Elevating Seoul National University to a World-Class Research University

Findings and Recommendations from the Panel on Educational Excellence

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Preface

Transforming Seoul National University (SNU) into a world-class research-based university is a goal that the university's administration has been pursuing for a number of years. Over this time, SNU has conducted a series of internal studies, discussed the issue with the Ministry of Education and Human Resources Development (MOE), and solicited input from a number of external reviewers. While helpful, these prior efforts have not: 1) surfaced insights from educators who have led similar reforms efforts at leading universities around the world, 2) resulted in a comprehensive program for transforming SNU; and 3) addressed the concerns of key stakeholders.

Recognizing the magnitude of the challenge still confronting SNU, the university's administration pursued an alternative approach in early 1999. This approach involved creating a Panel on Educational Excellence with the aid of McKinsey & Company, an international management consulting firm (acting on a pro bono basis). The mission of the Panel was to formulate the changes and initiatives required to transform SNU. The Panel was asked to understand the situation, review the input from prior initiatives, and to develop a comprehensive set of recommendations for SNU. This report is the result of the work conducted by the Panel.

Members of the Panel of Educational Excellence were chosen based on their demonstrated track record of world-class scholarship and on having led distinguished institutions of higher education through major change efforts. The 6 members of the Panel collectively have over 100 years of experience in higher education. They are:

- **Michael Cowan,** *Professor of American Studies and Literature, University of California, Santa Cruz, and Chair, University of California-wide Academic Senate.* Professor Cowan has served on numerous University-wide committees, including the University of California Executive Budget Committee, the University of California Board of Regents as a Faculty Representative, and the University of California Presidential Commission on Graduate Growth and Support. He has also received many teaching and service awards, including the UCSC Alumni Distinguished Teaching Award, the Bode-Pearson Prize from the American Studies Association for outstanding contributions to American Studies, and the Dean E. McHenry Award for Outstanding Service to the Academic Senate from the University of California, Santa Cruz.

- Shiguehiko Hasumi, *Professor Emeritus and Former President, University of Tokyo.* Professor Hasumi's distinctions include Commandeur des Arts et des Lettres; Docteur Honoris Causa, Université de Paris 8; and Chevalier des Arts et des Lettres. He has also been awarded many important prizes, including the Yomiuri Prize of Literature, the Minister of Education Prize for Promotion of Arts, and the Prix Littéraire. Professor Hasumi has served as a member of the University Council of Japan, as Chairman of the Association of Japan National Universities, and as Chairman of the Association of East Asian Research Universities.

- Donald P. Jacobs, *Dean Emeritus, Kellogg Graduate School of Management, Director, Zell Center for Risk Research, and Gaylord Freeman Distinguished Professor of Banking.* Professor Jacobs has received nine honorary doctorates from American, European, and Asian institutions. He served as the Co-staff Director of the Presidential Commission on Financial Structure and Regulation (The Hunt Commission, 1970-71) and is a member of the Board of Directors for Hartmarx Corporation, Terex Corporation, CDW Computer Center, Inc., Pro Logis Trust, and GP Strategies Corporation.

- Lord Oxburgh, Professor of Earth Sciences, *University of Cambridge and former Rector, Imperial College, University of London.* From 1993 to 2000, Professor Lord Oxburgh served as Rector of the Imperial College of Science, Technology, and Medicine. He also served as Chief Scientific Advisor to the Ministry of Defence of the United Kingdom (1988-93), as a member of the National Committee of Inquiry into Higher Education (The Dearing Committee, 1996-97), and as Chair of the Singapore Medical Education Review Panel (2001). Professor Lord Oxburgh was elected to the Royal Society in 1978 and was knighted in 1993. In 1999 he was made a life peer and took the title Lord Oxburgh of Liverpool.

- Henry Rosovsky (Panel Chairman), *Lewis P. and Linda L. Geyser University Professor, Emeritus, Harvard University and former Dean of the Faculty of Arts and Sciences, Harvard University.* Professor Rosovsky has received over fifteen honorary doctorates from American, European, Japanese, and Middle Eastern institutions, and has received numerous awards, including the Encyclopædia Britannica Achievement in Life Award for Achievement in Education, and the Clark Kerr Medal for service to Higher Education from the University of California (Berkeley). Professor Rosovsky has authored four books, including The University: An Owner's Manual and from 1998 to 2000 he Co-chaired the Task Force on Higher Education and Society, which was convened by World Bank and UNESCO.

- Hugo Sonnenschein, *Charles L. Hutchinson Distinguished Service Professor and President Emeritus, University of Chicago.* Professor Sonnenschein has received four honorary doctorates from American,

European, and Middle Eastern institutions and has served on many boards and committees, including the Board of Directors for the Consortium on Financing Higher Education and the Board of Directors for the American Council on Education. Professor Sonnenschein is a member of the National Academy of Sciences, a Fellow of the American Academy of Arts and Sciences, and a Fellow and Past President of the Econometric Society. He is currently a Trustee of the University of Rochester and an honorary trustee of the University of Chicago.

The Panel reviewed the work from prior initiatives and commissioned additional analyses from McKinsey to understand the current situation. They traveled to Korea to interview SNU's administration, selected deans, faculty members, students, and others associated with the University. They met with MOE, Blue House, and other business and civic leaders to solicit their views on the situation and required changes. In total, nearly 100 people provided input in various forms, and nearly 1,000 responded to surveys, to help this Panel understand the situation and enable the formulation of recommendations.

After reflecting on the many sources of input, the Panel met again in the US to begin crafting an initial set of recommendations. They commissioned further analyses from the McKinsey team and continued discussions, in a process that spanned 8 weeks. The recommendations outlined in this document are the result of these meetings and discussions.

Acknowledgements

The Panel gratefully acknowledge the assistance provided by the many people who have spent countless hours helping us understand the situation and providing us with their perspectives on the types of changes required to transform SNU. This input provided an invaluable basis upon which we deliberated and formulated our recommendations.

The following list provides the names of the people who have contributed to the preparation of this report through their input and insights. We regret any omissions from this list; such omission is an oversight on our part and not a reflection on the value of their input.

SNU Administrators

- Dr. Ki-Jun Lee, President

- Dr. Hyun-Koo Lee, Executive Vice Chancellor and Provost

- Dr. Sang-Kee Min, former Executive Vice Chancellor and Dean of graduate schools

- Dr. Young Min Kwon, Dean, College of Humanities

- Dr. Su-Ik Hwang, Dean, College of Social Sciences

- Dr. Sung Hyun Park, Dean, College of Natural Sciences

- Dr. Eun-Ok Lee, Dean, College of Nursing

- Dr. Dong-Sung Cho, Dean, College of Business Administration

- Dr. Jang Moo Lee, Dean, College of Engineering

- Dr. Kwan Hee Ryu, Dean, College of Agriculture and Life Sciences

- Dr. Dong-Chul Ha, Dean, College of Fine Arts

- Dr. Dong Hi Kim, Dean, College of Law

- Dr. Chang Sub Cho, Dean, College of Education

- Dr. Moon-Woo Chun, Dean, College of Pharmacy

- Dr. Chong-Wook Lee, Dean, College of Medicine

- Dr. Chong-Pyoung Chung, Dean, College of Dentistry

- Dr. Ok-Ryun Moon, Dean, Graduate School of Public Health
- Dr. Woo-Ik Yu, Vice Chancellor of Academic Affairs
- Dr. Ki-Seok Kim, Vice Chancellor of Student Affairs
- Dr. Byeong-Gi Lee, Vice Chancellor of Research Affairs
- Dr. Oh-Soo Park, Vice Chancellor of Planning and Coordination
- Dr. Jong-Seo Lee, Director General of Administration
- Ji-Hyun Hwang, Director General of Facilities
- Dr. Young-Je Yoo, Vice Chancellor of Admissions
- Dr. Taeho Bark, Vice Chancellor of International Exchange
- Dr. Wangjae Lee, Associate Vice Chancellor of Academic Affairs
- Dr. Ki-Sun Kim, Associate Vice Chancellor of Student Affairs

SNU Faculty

- Dr. Kookheon Char, Professor of Engineering
- Dr. Dosoung Choi, Professor of Business Administration
- Dr. Jong Sup Chong, Professor of Law
- Dr. Joong Gon Kim, Professor of Medicine
- Dr. Seong Keun Kim, Professor of Natural Sciences
- Dr. Sang Kyun Kim, Professor of Social Sciences
- Dr. Yongdeok Kim, College of Humanities
- Dr. Young Kuk, Professor of Natural Sciences
- Dr. Yoon-Seong Lee, Professor of Medicine
- Dr. Hwi-Chang Moon, Professor of International Studies
- Dr. Choong-Hyun Paik, Chairman of the SNU Faculty Council
- Dr. Jong-Keun Park, College of Engineering
- Dr. Sung Tack Ro, College of Engineering
- Dr. Wha-Joon Rho, Graduate School of Public Administration
- Dr. Ki Joong Song, College of Humanities

Other Korean Educators

- Dr. Sang Chang, Chancellor, Ewha Woman's University

- Dr. Wan-Kyoo Cho, former President of SNU

- Dr. Song Wha Choi, Ex-Vice Chancellor of SNU

- Dr. Byong-Ik Koh, former President of SNU

- Dr. E-Hyock Kwon, former President of SNU

- Dr. Bong-Shik Park, former President of SNU

- Dr. Jae Yoon Park, President, Pusan National University

- Dr. Yoon-Chong Shim, President, Sungkyunkwan University

- Dr. Byung-Nak Song, former Executive Vice Chancellor of SNU

Blue House

- Dae-Jung Kim, President of the Republic of Korea

- Sang-Joo Lee, Chief of Staff to the President

- Young Dal Cho, Senior Secretary to the President for Education and Culture

- Kee Un Chung, Secretary to the President for Education

Ministry of Education and Human Resources Development

- Jae Bang Koh, Assistant Minister

- Namsoo Seo, Director General, University Supporting Bureau

- Ung-Gweon Kim, Director University Policy Division

- Sang Heon Um, Director, Research & Academic Affairs Division

- Yong Beom Seo, Director, University Financing Division

- Heung Lae Cho, Director, Administration Affairs Division

- Yong Ho Kim, Director, Planning & Budget Division

- Kwan Bok Kim, Director, Research & Academic Affairs Division

Overseas Educators

- Dr. Jean-Claude Badoux, former President of the Swiss Federal Institute of Technology

- Dr. Edward Baker, Associate Director of the Harvard-Yenching Institute

- Dr. Bruce Cummings, Norman and Edna Freehling Professor of U.S. and Korean history at University of Chicago

- Ron Daniels, Treasurer and member of the Board of Overseers of Harvard University, former Managing Director of McKinsey & Company

- Dr. Carter Eckert, Professor of Korean History, Harvard University

- Dr. John Marburger, White House Staff, National Science Advisor, former President of State University at Stony Brook

- Dr. Dwight Perkins, Harold Hitchings Burbank Professor of Political Economy at Harvard University, former Director of Harvard Institute for International Development

- Dr. David Ward, President of American Council of Education, former Chancellor of University of Wisconsin, Madison

Administrators and Admission Officers from Benchmark Institutions

- Dr. Martha Casey, Assistant Vice Chancellor for Academic Affairs, University of Wisconsin-Madison

- Dr. Patricia Jones, Vice Provost of Faculty Development, Stanford University

- Dr. Pamela Raymond, Associate Provost for Academic and Faculty Affairs, University of Michigan-Ann Arbor

- Dr. Jan de Vries, Vice Provost for Academic Affairs and Faculty Welfare, University of California-Berkeley

- Mary Braun, Department of Economics Admission Officer, University of Michigan

- Eileen Chang, Admissions Associate Director, Harvard Business School

- Barb Schutz, Physics Graduate Program Coordinator, University of Wisconsin, Madison

- Professor Donald Uhlmann, former Head, Department of Materials Science and Engineering, University of Arizona

Business Leaders

- Jung Nam Cho, Vice Chairman, SK Telecom

- Jae H. Hyun, Chairman, Tong Yang Group

- Moon Ho Lee, Vice Chairman and CEO, LG Academy

- Chung Goo Lee, President, Hyundai Motor Company

- Yi Taek Shim, President and CEO, Korean Air

- Jong Yong Yun, Vice Chairman and CEO, Samsung Electronics

SNU Students

- 688 students who completed our anonymous survey of the current state of SNU

Executive Summary

Korea is at a cross-road that will determine whether the country will continue to grow or face economic decline, and the transformation of Korea's higher education – starting with Seoul National University (SNU) – will play a critical part in deciding the outcome. After almost 30 years of unprecedented economic success that enabled Korea to emerge as a manufacturing powerhouse, Korea's future growth is challenged by the emergence of China, Indonesia, and other countries as preferred locations for manufacturing, by the integration of the leading economies of the world, and by the reliance of those economies on knowledge-based industries. In the coming decades Korea's leaders will need to acquire new skills and capabilities to move the country away from manufacturing toward higher value-added sectors. This transformation will require colleges and universities to educate students who are respected for their creativity and who can invent and disseminate the new ideas and techniques needed in a knowledge-based society.

To meet this challenge Seoul National University (SNU) has set as a goal to transform itself into a world-class research university. This transformation is critical for Korea. A large fraction of the country's brightest young people attend SNU, and SNU's success will set the standard for institutions of higher education throughout the country. Fortunately, SNU can start from a position of strength. SNU trained leaders and supported economic development plans that created the post-war economy. A number of departments have made steps recently to be more competitive on a global basis. Most importantly, faculty, administrators, students, industry leaders, and the public recognize that SNU can and must do better.

To transform itself, however, SNU faces many significant obstacles that must be addressed in a concerted manner.

- The current system of governance and administration does not clearly align responsibility with authority. The result is ineffective decision-making and the inability to adapt to new circumstances.

- Government funding for SNU is not sufficiently stable to allow for long-term planning, and the level of fundraising is far below world standards. More important, SNU lacks the flexibility to direct funds to support key priority areas.

- SNU does not have processes that promote academic excellence. Unlike most leading academic institutions around the world, SNU does not:

  - Open itself up to regular external review

- Continually seek to recruit the best possible faculty from around the world

- Provide meaningful incentives for merit.

The Panel examined these challenges from a number of perspectives. We read previous reports, examined surveys, met with faculty, students, administrators, representatives from the Ministry of Education and Human Resource Development (MOE) and the business community, talked with colleagues, and debated amongst ourselves. Based on our findings we developed a set of recommendations that aims to achieve three broad goals through eleven initiatives. We believe that the collective impact of these eleven initiatives will help SNU achieve its goal and maintain its position in Korean society.

