their enquiries to matters such as alumni links, and to structures used to recognise and act upon the needs of external partners and stakeholders, it became apparent that there are as yet untapped opportunities for involving external stakeholders even more directly in governance and organisational development arrangements, in matters relating to the curriculum development, and in projecting the FMBS "brand" as well as the distinctiveness of the FMBS student profile.

Discussions with both senior managers of the faculty and prominent external stakeholders provided the team with helpful insights into both current arrangements and activities in regional engagement and also future possibilities. The team noted that the faculty is acutely aware of the need to develop more study programmes to meet market needs and to continue to ensure that academic provision is aligned to the changing requirements of business entities. The team also noted that there is currently some degree of involvement of community representatives in the faculty's top governance structures, and that academically-qualified representatives from industry are engaged as teachers on FMBS study programmes or as teaching assistants. Nevertheless, the team believes that external stakeholder involvement should be strengthened and formalised to a greater degree than is presently the case.

Moreover, as FMBS alumni increasingly come to hold prominent positions in the region, this again provides an opportunity of which the faculty can take full advantage in the near future by going beyond the current practice of holding occasional *ad hoc* meetings with its graduates. Discussions with students and external stakeholders confirmed that there is scope to build on current arrangements for student placements and internships and student employability. Also, employers stressed that they wished to see more evidence in FMBS graduates of skills and capabilities such as strategic thinking, decision-making, communication, and problem solving. They also sought students with an international dimension and graduates who can “push the boundaries beyond the textbook”. For their part, students whom the team met expressed the view that they wished to have even more work-based practical experience than is currently available.

With regard to all the points outlined in the preceding paragraph, the team is convinced that it is essential to take the necessary steps to capitalise on the contribution of FMBS alumni and on external stakeholders if the faculty is to take forward its agenda for regional engagement. To reflect this position, the team wishes to make two recommendations. First, the team advises the faculty to take advantage of the goodwill and expertise of prominent external stakeholders from industry, business, and commerce, by forming an Advisory Board that can provide advice to the founders and to faculty management on opportunities for promoting the regional, national, and international interests of FMBS, and on related strategic matters. Second, in noting that FMBS is still a young institution, the team proposes that the faculty should speed up the process of establishing a FMBS Alumni Association to promote the faculty’s reputation and “brand” and take advantage of the potential benefits this could bring.

6. Quality culture

In their enquiries on progress being made by FMBS in quality assurance and quality management, the team noted that, to date, priority has been given to meeting external licensing and accreditation requirements. For example, the team learned that the faculty's Quality Commission had played an important role in achieving institutional accreditation. The team also observed that the importance being attached to quality by the faculty reflected the need to meet external business requirements. Quality management principles were required that meet the expectations of those who used the faculty's services, in areas such as nautical tourism, hospitality management, shipping, and marina management. For example, the faculty has made use of the ISO 9001 quality model for the accreditation of its marine training facilities. Equally, however, the team was informed that high priority was also being attached to ensuring that academic needs were being met by the faculty's quality assurance system, and that study programmes and teaching and learning materials were being quality assured through appropriate mechanisms. In overall terms, the team was informed that in a steady state, the intention was for the faculty's approach to quality to be linked closely with institutional planning and organisational development.

The SER emphasised the faculty's commitment to developing a quality culture. The SER also highlighted the intention to reconstitute the Quality Commission in the near future in order to develop the faculty's quality system further, and to oversee implementation of any changes made to support the implementation of a more cohesive institutional quality model. The team was informed that for quality monitoring purposes this would be linked to a new information system. The team took the opportunity to explore these intentions in various meetings during both visits to FMBS. Taken together, all of the information received by the team led to the view that, to date, the faculty lacks a coherent quality system and an organisational approach that fully meets both internal and external requirements, and which also addresses academic, administrative, and external stakeholder needs and purposes. From the perspective of the team, the faculty's current approach to quality is somewhat fragmented, including as it does an emphasis, variously, on Bologna and ISO 9001 on the one hand, and arrangements for student representation and various types of evaluation, on the other hand.

The team took the opportunity to explore the infrastructure and academic governance arrangements currently in place at the faculty to underpin and support quality assurance and quality management. The team noted that the Academic Council oversees study programme quality and arrangements for teaching but that, apart from the Quality Commission, which meets infrequently and for special purposes, there is no quality committee. The team acknowledged the faculty's view that resources do not permit the establishment of such a committee, nor does this enable the formation of a quality unit. The team observed that the Academic Council considers quality issues such as student survey and evaluation outcomes, and also scrutinises teacher performance. This council also considers student pass rates in examinations.

