



***ISM VADYBOS IR EKONOMIKOS UNIVERSITETO
VEIKLOS VERTINIMO IŠVADOS***

***INSTITUTIONAL REVIEW REPORT OF
ISM UNIVERSITY OF MANAGEMENT AND ECONOMICS***

Grupės vadovas:	Dr. Achim Hopbach
Panel chairperson:	
Vertinimo sekretorius:	Brenda Eade
Review secretary:	
Grupės nariai (kategorija):	Prof. Dr. Jozsef Temesi (academic)
Panel members (category):	Prof. Dr. Alfonso Vargas (academic)
	Vytis Arlauskas (social partner)
	Aimee Overhof (student)
SKVC vertinimo koordinatorius:	Jolanta Revaitienė
Review coordinator at SKVC:	

CONTENT

I. EXECUTIVE SUMMARY	3
II. INTRODUCTION	3
2.1. Background of the review process.....	3
2.2. Background information about the institution.....	5
III. ANALYSIS BY EVALUATION AREAS.....	6
3.1. Management	6
3.2. Quality assurance.....	14
3.3. Studies and research (art)	21
3.4. Impact on regional and national development.....	26
IV. EXAMPLES OF GOOD PRACTICE.....	32
V. RECOMMENDATIONS FOR ENHANCEMENT	33

I hereby certify that this is the final text of the institutional review report of ISM University of
Management and Economics

 *Achim Hopbach*

I. EXECUTIVE SUMMARY

1. The purpose of the external review is to determine the quality of the performance of a higher education institution based on the findings of the external review, to create prerequisites for improvement of the performance of a higher education institution, to promote a culture of quality, and to inform founders, academic community and the society about the quality of higher education institution.
2. This review report is based on the evidence given in the self-evaluation report, additional evidence requested by the panel, information provided by the Centre for Quality Assessment in Higher Education (SKVC) and a site visit, where meetings with a wide range of audiences were held.
3. The Panel was composed of the reviewers, following the Experts Selection Procedure approved by the Director of Centre for Quality Assessment in Higher Education on 31 December 2019 [Order No. V-149](#) and included the following members:
Dr. Achim Hopbach (Panel chairperson), Ms. Brenda Eade (Review secretary), Prof. dr. Jozsef Temesi (academic), Prof. dr. Alfonso Vargas (academic), Mr. Vytis Arlauskas (social partner) Ms. Aimee Overhof (student).
4. As a result of the external review ISM UNIVERSITY OF MANAGEMENT AND ECONOMICS is given a **positive evaluation**.
5. Judgment by area:

Area	Assessment with points
MANAGEMENT	4
QUALITY ASSURANCE	4
STUDIES AND RESEARCH (ART)	4
IMPACT ON REGIONAL AND NATIONAL DEVELOPMENT	4

6. **Nine** examples of good practices were found; **thirteen** recommendation and suggestions for improvement are made.

II. INTRODUCTION

2.1. Background of the review process

7. The external review of ISM University of Management and Economics (hereafter referred to as ISM or the University) was organised by the Centre for Quality Assessment in Higher Education and carried out in May 2021 by a Panel of international experts (the Panel). It was conducted in accordance with the Procedure for the External Evaluation and Accreditation of Higher Education Institutions and Branches of Foreign Higher Education Institutions, Evaluation Areas and Indicators approved by the Minister of Education, Science and Sport of the Republic of Lithuania (hereinafter referred to as ‘the Procedure’) on 19 of December 2019 Order [No. V-1529](#) and the

Methodology for Conducting an Institutional Review in Higher Education approved by the Director of SKVC on 9 of March 2020 Order [No V-32](#) (the Methodology).

8. According to the Procedure the external review consists of the following stages: submission of a self-evaluation report prepared by a higher education institution to the Centre; formation of an expert panel and analysis of the self-evaluation report; expert panel visit to the a higher education institution; preparation of the external review report and publication thereof; follow-up activities aimed at improving the performance of the higher education institution, taking into account the external review report.
9. At the preparatory stage of the external review, the Panel received the Self-Evaluation Report (SER) with twenty five annexes, (numbered a-w). In accordance with the Methodology, chapter No. 26, SKVC provided the Panel with additional performance information about ISM, from SKVC, the Research Council of Lithuania, Government Strategic Analysis Centre and the National Agency for Education data.
10. The Panel also requested additional information, such as the Strategy Implementation and Investments Document 2020-2025 and minutes of deliberative committee meetings 2019-2020.
11. The site visit was undertaken after a training session organized by SKVC staff and preparatory Panel meetings. The Panel visited the University between Tuesday 11 May and Thursday 13 May where it had meetings with 85 internal and external stakeholders. **Due to the worldwide pandemic situation, the review visit was organised online using the video-conferencing tool Zoom.** Subsequently, the Panel met to review and agree conclusions and recommendations. The review report was finalised by correspondence and submitted to the SKVC.
12. In line with the Methodology, the external review focused on four areas covered by the evaluation indicators (and related criteria): **management, quality assurance, studies and research (art) and impact on regional and national development.** In analysing the evidence collected, the Panel also gave due consideration to the recommendations of the previous review carried out between 11 and 13 October 2011.
13. The review of a higher education institution assesses each of the evaluation areas with one of five ratings: **excellent** – 5 points – the area is rated exceptionally well in the national context and internationally; **very good** – 4 points – the area is rated very well in the national context and internationally, without any drawbacks; **good** – 3 points – the area is being developed systematically, without any major drawbacks; **satisfactory** – 2 points – the area meets the minimum requirements, and there are drawbacks that must be addressed; **unsatisfactory** – 1 point – the area does not meet the minimum requirements, there are fundamental drawbacks.
14. The decision on positive evaluation is made when none of the evaluation areas is evaluated unsatisfactorily (1 point). The decision on negative evaluation is made when at least one of the evaluation areas is evaluated unsatisfactory (1 point).
15. On the basis of the external review report, SKVC takes one of the following decisions on the accreditation of the higher education institution: to provide accreditation for a period of 7 years if performance of the higher education institution is evaluated positively; to provide accreditation for a period of 3 years if performance of the higher education institution is evaluated negatively; to provide non-accreditation if the repeated external review results of the higher education institution are negative.

2.1. Background information about the institution

16. ISM University of Management and Economics was founded in 1999 by BI Norwegian Business School and Innovation Norway. It is the first private for profit state accredited business university in Lithuania. ISM is run as an autonomous institution which operates within the framework of its university regulations and according to its own statute.
17. In 2019, Kaunas Technology University (KTU) became the major shareholder, BI Norwegian Business School sold their shares to the Investment and Innovation Fund (I&IF). The Rector of KTU and the General Director of I&IF are both members of the Board of ISM as well as being the major players in the General Meeting of Shareholders.
18. The international focus of the ISM vision to be a “top-tier Business University in Northern Europe” has remained the same despite the change in ownership. This is supported by the ISM mission “to serve as a platform dedicated to high-quality business education for students, current and future leaders; executives, entrepreneurs, experts....”.
19. The University received a positive evaluation from a Panel of international experts in 2011 and was accredited for six years by the Lithuanian Centre for Quality Assessment in Higher Education. Due to a change in the methodology the accreditation was extended until the new methodology was in place in 2020. In October 2020, ISM commenced the self-evaluation process which led to the publication of the Self-Evaluation Report (SER) which forms the basis of this institutional review. ISM received 4 Palms from EDUNIVERSAL in 2008 and 2010, is recognised as an ECTS institution and is currently undertaking AACSB accreditation.
20. ISM now has one campus situated in the heart of Vilnius old town. The Kaunas campus was closed in 2014 to enable the University to consolidate its resources. Eighty percent of ISM’s programmes are delivered in English.
21. The University offers undergraduate, graduate, executive and doctoral programmes. At the time of the review, a total of 1714 students were studying at ISM. 1,006 were following the bachelors programmes, 256 were studying at masters’ level, 425 were on the executive programmes and 27 were undertaking doctoral studies. ISM employs 57 full-time faculty, of whom 9% are international, and 68 administrative staff who support studies and research. On average 33 international faculty visit ISM annually and deliver not less than 6 ECTS on any study level.
22. Following recommendations from the Expert Panel in 2011, ISM now has the following structural units:
 - Studies and Research Department (Bachelor and Master of Science programmes, Doctoral School, Research Teams, Library);
 - Study Services Department (Programmes Administration Team, Data Management Team, International Studies Office, Career Centre);
 - Executive School (Executive School Programmes, Sales and marketing Team)
23. Four central functions support these departments: Human Resources, Finance, Marketing and Information Technology.

24. In terms of the management structure, the highest governing body is the General Meeting. The General Meeting elects the Board, whose members represent various stakeholders: the business community, students, and teachers. The Board is responsible for ISM's strategy and the Rector is accountable to the Board. The Rector is advised by the Senate on all matters of academic strategy. The senior leadership team assists the Rector with the day to day management of the University and is composed of the Heads of the structural units of ISM.

III. ANALYSIS BY EVALUATION AREAS

3.1. Management

Compliance of the higher education institution's strategic action plan with the mission, assurance of its implementation:

- *The strategic action plan is consistent with the mission of the higher education institution, legal acts regulating research and study activities and it takes into account the provisions of the national research and study policy, the European Higher Education Area and the European Research Area;*
- *The parts of the strategic action plan (analysis of the current situation, priorities and aims, objectives of the activities, implementation means, resources, planned performance indicators) are appropriate and justified;*
- *Regular monitoring of the implementation of the strategic action plan is carried out and the results are used to improve performance management.*

25. One of the major strengths of ISM is its strategic way of thinking. The institution has a well-established strategic plan for the time period of 2020-2025.