Goal #1: Develop appropriate governance structures

SNU's current governance structure inhibits the pursuit of academic excellence. The way that the university president and deans are elected, the role that MOE plays in setting policies and in day-to-day operations at SNU, and the absence of responsibility among the faculty to maintain academic excellence all contribute to SNU's current governance problems. We believe that SNU's governance must change in order for academic excellence to flourish, and this change can be accomplished through the following three initiatives:

- Initiative 1: Create a board of trustees, with responsibility for appointing the president (with input from stakeholders), negotiating with the government on SNU's behalf, and holding SNU accountable for performance

- Initiative 2: Restructure and strengthen the academic administration by lengthening terms of key positions (e.g., president and deans), changing appointment procedures, and redefining the roles of key leadership positions

- Initiative 3: Create a mechanism (faculty senate) for faculty to provide high-quality input to the administration and to execute their institutional responsibilities under shared governance (e.g., curriculum)

Goal #2: Commit to excellence based on relevant reviews and world-class standards

SNU must make significant changes to put in place intellectual leaders who are competitive with the world's top scholars and can create superior academic programs. We believe that transforming some of SNU's academic programs into world-class programs is a process that can take 10 to 20 years to complete if SNU makes a diligent effort. However, SNU should start on this journey through the following six initiatives:

- Initiative 4: Institute a system of regular program reviews, with input from external academic experts, and establish a mechanism to allow action to be taken on the outcomes

- Initiative 5: Institute a system of rigorous faculty review, for both junior and tenured faculty

- Initiative 6: Develop meaningful rewards that recognize distinctive programs and individuals

- Initiative 7: Grant SNU the authority and responsibility for hiring and developing administrative staff

- Initiative 8: Increase the rigor and relevance of undergraduate education

- Initiative 9: Actively promote the internationalization of SNU

Goal #3: Raise and distribute resources to support excellence

Academic excellence requires significant financial resources and the flexibility to allocate these resources to support priority areas. Currently SNU does not have the required level of flexibility to (re)deploy its existing financial resources and it does not raise enough funds from private sources. Addressing this situation requires the following two initiatives:

- Initiative 10: MOE and SNU should agree on an approach and implement a funding mechanism – including generation of funds from private sources – that can jump-start high-priority programs

- Initiative 11: SNU should increase the level of fundraising to develop a self-perpetuating endowment that can supplement other sources of funding, and it should launch a capital campaign to fund it

While we believe that all 11 initiatives are critical to SNU's transformation, some will clearly take longer than others, and some will lay a foundation upon which further initiatives can be undertaken. A logical set of first steps would include:

5. Establishing a board of trustees

6. Revising the rules for presidential appointment

7. Convening a constitutional congress, with participation from the MOE, board, administration, and faculty to develop by-laws defining the detailed responsibilities of all participants in the new system of governance. This congress should be convened as soon as a new board is in place, and before a new president is chosen.

4. Selecting the next president of SNU

Once an effective system of governance is in place, other critical steps, such as rewarding faculty and departments based on merit, increasing fundraising, and strengthening the undergraduate curriculum can be implemented. While each of the changes we suggest might seem risky, the risk of not changing is higher.

We believe that SNU has the potential to emerge as a leading university on the global stage, and can play a critical role in ensuring Korea's future success.

The Role of Higher Education

The illiterate of the 21st Century will not be those who cannot read and write, but those who cannot learn, unlearn, and relearn.

> Alvin Toffler[1]

KOREA'S RISE AS AN ECONOMIC POWER

Within a little less than two generations, Korea emerged from the devastation of war to become one of the world's leading economies. Since the end of the Korean War, Korea's gross domestic product has grown almost 25 fold from US$ 25 billion in 1953 to more than US$ 600 billion in 2000,[2] making it the world's 12th largest economy. Within this same span, Korea also developed one of the most literate populations in the world. Through broad and effective public education, Korea quickly improved its literacy rate from less than 50 percent of the adult population in the 1950s to 97.3 percent in 1997.[3] Korea now stands as one of the most democratic, educated, and economically successful countries in Asia.

Korea's success was driven by many factors. Of particular importance was the government's effective mobilization and concentration of resources through a series of five-year economic development plans. Government policies and private enterprise initiatives aimed at increasing personal savings and directing bank lending helped industries such as steel, chemicals, and shipbuilding to flourish. Another factor was an educational system with the wherewithal not only to train, on a grand scale, the nation's manpower for a manufacturing-based economy, but also to facilitate the internalization of the government's vision and goals by this workforce. As a result, the productivity and quality of Korea's manufacturing sector rose steadily.

SNU PLAYED A KEY ROLE IN KOREA'S SUCCESS

Seoul National University was indispensable in shaping this success. It identified and trained the country's smartest domestic talent, supplying Korea elites qualified to lead its rapid development.

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[1] *Higher Education in Developing Countries: Peril and Promise,* World Bank Task Force on Higher Education and Society, 2000

[2] At constant, 1995 prices

[3] *World Education Report 2000,* UNESCO

The leaders educated at SNU were especially influential in formulating and executing Korea's top-down economic policy during the 1970s and 1980s, a time when Korea's GDP grew explosively, at an average rate of 8 percent per year.[4] During this period, 70 percent of all ministers of finance and 50 percent of all ministers of economic planning were SNU graduates. Large numbers of government officials – ranging from elected officials to appointed officials to career bureaucrats and diplomats – graduated from SNU. In essence, SNU became the training ground for those interested in government service, as well as in business. Since a very high proportion of the nation's young talent went into government service in the 1970s and 1980s (partly because these positions were the most influential in the country, akin to government positions in Japan), SNU both identified those perceived to be the country's best talent and then prepared them for government service.

In addition, members of SNU's faculty were deeply involved in designing and executing the country's five-year economic development plans or they held government leadership positions. In the early days of industrialization (and to a certain extent, to this day), the government relied on input from academics and professors for their expertise on particular industries or management practices to help formulate policies.

THE "RULES OF THE GAME" ARE CHANGING

While Korea was transforming to an industrial economy, other major world economies, already industrialized, were expanding beyond their own borders. Stimulated by the liberalization of global markets, emergence of international standards and protocols, improving technology, and the concomitant exponential drop in interaction costs, these countries moved to a new level of economic integration. This trend has accelerated over the past decade, creating a sense of urgency for any company or country not yet a player in the global economy.

To compete successfully in this integrated world, however, one must be a world-class player. It is no longer sufficient to be a top local player. Consumers now have the freedom and means to shop for virtually anything, from clothes and cars to education and entertainment in the world marketplace. Compounding this pressure is the ever-increasing rate of change. The rapid dissemination of increasingly innovative technologies means, for example, that product lifecycles in almost all sectors are shrinking.

This increasing global competition has forced many companies to switch their manufacturing to lower-cost countries, such as China and Indonesia. The most highly developed economies now find their comparative advantage in knowledge-based industries, for example, computer software and services and biotechnology – rather than goods.

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[4] From 1971 – 1990 the economy grew from US$ 59 billion to US$ 253 billion in constant (1990) dollars

NEED FOR CHANGE

Countries or organizations able to embrace the globalization paradigm and shift to knowledge-based industries have consistently outperformed those that do not, and the gap is widening at a rapid rate. For example, the ratio of the GDP of the 5 wealthiest countries to that of the five poorest countries grew by approximately 40 percent from 1990 to 1998.[5] The trend is even more dramatic for corporations. During the same period, the ratio of market capitalization for the highest performing[6] 10 companies compared to the lowest performing 10 grew by around 400 percent for a range of global business sectors such as energy, electronics and telecommunications.[7]

For Korea, in particular, the need to participate in the new economy is crucial. China has rapidly emerged as a low-cost manufacturing base implying that Korea will no longer be able to compete with China on cost. Obviously, it would be desirable for Korea to become a world leader in knowledge-based industries, but the scientific and technological knowledge gap between Korea and countries such as the United States and Japan presents a formidable barrier. Unless radical changes are implemented to create new knowledge and knowledge workers, Korea will not be able to maintain or, worse, will lose its position in the global economy.

As a critical trustee of Korea's future leaders, SNU holds a large portion of the responsibility for changing Korean society. The university must develop a base of creative high-performers primed not only with the latest detailed knowledge (for example, how to build a high-end microprocessor) but also with the ability to create new knowledge (for example, how to develop new technologies that will form the basis the next generation of microprocessors). Higher education in Korea must:

- Encourage flexibility and innovation, enabling the continual renewal of economic and social structures relevant to a fast-changing world

- Teach students not just what is known now, but also how to keep their knowledge up-to-date, so that they are able to refresh their skills as the economic environment changes

- Educate leaders who are respected for their capabilities and can create and disseminate new ideas and techniques

- Increase the amount and quality of research, allowing Korea to support the rapid development and absorption of new knowledge

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[5] Bank of Korea constant dollar GDP statistics

[6] Defined by total return to shareholders from 1990 to 1998

[7] McKinsey Global Strategy Practice

- Develop leaders proficient in not just in Korean, but in English, to participate effectively in international networks

The situation is urgent. Increasing numbers of students have been choosing to study, and faculty have been choosing to teach, at universities other than SNU, for example at the Korean Advanced Institute of Science and Technology (KAIST) or Pohang University of Science and Technology (POSTECH). Some are leaving Korea altogether to study abroad, and many of them are unlikely to return.

SNU's leading position in Korea further underscores the need for a transformative change at the university. Its reform model will influence Korea's entire higher education system. With the recent launch of the Ministry of Education and Human Resource Development's (MOE) plan to reform the public higher education system,[8] public universities are looking more than ever toward SNU as a benchmark. Although MOE has asked a number of public universities to devise their own reform plans, other universities are expecting SNU to lead. In effect, SNU's reform model will be the pilot program, the results of which may be rolled out across the public higher education system.

SNU's reform model could also affect Korea's secondary education. Despite recent modifications, the current focus of Korea's secondary education remains on preparing students for the standardized tests that govern admission to higher education institutions. This process places little value on other considerations necessary for Korea's new ambitions, for example on creativity, ability to lead, etc. If SNU reformed its entry requirements to discourage the single-minded focus on standardized test scores, Korean students could benefit from a more enriching high school experience.

The key question therefore is what role SNU wishes to play in Korea's next transformation. If SNU does not play an active role, it will become less relevant to Korea's future, as other institutions and geographies emerge to fill the vacuum. If, on the other hand, SNU can re-invigorate itself academically and institutionally, it can become once again the indispensable agent of Korean society's renewal and re-invention.

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[8] Korean Ministry of Education and Human Resource Development, "Plans for Enhancing the Public Higher Education of Korea," December 2000.

Chapter 2 Characteristics of World-Class Universities

World-class universities appear in many sizes, configurations, and locations. They can be large or small (e.g., the University of Michigan, at Ann Arbor with 38,000 students and Princeton University, with 6,000 students). They can be public or private (e.g., the University of California, at Berkeley and Stanford University). And they can be found in all parts of the world (e.g., Harvard University in North America, Cambridge University in Europe, and the National University of Singapore in Asia). While these institutions differ in many ways, their histories – and those of other leading institutions – suggest that attaining academic pre-eminence requires:

- A commitment to attracting, cultivating, and retaining, based on international standards, the ***best possible faculty and students, combined with relentless evaluation,*** in the form of internal and external reviews

- ***Generous and flexible resources, allocated to support and encourage excellence***

- ***Effective governance based on explicit roles and responsibilities*** for the board, administration, and faculty, allowing decisions to be made in a timely and effective manner

What follows in this chapter is a description of these three characteristics. It must be noted that few institutions have achieved all of what is described herein; but most world-class institutions nevertheless are working to achieve the preponderance of these characteristics.

BEST POSSIBLE FACULTY AND STUDENTS, COMBINED WITH RELENTLESS REVIEWS

World-class institutions strive to compare themselves to other similar institutions. They compete based on externally-focused, international standards. According to John Marburger, White House National Science Advisor and former President of the State University of New York at Stony Brook,

> "Excellence" can be achieved only with respect to standards set by society. Organizations that set isolated internal standards of excellence eventually drift away from the highest expectations of the world society. Organizational excellence occurs only when the people making up the organization perform excellently. Therefore, any organization aspiring to excellence must arrange to evaluate its people continually, and the evaluation must have an external component.[9]

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[9] John Marburger, "Report on Education and Research at Seoul National University," May 1999

This external, international standard is important for the faculty, students, and academic programs of any great institution. Moreover, while globalization and the information technology revolution have made international comparisons easier, they have also made competition more intense.

Faculty define the institution

More than any other factor, the quality of a university is determined by the quality of its faculty. Great universities require deep intellectual leadership. Leading institutions therefore strive to search the globe for their faculty and to provide support packages (e.g., salaries, equipment, lab space, students, libraries, etc.) that are competitive with other such universities. In return, these institutions expect their faculty to pursue research, take an active interest in their students' learning, and take a major leadership role in the welfare of the university, by participating in the governance of the institution, particularly in areas close to their own competence.

Recruiting and advancing based on world-class standards

Internationally recognized universities attach the highest importance to seeking out and appointing the best academic staff wherever they are to be found. Consequently, these universities have a faculty mix that reflects diverse backgrounds, nationalities and academic paths. For example, some faculty members might have joined the faculty directly after graduate training, while others might have come from tenured positions at other leading institutions.

To advance at a top-level institution scholars are subject to ongoing evaluation, of which a significant portion comes from external sources. Promotion depends heavily on academic reviews, rather than on parochial or bureaucratic checkpoints, at both the individual and department levels. External review, tailored for different fields, is the cornerstone of evaluating academic excellence.

At leading institutions merit-based rewards provide a significant motivation for performance. Remuneration and support for scholarship significantly below world standards often makes it difficult for an institution to attract outstanding faculty and creates a vulnerability. A system of differential rewards based on demonstrated merit – not formulaic egalitarianism – drives excellence.

Pursuing research

Faculty at world-class institutions conduct both applied and basic research. Active pursuit of research makes faculty teaching both cutting-edge and relevant. A particular focus on basic research supplies the groundwork for breakthroughs in applied fields; it also excites scholars and students alike. Asking the most fundamental questions and investigating the "frontiers of human knowledge" have a timelessness that can touch the spirit. This all

requires faculty who are at the top of their fields. According to Harvard economics professor Dwight Perkins,[10]

> … SNU cannot hope to produce world-class doctors of philosophy unless it has a faculty that is on the frontiers of their fields. The Ph.D. is first and foremost a research degree and one cannot train individuals to be producers of important and original research if one is not oneself on the frontier. If the teacher doesn't know how to reach that standard, they are not likely to be able to guide their graduate students to that level.

As part of staying on the "frontier of their fields," faculty contribute to the fabric of international scholarship by visiting other institutions, presenting papers at international conferences, giving seminars, and taking sabbaticals.

Faculty at first-class institutions usually speak a world language of scholarship. They are conversant in, publish in, and teach in both their native language and the world language, increasingly English. Many top non-Anglophone universities encourage their staff, where possible and appropriate, to publish their work in English-language international journals. They also encourage faculty to conduct a portion of their day-to-day academic work in English, so that scholars who do not speak the local language can work there effectively.