The team took the opportunity to assess progress made by the faculty in implementing the various components of the institutional approach to quality assurance. Team members also wished to examine the use being made of developments in quality at the wider European level. The team observed that while the European Standards and Guidelines (ESG) are referenced in the SER, the staff with whom the team met did not demonstrate a working knowledge of the ESG. The Team formed the view that, as it seeks to make further progress in quality assurance matters, the faculty would be well served by working on the ESG. Accordingly, in light of these observations, and bearing in mind the desirability of a comprehensive quality assurance model that is appropriate for academic purposes, the team **advises** that the quality commission should be given the task of undertaking a mapping exercise and “gap analysis” against the European Standards and Guidelines. The team **recommends** that it should use the outcomes to inform the development of an institutional approach to academic quality assurance.

The members of the team were also interested in exploring the use made by the faculty of quality evaluation, and also how the principle of self-evaluation was reflected in institutional quality procedures. The team noted that various forms of evaluation are used, including surveys. The team saw the template for the student evaluation survey, which students complete at the end of each semester, and also an example of a summary report on student evaluations that is presented to the Academic Council. Essentially, the student evaluation surveys are focused on evaluation of teachers and teaching. They do not contain items that focus specifically on student learning *per se*. Furthermore, the team noted that, although study programmes are managed by the relevant head of that subject area, and although each study programme has a council whose membership includes all who teach on a study programme, there is no requirement for the study programme leader and study programme team to complete an annual self-evaluation report of the study programme. In the view of the team, this would seem to work against the development of a sense of ownership of quality by those with responsibility for study programmes, including study programme team members, and amongst those who are closest to the student learning experience and are therefore best placed to assess the quality of that experience.

In summary therefore, the staff groups whom the team met showed little awareness of conventional approaches to team-based internal annual and periodic quality evaluation and review of the kind that is well established in other parts of European higher education. In addition to noting that there is no procedure for formal annual self-evaluation reports at study programme level, the team also observed that the term self-evaluation is used to describe the management overview procedures followed by the Academic Council. In the view of the team, while the council can quite properly exercise oversight of study programmes and of survey outcomes, it cannot itself undertake self-evaluation of a study programme as this can only be done, as is suggested above, by those responsible for the delivery of a programme. In light of this, and to improve and encourage ownership of quality at the point of delivery, and as near as possible to the student experience, the team **advises** that each study programme leader, in conjunction with all members of the study programme

team, should draw up an annual programme monitoring report, using all qualitative and quantitative information available to them, including student and stakeholder feedback.

7. Internationalisation

The team noted the importance attached by FMBS, going forward, to the wider European and international dimension and wishes to encourage the faculty to make early progress with its plans for further internationalisation. However, in reflecting on the present situation, the team noted that the various international links, partnerships, and networks from which the faculty and its staff and students are able to benefit, are relatively modest in number, and are mostly restricted to the Balkans region, with arrangements that include academic links with Belgrade, Dubrovnik and Split. Collaboration further afield includes links with the Munk Centre for International Studies in Canada. Generally, however, considering the short time-span of the faculty's history, links with foreign universities are acknowledged as being underdeveloped.

The team also noted the low level of activity in international mobility (amongst both staff and students). This is viewed by the faculty as a relatively expensive area for FMBS and its staff and students with which to make progress, at least outside of the Balkans region. While some student mobility has been possible within Montenegro and in Serbia, this again is an underdeveloped area for the faculty, as indeed is the lack of internationalisation in research. The team also observed the lack of courses delivered in the English language, noting also the absence of any measurable target to steer the faculty forward. In reflecting on this the team noted that as long as this situation prevails, it is unlikely that the faculty will be able to attract incoming foreign students, and that it may well be excluded from taking advantage of the benefits of an Erasmus Charter.

However, the team formed the view that steps can be taken by the faculty to address these matters, and to thereby make FMBS more attractive and accessible to foreign students. Indeed, the team noted that even now, all FMBS study programmes have English as a subject, that plans are in place to offer free English language classes to the students, and that some staff have a reasonable degree of competence in the English language. Furthermore, some students with whom the team met expressed a strong interest in taking up mobility opportunities should this become possible. Nevertheless, it was apparent to the team that the ability to deliver some provision through the medium of the English language, and the necessary authorisation to do so, is an essential aspect of the future internationalisation of the faculty. In the view of the team, this forms the basis not only of mobility and exchanges for students and FMBS staff, but it also increases the likelihood of attracting visiting professors and scholars from outside the Balkans region. In the view of the team, this is a matter which the faculty should address very soon.