26. The strategic plan is in compliance with national regulations (Law on Higher Education and Research; National Education Strategy 2013– 2022; Lithuania's Progress Strategy "Lithuania 2030"). The Panel confirms that, as required by the Law for Higher Education and Research, ISM conducts fundamental and applied research on an international level, experimental development, and the study courses provided are based on research. The study courses provided by the University are at university level and provide clear and significant opportunities for life-long learning. The strategic plan makes reference to the major European documents in the area of higher education and research: Bologna Process Agreements; Global Europe 2050; ERA Roadmap 2015-2020; Horizon 2020.

27. The strategic action plan is based on a situational analysis demonstrating the performance of ISM in key strategic areas: program development, number of students (and their demographic background), national position and market share. The tables and figures presented to the Panel demonstrate that the national trends for students selecting business related programmes over the last five years are increasing, and that ISM's student numbers fit the overall tendency and prove the institution's competitiveness. The number of students, nationally, choosing business programmes has increased by 34% over the past five years. For ISM this figure has increased by 27%. ISM's market share has increased by 1.7% and it now has 16% of the market. (Joint Admission of the Associate of Higher Education Institutions (LAMA BPO), 2020.)

28. ISM effectively uses benchmarking to explore its strengths and weaknesses compared to other similar institutions. The panel was presented with a benchmarking table with Baltic region competitors, which demonstrates a serious deficiency compared to ISM's competitors (and with other players in the international arena): a lack of accreditation of the institution, and its study programmes. ISM is currently in the process of attaining AACSB accreditation which may help in promoting the School in certain regions; however, there is a need to be accredited by European professional associations, and quality assurance agencies to compete in Europe successfully. The Board assured the Panel that they will be making efforts to be accredited in Europe in the next three years.
29. ISM has a clear statement of its overall mission and vision. The mission of the institution has not changed significantly over the last ten years: the focus is on high-quality business education and research. This is set out in the mission statement: *"to serve as a platform dedicated to high-quality business education for students, current and future leaders; executives, entrepreneurs, experts. Together with business and societal partners, ISM co-creates knowledge for critical thinking to challenge the status quo, inspire to make an impact and empower a sustainable change."*
30. The Panel confirms that ISM has made significant progress to achieve the goals laid down in its mission statement with its renewed study portfolio which includes, undergraduate, masters, executive and doctoral programmes, and its approach to internationalism through joint degrees, mobility programmes, overseas partnerships, and its close relationship with its social partners.
31. Compared to the statement of 2011 the vision of ISM has an important new element which is to be one of the future leading regional business universities. This is articulated in the ISM vision: *"Business University of Northern Europe recognized for one-step ahead mind set. The vision is to be a top-tier Business University in Northern Europe recognized for thought leadership, innovative approach to research-based education, focus on future competencies, commitment to lifelong learning, the will to explore and to deliver excellence in all what we do."* This is an ambitious goal; however, the Panel did not find sufficient evidence for achieving that goal. ISM identifies ways in which it will increase its presence in the region and the global market, for instance the number of exchange students, international partnership programmes, international research projects, and international accreditation. However, the Panel agrees with the ISM's self-critical conclusion: *"Although the last five years have been characterized by transformation of ISM from a national, good quality, local teaching provider into an international, globally visible, research-driven institution, ISM today cannot envisage a position as a globally significant player in business education..."* The view of the Panel is that more resources and measurable results are needed to meet the internationalization goal laid down in the vision of ISM.
32. From meetings with the Rectorate and the Senate and from studying minutes of meetings of these committees, the Panel confirms that the Rector and the decision-making bodies (General Meeting, Board, and Senate) have been working consistently on the implementation of the strategic plan. The Strategy Implementation and Investments document, provides a detailed basis for assessing the achievement of the objectives.
33. The strategic plan is supported by a SWOT-analysis. ISM identifies reputation; English as a language of instruction; international faculty and high employability of graduates as strengths. Weaknesses come from lack of international accreditation; insufficient internationalization; high

dropout rate; and high tuition fee. ISM sees international students, attractiveness of the programmes for the neighbouring countries and the increasing demand for executive programmes as opportunities; increasing competition, increasing youth migration and online programmes of foreign universities are seen as threats. Strategic priorities have been derived from the SWOT analysis.

34. The Panel asked about the success factors for national and international competitiveness. ISM indicated their “closeness to business”, is one of the strongest in the region and in the country. ISM has a clear vision of how they can help business and this was confirmed by the meeting with the graduates. The normative learning processes always looks for new ways to support students to be a partner for life-long learning. Social Partners confirmed that ISM includes them in the study process through internships, project work and opportunities to be guest speakers. To further enhance this area, the programme committees may establish advisory councils with 5-7 stakeholders/social partners for each topic they teach.
35. The Panel appreciated the elaboration of a very detailed implementation plan with the focus of five strategic directions corresponding to the five strategic priorities. A number of important key performance indicators (KPI's) at University level have been set to measure progress against these strategic directions. The indicators are well-identified, measurable and comprehensive, and ISM has produced a table which describes the indicators, current values and the target values for 2025. A concern for the Panel is that the number of indicators (around 50) is high and ISM has assumed a perfect cooperation between the quality assurance monitoring system, the operational managerial units and the institutional leadership which may be difficult to achieve.
36. Furthermore, the table presented to the Panel in the Self-Evaluation Report is a mix of purely *operational indicators for operational managers* (e.g. 30% higher number of ISM Business class platform users registered each year; 90% of BS graduates started career after studies within 3 months after graduation; database of 30.000 executives), and selected *policy-oriented indicators monitoring key strategic issues for top levels of management and key external stakeholders* (e.g. not less than 5 new international full-time faculty recruited during the 5-year period; each bachelors and masters programme has at least two double degree options (one of which is without additional tuition fee); 50% of excellent scholarships funded by business. The Panel recommends a clear separation of the two groups of indicators, and the launching of a simplified and summarized regular reporting system to the Board and the top management which includes the main policy indicators.
37. The Panel found that there were two particular strategic issues which had strongly affected the institution recently. These issues were mentioned in the SER, and were discussed during the site visit. ISM had two campuses, one in Vilnius and the other in Kaunas. The previous assessment (2011) found, that “...the efficiency of the Kaunas programmes is in question” – mainly because of the low number of students. The ISM Board made the decision to close Kaunas campus in 2014. The Panel was assured that the closure of the campus helped ISM to consolidate its human and financial resources, and to increase effectiveness of its management processes. The Panel asked about the possible long-term impacts of the closure of the Kaunas Campus and were assured that it was the right decision and had been beneficial to ISM as student numbers have increased, and expenditure on resources are now focused on the Vilnius campus.

38. The other strategic change since the previous review is in the ownership of the University. The founders of the School in 1999 were BI Norwegian Business School and the Norwegian Industrial and Regional Development Fund. In 2019 the majority shareholder of the University changed: Kaunas Technology University (KTU) became the major shareholder, BI Norwegian Business School sold its shares to Innovation and Investment Fund UAB. The Panel asked the management and the staff about the consequences of this change of ownership, and were reassured that the autonomy of the institution remained in harmony with the legal regulation. The composition of the revised decision-making bodies and the appointment of a new Rector has guaranteed a smooth transition. The recently approved strategy of the institution will ensure the successful operation of ISM in the future. The Panel asked the management about the relationship between KTU and ISM, and whether it was one of collaboration or competition. The management assured the Panel that the two institutions are not competitors and both of them will benefit from the synergetic effects of the collaboration. KTU's strength in the area of technology and ISM's specialism in business and management is enabling the development of programmes to support both areas, for example the BSc Entrepreneurship in Technology study programme.

Effectiveness of process management of the higher education institution:

- *A clear structure for governance, decision making and distribution of responsibilities is defined;*
- *Regular process management analysis is performed, preconditions for process improvement and risk management are planned;*
- *Stakeholders are involved in the management process at an adequate level.*

39. The flat organizational structure of ISM is seen as a particular advantage for the University. The first level includes the main decision-making bodies. Representatives of the shareholders form the General Meeting which decides on key financial and economic issues and elects the Board which has a wide range of mandates, including the appointment of the Rector. The Senate advises the Rector in shaping the University's strategy for studies and research and has authority to approve matters concerning degrees. These decision-making bodies have internal and external members. The Panel had the opportunity to meet with members of the Board and Senate. The external members have a broad knowledge of the strategic goals, and are furnished with all the essential information to make evidence-based decisions.

40. From studying the reviews and minutes of the governing bodies and committees involved in process management, the Panel found that the process is very effective. Many stakeholders are involved in both planning and management. Reviews and reports are presented to the Board and to the Senate, enabling well-informed decisions to be made. The implementation of the strategic plan has regular feedback; various issues are present in the agendas of the deliberative committees, including the status of the accreditation process, marketing and financial reports, updates on planned activities and programme development.

41. The Panel noted that an overarching figure about the committee structure with links to the proper decision-making bodies and a comprehensive description on the role of the committees is not included in the SER or its annexes. Several committees, eg Research Committee, Quality and

Standards Committee, Study Committees and Curriculum Committee are referenced to in various tables in the SER, but their role within the decision making process and organisation chart needs to be more clearly stated.