Training the next generation through teaching

Training the next generation of leaders puts great demands on the faculty at world-class institutions. Beyond the regular and somewhat formal lecture room encounters, faculty in the best institutions work with students (both undergraduate and graduate) in the laboratory, on research projects, or in small seminars; they strive to relay to their students the latest advances; they take an active interest in their students' education and growth. In return, faculty demand commitment and performance from their students.

At the graduate level the faculty are the primary drivers of the quality of any program. No institution with second-rate faculty has a top-ranked graduate program, while institutions with world-class faculty inevitably have highly ranked graduate programs.

Protecting academic excellence

At world-class institutions, faculty retain responsibility for the curriculum, help select and evaluate their colleagues, and help select students. Faculty in these institutions see themselves as protectors of academic excellence. As such, they aim to surround themselves with colleagues who, in their own right, are striving to be the best in their fields. They recognize that not all can succeed, and that typically a significant fraction of faculty hired at entry levels will not receive lifetime positions. Demanding standards are also applied to students.

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[10] Dwight Perkins, "Seoul National University Restructuring Plan," June 1999

Undergraduate student body composed of future leaders

In the United States universities aspire to attract undergraduates who can be both leaders and scholars. They evaluate these students' potential through a combination of standardized tests, letters of recommendation, grade reports, and other indications of academic and extra-curricular excellence during the high-school years. The hoped-for result is a varied and talented student body who can learn not only from faculty but also from each another.

At the best institutions students and faculty are engaged in a mutual quest for challenge and motivation. Undergraduates develop an appreciation for scholarship and gain broad exposure to new ideas and concepts through a curriculum that exposes them to the natural sciences, social sciences, and humanities, *in addition* to fulfilling the requirements of a major.

We recognize that not all great institutions use the above approaches to selecting students and providing a broad "liberal" education. We believe, nonetheless, that there is great merit in looking broadly for indicators of high potential in students and in providing a curriculum that emphasizes the development of general knowledge and general intellectual capacities, in contrast to a curriculum focused on professional, vocational, or technical development. This approach represents an attempt to educate the whole individual and to provide students with the capacities of intellectual flexibility and life-long learning, two qualities of great importance in knowledge-based economies and societies.

The best institutions across the world combine the acquisition of skills and factual knowledge with a significant number of open-ended intellectual challenges to which there may be no single "right answer." Often students have to defend their preferred solution in face-to-face discussions with their teachers. They are encouraged to think hard about the truth and validity of everything they read or are told, and to reach their own conclusions. At the best institutions, undergraduates also work with faculty and graduate students performing original research, gaining the opportunity to learn first-hand the excitement – and frustrations – inherent in pushing the boundaries of human knowledge. Thomas R. Cech, winner of the Nobel Prize in Chemistry 1989, put it as follows:

> The most vibrant science education experience that research universities can foster comes not from classroom teaching, but when undergraduates enter research laboratories. That is where they get personalized education. They work with state-of-the-art equipment on questions whose answers are not yet known. Those experiences are the ones students remember five and ten years after they have left the university. That is what transforms their lives[11]

Similar experiences can be provided outside the laboratory sciences, for example, in small seminars. All of this involves a considerable amount of

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[11] Research Universities and the Future of the Academic Disciplines, *Proceedings from the Centennial Meeting of the Associate of American Universities, University of Chicago, 2000, page 13*

personal contact with their teachers, who in some cases include higher-level students or postdoctoral researchers.

Finally, students prepare themselves for integration into an increasingly globalized world through learning English as well as other languages. They develop interpersonal skills and mature as individuals through social interactions in dormitories and by getting involved in clubs and extracurricular activities, which gives them opportunities to show leadership and pursue service goals.

Ideally, students are rewarded with grades that reflect true academic performance. Because faculty have high expectations, earning high grades takes effort, even for extraordinarily talented students. While even top-quality institutions struggle at times to ensure that grades are meaningful and relevant, they examine grading regularly and make adjustments, when necessary.

Diverse graduate student body

World-class universities have first-class graduate programs. Their graduate students come from many different undergraduate programs, where they have demonstrated high accomplishment. In many fields graduate students are essential to facilitating faculty research. They are also essential to attracting and retaining first-class faculty. And their presence also positively affects undergraduate academic culture.

Academic programs continually reviewed and renewed

Academic programs (departments, colleges, interdisciplinary programs and centers) at world-class institutions are subjected to external review every few years. These reviews often take the form of a visiting committee, composed of internationally recognized experts who provide objective input into the achievements and challenges of the program and its faculty, based on international standards. Universities use visiting committees to provide critical, unbiased opinions on significant decisions.

Preparation for these reviews is taken very seriously. Examples of student work are collected, faculty CVs are updated, and examples of publications are gathered for each faculty member. The department or college also prepares accounts of past plans, accomplishments, and future plans. The review itself often involves many days of interviews. These interviews may involve with colleagues in other departments and colleges, as well as comments solicited from outside the institution.

Most importantly, the results of these reviews should have a bearing on the future of the program. They might be used to justify a sustained high level of funding, identify and close major gaps in some departments, help guide overall priorities, recognize success, find new leadership, consolidate departments, etc.

GENEROUS AND FLEXIBLE RESOURCES, ALLOCATED TO SUPPORT AND ENCOURAGE EXCELLENCE

World-class universities need resources for a variety of uses:

- *Infrastructure,* including classrooms, libraries, graduate and undergraduate laboratories, IT systems, space to conduct research, and facilities to house students and visiting faculty

- *Faculty operations,* including faculty start-up packages, matching funds for grants, competitive salaries and non-monetary incentives, and funds for travel and release time

- *Student operations,* such sports facilities, club meeting space, extracurricular activities, etc.

This long list suggests large budgets. Indeed, most world-class research universities have annual budgets that approach – or, in some cases surpass – US$1-2 billion. To support budgets of this size, resources are tapped from a variety of sources, which have traditionally included government and private grants, tuition, and research funds.

More recently many institutions have developed secondary sources of funds, including income from auxiliary enterprises, such as patent development and royalties, publications, and revenues from ancillary modes of education: continuing education (for previous graduates to learn new skills), distance education (for those who live far from the university), and executive education (training for mid-career professionals, usually sponsored and paid for by their employers).

Especially in the United States, universities have achieved spectacular success in raising money from a third sector: philanthropy. They appeal to corporations, foundations, and most importantly individuals, usually alumni, to contribute to annual campaigns and capital campaigns to help underwrite infrastructure and operations and to help build the endowment. For example, the University of Michigan, which already had amassed an endowment of nearly $3.5billion, raised more than $230million in its annual campaign last year. Such funds are a significant force in an institution's pursuit of excellence. Those institutions unable to raise such funds risk falling behind, unable to attract and retain world-class scholars.

While a tradition of philanthropy provides a positive climate for fundraising in the United States, institutions in such countries as Japan, Germany, the United Kingdom, and France are realizing that private giving needs to be a significant component of university budgets.

In even the most well endowed institutions, resources are always constrained. What matters, therefore, is not just the amount of funding but the stability of the funding and the guidelines for how monies may be used. Rules that encourage

flexibility and stability are critical for supporting excellence. Unfortunately, in some institutions bureaucratic rigidity, even if well intentioned, leads to inefficiency and waste. More flexible use of resources, by contrast, increases the effectiveness of funds. For example, in flexible systems a university department can combine several junior faculty positions into one senior position, with a salary sufficient to attract a leading figure.

Stability helps improve long-term planning by extending the planning horizon and allowing more options to be considered. The ability to carry surpluses from one year to the next, for example, counters a "use-it-or-lose-it attitude," and leads to better long-term planning.

Budget allocations at many top-ranked public universities in the United States (e.g., the University of California at Berkeley and the University of California at Los Angeles) depend on annual appropriations by the state legislature. However, the limitations of the annual budget process are somewhat mitigated by

- An agreement on stable (and therefore predictable) allocation formulas (e.g., how much the school will receive from the state for each enrolled student)

- A multi-year state commitment to certain kinds of projects (e.g., capital development, certain research initiatives)

These all contribute to the effort to improve long-term planning and create a stable environment in which the university can thrive.

Finally, flexibility and stability are linked, as flexibility helps promote stability when financial rules allow institutions to accumulate resources raised from secondary sources and to build endowments whose annual income can be projected far into the future.[12]

EFFECTIVE GOVERNANCE BASED ON EXPLICIT ROLES AND RESPONSIBILITIES

Governance describes the system of decision-making and accountability in an institution. While an effective system of governance cannot, in itself, ensure quality, "a mismanaged enterprise cannot flourish, and institutions of higher education are no exception."[13]

For governance to be effective, it must be shared among those parties responsible, recognizing reciprocal obligations. In world-class educational institutions governance is based on the philosophy that decisions should be made

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12 "Higher Education and Developing Countries: Peril and Promise," World Bank report, 2000, page 64

13 *Ibid*, page 59

by those who are best qualified to make them. According to the World Bank report, [14]

> The internal governance of universities requires professionals, or rather individuals who understand how institutions can best perform their academic duties. In nearly all circumstances, individuals with advanced academic training and experience are the best choice for performing these tasks. The use of inexperienced outsiders can be, and frequently has been, damaging. This is not intended to question the legitimacy of external oversight of colleges and universities. That is external governance and is legitimately the realm of non-specialists who represent the public well-being. Ultimately, however, good decisions must be rooted in legitimate professional concerns, with experience showing that shared governance is closely related to institutional quality.

Some university governance structures tend to give rise to ineffective decision-making. These systems require such high degrees of consensus for action that reaching agreement on change is effectively impossible. Decision-making becomes so tortuous and lengthy that almost nothing happens.

Oxford University, for example, saw that this type of decision-making was severely limiting its ability to respond to new developments, particularly in medicine, science and engineering. The system also made it very difficult to establish and implement a long-term strategy. For these reasons, within the last 15 years both Oxford and Cambridge universities have moved away from a system in which the leader of the University (the vice-chancellor) was an internal appointment, determined by seniority, and of very limited duration (two years). Both universities now have appointments committees that can look inside and outside the institution for a suitable candidate, who is appointed to serve for a longer fixed term that may be renewed. In both cases, constitutional constraints prevent abuse of power.

In universities that have moved towards a longer serving and appointed head, there are normally three other important elements to the governance structure:

■ A council, board of trustees, or board of regents comprising representatives from the university's main stakeholders. Such bodies range from as few as 10 to 30 or more, and often with membership from the community (business and the professions), the government, the faculty and the administration. The function of this body is normally to appoint the president, consent and advise on the broad university strategy, holding the president responsible for implementing that strategy, and to make available to the university a range of skills and experience not normally found within an academic community.

■ A structure of academic deans and department heads who have sufficiently long tenure in their respective positions to implement the university strategy at their respective levels

■ A structure of committees, comprised of both academic and administrative staff, that allow all members of the university (including students) to express

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[14] *Ibid*, page 60

their ideas, opinions and concerns about relevant aspects of university policy. Some of these committees, particularly on academic matters, will have full authority to make decisions. Others will be essentially advisory to deans, provosts or the president. Whereas the administration is not generally bound to follow such advice, if it does not, administrators may be called to explain their reasons to the council or board.

Governance structures at most world-class public institutions thus have four basic components:

- A government that funds the university and negotiates high-level accountabilities

- A board that represents a diversity of stakeholders who appoint the president, who agree on high-level strategy and monitor how it is achieved, and who can, when called on, lead the search for a successor president

- An academic administration (president, provost, deans, and department heads) with the capability and authority to implement the strategy

- A faculty organized to execute those responsibilities delegated to them, and to contribute to the development of institutional policy, especially in matters affecting their work as defined in the broadest sense.

Government funds the university and negotiates accountabilities

As one of the primary sources of funds, the government in leading public universities agrees on broad goals for the university and allocates monies in accordance with these goals. But it is the university, not the government, that determines how best to achieve these goals. As described by Marburger,[15]

> Governmental officials responsible for higher education funding need to establish high level 'critical outcomes' for the university . . . They should not specify in detail how the outcomes should be achieved . . . [Governmental officials] must ensure themselves that adequate management mechanisms are in place for the university to function efficiently, but [they] should not be involved in operational decisions.

Recognizing that administrative posts (e.g., minister of education) shift frequently, and that several diverse entities have legitimate interests in the university, the government is responsible for setting up a body (usually a board of trustees) that can effectively monitor progress against these goals and recommend changes. The government should make sure that this body can perform its function. This means, for example, that trustees should be selected with minimal political interference, and that the board includes among its

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[15] Marburger, *op cit*

members experts in certain functions (e.g., finance) with terms of service that allow productive working relationships to develop. The government, however, should not meddle in the board's affairs.

A board that represents stakeholders and strengthens the pursuit of excellence

The board is responsible for monitoring the success of the university, negotiating broad goals with the government, and helping the university to navigate the outside political process. It acts as a "buffer" between the institution and the organizations to which the university is accountable, most notably the government, helping to insulate the institution from excessive external influence. The board retains responsibility for hiring and firing the head of the university, and for providing a mechanism for smooth transition, when necessary. Most importantly, the board at successful institutions is committed to finding ways to help the president and the institution succeed, by providing guidance, acting as a sounding board, and helping to strengthen the collective leadership. The board is not, however, responsible for management and execution. These are the roles of the administration and faculty.

To be effective, the board should:

■ Represent the several stakeholders, i.e., faculty, government, business community, alumni, general public, and students

■ Set terms of service that allow it to develop expertise on university affairs, and sufficient time to work with the political process and the administration. This is accomplished by relatively long tenures of service (sometimes exceeding 10 years) and including members who bring experience from other leading academic institutions

■ Organize itself to reinforce expertise and enhance its ability to make decisions. This almost always involves creating committees to which specific responsibilities can be delegated

Academic administration capable of taking actions to pursue excellence

The administration, along with the faculty, is responsible for making the decisions that maintain and enhance intellectual quality, while meeting the overall goals and accountabilities set by the government and board. As described by Marburger:[16]
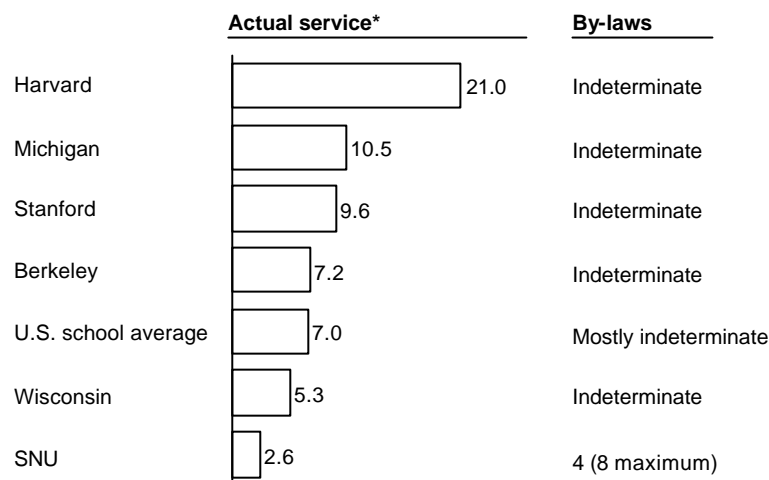
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[16] Marburger, *op cit*

> The academic administration is the "line" management responsible for delivering the educational and research product. Therefore it should have ultimate authority over the disposition of resources.