On the basis of the above considerations, the team wishes to make two recommendations. First, in reflecting on the potential significance and benefits of internationalisation, the team **advises** that the faculty puts into place the necessary arrangements whereby it can resource and commence delivery of one Bachelor and one Master's programme through the medium of the English language by the year 2016. Second, the team further **recommends** that the

international profile of the faculty can be enhanced if more use is made of international collaboration through attracting visiting professors from outside the Balkans region.

8. Conclusion

The recommendations of the team relate to matters that have a direct bearing on the faculty's future success and strategic development and the determination of FMBS to position itself as a leading higher education institution, both regionally and nationally, in the field of nautical tourism management and the marine sector.

Governance and institutional decision-making

- The team recommends that the faculty builds on its work to date in the area of strategic planning and draws up a three-year strategic plan containing a set of Key Performance Indicators (KPIs) and related targets against which progress can be measured and monitored in a transparent manner. This should be supported by a published Annual Report, which highlights the major achievements for each phase of the planning period.

Learning and teaching

- The team advises that steps should be taken to ensure that for each subject and each study programme, learning outcomes are identified which are aligned to assessment strategies; appropriate in type and number; can be assessed; and are transparent to all students.
- To enable the examples of good and innovative practice that are emerging in the area of student-centred learning to be shared (such as problem-based learning, and case studies, and interactive learning), the team recommends that a learning and teaching forum should be established that would meet on an occasional basis for the purpose of sharing and disseminating innovative ideas on student-centred learning.

Research

- The team advises that, as it works towards achieving university status, the faculty should prioritise its aspirations in research by agreeing on a set of realistic, achievable, and measurable targets for the next three to five years, paying particular attention to applied research opportunities for income-generating knowledge transfer, consultancy, and business solution agreements with regional businesses.

Service to society

- The team advises the faculty to take advantage of the goodwill and expertise of prominent external stakeholders from industry, business, and commerce, by forming an Advisory Board that can provide advice to the founders and to faculty management on opportunities for promoting the regional, national, and international interests of FMBS, and on related strategic matters.
- In noting that FMBS is still a young institution, the team proposes that the faculty should speed up the process of establishing a FMBS Alumni Association to promote

the faculty's reputation and "brand" and take advantage of the potential benefits this could bring.

Quality culture

- Taking account of the need for a comprehensive quality assurance model that is appropriate for academic purposes, the team advises that the faculty's Quality Commission should be given the task of undertaking a mapping exercise and "gap analysis" against the European Standards and Guidelines. It should use the outcomes to inform the development of an institutional approach to academic quality assurance.
- To improve and to encourage ownership of quality at the point of delivery, and as near as possible to the student experience, the team advises that each study programme leader, in conjunction with all members of the study programme team, should draw up an annual programme monitoring report, using all qualitative and quantitative information available to them, including student and stakeholder feedback.

Internationalisation

- In reflecting on the potential significance and benefits of internationalisation, the team advises that the faculty puts into place the necessary arrangements whereby it can resource and commence delivery of one Bachelor and one Master's programme through the medium of the English language by the year 2016.
- The team recommends that the international profile of the faculty can be enhanced if more use is made of international collaboration through attracting visiting professors from outside the Balkans region.

Envoi

The team has enjoyed learning about the distinctive characteristics and regional role of FMBS as a forward-looking and entrepreneurial provider of higher education in the field of nautical tourism and management. It has been an interesting experience to discuss with staff, students, and external stakeholders the challenges faced by FMBS and the faculty's efforts to address constraints and to explore future opportunities. The team believes the faculty has the potential to be successful in its next stage of development, particularly in its regional, entrepreneurial role.

The team would like to express its sincere thanks to the Faculty Dean, Professor Simo Elaković, for inviting the team to the faculty and for the welcome and hospitality provided during their two visits. Special thanks are also offered to Mr. Nikola Vukčević, IEP liaison person, and Dr. Vinko Nikić, self-evaluation coordinator, for their important work in ensuring the smooth running of all aspects of the process