42. The second level of the organization is the operational management of ISM which is well-established. The Rector, Vice-Rector, Heads of Departments and Directors meet weekly, so they can react to any challenges quickly and efficiently. Student representatives are involved in the work of every committee. ISM's strong administrative processes have enabled the University to cope effectively with unexpected challenges. An example of this is their reaction to the COVID pandemic when teaching was moved online. Students, faculty, managers and administrators confirmed that the University's swift decision-making process had enabled a smooth transition to delivering teaching online, and that this has been very successful.
43. At the time of the previous review, ISM departments had different processes within the School. The revised structure (see paragraph 22), implemented as a result of recommendations from the previous review team, enables academic and administrative staff to discuss problems across departments, provide solutions, support each other and share good practices.
44. The ISM budget is based on information about departmental needs collected by the Finance Department. The Budget is then presented to the Rectorate for approval, and to the Board for the final decision. The Panel believes that the allocation of resources needs a comprehensive review in terms of the necessary investment to meet the strategic goals of the University and the demands of individual departments (see paragraph 31 for more detail).

Publicity of information on the performance of the higher education institution and its management effectiveness:

- *Systematic collection and analysis of the performance data, results (including student employment and graduate career monitoring) is in place, data is used for the improvement of performance of the higher education institution;*
- *Information on the performance of the higher education institution is clear, accurate and accessible to the academic community and the public, and is provided regularly to the founders and members of the legal entity.*

45. ISM systematically collects and analyses data relating to student admission, performance and graduate destinations. The Careers Office has strong links to the employers and takes regular surveys on student employment. The outcome of this analysis is published on the website and is used for improving the performance of the institution.
46. The Panel confirms that all the information provided by ISM is clear, accurate and accessible to the academic community, and is provided regularly to the founders and supervisory bodies. The information channels are effective and data is available for stakeholders and the general public on the website. The annual reports are very informative and support marketing strategies. The webpage of ISM is user-friendly. From a very attractive opening page the visitor can choose from a well-structured menu-system to see academic details.

47. The promotion of ISM is facilitated by reliable information and effective financial resources. Part of the revenues of ISM is reinvested in marketing activities.
48. ISM has a challenging national market (demographics, competitive business study programmes), so international recruitment is essential. However, recognition of Lithuania as a provider of high quality education is problematic. Students prefer to study in the UK, Germany or Scandinavia. The planned international accreditations will make ISM more attractive. The marketing focus is on specific countries rather than many. Representatives of the School attend study fairs and are involved with teaching short courses in schools. This enables ISM to meet potential students currently studying in Lithuania, Ukraine, and the Baltic countries. The University also builds relationships with private high schools in these countries - one example is the cooperation with Kazakhstan. Double degree programmes with foreign partner universities will help to strengthen international student uptake.

Effectiveness of human resource management:

- *Clear and transparent principles and procedures for the formation, management, evaluation of academic and non-academic staff are established and applied;*
- *The higher education institution has sufficient academic (in-house academic staff) and non-academic staff to meet its operational objectives;*
- *The qualifications of the academic and non-academic staff are appropriate for the purposes of the higher education institution;*
- *Conditions are created for the academic staff to improve the knowledge and skills required for teaching and research activities;*
- *Conditions are created for non-academic staff to develop competencies.*

49. ISM recognizes that human resource management is a key success factor. Details of the human resources policy and regulations were set out in the SER and confirmed during meetings with management and staff. Teaching and research workload expectations are in accordance with the national regulation. Fifty percent of the average academic workload is allocated to teaching and preparation for teaching and around thirty percent is allocated to research. Orientation and mentoring programmes are provided for new faculty. Assessment procedures for faculty are well-regulated and the Assessment and Promotion Committee reports directly to the Rector. Focus is on quality not quantity in terms of research, and to support this ISM has introduced a bonus system for recognizing high quality research results.
50. The age profile of faculty presented in Table 11 of the SER shows a wide age distribution (25-65) which the Panel believes is a positive factor for ISM as it provides opportunities for younger members of the faculty to develop their career opportunities and initiate new ideas for the University, whilst the older faculty members bring their significant academic experience to all aspects of teaching, learning and research at ISM. International faculty who deliver courses for ISM are supported with travel and accommodation expenses. ISM is committed to increasing the proportion of foreign faculty members to support the international vision of the University. The student/faculty ratio has been around 17:1 for the last five years and this is appropriate for a business university.

51. According to the SER and the official national register the ISM has sufficient academic and non-academic staff to meet its operational objectives. The Panel noted that the number of permanent (full-time) academic staff (56) is similar to the number of the part-time academic staff (45). ISM acknowledged that even a private school has limited possibilities to attract full-time faculty. However, the University stated that the part-time faculty members from good Lithuanian universities and from abroad increase the quality of teaching and research, and from the evidence available at the time of the Review the Panel confirms that this is the case.
52. ISM organizes and supports workshops, research seminars, symposia and other events as part of faculty development. The School supports excellence in research with grants, covering expenses for participation in international conferences and scholarships. Best papers and other research outputs are also rewarded. Specific data on these activities is set out in Table 16 of the SER and confirmed by management and faculty.
53. Non-academic staff members fill in questionnaires on their development needs. At meetings with administrative staff, the Panel was provided with some good examples of staff development. This included invitations for various training, e.g. overcoming stress during COVID; Microsoft courses regarding information sharing; language courses. Staff are also able to participate in Erasmus training programmes. Administrative staff members can participate in masters programmes with a reduced fee. The HR Department informed the Panel that HR provides each department with a budget to upgrade the skills set. The Panel was impressed by the examples of staff development. However, formalisation of the process of identifying administrative staff development needs with a clear link to their appraisal process is recommended.

Efficiency of financial and learning resource management:

- *Financial resources are planned, allocated and used rationally;*
- *Various financial resources for the implementation of higher education activities are attracted;*
- *Learning resources for provision of studies and research (art) activities are planned and used rationally;*
- *Learning resources for conducting studies and research (art) activities are appropriate, sufficient and available.*

54. One of the major strategic decisions of ISM academic management in the last decade was to change the portfolio of the study programmes. There was a shift from the exclusive offering of general business programmes to introducing industry-oriented programmes. These programmes make ISM more competitive and contribute to the financial resources by attracting more fee-paying students. The Panel found that the new programmes addressing current needs in the job market, such as the MSc Global Leadership and Strategy programme and the BSc in Entrepreneurship Technology will be attractive to both local and international students. ISM is continually in search of innovation in terms of learning and teaching.
55. ISM is a private institution; however, the self-assessment report includes a very transparent picture about the financial position of the School with several tables. Revenue from the main activities increased by 50% between 2016 and 2020, a linear increase is planned to double the

revenue by 2025. Income from the Bachelor studies did not change in the last five years; it was about 60% of the whole revenue. There is an ambitious plan to increase the revenue from that source by 50% by 2025. ISM's Revenue and Cost Analysis shows a 40% increase in Master programmes in the 2016-2020 time period, another 50% growth is planned by 2025. Since 80% of the whole income comes from those two sources, sustainability of these study programmes is crucial for the next five years and enormous efforts in the areas of marketing and financial planning are required to achieve the target numbers.

56. The management of ISM realized the challenge and approved measures for generating sufficient surplus. Part of this surplus "is achieved by creating and launching new self-financially sustainable products, increasing student numbers, and attracting more financial support from the corporate partners". ISM also plans a "growth in research activities and related income, growth of commercial activities (like effective use of free premises etc.)". An increase of the tuition fee is also a possibility. The Panel believes it is a questionable whether the envisaged increase of student numbers is realistic. The SWOT analysis and the risk factors listed in different parts of the SER demonstrate the difficulties in recruiting more domestic students: the competition is high; the tuition fee of ISM is high. The proportion of state-financed students is low (their proportion is about 10% of the revenue), and the risk analysis says that lower state financing will be expected. Income from research formed a modest proportion of the revenue (about 3%) in 2016; in 2020 it was about 7% and that proportion is expected for 2025. Research income is important, but it could not contribute significantly to the growth.

57. A good financial balance could be achieved by lower costs. During the site visit the Financial Director informed the Panel that a detailed five-year financial plan deals with cost effectiveness. Investment to the infrastructure was very modest in the last five years, more resources could be spent for that purpose, especially if the student numbers increase. The financial plans make provision for this expenditure.

58. ISM provides financial support for the students and the figures as a percentage of the student body is set out in the SER. It can be seen that 27% of students receive a tuition discount and 8% receive the TOP 100 talent scholarship (a 30% discount on their tuition fee). Other forms of support also exist, but are not significant. The SER does not indicate the impact of these discounts and scholarships on the admission process or on the performance of the students.

59. Taking into account the information contained in the SER and the Annexes the view of the Panel is that the financial position of ISM is stable and sustainable in the medium term. However, the financial plan is based on an optimistic scenario, the continuation of the recent trends is more realistic, and ISM has to be prepared for a worst-case scenario.