This requires, among other elements, effective leadership from the president. To be effective, the Panel has observed there to be a great advantage for the head of the institution to serve long enough to develop real expertise in the job. Most will say that it takes at least three years to learn simply how to "navigate the waters." Leading significant change takes many years beyond. As a result, successful presidents serve at least five, and often nearly ten – or more – years at world-class institutions (Exhibit 1).

Exhibit 1
Average lengths of presidential service
Years in role

	Actual service*	By-laws
Harvard	21.0	Indeterminate
Michigan	10.5	Indeterminate
Stanford	9.6	Indeterminate
Berkeley	7.2	Indeterminate
U.S. school average	7.0	Mostly indeterminate
Wisconsin	5.3	Indeterminate
SNU	2.6	4 (8 maximum)

* Average term of recent 5 presidents (excluding the current one)

Source: Harvard University; Stanford University; University of California, Berkeley; University of Michigan, Ann Arbor; University of Wisconsin, Madison; 1991 AGB Survey; SNU

For this to be possible, the appointment process must not merely reflect faculty consensus. Rather, appointment by the board, with significant input from the faculty and sometimes from other stakeholders, is usually most effective.

Other approaches are possible. For example, as discussed above both Oxford and Cambridge have adopted appointment committees that can look both inside and outside the university for a suitable candidate who is appointed to serve for a longer fixed term that may be renewed. But it is rare – if not impossible – for a university to make significant strides towards world-class stature without a strong leader.

In addition to a strong presidency, the best institutions establish a senior academic administrator (e.g., provost) and others (e.g., deans) who work with the president, transcending to some extent their own, provincial agendas, in pursuit of excellence for the overall institution. This suggests that the provost and deans share, with the president, lengths of service that allow expertise to be developed, and also that the president has a strong influence in the appointment of the provost and deans, although faculty input is advisable and customary.

Department heads and chairs play a crucial role in the governance structure. They are typically respected individuals who, being close to the leading ideas of their respective fields, are in a position to provide significant input into salary and promotion (including tenure) decisions. Further, they must be intellectual leaders, respected by their colleagues as well as capable administrators. This suggests that successful heads and chairs are almost always senior faculty members, by virtue of their professional standing if not by years of service. Indeed, great institutions seek out prominent scholars to lead departments. Where none are available internally, they will recruit elsewhere.

Faculty organized to execute their responsibilities in the interest of the institution

In world-class universities the faculty are, ideally, the "protectors of institutional excellence," a role quite different from that of a trade union, or of representatives from narrow disciplines. Faculty must therefore be organized, via a faculty senate or council, to transcend parochial interests on behalf of the greater good of the institution. At the institutions we are familiar with faculty:

- Take responsibility for specific academic matters that have been delegated to them. Typically, these include standards and policies for admissions (within broad guidelines as defined by the government, in the case of public institutions) programs offered, curricula, and degree requirements.

- Provide strong recommendations for or against tenure and post-tenure review (although usually subject to ratification by the president)

- Make recommendations on strategic planning and definition of areas of focus (although final decision-making authority is usually left to the president)

- Structure themselves into committees that can take specific responsibilities, including, for example, an executive (or similar) committee that can develop a productive working relationship with the president (and other administrators) over time

With multiple levels of responsibilities within the governance structure, executing responsibilities in a transparent way is critical for developing the trust and understanding required for the overall model to work. Parties must talk, listen, debate, and acknowledge one another. It is not necessary to reach unanimity, however, to make a decision. When decisions are made openly, with trust and on time, the university can move forward on its agenda, even if not all agree on the direction.

SNU has a very special – and unique – position in Korea. In few, if any, countries does one institution attracts such an overwhelming proportion of its nation's promising young students.

SNU is also an institution that has grown rapidly and continues to experiment with changes in a number of areas. While many of these changes are well-intentioned, SNU is still falling short of its potential, and the university has significant room to improve in at least three broad areas:

- ■ *Looking more broadly with respect to faculty hires and improving performance*, by increasing both the rigor of reviews and incentives for merit

- ■ *Increasing the diversity and stability of funding sources*, as well as ability to focus these on high-priority areas

- ■ *Altering the governance structure to create clear accountabilities and better decision-making processes*

LOOKING MORE BROADLY WITH RESPECT TO FACULTY HIRES AND IMPROVE PERFORMANCE

Since the faculty forms the academic and intellectual basis for a university education, the approach SNU takes in seeking and developing its faculty provides the underpinnings of the institution's ability to pursue and achieve excellence.

While SNU has recognized its current issues and has taken some steps to address them, there is still significant room for improvements, in particular:

- ■ Hiring world-class scholars: SNU has taken some first steps, but much more is needed

- ■ Enhancing the quality of the teaching: SNU has begun to make teaching a central part of the faculty's role, but most undergraduates leave SNU having missed the opportunity for the kind of education Korea's future leaders deserve – and need

- ■ Increasing the quality of research: SNU is competitive in selected departments, but has not, overall, developed the level of international recognition indicative of a world-class institution

- ■ Reviewing performance and providing incentives to meet world-class standards: SNU has initiated some efforts, but even these first, small steps have been met in some cases with resistance rather than support

Hiring world-class scholars

Despite recent efforts to broaden the faculty mix, the vast majority (over 96%) of SNU's faculty have undergraduate degrees from SNU. The university also appears to impede lateral transfers of high quality faculty from other institutions in and outside of Korea. Over the past five years, nearly 85% of faculty hires have been made at the assistant professor or lecturer level; we have heard several accounts of faculty with tenure at leading institutions overseas who have been asked to accept a probationary (untenured) position at SNU.

The situation improved last year, when over 40% (15 out of 36) of new faculty hires came from other Korean institutions, and were hired at the full or associate professor levels. It remains to be seen, however, whether this can be maintained, and even broadened to include non-Korean faculty.

To improve the quality of the faculty, MOE now requires that one-third of new faculty hired have degrees from outside SNU, and that new faculty have written two articles in the past year to be considered for employment. Unfortunately, such quotas and mechanical criteria can be counter-productive. For example, faculty in fields where scholarly normally publish in books rather than journal articles would be at a disadvantage. Similarly, a candidate who has made a fundamental contribution to his field three years earlier might not be considered. In fact, under these MOE guidelines Daniel McFadden, a Nobel laureate in economics who had one article in print when he was granted tenure three years after arriving at Berkeley,[17] would not be eligible to teach at SNU.

The object of any hiring should be to attract the best faculty available, and only in the case of similar merit should emphasis be given to filling quotas, such as hiring non-SNU candidates.
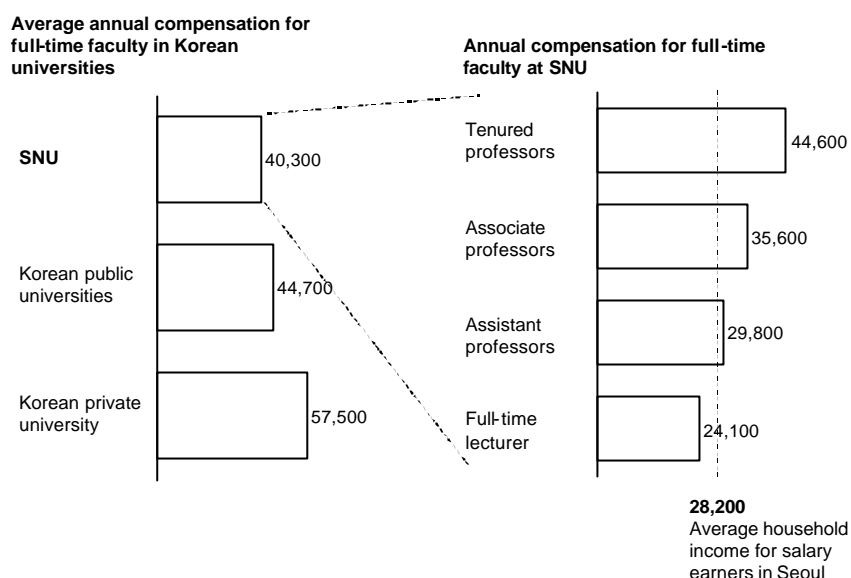
Lower salaries also constrain SNU's ability to attract world-class faculty. The average SNU faculty salary (Exhibit 2) is 10 percent to 30 percent lower than that of other Korean public and private universities, due in part to regulations governing civil servant compensation, and also to a formula that ties funding for salaries to the ratio of faculty to students. This suggests that attracting the best faculty, even in Korea, would be challenging. As one faculty member described it, "With SNU's salary and current incentives, SNU faculty cannot concentrate on research and are forced to take on outside lectures and projects."[18]

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[17] Research Universities and the Future of the Academic Disciplines, *Op Cit,* page 107.

[18] SNU faculty interview conducted by McKinsey, March 2001.

Exhibit 2
Annual compensation –
FY2000
US Dollars

Average annual compensation for full-time faculty in Korean universities

Annual compensation for full-time faculty at SNU

SNU	40,300
Korean public universities	44,700
Korean private university	57,500

Tenured professors	44,600
Associate professors	35,600
Assistant professors	29,800
Full-time lecturer	24,100

28,200
Average household income for salary earners in Seoul

Source: SNU; MOE; Annual Report on the Family Income and Expenditure Survey, 2000; McKinsey analysis

While other factors (e.g., support for scholarly work, student quality, lab space, prestige, etc.) might compensate for some of the differential in salaries, our interviews suggest that many of these factors (e.g., support for scholarly work and lab space) are actually worse at SNU than at other Korean universities, further handicapping SNU's ability to compete for the best in Korea.

It is even more difficult to attract faculty from overseas institutions. For these candidates the social factors that might attract Korean faculty (e.g., social status of teaching at SNU) are less meaningful, and support for scholarly research is generally weaker at SNU than what they might have already. In fact, we have heard of a graduate of SNU who holds a chaired distinguished professorship at a top rank university in the United States. This person was prepared to take a permanent job at SNU, but was offered what he said was "the salary of a maid." When we recounted this story in Korea we were told that indeed, this was possible.

Finally, in many disciplines outstanding scholars must be sought overseas, but those candidates are unlikely to come to SNU unless they either speak Korean or are satisfied that they can operate effectively at SNU in English until they become fluent in Korean.
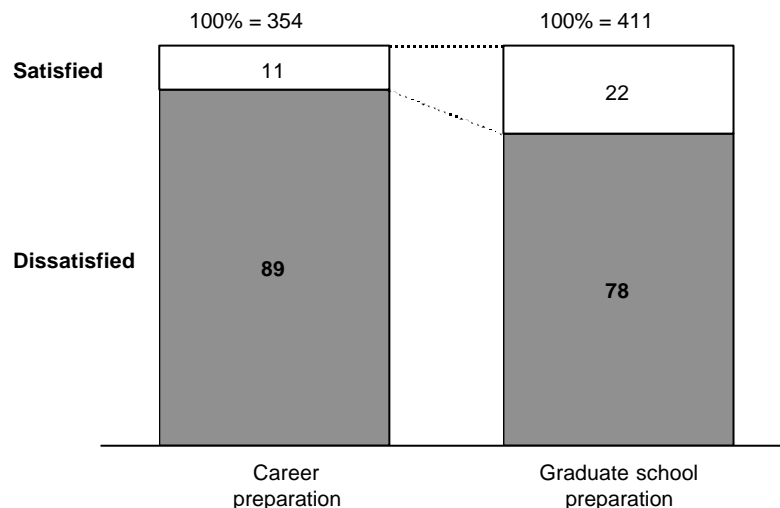
Enhancing the quality of teaching

Current SNU students are highly dissatisfied with the quality of education they receive. A survey conducted in March 2001 indicated that nearly 90 percent of undergraduates feel that SNU does not prepare them adequately for entering the workforce (Exhibit 3) and nearly 80 percent feel SNU does not prepare them adequately for graduate school.

We found the dissatisfaction reflected in this survey amplified in our discussions with students, who were frustrated by a variety of issues. Some of these were quite broad (e.g., some talked about a sense of isolation vs. trends in Europe, Japan, and the United States) and some were quite specific (e.g., some talked about the scarcity of courses in gender studies, due to lack of adequate teaching staff). Whatever the causes, SNU students are overwhelmingly dissatisfied.

SNU students also do not appear well trained in English. Lack of fluency in English will be a major handicap in many fields, especially science and technology, international business, and government. In fact, a survey of graduate school admissions counselors revealed that difficulty in spoken English is the single largest problem for Korean students applying to programs in the United States. Moreover, students from other countries where English is not the native language – in particular India – were significantly more competitive, based on their language skills, than Koreans.

Exhibit 3
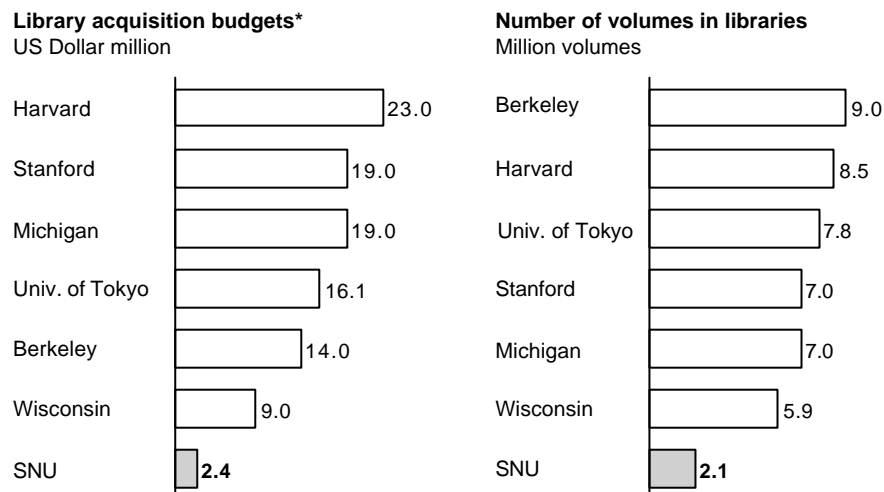Students'
satisfaction
with teaching
Percent

Source: Survey to SNU undergraduates, March 2001; McKinsey analysis

Our comments on teaching are necessarily tentative because it was not possible to make a thorough study in the time available. However, our observations and student surveys indicate that while no single factor leads to the overall dissatisfaction, at least five contribute:

- *Teaching style.* Most classes are given in the form of large lectures, and few, if any, are augmented by discussion sections. We have been told that there is very little one-on-one interaction between faculty and students – especially at the undergraduate level.

- *Curriculum review.* Internal and external reviews of curriculum are common at most world-class universities. These reviews help ensure that courses are up-to-date and accurate. However, we have been told that SNU does not arrange for such reviews.

