

Editorial

Engineering Education Administration and Management

Financial constraints are causing engineering education delivery systems to be reassessed. Higher education in many countries, and especially in the overwhelmingly publicly funded systems, has almost always been immune to market economic pressures. Institutional budgets were traditionally secure. One country which now has to come to grips with educational cuts is Germany. What is suddenly being laid bare is that there are no real performance criteria for higher education. Bureaucracy is ruling with staff load factors and student-staff ratios. Higher education has no tangible operational cost-benefit analysis. With an apparently sacrosanct right of students to obtain a higher education, a prosperous economy does not bother about efficiencies in and value from invested resources. Higher education has traditionally been free of economic criteria. Slowly, with companies collapsing, it dawns on those dishing out the funding that investment in education may simply result in an army of jobless academics. Cuts are the order of the day. The cuts are a result of lost tax income, partly due to the poor performance of enterprises strongly dependent on engineers and engineering wealth. A popular book has publicized German corporate mismanagement. Called *Washouts in Pinstripes (Nieten in Nadelstreifen)*, by Günter Ogger, Knauer, 1995) it exposes poor performance by top managers of German industry, exemplified by Edzard Reuter, former chairman of the board of Daimler ('Mercedes') Benz. His megalomania, expressed in a buying spree of aerospace (MBB) and consumer electrical goods (AEG) companies in order to diversify, has created a limping conglomerate in financial trouble. In particular, German corporation boards have little regard for their company's stock market value. Parallels between corporation heads and heads of higher education institutions are manifest. The situation with these figureheads is quite unique. Those responsible for the well-being of higher education have no direct accountability, either to the taxpayer, or to the higher education authorities. They administer by consensus. Committees are responsible for administrative and financial decisions. They are steered by administrative guidelines with subsidiary respect for the subject matter they are dealing with. They are elected to office by a hodge-podge of staff and students, and consequently, if they operate at all outside committees, they employ tactics such as selective communication or information channelling. This is a variant of democracy, which transforms an institution into a virtually non-operational vegetable. The result of this is that really capable and productive academics very often do not get involved in steering the ship. Is there a cure to academic mismanagement? The cards for efficient academic institutions need to be remixed. Institutional profit, academic performance and selective research competencies need to become factors in addition to value-free research and social responsibility. A new mixture of academic remits will also generate new types of top academic heads of institutions. Public funding should be only one source of existence for academic institutions. Efficient institutions produce engineers for a competitive market, they need to realize that they are themselves in a competitive market.

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