60. **In summary**, The Panel evaluates ISM's management systems positively and no major drawbacks were found in this area. The University has a well-established strategic plan for the time period of 2020-2025. The Panel confirms that the Rector and the decision-making bodies (General Meeting, Board, and Senate) have been working consistently on the implementation of the strategic plan. The flat organizational structure of ISM is seen as a particular advantage for the University. Many stakeholders are involved in both planning and management. ISM's strong administrative processes have enabled the University to cope effectively with unexpected challenges, for example the move to online delivery in response to the COVID pandemic. The Panel confirms that the information channels are effective and data is available for stakeholders

and the general public. Annual reports are very informative and support marketing strategies. ISM has a challenging internal market (demographics, competitive business study programmes), so international recruitment is essential. To meet the goal of internationalization the university should aim to attract more full-time international faculty and seek accreditation by European professional associations and quality agencies. ISM recognizes that human resource management is a key success factor and has policies in place to support its staff. The assessment procedures for faculty are well-regulated. The financial position of ISM is stable and sustainable in the medium term. A detailed five-year financial plan deals with cost effectiveness. Investment to the infrastructure has been very modest during the last five years; more resources could be made available for this area, especially if student numbers increased and an allocation has been included in the financial plan.

51. **Judgment:** the area is rated very well in the national context and internationally, without any drawbacks and is given 4 points.

52. **Recommendations for the area:**

- Make available more resources and implement measurable results to enable the University to meet the goal of internationalization. In particular, ISM should aim to attract more international students and full-time international faculty through effective marketing and seek accreditation by European professional associations and quality assurance agencies (in addition to AACSB accreditation) (paras 28 and 41)
- Refine the information system for top management to enable them to identify and focus on key strategic issues. (para 32 and 33)
- Enhance the decision-making process by implementing a clear reporting structure for all committees.(para 38 and 72)
- Ensure that the strategic plan is fully supported by a sustainable financial policy which is linked to risk assessment directly. It is suggested to elaborate both an optimistic and a worst case scenario. (para 55)
- Formalize the process for identifying non-academic staff development needs providing a clear link to the appraisal process. (para 49 and 91)

60. **Good practice examples:**

- The system of strategic planning, aligned to departments and personnel, linked to a clear implementation plan with targets and indicators, resulting in effective monitoring and change management. (para 32 and 37)
- The flexible and creative approach to programme development which enables ISM to respond swiftly and effectively to changes in the business and educational environment (for example the development of digital and entrepreneurial programmes linked to other subject areas) (para 37 and 69)

3.2. Quality assurance

Implementation and effectiveness of the internal quality assurance system:

- *The higher education institution has approved and made publicly available internal quality assurance documents that are consistent with the Standards and Guidelines for Quality Assurance in the European Higher Education Area;*
- *Internal quality assurance measures of planning, implementation and improvement are appropriate, applied periodically and ensure the involvement of the whole institution and stakeholders;*
- *Processes for planning, implementation, monitoring, periodic evaluation and development of activities are specified;*
- *Students and academic and non-academic staff of the institution receive effective support;*
- *Provisions and procedures for academic integrity, tolerance and non-discrimination, appeal and ethics are specified and applied;*
- *The results of the external review are used to improve the performance of the higher education institution.*

61. ISM has a quality assurance policy which is defined and formalized by the *Quality Manual*. This refers to quality assurance and enhancement in learning and teaching. Although the list of responsible actors includes the research committee, the whole system focuses on learning and teaching. The manual which is published on the ISM website defines the purposes of its internal quality assurance and enhancement activities as follows:

1.1. To secure the academic standards of ISM awards, assuring applicants, students, graduates, and the public that

- the level of achievement required for those awards meets or exceeds national requirements and relevant international requirements such as AACSB, FIBAA:
- curricula are up to date and in line with external expectations: future students, employers, and external experts.

1.2. Assure and continuously improve the academic quality of the student learning experience, ensuring that students receive excellent and effective forms of teaching, assessment and support, which enables them to achieve their individual potential, develop their experience and skills so that they can achieve successful professional outcomes after graduation.

1.3. Ensure and continuously improve competences of the teaching staff.

1.4. Enhance the university's reputation for quality, evidenced in reports from external accrediting bodies including national and international quality assurance agencies.”

62. The quality policy is based on principles that “are developmental, to ensure continuous improvement through the involvement of all relevant parties within and outside the University.”

63. Based on these purposes and principles, the manual lists a set of procedures which is structured in the same way as part 1 of the Standards and Guidelines for Quality Assurance in the European Higher Education Area (henceforth ESG). The procedures cover all relevant aspects of internal quality assurance and enhancement as outlined in the ESG, namely detailed regulation and processes with regards to structure of degree awarding programmes; design, approval, modification of study programmes and modules; continuous programme review; student centred learning, teaching and assessment; university staff; learning resources and student support; information management; public information, and external review.

64. The policy defines ways of involvement and responsibilities of all individuals and bodies involved in teaching and learning including students and external stakeholders which will be detailed later in this section of the Report.
65. The Panel confirms that the principles and processes adhere to the ESG, and in particular to Part 1: Standards and Guidelines for Internal Quality Assurance.
66. The Panel wishes to emphasize that the internal quality assurance and enhancement procedures as described in the manual can be seen as one pillar of internal quality assurance in a wider sense which is complemented by a comprehensive and well-established system of monitoring the achievement of the five strategic priorities of ISM. Based on a system of five KPIs, 22 initiatives and 46 PIs (which are partly addressing topics in the quality assurance and enhancement procedures), the management keeps track of the current development of the university. Panel learned during the site-visit that the implementation of the strategic objectives and the close monitoring of this implementation is highly appreciated by faculty and staff because it provides effective guidance and orientation for their operations.
67. The quality policy specifies processes for planning, implementation, monitoring, periodic evaluation and development of activities. The main actors in monitoring and review are the Programme Directors and the Study Committee with the support of the quality manager.
- The core responsibility lies with the Programme Director who is responsible for the structure and the quality of the programme.
 - The Study Committee is the link between the degree programmes and external developments; they meet every other week to approve the lists of the elective courses for the upcoming semester, the topics of thesis, admission requirements, to consider student requests and all other aspects of the student learning experience.
 - The Vice-Rector for Studies and Research is responsible for the general management of the faculty and is responsible for programmes, research, staff and resources.
 - The Curriculum Committee is an advisory body to the programme director, consisting of stakeholders, student and academic staff representatives. The Committee meets at least once in a semester and discusses programme content related matters.
68. Whereas the Programme Directors are responsible for analysis of and immediate action upon student feedback, the Study Committee is responsible for initiating changes to the programmes or policies, and for channelling relevant information to the rectorate.
69. The procedures for planning teaching and learning include the process of design and approval of new programmes. This is defined in detail in the Quality Manual. Proposals for new study programmes may be submitted to the Rectorate at any time. The Vice-Rector for Studies and Research then establishes a group consisting of representatives from the marketing department, faculty proposing the programme, accreditation director and a group lead to prepare the new programme. The Quality Manual gives detailed guidance for this process which the Panel confirms is effective and fit for purpose.
70. Another core planning process refers to securing necessary learning and teaching resources, including student support. Planning for the following academic year is conducted on an annual basis. This entails definition of student numbers, admission rules, resources, partnership agreements; and the outcome is reviewed by the Study Committee. Staff development activities are discussed and requests are submitted to the HR Department. This process is followed by the

Finance Department drafting a budget which is discussed by the Rectorate and finally agreed by the Board.

71. In terms of periodic monitoring and periodic review ISM uses a process of “continuous programme review”. This is effected through the collection and analysis of feedback from students and teachers. Student feedback is collected for all courses on a semester basis. The survey questions cover the quality of teaching and learning and related support activities. The survey results are submitted to the Programme Directors who hold follow-up meetings with teaching staff to identify areas of good practice, areas of concern, and to discuss improvement. In addition, the Programme Directors hold midterm meetings with student representatives to collect information on how teaching and learning is progressing. Student feedback is complemented by feedback from teachers on a yearly basis to identify their satisfaction with the Programme Director, the support provided by the Studies Services Department and with the teaching environment and other resources.
72. During the site-visit the Panel was informed that collecting feedback is considered a highly effective instrument for monitoring the quality of teaching as any problems that are reported through midterm or end of semester surveys and discussions are addressed immediately. The panel wishes to highlight that, despite having a well-developed set of internal quality assurance and enhancement procedures, all parties involved in teaching and learning highly value the informal ways of giving or collecting feedback and channelling feedback to decision-making individuals or bodies to initiate improvements. The Panel learned that this less formalized but well-established approach to feedback is highly effective. The Panel was informed that the flow of information is to a large extent organized orally and through overlapping membership or attendance of committees; the Rector, for example, is invited to the Study Committee twice a year which provides a channel for reporting to the Rector. However, due to the flat organisational structure of ISM and its relatively small size in terms of the number of programmes, faculty and staff consider this lower level of formalization of reporting is very effective. Notably, the weekly meetings of the Rectorate provide an opportunity for departmental heads to raise topics without having to give formal notice and to agree on actions to be taken quickly. The Panel acknowledged that the effectiveness and efficiency of this less formalized approach was emphasized consistently during the site-visit. Consequently, from the evidence provided and the discussions with management, faculty, administrative staff and students, the Panel confirms that in view of the current size of ISM this approach is effective. However, in view of the ambitions of ISM to be a “top-tier Business University in Northern Europe” and to significantly increase its student population, the Panel suggests that ISM may wish to consider formalizing the reporting procedure of its committees.
73. In addition to feedback the Study Services Department monitors data on completion, failure rate, and withdrawals from programmes on a yearly basis. Faculty and staff confirmed that this information is key for identifying students at risk with whom they will then make contact.
74. The translation of information collected and analysed into further action is carried out at different levels. At course level, faculty review their syllabi on a semester basis and take into consideration student feedback, advice from committees, and developments in the discipline. The revised course syllabi are reviewed by the Programme Directors. Changes to programmes are discussed on an annual basis. The modification of study programmes and modules is part of the comprehensive process for design, approval and modification. The Quality Manual describes in