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- *Student feedback to faculty.* Most faculty members do not ask for students' course evaluations. SNU attempted to make course evaluation compulsory, but the plan was not carried out because of faculty resistance.

- *Infrastructure.* Compared with benchmarks, SNU does not provide students with an environment to study, possibly because SNU cannot afford to build and maintain the necessary infrastructure. For example, SNU's annual budget for library acquisitions is significantly lower than that that of almost all world-class public institutions (Exhibit 4) and is only a fraction of the budget of leading private institutions. Harvard, for example, spends about 10 times as much as SNU. Even on a percentage basis, international benchmarks for library expenditures as a percentage of total budget are around 1.5 percent to 4 percent, while SNU spends only about 0.5 percent. As a result, SNU's main library contains approximately 2 million volumes compared to an average of 7.5 million volumes for the benchmark institutions shown in Exhibit 4.

Exhibit 4
Library acquisition budgets and sizes* – 1999 - 2000

Library acquisition budgets*
US Dollar million

Harvard	23.0
Stanford	19.0
Michigan	19.0
Univ. of Tokyo	16.1
Berkeley	14.0
Wisconsin	9.0
SNU	2.4

Number of volumes in libraries
Million volumes

Berkeley	9.0
Harvard	8.5
Univ. of Tokyo	7.8
Stanford	7.0
Michigan	7.0
Wisconsin	5.9
SNU	2.1

* Includes expenditures for monographs, serials, bindings, and other materials. Excludes salaries
Source: Associate of research libraries; university website; SNU statistical yearbook, 2000

- *Students' effort.* More important than all of the previous factors, students are apparently not challenged by their teachers. In a recent survey conducted by McKinsey, more than two-thirds of SNU undergraduate students reported studying less than two hours a day outside the classroom (Exhibit 5). Even final theses "take about a day" to prepare, according to some students. We found students had a focus on studying for professional exams (e.g., civil service or law exams) rather than studying academic subjects. At a time when students should be learning to think, tasting new knowledge, and exploring, many are instead cramming for the next exam – and that exam is not even an SNU exam.

This all represents an extraordinary missed opportunity, not only for these bright young people, but also for Korea. These students are the future leaders of the country.
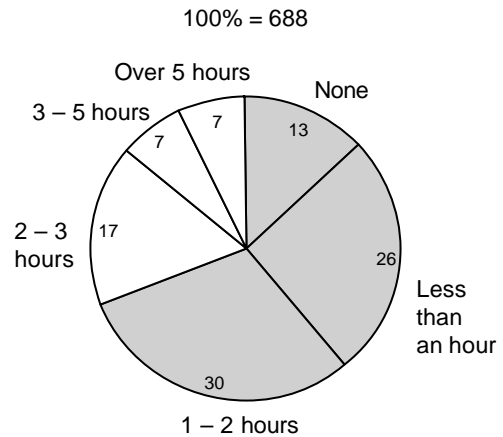
Exhibit 5
SNU Students'
work habits

Graduation requirements at SNU

- Receive 160 credits within 16 semesters (eight school years)*

- GPA should not be below 1.7/4.3 for four semesters

- Prepare graduation thesis. Usually takes less than a day to prepare due to lack of close review from faculty

☐ Students with minimal study efforts

Hours spent on self study per day
Percent

100% = 688

* Differ by colleges
Source: Survey to SNU Undergrads, March 2001; McKinsey analysis

SNU has recognized the need to enhance teaching quality and has taken some steps in recent years to address the situation. However, more work needs to be done.

Increasing the quality of research

While there are many limitations in evaluating research using purely mechanical criteria such as number of publications, citations, etc., SNU fares quite poorly (Exhibits 6 and 7) in almost all such comparisons. Moreover, the distance between SNU and world-class institutions in most comparisons is remarkable.

For example, a simple examination of the number of papers published per faculty member in the natural sciences suggests SNU is not achieving its potential (Exhibit 6). In this comparison SNU ranks well below not only U.S. universities, such as Harvard, Michigan, Berkeley, and Cornell; but also behind other Asian institutions, such as the University of Tokyo; European institutions, such as Cambridge University; and Canadian institutions, such as the University of Toronto.
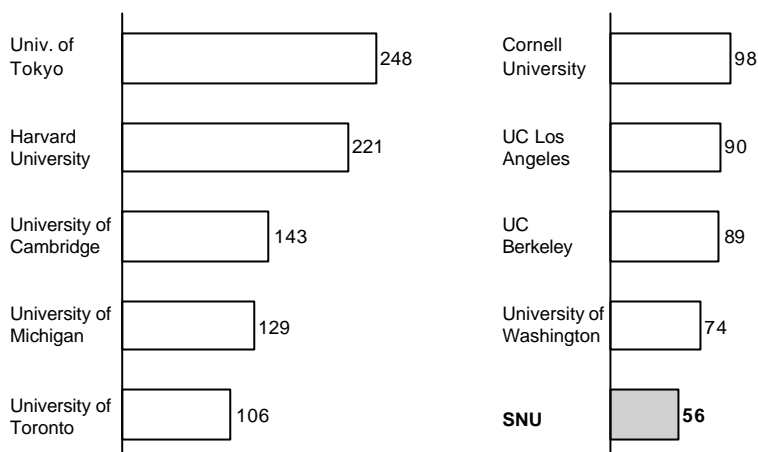
The gap between SNU and leading institutions appears even more striking (Exhibit 7) when publications are adjusted, in a rough way, for quality, using citations as a proxy.

SNU's poor showings in these relatively mechanical measures were corroborated by the Panel's observations and discussions with faculty. For example, we were told of, and indeed we saw laboratory facilities that were so out of date and poorly kept as to make them practically useless for pursuing serious teaching or scholarly work.

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Exhibit 6

Faculty research output

Number of papers published per faculty member in natural sciences – 1990 –1999

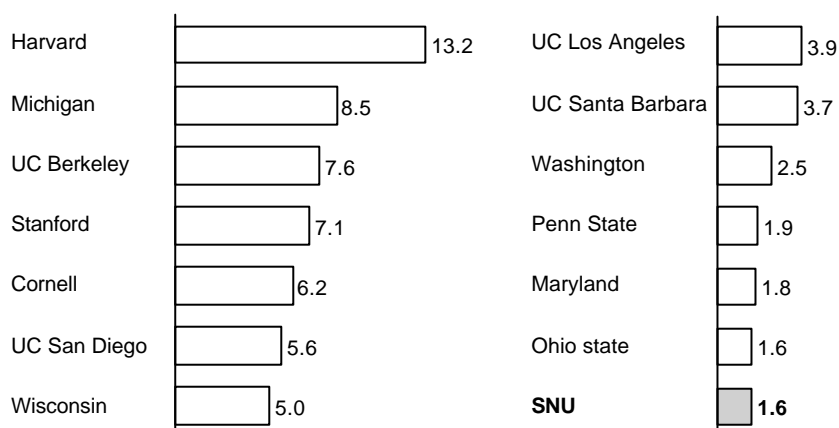| University	Papers		University	Papers
Univ. of Tokyo	248		Cornell University	98
Harvard University	221		UC Los Angeles	90
University of Cambridge	143		UC Berkeley	89
University of Michigan	129		University of Washington	74
University of Toronto	106		**SNU**	**56**

* Number of faculty as of 2001
** Biological Sciences, Chemistry, Earth Sciences, Physics
Source: SCI extended; University websites and annual reports

Exhibit 7

Faculty research effectiveness*

University	Value		University	Value
Harvard	13.2		UC Los Angeles	3.9
Michigan	8.5		UC Santa Barbara	3.7
UC Berkeley	7.6		Washington	2.5
Stanford	7.1		Penn State	1.9
Cornell	6.2		Maryland	1.8
UC San Diego	5.6		Ohio state	1.6
Wisconsin	5.0		**SNU**	**1.6**

* Defined by $\sqrt{\text{publications x citations}}$ /faculty
Source: ISI; University annual reports and websites

In discussions with faculty some departments seemed unduly isolated. For example, in the field of Korean studies, the department at SNU may well have some of the best researchers in the world, but they do not appear to promote themselves outside of Korea or even SNU. As a result, their accomplishments are not known broadly, and their academic performance may even risk stagnation (e.g., no introduction of new methods of analysis, application of new approaches, etc.). If they were to promote their excellence in a more positive way, it could be extremely useful for them, their students, and SNU. To take another example, in the area of American Studies (taken broadly to cover US literature, history, and socio-political-economic analysis, but especially in US literature and history) one Panel member with specific expertise observed that nearly all the most visible Korean scholars are at major private and public universities in Korea, not at SNU. Greater strength in this area could be of material benefit in preparing SNU undergraduates who wish to do their graduate work, whatever the field, in the United States.

It should be noted that we also talked with faculty who were taking important steps towards developing world-class programs and reaching out internationally. For example, faculty in one college told us about efforts to internationalize not only the level of research, but also education, via exchange programs with overseas institutions. Clearly, the potential and desire for change does exist, and should be harnessed, where it exists, at SNU.

Many factors contribute to the challenges of conducting world-class research at SNU. We have been told that the faculty do not have sufficient time to concentrate on research. As one described it, "Inefficient administrative support forces the faculties to handle administrative work, taking time away from research."[19] And in addition to administrative work, we have been told that faculty spend significant time on bureaucratic tasks. Reports to the MOE, for instance, are said to be rejected if the proper margins are not used.

Reviewing performance and providing incentives

Movement toward world-class status requires external reviews and incentives to perform at top levels. However, we observed few mechanisms that would motivate the faculty, once hired, to pursue teaching or research at that level. Until very recently, SNU did not have a rigorous evaluation process for faculty promotion, retention, and dismissal. Promotion and tenure were based on seniority rather than performance in research or instruction. As a result, almost every full-time lecturer eventually secured a permanent, tenured position. In fact, since SNU's founding in 1946 only three faculty members have failed the promotion process. This stands in stark contrast to most world-class institutions (Exhibit 8), where support is given to junior faculty to develop their research, but where it is also understood that not all will be able to meet the high standards, and be given tenure.

Once tenure is granted, faculty appear to be under little, if any, pressure to perform. Faculty are considered civil servants, with a job for life, rather than a necessity to continue to perform competitively, which is the expectation at universities of the first rank.

Last year SNU introduced a new evaluation system wherein full-time lecturers, assistant professors, and associate professors are to be reviewed every three years to assess their eligibility for promotion. The new evaluation criteria (on paper, at least) include number of research publications (as well as other departmental indicators of research activity) and require an external reviewer to be part of the process.
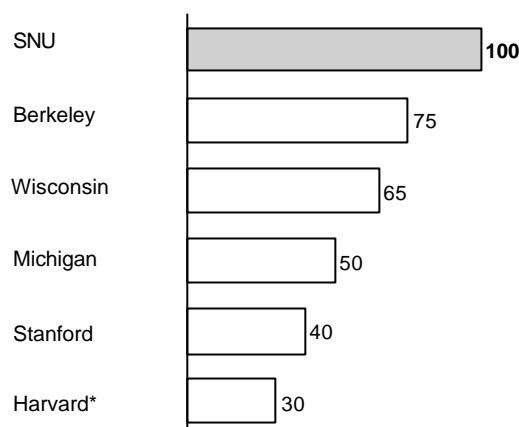
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[19] SNU faculty interview conducted by McKinsey, March 2001.

APPROXIMATE

Institution	Value
SNU	**100**
Berkeley	75
Wisconsin	65
Michigan	50
Stanford	40
Harvard*	30

* Faculty of Arts and Sciences
Source: Interviews with senior administrators in charge of faculty development at benchmark schools; SNU office of academic affairs

This new evaluation system is laudable, although it appears to us somewhat more focused on throughput and activity than on quality. It is also unclear whether the process has, in fact, been implemented, due to the difficulty in refusing tenure: the two candidates refused last year have sued the university. Furthermore, the new evaluation system will not affect tenured professors, who account for 63 percent of the faculty.

As discussed previously, faculty salaries and support infrastructure are not sufficient to attract and retain world-class faculty. Moreover, only a very small portion of compensation is in the form of merit pay, central to the concept of rewarding and motivating excellence. As with tenure, SNU has taken some first steps to create merit-based incentives. SNU introduced a new compensation system last year, by which roughly 30 percent of SNU's faculty received bonuses of approximately US\$ 3,800 at the end of the year, based primarily on research publications.

While a positive step, our view is that these rewards will not be effective. They are too small to work as an incentive and too narrow in focus. They reward performance in money rather than broader elements, such as support for scholarly work. They focus only on research, not on teaching or other contributions to the life of the university. Finally, they are relatively mechanical, responding to the number of publications, rather than the quality of work.

If it is to become a world-class institution, SNU must do much more to review and reward high performance amongst its faculty.

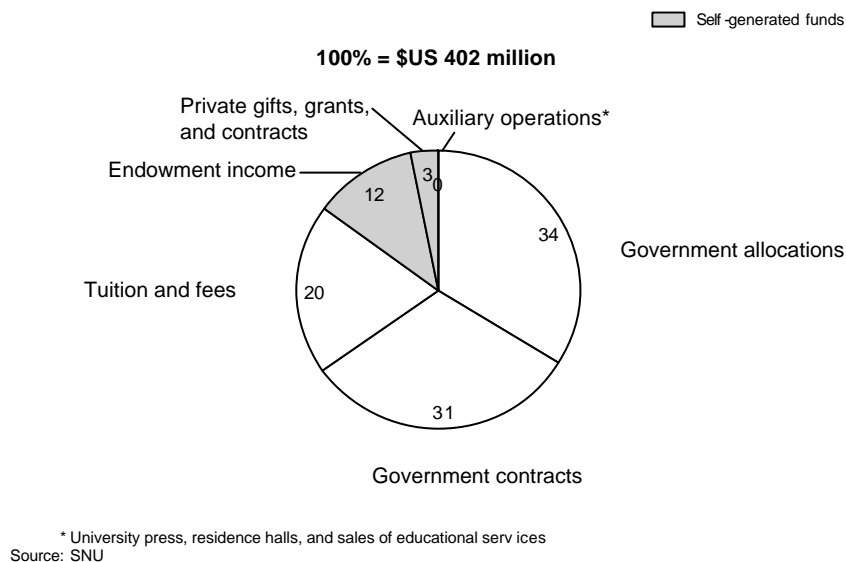## INCREASING THE DIVERSITY AND STABILITY OF FUNDING

SNU cannot achieve its aspirations without developing broader and more stable sources of funds that are flexible enough to be directed to areas of high priority.

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Sources of funds need to be broadened, especially through fundraising

As summarized in Exhibit 9, SNU draws on three primary sources to support its activities: government allocations, gove rnment contracts, and tuition and fees. Absent from the mix, however, are revenues from auxiliary enterprises, such as patent development and royalties, publications, and alternative education delivery activities, such as continuing education, distance education, and executive education. Many leading institutions recognize that the government cannot be responsible for supporting all university priorities, and as a result revenues from these sources, as well as fundraising and endowment, provide an attractive source of funds. SNU, however, is prohibited by law from tapping these resources.

