

THE MAIN RISKS IN THE STRATEGIC DECISION MAKING PROCESS IN UNIVERSITIES

Universities undertake fundamental challenges in a society in which knowledge is, with ever-growing weight, the main pillar of the competitive advantage of economies, organizations and individuals. Since decades ago, the wealth of nations rests on knowledge and the capacity to create strategic and economic values with it. For this reason universities, inasmuch as they are institutions whose main role is the advanced training of human resources and the generation of knowledge to contribute with the development and progress of society at large and, in particular of the places where they are located, must fulfill their mission with efficiency and efficacy, generating and projecting the highest possible quality.

The evidence shows that it is not seniority, assets nor legal nature of universities what determines success or failure. Institutions that are similar in these aspects reach different results and part of the differences can be explained by the strategic decisions taken and implemented.

To decide implies to choose among available options. University officers make decisions daily, but not all decisions have the same weight and impact on the institution. While some, such as assigning duties, are of operational nature and involve one or several community members in the short term others, like establishing a new campus at a different location, are of a general character and affect the whole institution in the long term.

Precisely, strategic decisions are characterized by being of long term, involve all of the institution, imply the use of important resources and have a relevant impact on the institutional survival and development. Despite the undeniable importance of such decisions, it is not rare to see that a large part of the time and effort of high university officers is spent in operational decisions and actions. Furthermore, strategic decisions risk failure in universities, both in the design as in the implementation. This is not surprising since, as Paul Nutt, from Ohio State University has pointed out, close to 50% of them fail.

Significant and recurrent risks exist in the process of strategic decision making in universities. A first one is politics, which takes place at a larger degree when university officers are peer-elected. Decisions are made thinking on groups of interest instead of the institutional interests. Some examples illustrate this: rules for incorporating academics made more flexible or reduced hiring requirements, design of organizational structures according to the desire of voters, or of evaluation procedures and incentives 'made to fit' so as not to do harm or to inconvenience, among others.

A second risk refers to the lack of flexibility of top echelons to reconsider initial positions. Often an incorrect premise, or not necessarily the best, is the starting point; advances are made in that direction and, later it is required to change or reconsider a position but the initial stance is maintained, perhaps more so by lack of cognitive flexibility than by the weight of organizational inertia. A typical example is the implementation of study programs of scarce demand, low social and/or economical value, and limited capacity for placement of graduates in the labor market.

Another risk is the scant rationality or inability to generate and evaluate relevant alternatives and, decide for the best option. The lack of strictness in generating, evaluating and deciding among options is not alien to the university environment. Although difficult to understand, there are numerous occasions when decisions are taken about academic improvement or on working conditions without consideration given to budgetary constraints.

These risks influence the quality of decisions' design and can generate negative consequences of long term consequences, affecting the quality of the institution, its strategic positioning and its sustainability. But other risks emerge as well, that have incidence on the implementation of the decisions. A first case arises when there is a low level of procedural justice, where those who make and implement decisions are not clear as to what to expect of them before, during and afterwards. For instance, when a career is designed without an appropriate participation of those involved, arguments against the adopted specifications or in favor of modifications appear, turning it difficult to put it into practice. Another case is when in the discussion process affective conflicts are generated that entail tensions in the debate and can lead to resentments that will result in that, during the implementation, those concerned will not accept to work in the same track as their contenders.

It is fundamental to be concerned about the design of decisions, but it is insufficient. The implementation of the decisions cannot be disregarded. Given that a large proportion of decisions fail, an unavoidable task for high university officers is to avoid the risks laid out so as to contribute to the development and progress of their institutions.

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