- detail the different cases that might occur, such as the introduction of new modules, removal of compulsory modules, changes to the title of a programme.
75. The Panel confirms that the division of responsibilities and the design of processes for monitoring and enhancing quality is appropriate and effective.
76. Involvement of students and stakeholders (social partners) in the quality assurance processes is mainly guaranteed through membership of various committees. External stakeholders, notably social partners are formally represented on Senate. They provide feedback, from internships on the skills and abilities of bachelor students. Stakeholders are represented on the final thesis defence committees. Social partners confirmed that through their close collaboration and communication with ISM they have ample opportunities to give formal feedback on a monthly or trimonthly basis and also informally. Student involvement is mainly assured through formal representation on committees including the Senate, Study Committee, Curriculum Committees, Ethics Committee. During the site-visit the Panel was assured that the involvement of students is effective and appreciated by them. They highly value the numerous opportunities to give direct feedback to teachers and programme directors which they consider to be very effective.
77. ISM has implemented various support schemes for students who are guided systematically throughout their studies, starting with induction days where students receive all relevant information and continuing after graduation with various activities for alumni.
78. A large part of student support is organised by the career centre which includes:
- Consultations for writing CV and motivation letters and preparation for job interviews;
 - Training seminars on career development;
 - Meetings and open lectures or seminars with potential employers.
79. Since 2020 ISM applies a career road map with dedicated support measures for bachelor students throughout the whole programme.
- First year activities aim at helping students to identify their sphere of interest,
 - Second year activities require students to choose one from three directions: manager/leader, entrepreneur, specialist/expert and to participate in related activities,
 - 3rd year students deepen their knowledge and skills in their chosen area,
 - Final year students choose their internship organisation and select the topic for their final bachelor thesis.
80. The Career Centre issues a biweekly newsletter with information about interesting job vacancies, internships and community work proposals. Once a year ISM organises a careers' day which is attended by around 40 companies and organisations.
81. Students are invited to participate in the mentoring scheme with alumni as student mentors; this was started by ISM and then taken over by the Alumni Association. Students confirmed the relevance and effectiveness of the scheme, for example with regard to working on the thesis project in bachelor programmes; mentors also advise students on career related issues.

82. The International Office informs students about mobility opportunities twice a year and supports students in all aspects related to mobility and double-degrees. The Panel confirms that the information and support provided for students is effective.
83. ISM also provides psychological counselling services not only to students but also to academic and administrative staff.
84. Specific support for students with special needs is provided on a case-by-case basis as there are very low numbers each year. Students reported that they are encouraged to provide details of their special needs and that ISM is very responsive, for example providing car parking, having elevators, extending exam times for those with reading difficulties, providing computers. ISM also offers discretionary scholarships for incoming and outgoing students with special needs.
85. Financial support schemes include scholarships of 50% to 100% of tuition fees, and these have been extended recently. At PhD level, scholarships are mainly state funded but ISM supports PhD students in the application process.
86. The Panel found that the support schemes for enhancing employability and supporting transition to employment are a strength of ISM. The instruments and processes in place are comprehensive. Students and alumni confirmed that ISM provides effective support for the internship and future employment.
87. Students indicated that they highly value the responsiveness of ISM. They also regard the culture of informal but well-established communication to be very effective.
88. ISM has implemented support schemes for faculty which are closely linked to staff development. The faculty assessment system recognises different aspects and foci such as teaching and research. Each year it sets goals according to strengths of faculty and, as part of the appraisal process, the results are recorded in formal memoranda of achievements.
89. The support schemes include sessions on different teaching methods such as problem based learning and story-telling and take place twice a year. Two-day retreats are organized to support research and participants can set goals, work on projects and discuss and exchange experience and good practice. Faculty confirmed that these retreats are very effective enabling them to discuss current research projects, attend seminars on research methods and participate in lectures on story-telling.
90. ISM provides internal funding for staff to develop their research skills and has run a 2-day-seminar for improving evaluations.
91. Faculty highlighted the so-called “brown bag sessions” that serve as opportunities for exchanging experience, for example about assessment methods. They also found the 360 degree feedback from students, programme directors and from colleagues effective. The Panel concluded that faculty makes effective use of staff development opportunities, and that ISM provides a range of support mechanisms for research which will help the University to achieve its aspiration to become an internationally respected research university.
92. Administrative staff are provided with support measures such as private health insurance; courses related to stress-relief, and emotional health. These courses have been especially relevant during the COVID pandemic. Another important feature is the manifold opportunities to attend relevant training seminars and courses that are paid for by ISM. Staff can also enrol on any ISM study programme with a 50% scholarship. However, staff development and support schemes for administrative staff are

not linked to appraisal and the assessment of needs is less formalized and less clear. The Panel suggests that ISM might wish to align the staff appraisal and development process with the system available for faculty.

93. ISM applies a Code of Ethics that defines the main provisions of ethical conduct of faculty, students and staff. The code covers issues such as impartiality, freedom of speech, non-discrimination and academic solidarity, assurance of teaching, learning and research quality, confidential information, the conflict of personal and university interests, anti-bribery policy, and relationships in the workplace. The code includes appendices for students that provide information about cheating; and for teachers that provide information about research integrity. The code is published on the website.
94. The responsibility for dealing with violations of the Code of Ethics is assigned to the Ethics Committee which is elected by the Student Association, administrative staff and faculty members and is approved by the Rector. Cases of violation have to be notified to the Committee and are treated confidentially.
95. During the site-visit the Panel was informed that the Ethics Committee has had very few cases to process in the last six years. The cases it has dealt with have been related to cheating in exams, discrimination, the use of inappropriate images in social media and derogatory comments about students about teachers. This reflects the general culture of respect, and responsibility at ISM. Staff with whom the Panel met, confirmed that the Committee works independently. The Committee is also responsible for handling appeal cases. From studying the documentation, and through meetings with management, faculty and students the Panel can confirm that the structures and processes in relation to ethics are effectively implemented.
96. ISM, as part of its quality policy, has a defined process for preparation, conduct and follow up of compulsory external reviews by SKVC. After publication of the results these are discussed by the Rectorate, the Study Committee and in staff meetings. The group formed to conduct the self-assessment together with the Rector are responsible for the preparation of the improvement plan. The same process is applied to voluntary external reviews such as those by AACSB or FIBAA. In the SER document ISM reports briefly on follow-up activities after the last Institutional Review which focused on:
- paying attention to the synergy and balance between undergraduate and graduate programmes in the overall University portfolio,
 - making the reports more accessible to stakeholders, and
 - increasing the number of publications in top journals
97. During the site visit the Panel was informed that major improvements achieved after recent external reviews include better allocation of student workload following effective monitoring in the Economics Study Field and the increase in the number of electives in the Business and Marketing Programme.
98. **In summary**, the Panel evaluates ISM's internal quality assurance system positively and no major drawbacks were found in this area. Complemented by a well-established overarching monitoring process, the system effectively covers learning and teaching and includes processes for planning, implementing and reviewing study programmes and for all aspects of the student life cycle. One characteristic of ISM's internal quality assurance system is the core role of feedback from all parties involved in teaching and learning and in particular the numerous opportunities to give additional informal feedback. The Panel confirms that the system is effective and efficient. However, the Panel

emphasizes that less formalized reporting schemes in the area of internal quality assurance also bear risks with regard to loss of expertise and experience in case of change of personnel and may not be effective if the University grows substantially. The Panel believes that the two well-established pillars, overarching monitoring and internal quality assurance (in the narrow sense) might bear a certain added value if they were reciprocally related closer to one another. This would provide additional relevant information to the monitoring scheme. Furthermore, this might provide an opportunity to add a more comprehensive approach to reporting developments and achievements to management and stakeholders.

99. **Judgment:** the area is rated very well in the national context and internationally, without any drawbacks; and is given 4 point(s).

100. **Recommendations for the area:**

- Develop a system which combines information from Internal Quality Assurance with the data from monitoring the achievement of the strategic priorities of ISM and ensure that this is presented to the rectorate on a regular basis.)

101. **Good practice examples:**

- The operation of an effective IQA system which enables ISM to respond swiftly and efficiently to feedback from students and other stakeholders.

3.3. Studies and research (art)

The level of research (art), compatibility of studies and research (art) and its compliance with the strategic aims of activities:

- *The study and research (art) activities carried out and their results are consistent with the mission and strategic aims of the higher education institution;*
- *The level of research (art) activities is sufficient for the ongoing studies of the higher education institution;*
- *Studies are based on research (art);*
- *Consistent recognition of foreign qualifications, partial studies and prior non-formal and informal learning is performed.*

102. The alignment between the study programmes and areas of research is consistent with the mission and strategic aims of ISM. The Panel confirms, from the documentation provided and from meetings with management, teachers and researchers during the online visit to the University that there is coherence between the portfolio of study programmes and the mission and strategic aims of the University which focus on:

- “Co-creation of knowledge for sustainable change” – this is evident in the curriculum for both undergraduate and postgraduate programs.
- “Leadership development”, this is embedded in the curriculum for bachelors, masters and executive programmes, but approached through skills development at the bachelor level, theoretically at masters level and practically in executive programmes.
- “Lifelong learning approach”, this has had a growing impact on the development of a more comprehensive portfolio for graduate and executive education.