Exhibit 9

Funding sources – FY1999-2000

Percent of budget, US$

Self -generated funds

100% = $US 402 million

Private gifts, grants, and contracts

Auxiliary operations*

Endowment income

3

0

12

34

Government allocations

Tuition and fees

20

31

Government contracts

* University press, residence halls, and sales of educational serv ices
Source: SNU

In addition to drawing from these auxiliary enterprises, first-rate institutions raise funds independently to provide a foundation for attracting and retaining the best faculty, supporting research, and building a stable endowment. SNU, however, lags world-class benchmarks significantly in its level of fundraising and endowment (Exhibit 10).

For example, over the past five years Harvard' s endowment, which now stands at about US$ 19 billion, has earned an average annual return[20] (adjusted for inflation) of about 21 percent. Over the same period of time SNU' s endowment earned only 7 percent (adjusted for inflation). In 2000 alone (admittedly an unusually good year), Harvard' s endowment fund earned US$ 556 million, or 27.5 percent of the university' s total revenue.[21] Earnings from the endowment are especially important for SNU at this time, due to limitations in government

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[20] Net of management fees and expenses

[21] "Financial Report to the Board of Overseers of Harvard College, Fiscal Year 1999-2000," pp. 6-8.
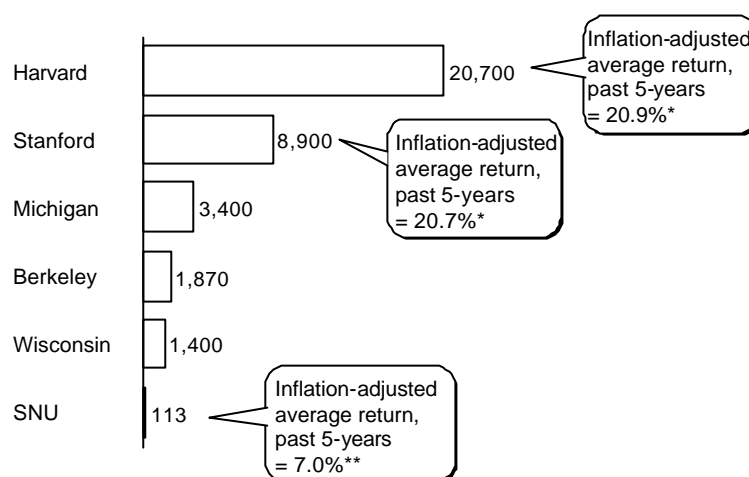
funding. Much of the funding for SNU's transformation will need to come from non-government sources.

Increasing the size of SNU's Development Fund will be challenging for two reasons:

■ *SNU Development Fund size and performance.* The Fund balance as of December 31, 2000, was US$ 113 million, having generated a 10 percent after-tax annual rate of return for the year (Exhibit 10). As a result SNU's endowment income ($ 11 million) is very small relative to U.S. benchmarks, which averaged US$ 340 million in income.[22]

Harvard	20,700
Stanford	8,900
Michigan	3,400
Berkeley	1,870
Wisconsin	1,400
SNU	113

Inflation-adjusted average return, past 5-years = 20.9%*

Inflation-adjusted average return, past 5-years = 20.7%*

Inflation-adjusted average return, past 5-years = 7.0%**

* Net of management fees
** Net of corporate tax
Source: Respective universities brochures; SNU Development Fund; Bank of Korea, International Financial Statistics database

■ *Management of SNU Fund.* Currently, the Fund is managed by professors of business administration and economics. Although these professors have worked hard to increase the size and performance of the fund, they have limited professional experience in fund management. Their approach is risk-averse, and as a result the Fund's annual rate of returns over the past five years has averaged less than one-third of that for other leading institutions.

In summary, SNU must significantly increase its fundraising activities and engage professional fund managers for the endowment if it is to attain the financial necessary to support world-class programs and rankings.
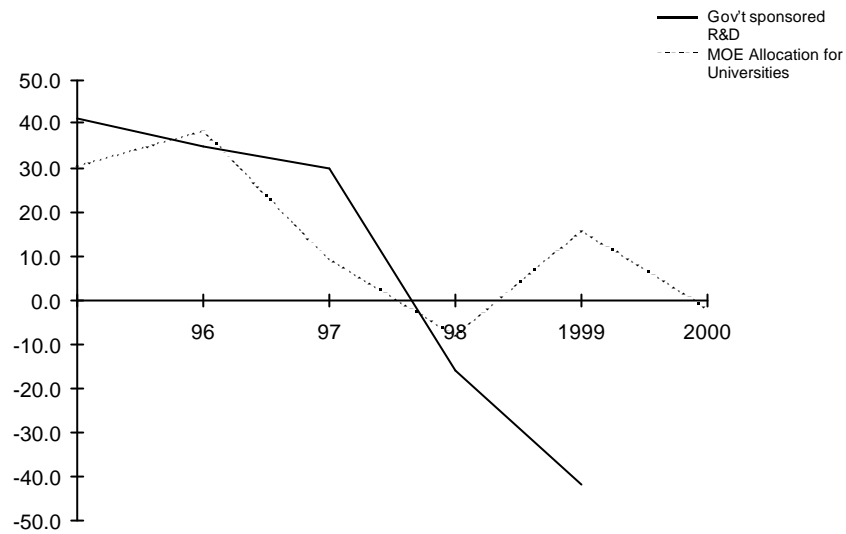
Stability of funding should be increased

In light of the recent volatility in government budgets due to Korea's changing economic performance, SNU's dependence on government funds has worked to

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[22] Average endowment income of Stanford, Harvard, and University of Michigan, Ann Arbor.

its disadvantage. MOE's spending on higher education fluctuated greatly during Korea's recent economic crisis (Exhibit 11).

Source: MOE

Funds should be more flexible

A great university needs diverse sources of revenue s, constancy of funding, and adequate amounts of money to support its mission. Equally important is flexibility in spending those monies. While SNU has some discretion in deploying government funds (the bulk of its budget), large portions of its funding come with restrictions that hamstring the university. For example, after all salaries and fixed overheads are paid, only about $US 5 million is available for truly discretionary spending at SNU. Another example is MOE's "BK21" initiative.[23] Of the $35 million in funding from this initiative in 2000, SNU was required by law to spend exactly 45 percent, or $16 million, on graduate students.

Current requirements also do not foster long-term planning. For example, if funds are not used during the year allocated, they are for all practical purposes lost. MOE rules allow unused funds to be rolled over to the next year, but an equivalent amount is deducted from the budget.

Thus, despite an annual budget of over $400 million, a number of important areas are lacking in sufficient financial support. For example, infrastructure critical for world-class scholarship – e.g., libraries, and graduate and undergraduate laboratories – are out of date and inadequate. Similarly, the resources for attracting top-quality faculty (e.g., start-up funds, salaries, and

[23] BK21 is a 7-year government initiative to cultivate world-class talents and research output. From 1999 – 2005 the government plans to spend 200 billion won per year under this initiative.

administrative help) are virtually non-existent, and students are lacking the support for student groups, dormitories, athletic facilities, and even financial aid, all needed to develop future leaders for the knowledge economy.

ALTER THE GOVERNANCE STRUCTURE TO CREATE CLEAR ACCOUNTABILITIES AND BETTER DECISION-MAKING PROCESSES

SNU's structure of governance, its decision-making processes, and its relationship with MOE prevent meaningful changes from taking place and impede the pursuit of excellence. Without a significant change in these areas, SNU will not achieve its aspirations to become a university of world rank.

The current division of authority between SNU and MOE is unproductive

The current relationship between MOE and SNU and the corresponding division of decision-making authority (Exhibit 12) lead to a complicated situation whereby confusion arises over who has the authority to make decisions, due in part to MOE's control of the bulk of SNU's financial and human resources and its influence over SNU's academic affairs.

Exhibit 12
Sharing of decision-making power between SNU and MOE

✓ Decision making power

Ultimate decision maker

Example university functions	Detail functions	SNU	MOE
Research	• Allocation of research budget		✓
	• Soliciting research fund from private sector	✓	
Finance	• Setting of tuition fee		✓
	• Raising/management of endowment fund	✓	
	• Financing through auxiliary operations		✓
Academic affairs	• Faculty hiring quota		✓
	• Faculty hiring criteria and actual selection	✓	
	• Faculty promotion	✓	
	• Faculty dismissal		✓
	• Student entry requirement and process		✓
	• Number of students		✓
Administrative functions	• Hire/fire admins		✓
	• Salary of faculty and admin staff		✓
	• Restructuring colleges and departments		✓

Source: SNU; McKinsey analysis

- ■ *Financial resources.* Of SNU's budget in fiscal year 2000, 66 percent came from government sources, via MOE, which allocates funding to SNU based on a formula unrelated to actual research performance or real infrastructure requirements. Moreover, allocations are made on a year-by-year basis, which makes long-term planning for the university extremely difficult.

MOE's control over SNU's financial resources goes beyond its budget allocation. SNU's other sources of funding, such as profit generated by auxiliary operations, is under the control of MOE. For instance, SNU cannot retain revenues derived from patent royalties or executive education courses.

- *Academic affairs.* MOE is also deeply involved in SNU's decision making in some critical aspects of academic affairs. For example, MOE governs student selection process, criteria, and number. MOE, rather than the faculty, also governs the establishment, abolition, and consolidation of colleges or departments, and sets the total number of faculty hires, so that SNU cannot, for example, merge the funding from two positions into one, to create an attractive package for experienced, world-class hires.

Where MOE sees difficulties at SNU it tends to become intimately involved with the details of management, usually in a bureaucratic way. For example, in a well-intentioned effort to increase the breadth and quality of SNU faculty, MOE requires 30 percent of new SNU faculty to have non-SNU undergraduate degrees. Similarly, MOE requires 50 percent of graduate students to have non-SNU degrees. We do not believe that quotas lead to excellence. External reviews and merit pay would be much more effective. However, civil service laws preclude even SNU's president from implementing base salary increases when recommended by his deans and department heads.

In other areas, it should be noted that MOE has adopted a hands-off approach. SNU departments and colleges, for example, are free to set up their own systems of governance, and those that have desired to build a strong leadership by assigning senior faculty to top administrative positions (e.g., Physics) are free to do so.

- *Human resources.* MOE controls SNU's administrative human resources, appointing and evaluating administrative officers. As such, SNU can control neither the roles and responsibilities nor the quality of its administrative officers. SNU's administrative function remains extremely bureaucratic, with such positions as Director of General Administration and Director of General Buildings appointed by MOE. These senior managers serve SNU for two years, then rotate to different positions elsewhere, preventing SNU from developing administrative skills and undermining the sense of ownership and responsibility required of a senior administrative staff.

In many ways this mixed role by MOE – intimate involvement with details of financial, human resource, and academic life in some areas, while adopting a hands-off approach in others – has sown confusion. It creates a vacuum of responsibility, it seems to us, in which difficult decisions do not get made. Hence, university drifts in a state of paralysis.

SNU's leadership structure is not conducive to building excellence

The close involvement of MOE in the day-to-day running of SNU provides a structural constraint that significantly weakens the university's presidency. In many leading institutions the head of the university can make judgments about the allocation or reallocation of resources between academic and administrative functions, and if either is unsatisfactory, the president can make changes. He or she is often responsible for appointing and promoting both academic and administrative staff and for ensuring that both contribute appropriately to fulfilling the university's strategic aims. At SNU the role of the MOE leads to complications and weakens the position of the president in a way that is probably unique to Korea.

While MOE is involved in many detailed operations, SNU does have broad authority over many significant decisions – at least in theory. For example, the president can assign faculty positions (once the total number is set by MOE) and some funds, as he sees fit.

In reality, SNU's governance system lacks the ability to "get things done" due to the absence of visible and responsible decision makers who can set and pursue university-wide goals with a long-term perspective. This leadership void results from at least four factors:

- ■ *Selection process for the president and deans.* SNU's president is elected by peer faculty and then formally appointed by the Government. While democratic, this approach has two significant flaws. First, the lack of a broad search process that considers both internal and external candidates suggests that many outstanding candidates are not being considered. Indeed, in world-class universities search committees look as broadly as possible for the most qualified candidate, and often find that person elsewhere. Second, while faculty input is critical in choosing a president, election by the faculty makes the president vulnerable to internal politics, which weakens the president's authority, independence, and power.

  Deans are also elected, which causes similar problems. The search process for deans should be broad, looking outside (as well as inside) the university, and appointments should be made with faculty input, not by faculty vote.

- ■ *Length of the presidential term.* SNU's president serves for four years, with a possibility of re-election. However, the terms of the past five presidents averaged 2.6 years, suggesting that SNU's recent governance has lacked long-term perspective and continuity. Short terms of service also weaken the president, as there is little incentive for faculty who disagree with initiatives to contribute. They need only to wait for the current president to go away and a new one to come in. Presidential terms in most benchmark universities are

indeterminate and have been nearly 10 – and in some cases more – years for most successful presidents (Exhibit 1). This allows presidents of benchmark institutions to set and accomplish goals that require long-term planning and execution.

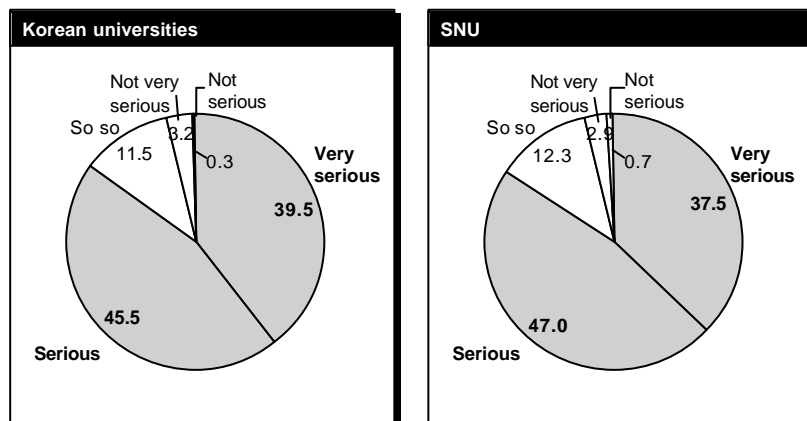We have been told that terms of service for deans are also relatively short, which raises similar concerns.

■ *Absence of a system to monitor or evaluate the president.* The president is responsible to no one for his or her performance, and is neither rewarded nor punished for his or her impact on the university. Consequently, the execution and results of the president's initiatives are not rigorously tracked.

■ *Insufficient executive authority.* With consensus-driven decision-making, the president cannot adopt or move forward with reform plans without the support of deans, who often act in the interest of their own colleges rather than the university as a whole.

SNU's process for appointing presidents and the relatively short length of service are not conducive to the development of a deep expertise important for decision-making. Similarly, deans have short terms and are not organized in a way that allows them to support the president's decision making.

The faculty is not fulfilling its responsibility to protect academic excellence

SNU faculty members recognize that SNU faces a serious crisis and is falling behind major domestic and foreign universities in every sector, as evidenced by a recent survey[24] of over 900 faculty members (Exhibits 13 and 14).

Korean universities

Not very serious
Not serious
So so
11.5
3.2
0.3
Very serious
39.5
45.5
Serious

SNU

Not very serious
Not serious
So so
12.3
2.9
0.7
Very serious
37.5
47.0
Serious

Source: SNU Faculty Association Survey

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[24] Conducted by the SNU Faculty Association

Exhibit 14
Faculty responses to "How do you evaluate the changes in SNU over the past 2 years?"
Percent of respondents

	Compared to domestic Universities	**Compared to foreign Universities**
Efforts to recruit excellent professors	3.6	2.1
Efficient administration	2.6	1.8
Financial resources	3.1	1.9
Research infrastructure	3.4	2.0
Welfare system	2.1	1.6
Leadership	2.6	2.0
Efforts to obtain excellent students	3.0	2.3

Scale: 1 Inferior — 4 No difference — 7 Superior (for both charts)

Source: SNU Faculty Association Survey

Despite the faculty's recognition of the problems facing the institution, it has been largely absent in making change that promote excellence of the institution. While many faculty organizations exist (Exhibit 15), none appears able to represent the faculty's views on issues of critical faculty importance. For example, the timing and agenda of meetings of the Faculty Council are set by the administration, rather than the Council itself. Even the chair is unaware of his position, role and responsibilities.

In short, the responsibilities and accountabilities of the faculty are not well established, and, thus, not well executed. For effective governance, all parties involved – including the faculty – must know their responsibilities and rights, and the faculty must be organized in a way that enables them to execute those responsibilities.

Exhibit 15
Faculty organizations

	SNU Faculty Council	**SNU Faculty Association**
Constituents	• Official body composed of 1 representative from each college	• Unofficial body composed of all SNU faculties* • 70~100 board members compose the leadership group
Key roles	• Deliberates and provides advices on key findings from the council of deans	• Actively formulates faculty opinions on school affairs and faculty well-being. Recent resolutions made include – Opposing MOE's long-term development plan for National universities – Advocating faculties' position against the school's disciplinary actions/punishments
Influence on decision making	• Minimal – convenes 1~2 times a year to rubber stamp the President's/council of Dean's decisions	• Exerts political pressure to the president – SNU administration very sensitive as to how the council of professors will react to potential decisions/policies

* Faculties automatically become members
Source: Interviews; SNU by-law

EXTERNAL CONSTITUENTS FEEL SNU IS FALLING SHORT OF ITS POTENTIAL

In our discussion with industry leaders from across Korea, we heard SNU characterized as "having the best high school graduates who go on to be the 'most connected' in Korea, but not necessarily the most educated." Industry and civic leaders see SNU as the place the best high school graduates go to interact with other smart people who will become future leaders, but these students are not pushed to excel during their four years at the university.

Civic leaders to whom we spoke want SNU to offer the absolute best in research and education, but they believe reform is necessary for this to become a reality. They believe the curriculum focuses too much on memorization; they feel students need to develop more problem-solving skills, critical thinking capability, and creativity; and they are not convinced the current faculty can deliver.

SUMMARY

Although SNU has some considerable strengths, we cannot today rate it as a world-class university, for two broad reasons: (1) a number of its academic units have not responded to the changed world environment; and (2) its profile outside Korea is not high.

Korea, however, is not alone in this situation. Very good universities in other countries have also concluded that their recognition is declining, either because their internal structures are insufficient to respond to change or because their recognition in an increasingly Anglophone world is decreasing due to language gaps (or both). Examples of the former are Oxford and Cambridge, which after more than 500 years of unchanged governance have introduced major structural reform. The same is true of the University of Tokyo and universities in Hong Kong. Examples of the latter, which suffer from gaining recognition an increasingly Anglophone world, are universities in Denmark, Finland, Holland, Hong Kong, Singapore, France, Germany, and Italy.

It is our hope that SNU can also make reforms that enable it to become a world-class institution. The final chapter of this report describes 12 initiatives we believe will help SNU begin this journey.

Chapter 4 Recommendations

Dwight Perkins[25] described his vision for SNU as an internationally-recognized institution where

> Schools and departments, not all but many, would be ranked among the best 25 to 50 of their kind in the world. Students and visiting scholars would flock to SNU to attend the seminars and seek the advice of its most distinguished faculty. Governments and industry, in Korea and around the world, would also come to Seoul to take advantage of these resources, much as they come to Cambridge, USA, today

We would build upon this exciting vision to include SNU's achieving the same level of recognition that the best schools in the world receive, for example home of Nobel laureates and Fields Medal winners. SNU should aspire to recruit faculty from other leading institutions – and those institutions should in turn compete for faculty from SNU. These will be some of the hallmarks of SNU's success.

To achieve this level of success, however, will take time and resolve. Academic institutions do not simply announce they are adopting world-class standards and join the community of leading universities. They must build up specific fields; that is, they must make an effort to develop a critical mass of world-class research, initially narrowly defined, to provide a nucleus of expertise that can be used to attract prominent scholars. Then they will begin a virtuous cycle of continuously attracting a broader set of top-ranked faculty that, over time, will expand the set of SNU's world-class fields of endeavor.

To help SNU begin this transformation we recommend undertaking 11 initiatives, which we have grouped into three broad goals:

■ *Goal #1: Develop appropriate governance structures*

- Initiative 1: Create a board of trustees, with responsibility for hiring (and removing, if necessary) the president, negotiating with the government on SNU's behalf, and holding SNU accountable for performance

- Initiative 2: Restructure and strengthen the academic administration by increasing terms of key positions (e.g., president and deans), changing appointment procedures, and redefining the roles of key leadership positions

- Initiative 3: Create a mechanism (faculty senate) for faculty to provide high-quality input to the administration, to execute their institutional

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[25] Dwight Perkins, "Seoul National University Restructuring Plan," June 1999

responsibilities (e.g., curriculum) and to be held accountable for performance

- ■ *Goal #2: Commit to excellence based on relevant reviews and world-class standards*

  - Initiative 4: Institute a system of regular program reviews, with input from external academic experts, and establish a mechanism to allow action to be taken on the outcomes

  - Initiative 5: Institute a system of rigorous faculty review, for both junior and tenured faculty

  - Initiative 6: Develop meaningful rewards that recognize distinctive programs and individuals

  - Initiative 7: Grant SNU the authority and responsibility for hiring and developing administrative staff

  - Initiative 8: Increase the rigor and relevance of undergraduate education

  - Initiative 9: Actively promote the internationalization of SNU

- ■ *Goal #3: Raise and distribute resources to support excellence*

  - Initiative 10: MOE and SNU should agree on an approach and implement a funding mechanism – including generation of secondary sources of funds – to jump-start high-priority programs

  - Initiative 11: Improve the level of fundraising to develop a self-perpetuating endowment that can supplement other sources of funding; launch a capital campaign to fund it

GOAL #1: DEVELOP APPROPRIATE GOVERNANCE STRUCTURES

Higher education systems are effective only when insulated from the undue influence of political parties, governments, or short-term political developments in educational affairs. Success in research and education requires consistency, with academic decisions concerning institutional leadership, curriculum, or the funding of research projects made on academic grounds. Eliminating political interests of political parties or individual appointed ministers from the operation of a higher education system helps to safeguard meritocratic decision-making, one hallmark of an effective higher education system.[26]

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[26] World Bank Report, page 51 (verbatim)

This implies an explicit system of responsibilities, starting from the government (in the case of public institutions) and cascading down through a board of trustees, the academic administration (president, deans, department heads) and ultimately to the faculty. Outstanding universities recognize that faculty time is a valuable resource that should not be wasted on tasks that could be carried out more efficiently by professional administrators or secretaries.

When done properly, a governance system serves all parties – the public, alumni, government, administration, students, and faculty – by providing the institution with the ability to take action and change the status quo when necessary. Clear lines of responsibility, and transparent, open debate help the academic staff make the decisions they should make (e.g., curriculum); allow faculty more input into the decisions the administration must make (e.g., university budgets); and provide stability for all against the whims of political influence. To accomplish this, we recommend the following initiatives:

Initiative 1: Create a board of trustees, with responsibility for appointing the president, negotiating with the government on SNU's behalf, and holding SNU accountable for performance

A board of trustees should be established to act as a buffer between the government and the university, and to hold SNU accountable for its performance. This board should have the following responsibilities:

- Overseeing the president, which includes selecting, supporting, monitoring, and terminating, when necessary

- Overseeing finances, which includes negotiating budgets with MOE, raising funds, making arrangements for managing the endowment, and ensuring balanced budgets

- Safeguarding the university's mission, which includes engaging in strategic planning, approving and monitoring departments and programs recommended by the administration, and enhancing the university's quality and reputation

To execute these responsibilities, the Panel suggests a board that is composed of approximately 14 trustees, with representation and selection as follows:

- Three faculty members, chosen by the faculty (in a manner to be determined)

- Three representatives from MOE, with two chosen by MOE and one chosen by the board, from a slate proposed by MOE

- One alumnus, chosen by the alumni association

- Three lay persons of high stature (e.g., major Korean professionals or business executives) who represent the public interests, chosen by the board

- Two (non-SNU) scholars chosen by the Korean academies from different fields (i.e., not both from natural and applied sciences)

- President of SNU

- One foreign scholar, chosen by the board

As they represent the public at large, one of the lay representatives should be elected by the board to serve as the board chair.

It will be imperative that terms are structured to allow the possibility to serve for long enough periods of time (e.g., 10 years) to enable trustees to develop real expertise in dealing with the university, MOE, and other stakeholders. Certainly terms should be staggered, so that there is never a complete change of the board.

Once established, this board will be in large part self-perpetuating, which will help minimize political influences in its selection and execution of duties.

Finally, the board should organize itself into committees, including an executive committee to be used for sensitive topics (e.g., selection of new members) and other committees in which trustees can develop specific areas of expertise (e.g., academic affairs, finance).

Initiative 2: Restructure and strengthen the academic administration by increasing terms of key positions, changing appointment procedures, and redefining the roles of key leadership positions

As discussed in Chapter 2, the Panel feels it is a great advantage to have a president and deans who serve in office for terms long enough to develop expertise in their roles. This will certainly require a new approach for choosing the president, and should also include more flexibility for the president to choose – and retain – deans.

In particular, the following changes should be considered with respect to the president:

- Appointment should be made by the board of trustees

- Term structure re-defined so *successful* presidents can serve for perhaps an indeterminate term, but at a minimum five to ten years

- Responsibilities should include all affairs and operations of the university, such as compensation, promotion, appointment of deans and directors, department, program, and college creation and change, all after consultation with the appropriate advisory bodies, and under the guidance of the board of trustees. Consultation, however, does not mean consensus is needed for a decision, or that anyone can veto a decision. While the president must answer

for his or her decisions, consensus-driven decision making can stagnate the decision-making process to the point that real change is nearly impossible to achieve. The president, with input from the faculty and under the oversight of the board, must take final responsibility.

Clearly, a president who carries responsibilities of this kind must be skilled in managing large organizations, in addition to possessing exemplary academic qualifications.

Since developing a culture of meaningful external review will be one of the most critical undertakings, the president might consider establishing a "scholarly" board, to help him and the board of trustees select visiting committees, examine programs, and ensure that the university is on the path to true excellence. Such a "scholarly" board would likely be composed of six to eight scholars from a variety of fields, each experts in their respective areas, and would contain a mixture of Korean and non-Korean members (but likely none from SNU).

With respect to Deans, we believe the following should change:

- Appointment should be made by the president, after extensive faculty consultation, possibly including faculty nomination. As discussed above, consultation should not necessarily mean consensus.

- Term structures should be re-defined so successful deans can serve for at least five years, along with a successful president

- Responsibilities should include all affairs and operations of the associated college after consultation with the appropriate advisory bodies, and under the guidance of the president

- In most cases, deans should be given budgetary power that is always used in consultation with faculty and under the oversight of the president, who has final authority

As part of the system of accountability we suggest that the trustees undertake a periodic (e.g., every five years) review of the president, and that the president undertake a similar, periodic review of deans and vice presidents.

Initiative 3: Create a mechanism for faculty to provide high-quality input to the administration, to execute their institutional responsibilities and to be held accountable for performance

As discussed in Chapter 2, a number of faculty committees exist, but none appears to be organized in such a way as to carry out the responsibilities inherent in a system of shared governance. SNU should review the existing committees and either abolish them, merge them, or create a new entity – a "faculty senate"

– that can play this role. This senate should have the following broad responsibilities:

■ Decisions (subject to presidential and board approval) on instruction and curriculum policy

■ Advice on academic personnel policy; budget and university support; promotion and tenure decisions; department, program, and college formation and change; research and ethics policies; and student affairs policy

To be effective, the senate, like the board of trustees, should organize itself into committees, including

■ Standing committees, such as executive committee, academic and personnel policy, instruction and curriculum policy, research policy

■ Ad-hoc committees, to address specific issues the faculty must provide input on when necessary, subject to the rules outlined in a constitution

GOAL #2: COMMIT TO EXCELLENCE BASED ON RELEVANT REVIEWS AND WORLD-CLASS STANDARDS

Great universities require great intellectual leadership, which can be defined only in relation to the world's leading scholars and academic departments. While there is no single criterion for such comparisons, and while criteria vary from discipline to discipline, a handful of measures of excellence are universally recognized:

■ How diverse is the faculty? What backgrounds do they come from?

■ Are faculty members in demand by other world-class institutions?

■ How many scholars from recognized, world-class departments – particularly overseas – come as academic visitors or join the faculty?

Traditionally, scholars have been drawn by the opportunity to do research and investigation, but today scholars are equally attracted by the possibility of interacting with top-notch students in the classroom or laboratory.

External reviews provide a high-performing faculty an important opportunity to diplay their talent and accomplishments to the outside world. External evaluation is of particular relevance to young faculty, as international recognition of SNU would allow new scholars to reap the benefit of high stature. When carried out properly, external reviews are welcomed by faculty because they curtail potential conflicts inherent in purely internal processes, and help educate the administration about the best programs and departments.

To develop excellence through the use of world-class benchmarks, we suggest six initiatives:

Initiative 4: Institute a system of regular program reviews, with input from external academic experts

Lacking a strong tradition of external review, SNU must place a high priority on creating processes to evaluate programs (departments, colleges, and interdisciplinary groups). Inviting scholars from elsewhere to participate in evaluations will make the reviews relevant and help disseminate the work of the departments under review.

An initial baseline needs to be determined for all programs, followed by ongoing, periodic reviews. We suggest forming a series of visiting committees to review each department. Committees should be set up by the administration with input from the relevant deans and departments. Each committee should be composed of external experts from the respective department's key sub-disciplines, SNU faculty from related departments, and one administrative representative. While broad categories for evaluation need to be drawn up by the administration, each committee should develop specific criteria and benchmarks for the department it is reviewing.