103. The Panel found that the total number of students enrolled for 2020/2021 is concentrated in two programmes, namely Bachelor of International Business and Communication, and Master of Management. These programmes account for 45% of the total number of students, and in previous years this percentage has been similar. During meetings with management, ISM acknowledged the need to have a more diversified base for its revenues, which is linked to student enrolment onto a wider range of programmes of study. The Panel, therefore recommends that ISM diversifies its income streams, revitalizes its programme portfolio and explores new opportunities in lifelong learning.
104. The Panel noted the effective measures which form part of the 2020/2025 strategy which have been implemented to decrease the drop-out rate among students on both the bachelors, masters and executive programmes. Preparatory courses in the most problematic disciplines are available for bachelor students. They have the opportunity to participate in peer to peer consultations with older students, and an early alert system has been put in place based on mid-term examinations. Similarly, for executive programs a more personalized follow-up and a final thesis more focused on managerial expectations has significantly reduced the drop-out rate.
105. The consistency between research activities and the institutional mission and strategic aims was verified by the Panel. Research is organized into three major disciplines and teams namely - management/business, marketing, economics and finance. These align with the four clusters of study programmes offered by ISM (economics, finance, management and business). This interrelationship between teaching and research enables faculty to effectively inform their teaching with the outcomes of their research. In addition, PhD dissertations (12 in the reporting period) have been developed within these main research fields. However, the Panel concluded (from the evidence provided and discussions with ISM faculty and management the area of research for economics and finance should be more focussed to support the study programmes.
106. The Panel studied the evidence provided by ISM in the SER and additional documentation which included a list of projects and publications, conference presentations, and the assessments carried out at national level together with doctoral awards, and confirms that the level of research is sufficient in both quantity and quality for the ongoing studies of this higher education institution. Management is the dominant area of scientific research for ISM which aligns to the core curriculum for the majority of programmes offered by the University.
107. The ambition of becoming a recognized research-led organization at the international level is acknowledged as being a long process in which the entry into international networks and projects would be of great importance. In this respect, the opportunities from the new EU Framework Programme for Research and Innovation (Horizon Europe) should be systematically explored.
108. The Panel verified the plausible institutional attempt in favour of the compatibility between scientific relevance and social relevance of research outputs. In this sense, quality of research in terms of publications in top international journals is encouraged, for example: Journal of International Business Studies, Journal of Business Research, International Journal of Project Management, Journal of International Marketing. Also the fruitful knowledge-transfer to business/social partners at regional and national level, through involvement in regional and national projects, and in particular the development of the Educational Leadership programme, is acknowledged.

109. The Panel confirms that ISM effectively uses research to feed into teaching. This was clearly evident from discussions with managers, researchers, teaching faculty and students and analysis of the evidence provided in the SER and accompanying documentation and is illustrated by the following:

- Joint student and faculty publications which result from the final theses,
- The elaboration of cases for teaching purposes, an initiative that, in the meeting with the students, was regarded very positively,
- An elective course (6 ECTS) to introduce students to research, although, as evidenced during the visit, not very popular with undergraduate students,
- The invitation to renowned researchers to teach some modules and act as guest speakers.

However, the Panel recommends that the development of any new study programme is linked directly to, and is supported by, an area of research.

110. In respect of the recognition of foreign qualifications, partial studies and prior non-formal and informal learning, this process is documented and normalized through principles and procedures set out in the information on recognition (procedure and principles) available on the internal management system (<https://elearning.ism.lt/course/index.php?categoryid=84>), and on the ISM website together with admission rules (www.ism.lt). Students seeking recognition for part of a programme which has been studied at another higher education institution are required to submit academic transcripts which are checked for compatibility with ISM programme learning outcomes and content. Student achievement lower than 6 (on a 10-point scale) is not recognized. Former ISM students who did not initially complete their studies but wish to continue studies at ISM can use the credits previously gained without submitting transcripts.

111. Diplomas gained at other institutions abroad (except for those with whom Lithuania has official agreements for recognition) are submitted for recognition to the Quality Manager who checks the authenticity of diplomas, the status of the degree granting institution, level of studies completed, credit volume and learning outcomes and then makes a decision on whether to accept the student.

112. ISM also has regulations for the recognition of non-formal and in-formal competences (approved by the Rector's Order No. 01-07-56-1). However, at the time of the review ISM had not received requests to validate non-formal or in-formal education.

113. Students, administrative staff and faculty with whom the Panel met confirmed that the procedures in place for recognition of foreign qualifications and prior learning are working effectively.

114. To summarise, ISM effectively undertakes research which is aligned with its mission and strategic aims, the level of research is consistent with ongoing studies of the Institution, studies are based on research and the procedures for the recognition of foreign qualifications and prior learning are effectively applied.

Internationality of studies, research (art):

- *The higher education institution has a strategy for internationalisation of research (art) and study activities (including indicators of internationalisation), means for its implementation, and measurements of the effectiveness of these activities are performed (not applicable to colleges unless provided for in its strategic documents);*
- *The higher education institution integrates aspects of internationalisation into the content of studies and research (art) activities.*

115. ISM's strategy for internationalisation of research and study activities is one of the most distinctive aspects of the Institution's mission and vision, and is a fundamental part of the University's differential strategic positioning at national level. This is very visible throughout the SER and was clearly reflected in the feedback received during the online visit in meetings with managers, academic staff and students.

116. The Panel confirms that Internationalisation is a fundamental and cross-sectional strategic vector for the present and future of ISM and is clearly evident in both research and study programmes. The University has systems in place to reward high quality research and publications in top journals. ISM effectively supports its Faculty in their research through study retreats for the sharing of knowledge and the discussion of new project areas. Attendance at international conferences is also supported by the University.

117. In respect of research, the Panel noted the following activities as being particularly significant in terms of ISM's international ambitions and strategy:

- The international profile of the ISM's faculty members with regard to their education and professional experience,
- International staff membership of the Senate and Doctoral Committee,
- The regular participation of international academics in the study programs which can take the form of research seminars by international staff,
- The involvement of international companies in student projects and research,
- Staff and student mobility which includes doctoral students, through Erasmus plus (68 partners) and other options (27 partners),
- Co-authorship of scientific papers with researchers from other countries,
- Faculty membership of international academic associations/working groups/commissions,
- Faculty membership of the editorial boards of international journals,
- Co-authorship of articles with international partners (ISM's threshold of 50% of ISM's researchers to be involved in co-authorship was surpassed for the first time in 2020),
- International research projects.

118. Internationalisation of the curriculum through the delivery of study programmes and the student experience is clearly facilitated as follows:

- Double degrees and diplomas with foreign higher education institutions, particularly those that hold internationally recognized accreditations, such as AACSB, EQUIS and AMBA. (ISM already has seven partnerships),
- International study visits which are embedded in both master's and executive programmes, but with the intention to expand them into bachelor programmes,
- Eighty per cent of programmes are delivered in English - more specifically, English is the language of delivery in the Doctoral, MSc, MBA and four (out of six) bachelor programs,
- Ninety-five per cent of library resources are in English,
- Several subjects are taught by international visiting faculty,
- Academic staff participate in mobility programs (47% in 2019) and ISM aims to increase this to at least 50% by 2025,
- ISM “remains the only Business University conducting its doctoral studies with international partners”.

119. The ambitions of the institutional internationalisation strategy for 2020-2025, with performance indicators and targets, were provided in Table 25 of the SER. The Panel reviewed these targets and held meetings with management and faculty to discuss their feasibility, and concluded that the majority of the targets seem achievable due to their current values. However the Panel believes that the following are particularly ambitious:

- Increasing the number of international full-time students from 8.3% to 20%.
- At least two Double Diploma options (one of which is without additional tuition fee) for each BS and MSc program.
- Increasing the number of publications in international media from 2 to 60.

120. In the last five academic years, (2015/16 – 2019/20) seven hundred and nineteen students (719) studying at ISM were beneficiaries of various mobility options. This represents 39% of bachelor students (with a target of 50% by 2025), 23% of master students (30% as a target by 2025) and 100% of doctoral students. The Erasmus plus programme has been the most extensively used for this purpose.

121. However, the Panel noted that there is a significant imbalance between the number of outgoing and incoming students on mobility programmes. Between 2015/16 and 2019/20 ISM received 1,333 incoming students (905 if the Summer University is excluded). The Panel believes that to avoid a drain on resources, this imbalance needs to be addressed.

122. To increase the number of full-time international students, ISM has introduced a policy of scholarships (“discounts and social stipends”). This is intended to attract talented and financially needy students from the post-Soviet region, which is considered, by the University to be one of the priority areas for recruitment. The Summer University is also an effective mechanism to promote the ISM brand and attract new students (121 in the academic year 2019/20).

123. **In summary**, no major drawbacks were identified in this area of studies and research, where the Institution is performing very well, even during the time of the COVID pandemic. The areas of research inform teaching and should continue to influence the development of new programmes.

ISM complies with the criteria for internationalization of both studies and research and has ambitions to increase its presence in the international arena.

124. **Judgment:** the area is rated very well in the national context and internationally, without any drawbacks and is given 4 points.