During the initial round of reviews, each committee should also develop relevant criteria for future faculty evaluations (see Initiative 5) based on the particulars of the disciplines. Initial reviews will also assess past levels of support, to put into perspective the past performance and potentials for improvement of each program being reviewed.

Creating these committees will be time consuming and expensive. And once the committees are up, preparation for evaluation will be a complex, time-consuming task. For example, departments should be asked to prepare a self-study, with criteria provided by the administration. The first step, therefore, should be to develop a plan for reviewing every department within the next few years, and then to create the first committees. Departments that are already making steps toward developing premier programs may want to volunteer to be reviewed first, to accelerate the process.

Initiative 5: Institute a system of rigorous faculty review, for both junior and tenured faculty

In addition to departments, evaluation processes need to be developed and implemented for all faculty. The recently modified processes for granting tenure, which include elements of external review, are a good first step. However, it is unclear whether such external reviews actually take place. A system needs to be put in place to ensure that reviews take place.

For senior faculty, a program and schedule for regular, post-tenure review, based in part on the specific criteria laid out by the visiting committees, should also be designed and implemented. Such reviews can be held every five years, in the spirit of offering a sincere developmental opportunity. They also provide a

strong incentive for performance, as faculty members at leading institutions want to show their peers around the world that they, too, are world-class scholars.[27]

Clearly, there is significant overlap between this initiative and the Initiative 4, which focuses on program reviews. These two can work together in a complementary manner, however, if program reviews concentrate on higher-level departmental issues and goals, and faculty reviews concentrate on the role(s) faculty play in achieving both personal and departmental goals. Moreover, the initial round of program reviews should help define relevant criteria for subsequent faculty reviews.

Initiative 6: Develop meaningful rewards that recognize distinctive programs and individuals

The reviews instituted under Initiatives 4 and 5 will have little, if any, influence on excellence if they are not tied to real implications for those who are reviewed. For example, departments that have made significant progress or can make a case for future potential should be rewarded with more laboratory space, extra faculty positions, matching funds, etc. Rewards could also be given to all individuals within departments that are deemed distinctive, as a way to encourage faculty to work together to achieve excellent performance. Only by differentiating the rewards given to high performers and low performers will reviews be meaningful and excellence begin to emerge.

Top performers on the faculty should be rewarded with both career advancement and salary. This requires that the privileges of tenure for junior faculty be granted only to those most deserving. Those who cannot reach the highest standards need to be encouraged to leave or pursue alternative career paths within the university. Similarly, those senior faculty who are truly distinctive should be granted real pay raises, as well as other non-monetary benefits. Those who are not keeping up should be urged to retire or pursue an alternative career path.

Basing tenure on real achievement will require that promising young researchers are given support, at the outset of their careers, to initiate their research and not be over-burdened with a high teaching load or administrative duties. Civil servant laws will need to be reviewed and potentially modified to allow differentiation in pay, termination, or movement to a different career track for faculty not receiving tenure or meeting performance criteria. Faculty members may even need to be reclassified so they are no longer considered civil servants

Given that so many of SNU's faculty already hold tenured positions, the change in faculty composition expected from a long-term program of meaningful

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[27] Clearly, SNU will need to develop, in parallel to the review schedules, tools that support faculty performance, e.g., translation services to allow publication in relevant languages; possibly development of an "SNU Press," etc. Without such support, simply demanding international performance could be an unrealistic expectation. However, without the reviews, the motivation to develop these tools will be reduced.

reviews and rewards will take time to develop. To accelerate the pace of change, MOE should consider setting aside a set number of positions (e.g., 10-15) each year that are to be used only for hiring top-ranked scholars, at the discretion of the president. Of course, procedures for recruiting new faculty will need to be developed if SNU intends to seek out world-class talent and to reward only those truly performing at high standards.

Initiative 7: Grant SNU the authority and responsibility for hiring and developing administrative staff

The current system under which administrative staff is assigned from MOE is a significant handicap to SNU. Despite a large group of MOE administrators at SNU, faculty believe they are so burdened with administrative hassles more suited for support staff than for faculty members that they do not have time to teach and conduct research. Any institution – including SNU – should have the right and responsibility to decide how best to provide the required administration in a manner uses faculty time and resources efficiently. In particular, SNU should be given the power to attract, develop, evaluate, reward, and, if necessary, replace administrative staff, based on performance. Moreover, SNU should have the flexibility to use funds currently spent on administrative staff for other pursuits, and vice versa, if warranted.

A range of possibilities exists for executing this initiative. For example, civil service laws might be changed to re-classify SNU administrative staff to non-civil servant positions. MOE employees could be transferred, or given temporary leave from civil service, to SNU, and then returned to civil service if and when SNU decides their performance is not up to par. Whatever method is chosen, the current practice of assigning administrative staff to SNU from the ministry is inconsistent with a commitment to excellence. This practice needs to change.

Initiative 8: Increase the rigor and relevance of undergraduate education

Undergraduate classes must be made more demanding. The emphasis on memorization must be dropped in favor of problem-solving and critical thinking. The use of English in the curriculum must be increased and grades must become meaningful.

The details of these changes will need to be worked out with the faculty, who ultimately should be responsible for the curriculum. Thus, this initiative will likely need to wait until a functioning faculty senate is established. Once established, one of the senate's first priorities should be to develop strategies to improve the rigor and relevance of undergraduate education.

In developing such strategies, there will likely be a need to reassess the use of graduate students as teaching assistants to help increase student-teacher interactions. Admissions criteria, which do not currently reward critical and creative thinking, will ultimately need to be altered as well, since high scores on an entrance exam are unlikely to be the sole determinant of success once SNU institutes these changes.

On a higher level, SNU should reassess its department and college structure to provide the right balance of academic specialization and interdisciplinary studies. Major breakthroughs now occur not within the confines of traditional departments, but across disciplines, in broad fields such as life sciences, information sciences, environmental science, rational choice theory, mass culture studies, etc. For SNU to provide a relevant education to students in the new millennium, it should ensure that its organizational structure is not made of rigid departmental walls.

At SNU undergraduates are offered a relatively specialized education focusing on a specific field, such as chemistry, economics, or literature. In many parts of the world, however, in countries at varying levels of economic well-being, educators increasingly wish to provide some undergraduates—usually the very best—with a broader liberal or general education.

In contrast to a professional, vocational, or technical curriculum, a liberal arts curriculum emphasizes the development of general knowledge and general intellectual capacities. It represents an attempt to educate the whole individual and provide students with intellectual flexibility and an awareness of the need for life-long learning, two qualities of great importance in knowledge-based economies and societies.

General education can promote responsible citizenship, ethical behavior, critical thinking, and improved communication skills. All who have been its beneficiaries should have an acquaintance with mathematical and experimental methods of the physical and biological sciences; with the main forms of analysis and the historical and quantitative techniques needed to investigate the development of modern society; with some of the important scholarly, literary, and artistic achievements of the past; and with humanity's major religious and philosophical concepts.

A discussion within and among faculties concerning the possible role of general education at SNU — if at all, how, and for whom — would be a beneficial and unifying exercise that might lead to valuable initiatives. This could also be among one of the most stimulating discussions for the faculty to undertake, as the curriculum, one of the few responsibilities that is under the complete purview of the faculty, is also one of their highest responsibilities.

Initiative 9: Actively promote the internationalization of SNU

As discussed previously, evidence of an academic environment that attracts scholars internationally to spend time as academic visitors, or even to join the faculty, is one of the key indicators that a research university has attained world-class stature. SNU should set as a goal that in five years English-speaking faculty members should be comfortable conducting research and teaching at university. To reach this goal, SNU should take a number of actions, including:

- Subsidize a translation service for faculty to publish in the international language of scholarship for their fields

- Increase exchange programs for faculty

- Provide more intensive training in English, possibly requiring some level of English fluency as part of graduation and / or faculty hiring requirements

- Offer more classes in English

- Increase the number of students in both the graduate and undergraduate programs who are not Korean

- Increase the opportunities for SNU students to study abroad as a part of their undergraduate programs, while at the same time increasing opportunities for non-Korean undergraduates to do the same at SNU

- Hire more faculty who are not citizens of Korea

- Include more international content in the curriculum. The university can add courses in foreign languages, history, politics, society, and economics of different parts of the world. It can also insert international cases in the business or public policy courses and courses in other fields[28]

GOAL #3: RAISE AND DISTRIBUTE RESOURCES TO SUPPORT EXCELLENCE

World-class universities require world-class support. SNU will likely need increased funding and/or re-allocation of significant monies to support the development of leading programs – not just in the applied sciences, but in any program that strives to perform at high levels.

The responsibility for providing a stable source of funds falls on not only MOE, but also on the administration. Indeed, in many great universities fundraising is one of the primary responsibilities of the president. The faculty, whose state-of-

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[28] Perkins, *op cit*, page 21

the-art work is in demand throughout the society, also participates. SNU's academic administrators are responsible for allocating these funds in a way that allows al parties to do their part to achieve the objectives of the university.

We recommend the following:

Initiative 10: MOE and SNU should agree on an approach and implement a funding mechanism that can "jump-start" high-priority programs

In public institutions around the world, governments have started world-class programs by pumping millions of dollars into specific areas. At the University of Arizona, for example, the state spent $6 million over three years to transform the Department of Materials Science and Engineering from an average metallurgy group to a top-tier department. It spent the money to attract new faculty and build a new research facility. The University of California, Santa Barbara (UCSB), chose materials engineering and condensed-matter physics as the area of focus. The state provided nearly $300 million in research funding to build these programs. (See sidebar.) A university won't achieve generalized excellence unless it starts by targeting a handful of academic programs for wholesale renewal and upgrading.

Using as a starting point the department reviews conducted under Initiative 4, SNU should propose focusing significant resources in a handful of defined fields (not just applied sciences). MOE should help support these, to "jump-start" the process of building world-competitive programs.

For its part, SNU's proposals should outline which departments already contain the seeds of excellence, and what it would take for these to blossom into true centers of excellence. Included in the proposals should be the specific names of scholars whom departments would attract to improve their stature, the level of funding needed, potential sources of funding, uses (e.g., recruiting top scholars, providing solid administrative support, building facilities, providing matching funds to encourage scholars, additional research support, etc.), and measures of success if funded.

For its part, MOE should review these proposals, choose those that merit funding, and suggest funding mechanisms. Funds provided should be flexible, allowing for departments to re-allocate categories, if necessary. For example, if one of the top 10 identified scholars is suddenly available, the department should be able to provide an incentive to attract this person by re-committing money from other categories. Funding should also be committed for at least three years – longer would be better – recognizing that building true excellence takes time. And finally, the funding mechanism can – and should – require SNU to raise some funds on its own, using fundraising and other secondary sources of funding (patent licenses, executive education, etc.) to support the high priority areas.

Initiative 11: Improve fundraising to develop a self-perpetuating endowment; launch a capital campaign

To support the development of world-class departments and faculty, SNU needs to develop a much larger endowment by significantly increasing its fundraising activities, increasing annual giving, and improving the management of its endowment.

Compared to institutions of its stature, SNU lags significantly other world-class institutions (Chapter 3) in raising funds from alumni and other supporters. A necessary first step to rectifying this disparity will be to set an aggressive fundraising target.

Fundraising opportunities are great in Korea. Indeed, there are examples of great generosity already at SNU, where entire buildings have been donated. However, a successful development office will need to change the overall culture of giving, and this requires professional management.

For example, in more advanced, professionally run development offices, incomes of individual alumni are tracked, and goals for giving are based on those incomes. Potential donors are cultivated over time, leveraging a strong staff, as well as the president, deans, and faculty, to bring high-prospect alumni closer to the university, and to increase the likelihood and the size of gifts. Often specific themes (such as student life enhancement, biotechnology, library development, etc.) are established for fundraising drives, and a chairman and honorary campaign committee (prominent community and business leaders with marquee names) are appointed.

The president should be actively involved in this effort, targeting industry leaders and other wealthy Koreans around the world as potential donors.

Along with a commitment to increase its fundraising activities, SNU needs to change the way it manages its endowment. It should retain full-time, professional fund managers to develop and execute appropriate investment strategies, with oversight from the finance committee of the board of trustees.

FIRST STEPS

Successful implementation of these initiatives will require a great deal of trust among all parties involved. The MOE must trust that a board of trustees can oversee SNU more effectively than the ministry now does; the faculty must trust that a strengthened administration will not abuse its new powers; and the current administration, who will need to fight for approval of these critical changes, must trust future leaders to carry forward the implementation of these changes.

It also should be emphasized that these changes must be embraced as a whole and cannot be selected at will. Each initiative relies on the others to work. For example, external reviews will not succeed without merit-based rewards, a

strong board to oversee progress, and programs to support internationalization. Similarly, a board of trustees will be ineffective unless a constitution is developed that specifies the roles and responsibilities of each party in the governance structure. A piece-meal implementation of selected initiatives risks the entire program.

That being said, SNU will not be transformed into a great institution overnight. A realistic approach must focus on the logical sequence of initiatives that allows some early successes to create the momentum necessary for long-term victory. During the first year a culture of accountability must be developed, as the basis for further improvements. We therefore recommend the following first steps, to be accomplished in the year ahead:

1. Establish a board of trustees (Initiative 1)

2. Revise the rules for presidential appointment (part of Initiative 2)

3. Convene a constitutional congress, with participation from the MOE, board, administration, and faculty to develop by-laws defining the detailed responsibilities of all parties, consistent with the principles described in this document.[29] This congress should be convened as soon as a new board is in place, and before a new president is chosen. The result of this congress should be a constitution, describing the roles and responsibilities of all levels of governance, so each can work in harmony with – rather than against – the rest to make the ongoing changes necessary for SNU to become a world-class university.

4. Select the next president of SNU

Once these are in place – a board of trustees, a constitution that defines roles and responsibilities, and a new president – more initiatives can follow. For example, visiting committees can be formed to lead program reviews; rewards can be developed for departments and faculty deemed meritorious; a fundraising drive can be launched, etc.

In the interim, departments already making steps towards external review can begin to create their own external review committees. They may want to identify the top twenty or thirty 30 scholars outside of SNU who will be targets of first a wave of recruiting, in anticipation of being the first to be reviewed, and rewarded accordingly.

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[29] These by-laws should describe in detail the processes for membership selection, responsibilities, committee structure, etc. of the faculty senate, its relationship to the administration, and how these bodies work with the board to enhance SNU's decision-making processes

Both SNU and Korea stand at a critical juncture. The world is changing, and so must Korea and SNU. We believe that embracing the recommendations of this Panel will help SNU maintain its position as the leading institution of higher education in Korea, while at the same time help Korea to participate more fully in an increasingly global society. While the road ahead will be long, and obstacles will arise, we believe that SNU has the potential to emerge as a leading university in the world.