125. **Recommendations for the area:**

- Revitalize the study programme portfolio with new products to enable the University to effectively respond to market trends and demands, in areas such as technology development, sustainability and innovation (as is the case with the bachelors programme in Digital Business Innovation). This should enable the diversification of the revenue streams in terms of student enrolment, and enable ISM to explore new opportunities for lifelong learning, reinforcing the relationship with social partners in both the private and public sector.
- Ensure that new study programmes are aligned with new areas of research, for example entrepreneurship and digital business.
- More clearly define the lines of research in the broad discipline of economics and finance to align them with the institution's mission and strategic aims as well as the needs of study programmes.
- Increase the mobility rate of ISM students to bridge the gap between incoming and outgoing students. A careful fit between the ambitious targets in this domain and the resources available is crucial for the future success of the University, whilst quality and standards should be maintained in accordance with the strategic positioning of ISM.

126. **Good practice examples:**

- The very successful actions taken to reduce student dropout rates with the offer of preparatory courses in the most problematic disciplines, the participation of older students in pair to pair consultations, and an early alert system based on mid-term examinations for the first year of bachelor programs. Similarly, for executive programs a more personalized follow up and a final thesis more focused on managerial expectations.
- The “writing retreats” which effectively supported researchers enabling effective knowledge-sharing and discussion of new collaborative projects, etc.
- The Summer University which is used to generate extra revenue during the vacation period and promotes the University and its brand, and has the capacity to attract incoming students.

3.4. Impact on regional and national development

Effectiveness of the impact on regional and national development:

- *The higher education institution carries out an analysis of national and (or) regional demands, identifies the needs to be met and foresees the potential impact on national and (or) regional development;*

- *The monitoring, analysis and evaluation of the effectiveness of the measures on national and (or) regional development are performed.*

127. ISM is a relatively small private Business University in Lithuania. It has 2.5% of the overall number of students in Lithuania. For the main area of delivery - Business studies - the ISM market share is 16%. However, the impact of the University on regional and national development is clearly visible.

128. The University's commitment to make an impact is expressed in its mission "*work with the main stakeholders to provide a sustainable change*" and in its vision "*Learn to impact*" This determination to make an impact and provide sustainable change, is clearly visible in the programme curricula, in research activities, and the University's outreach efforts. ISM is committed to contributing to economic, social and intellectual development.

129. The ISM vision: "...to be a top-tier Business University in Northern Europe..." was discussed with representatives of management and faculty, when it was confirmed that the University is impacting on both local and regional areas as follows:

- Studies – Alumni transfer their competences to the companies they work for,
- Research - projects are relevant to developmental issues,
- Social development – the open society – is included in the topics taught,
- Economy – difficult to assess the impact in a quantitative manner, but can be demonstrated through qualitative feedback.

130. Lithuania as the country of origin, is considered as a weakness in the SWOT analysis provided for the Panel. For ISM, this means international impact is quite hard to establish, because Lithuania is a small country and has not yet obtained recognition as a hub for international higher education (as is the case with other European countries, America and Australia). ISM recognises it cannot target all markets equally, but for Baltic countries it has already established a good reputation. However entering the western European higher education market is challenging even though the DNA of the Institution is quite Norwegian. Nevertheless, ISM is making significant efforts to be recognised in the international arena and is taking the following actions:

- Student recruitment – liaising with EU schools as well as those in eastern Europe and liaising with other Universities for masters' programme recruitment,
- Attempting to facilitate a two-fold increase in international student recruitment over the next five years,
- Recognising the need to increase the quantity of research to make an impact internationally, whilst maintaining quality and local recognition.

However, the Panel believes more could be achieved through further cooperation with international partners, and by joining additional networks with academics in other countries, and that ISM could play a greater role in the social environment by participating in and initiating social non profitable projects which would increase the University's profile in the region.

131. ISM analyses national demands through participating in local and national business communities, national and international academic and professional networks, and society at large.

It effectively engages students, alumni, and other stakeholders into the life of the University. ISM follows, analyses and reflects on the current national and international strategic documents (OECD, European Commission Country Reports, Lithuanian Strategy 2030, etc). The University has plans to expand its impact on the public sector through cooperation with governmental institutions, and its faculty are already actively involved in different management bodies of public organisations, for example the Prime Ministers Advisory Board, and the Advisory Commission to the LRT Council at Lithuanian National Radio and Television and the Central Electoral Commission.

132. The Lithuanian Ministry of Education, Science and Sport sponsored project running in 2011-2014 “Time for Leaders” identified the lack of qualified Lithuanian secondary school principals. As a member of this project working group, ISM responded to the recommendations from the project report, for developing leaders in the field of education, and in 2014 introduced the masters programme “Educational Leadership”. ISM stresses the need to be up-to-date with the competencies for 21st century leaders, and this programme makes an important contribution to regional and national development. The recruitment strategy covers all regions, so students collaborate during the programme and this decreases tensions between educational institutions in different regions.

133. Based on the analysis performed by The Centre of School Improvement, out of 360 Educational Leadership programme graduates, 50% had positive career changes, 30% were promoted to leadership positions in their schools. The positive impact and importance of this programme on Lithuanian education was emphasised during the meeting with social partners.

134. ISM has identified the following areas where it can make the greatest impact:

- Business and economic development,
- Public sector (Government and Education),
- Scholarship/Intellectual,
- Social responsibility,
- Competitiveness of the higher education sector in Lithuania,
- Life-long learning.

The University influences and impacts on these areas as follows:

135. ***Business and economic development*** – ISM cooperates with over 33 companies and social partners including international companies, regarding student internships, projects, career days. Every year more than 300 students make a significant contribution to local, national and global businesses through work placements, internships, industrial consultancy and entrepreneurial activity that is personalised to their career aspirations.

136. ISM has received international nominations from CEEBSA, AACSB, CEEMAN and is proud of talented graduates with strong leadership skills and entrepreneurial mind-sets, who are working in the business sector. Thirty percent of ISM graduates set-up their own business.

137. Students’ final theses contribute towards addressing problems that are relevant to the region and impact on its development at all levels. At the master’s level this is through the consultative workshops where the practical and academic relevance combined with the social impact of their

- chosen topic is discussed. Members of the business community cooperate with supervisors for the thesis and through the study modules. After the final defence students can monitor the impact of their thesis
138. For the Educational Leadership programme the thesis is based on broad fields from the public sector from which students select a specific topic. Alumni of this programme presented their thesis at a conference and then ran a seminar on how cooperation between schools can be increased.
 139. ISM cooperates with one of the top universities in South Africa with whom it is running three research projects. For the Executive MBA, the consultancy project can be based in South Africa where there is a real opportunity to initiate change for companies based in townships as well as global companies operating in the country. ISM has also been involved in the preparation of a digital innovation project for the Ministry of Innovation in South Africa.
 140. **Impact on Public sector (Government and Education)** – Several of ISM’s graduates have attained top positions in government. The University also plays an important role in generating innovative activity in public organisations through its involvement in different management bodies of public organisations.
 141. With the support of six municipalities and three businesses organizations, ISM developed the Educational Leadership Programme and also organizes free of charge lectures for high school teachers and students on the topics of management, economics, and business. Over 100 teachers and students participate in these events.
 142. The ISM team came first at the Microsoft AI Bootcamp in the year 2021 the ISM research team won the national research grant “Knowledge co-creation in the public sector: attitudes of Lithuanian citizens towards the co-creation of educational services”.
 143. **Scholarly/intellectual impact** – ISM makes scholarly impact on research in the field of business management throughout the world via the academic journal – Baltic Journal of Management.
 144. ISM faculty members produced 131 peer-reviewed journal papers, book chapters, conference proceedings publications during the reporting period, of which 33 were included in Clarivate Analytics Journals Citations Reports, 3 monographs as well as 9 other publications (textbooks, study materials, case studies, dictionary, etc.). Top papers were published in highly ranked journals, including the Journal of International Business Studies, the International Journal of Project Management and the Journal of International Marketing.
 145. ISM research output received recognition during presentations at 117 international conferences and workshops.
 146. ISM requires all those requesting funding for research to present a summary of the project to the Research committee and then to the Rector. The relevance for business and the public sector, and the social impact are assessed together with how the findings can be used to inform teaching. The international dimension such as cooperation with other international partners and how the results can be disseminated to respective stakeholders are also considered before funding is approved.
 147. **Social responsibility and sustainability** - ISM states that sustainability is integrated throughout the organization, educational programs, research and operations. The Panel concluded that this was demonstrated at the University as follows:

148. Research at ISM includes topics associated with responsible consumption, social care and inclusion through collaboration with companies and public organizations. There is wide dissemination of the outcomes of research. Examples of ISM's involvement in these areas is demonstrated through the December 2018 conference "Preventing Medical Emigration: What Can a Health Care Institution Do?" and the 2019, project Stakeholder Engagement and Sustainable Long-term Care of Elder Persons, the results of which were presented at the ISM conference. ISM also organised a discussion forum with representatives from the Ministry of Social Affairs, Ministry of Health of the Republic of Lithuania, Lithuanian Parliament, National Health Council, and other relevant institutions. In 2019 ISM researchers in cooperation with RIMI, a large international supermarket chain in Lithuania, implemented a project on the integration of disabled people.
149. ISM intends to invite and support eight top-level managers from the culture sector to participate in MBA studies next year. ISM is also providing non-degree courses to improve the skills of economics teachers.
150. ISM students are making an impact on academic youth around the world by organizing the global social business case competition and conference "Creative Shock", which attracted more than 7760 students from around the world during the current reporting period.
151. ISM further demonstrates its commitment to social responsibility and sustainability through the charity evening held by the Executive School each year which supports the scholarship fund for disadvantaged students. 33 000 euros were donated during the evening in 2019. More than 1000 alumni have financially supported the scholarship fund for disadvantaged students since its foundation in 2011. During the reporting period ISM alumni donated up to 100 000 euros for disadvantaged students. This demonstrates the long-lasting relationship and effective communication between alumni, ISM and its students.
152. University staff, representing and promoting ISM, regularly use their skills and expertise for pro bono public engagement, knowledge exchange and public service. This includes giving public talks; providing commentaries and insights on the radio, TV, or social media; taking on expert advisory roles on Senates and Boards of other universities; becoming members of company boards, government committees and working groups. In this way staff share good practice with other HEIs and discuss their experience with government.
153. Lithuania is currently experiencing the emigration of its best and brightest talents. ISM doctoral school contributes to brain-drain prevention as many graduates with high research potential from top business schools choose ISM as an alternative to doctoral studies abroad. ISM Doctoral programme graduates stay in Lithuania, conduct high level research and contribute to the competitiveness and visibility of Lithuanian science and higher education sector.
154. ISM monitors, analyses and evaluates the effectiveness of its regional and national impact mainly through the use of qualitative data. It is following up on the career progression of those undertaking the Education Leadership programme to see how many students have become principals and is analysing Ministry of Education, Science and Sport of the Republic of Lithuania surveys which report on the increased competencies in schools where staff have undertaken the programme. ISM continues to encourage students to report on their cognitive and social impact. However, there is little quantitative analysis and no benchmarks against which the impact can be

measured. ISM recognises this is a challenge and intends to “Develop and implement ISM-wide definitions, measures, and standards of “impact.”

155. The Panel believes this shortcoming is minimized by ISM’s ambition to implement such measures, as confirmed in the meeting with managers, researchers and faculty who indicated that this is firmly on the Rector’s agenda.

Assurance of conditions for lifelong learning:

- *The higher education institution monitors and analyses the need for lifelong learning;*
- *The higher education institution anticipates the diversity of forms and conditions of lifelong learning and ensures their implementation;*
- *The higher education institution performs the evaluation of assurance of conditions for lifelong learning.*

156. To support lifelong learning, ISM offers segmented learning options that range from “just-in-time courses“: open and company-tailored training programmes, non-credit courses, webinars, open lectures and seminars, certificate programmes and structured executive education programmes for participants who want to be more deeply immersed in learning. ISM business partners, career centre, staff, executive students and alumni cooperate in this field. ISM receives feedback from them and is able to react by organizing and planning future programmes to suit the needs of lifelong learners.

157. ISM recognises that it must fulfil the needs and expectations of adult students for quality and flexibility in content, suitability of faculty, teaching methods, and support services to succeed in the lifelong learning market. To meet these needs it organizes its executive education offerings in the following ways:

- Programmes at masters level for managers with work experience who want to gain broad management competences (Master of Management programme),
- Programmes for top managers with the work experience (MBA),
- Bachelor level credit–granting programme,
- Special company-tailored programmes (non-degree).

158. The MBA is targeted at executives with experience of not less than 5 years. The average age of students in this program is 39, the average work experience is 16 years and the average executive work experience is 9 years. The programme is designed to build on the current skills and knowledge of the students and to further develop their leadership capabilities. This programme is recognised in Lithuania as being very beneficial for managers, and well-organized.

159. The bachelor level credit–granting programme, is targeted at the development of professional skills of high school economics teachers. The participants study separate modules from the bachelor level economics programme, receive credits (90 ECTS), but they do not complete a full programme and do not qualify for a bachelor’s degree. However, for those, who would like to complete the degree programme, the credits will be recognized.

160. Special company-tailored programmes (non-degree) are open programmes. Representatives of 67 companies have attended these programmes. They are intended for the community – no specific qualifications are required. Free webinars are organised to encourage people to take formal courses. However, the Panel believes that ISM could further raise awareness in the region, of the opportunities it offers for lifelong learning.

161. **In summary**, the Panel evaluates ISM's impact on regional and national development positively and no major drawbacks were found in this area. The impact on regional and national development is clearly visible and it is effectively evaluated and analysed by ISM. The Panel would like to emphasize once again the cooperation between ISM and alumni and social partners. ISM effectively supports lifelong learning through its segmented learning options that range from "just-in-time courses" to certificate programmes and structured executive education programmes, all of which are very popular.

162. **Judgment:** the area is rated very well in the national context and internationally, without any drawbacks and is given 4 points.

163. **Recommendations for the area:**

- Establish objective criteria to formally evaluate and quantify ISM's impact on national and regional development and its other achievements.
- Play a greater role in the social environment by participating in and initiating social non profitable projects which will increase the University's impact on the region.
- Raise awareness in the region, of the opportunities for lifelong learning offered by ISM.

164. **Good practice examples:**

- The scholarship fund for disadvantaged students which provides an opportunity for students who would not otherwise have been able to attend the University to participate in higher education from bachelors through to doctoral level.
- The close involvement and support of social partners in the work of the University which provides a two-way exchange of knowledge and good practice.
- The flexibility of the programmes for top managers with work experience (eg the MBA) which also provides the opportunity to work on projects in the international environment.

IV. EXAMPLES OF GOOD PRACTICE

The Panel identifies the following examples of good practice:

Management

- The system of strategic planning, aligned to departments and personnel, linked to a clear implementation plan with targets and indicators, resulting in effective monitoring and change management.
- The flexible and creative approach to programme development which enables ISM to respond swiftly and effectively to changes in the business and educational environment

(for example the development of digital and entrepreneurial programmes linked to other subject areas).

Quality Assurance

- The operation of an effective internal quality assurance system which enables ISM to respond swiftly and efficiently to feedback from students and other stakeholders.

Studies and Research (Art)

- The very successful actions taken to reduce student dropout rates with the offer of preparatory courses in the most problematic disciplines, the participation of older students in pair to pair consultations, and an early alert system based on mid-term examinations for the first year of bachelor programs. Similarly, for executive programs a more personalized follow up and a final thesis more focused on managerial expectations.
- The “writing retreats” which effectively supported researchers enabling effective knowledge-sharing and discussion of new collaborative projects, etc. The Summer University which is used to generate extra revenue during the vacation period and promotes the University and its brand, and has the capacity to attract incoming students.

Impact on National and Regional Development

- The scholarship fund for disadvantaged students which provides an opportunity for students who would not otherwise have been able to attend the University to participate in higher education from bachelors through to doctoral level.
- The close involvement and support of social partners in the work of the University which provides a two-way exchange of knowledge and good practice.
- The flexibility of the programmes for top managers with work experience (eg the MBA) which also provides the opportunity to work on projects in the international environment.

V. RECOMMENDATIONS FOR ENHANCEMENT

The Panel's recommendations and suggestions for further enhancement are:

Management

- Make available more resources and implement measurable results to enable the University to meet the goal of internationalization. In particular, ISM should aim to attract more international students and full-time international faculty through effective marketing and seek accreditation by European professional associations and quality assurance agencies (in addition to AACSB accreditation)
- Refine the information system for top management to enable them to identify and focus on key strategic issues.
- Enhance the decision-making process by implementing a clear reporting structure for all committees.

- Ensure that the strategic plan is fully supported by a sustainable financial policy which is linked to risk assessment directly. It is suggested to elaborate both an optimistic and a worst case scenario.
- Formalize the process for identifying non-academic staff development needs providing a clear link to the appraisal process.

Quality Assurance

- Develop a system which combines information from Internal Quality Assurance (IQA) with the data from monitoring the achievement of the strategic priorities of ISM and ensure that this is presented to the rectorate on a regular basis.

Studies and Research (Art)

- Revitalize the study programme portfolio with new products to enable the University to effectively respond to market trends and demands, in areas such as technology development, sustainability and innovation (as is the case with the bachelors programme in Digital Business Innovation). This should enable the diversification of the revenue streams in terms of student enrolment, and enable ISM to explore new opportunities for lifelong learning, reinforcing the relationship with social partners in both the private and public sector.
- Ensure that new study programmes are aligned with new areas of research, for example entrepreneurship and digital business.
- More clearly define the lines of research in the broad discipline of economics and finance to align them with the institution's mission and strategic aims as well as the needs of study programmes.
- Increase the mobility rate of ISM students to bridge the gap between incoming and outgoing students. A careful fit between the ambitious targets in this domain and the resources available is crucial for the future success of the University, whilst quality and standards should be maintained in accordance with the strategic positioning of ISM.

Impact on National and Regional Development

- Establish objective criteria to formally evaluate and quantify ISM's impact on national and regional development and its other achievements.
- Play a greater role in the social environment by participating in and initiating social non profitable projects which will increase the University's impact on the region.
- Raise awareness in the region, of the opportunities for lifelong learning offered by ISM.

© *Centre for Quality Assessment in Higher Education (SKVC). 2021*
A. Goštauto g. 12, 01108 Vilnius, Lithuania
tel.: (8 5) 205 3323
skvc@skvc.lt
http://www.skvc.lt