

# **Update of the Long-term Plan for Educational, Research, Scientific, Development and Innovative and Other Creative Activities of ŠKODA AUTO University for 2016**

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## Introduction

ŠKODA AUTO University (ŠAVŠ) has prepared and hereby submits the Update of the Long-term Plan for Educational, Research, Scientific, Development and Innovative and Other Creative Activities of ŠKODA AUTO University for 2016 (hereinafter referred to as “the Update”). This is done in accordance with Act No. 111/1998 Coll., on Higher Education Institutions, as amended, in line with the Update of the Strategic Plan for the Scholarly, Scientific, Research, Development, Innovation, Artistic and Other Creative Activities of Higher Education Institutions for 2016 of the Ministry of Education, Youth and Sports, and following on the Long-term Plan for Educational, Research, Scientific, Development and Innovative and Other Creative Activities of ŠKODA AUTO University for the period 2016 – 2020 (hereinafter referred to as “the Long-term Plan”), the Strategy of ŠAVŠ for 2015 – 2018, the Strategic Plan of ŠAVŠ development and strategic ŠAVŠ documents for the period 2011 – 2015.

## 1 Quality Assurance

The Long-term Plan was prepared based on the retrospective evaluation of the Long-term Plan for Educational, Research, Development and Other Creative Activities of ŠKODA AUTO UNIVERSITY for 2011 – 2015; the basic direction of ŠAVŠ development set out in this document remained unchanged, including the efforts to achieve those goals that have not been achieved so far (in particular the accreditation of a doctoral study programme).

The second stage of retrospective evaluation of the Long-term Plan of ŠAVŠ from the previous five-year period, including detailed analyses of the fulfilment of individual objectives in quality assurance, will take place in 2016. This second stage will involve, among other things, a review and modernisation of the basic internal regulations of ŠAVŠ (Statute, Study and Examination Regulations, Disciplinary Regulations) and in evaluating and potentially reviewing the credit load of study programmes (the credit system currently does not include compulsory internships) and the associated modification of curricula, particularly in terms of preparation of re-accreditation of the Bachelor’s degree programmes *Business Administration and Financial Management* and *Business Administration and Sales* and the follow-on Master’s degree programme *Law in the Global Business Environment*, with accreditation expiring in 2016.

An essential part of quality assurance of the offered study programmes and fields is the work of field councils composed of internal and external academic personnel as well as skilled experts (especially employees of ŠKODA AUTO). During the academic year 2015/2016, evaluation will be conducted on the offered fields of study (i.e. their curricula, course composition, actuality and relevance of syllabi of the individual courses) by the field councils. Its result and the associated suggestions and comments of field council members will be reflected in the applications for re-accreditation of the three programmes above.

In 2016, ŠAVŠ is also going to prepare a monitoring report for the accreditation commission of the Accreditation Council for Business Schools and Programs (ACBSP).

It is very likely that during the academic year 2015/2016 an extensive amendment to the Higher Education Act will be passed and enter into force, bringing many changes in the regulation and the supervision of higher education in the Czech Republic. These changes are very likely to include, among others, the possibility of institutional accreditation of fields of education, termination of the division of study programmes into fields of study and the obligation of profiling study programmes as academic or professional. The ambition of ŠAVŠ is to obtain institutional accreditation for educational field no. 5 – economic fields. However, the specific steps to deal with the requirements of the amended act as well as their timing, and the evaluation of the feasibility of the ambition of ŠAVŠ will be possible only after the final form of the amended Higher Education Act when the regulations covering implementation will be available.

## 2 Diversity and Accessibility

Studying at ŠAVŠ is widely available to applicants from the Czech Republic and abroad. The main barrier for a section of applicants is the tuition fee. However, considering ŠAVŠ's status as a private higher education institution and the unchanged government policy in the field of financial support for private higher education, this barrier, for the time being, remains fixed. A serious and persistent issue at ŠAVŠ is the high failure rate of students in courses with high demands on abstract and exact thinking. These are particularly mathematics, statistics, micro- and macroeconomics and accounting.

During 2015, ŠAVŠ, therefore, approved and gradually started implementing a set of measures to reduce the failure rate and improve the success of students. Starting with the academic year 2015/2016, ŠAVŠ will substantially expand the offer of compensatory and support courses for the respective courses. In mathematics lectures starting in 2015, ŠAVŠ has also focused on the reform of teaching methods towards greater practicality and interactivity, using the experience from teaching mathematics for economists in the United States of America. Another important innovation in the curriculum of ŠAVŠ focused at helping foreign students of Czech study programmes is the introduction of technical language lectures.

In 2014, the failure rate of students measured as percentage expressed as the proportion of unsuccessful students from the total number of students in accredited programmes was 18.6% (data from table 3.3 of the annual report divided by data from table 3.1).<sup>1</sup> The failure rate figures were similar in the previous years as well (except for 2013 with only 8.0%). The aim of ŠAVŠ for 2016 is to reduce this indicator with the help of the aforementioned measures below 15%.

Another area on which ŠAVŠ will focus in 2016 is supporting the development of exceptional students, particularly in the form of creating special internship positions for gifted students at departments of ŠAVŠ, by offering selective courses and by involving talented students in research projects.

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<sup>1</sup> For comparison, the failure rate of students at the University of economics in Prague was 14.2% in 2014.

### 3 Internationalisation

The high level of internationalisation of ŠAVŠ currently leads to an effort to increase the quality of internationalisation instead of merely quantitative development. This means especially more substantial involvement of ŠAVŠ in international research projects and networks, favouring foreign partners with excellent results. As for student mobility, this is primarily about increasing the number of foreign students studying at ŠAVŠ or taking their internships in the Czech Republic in cooperation with ŠAVŠ (particularly within ŠKODA AUTO). At present, 60% of Master's degree graduates go on a foreign study or work placement during their studies. The ambition of ŠAVŠ is to keep increasing this number. This is also related to the effort to expand the number of accredited study programmes in English.

In the academic year 2015/2016, ŠAVŠ joined the project Study in the Czech Republic and after a long period of time, it began to participate in international higher education fairs more intensively, especially the virtual ones. This area of activities also includes strengthening cooperation with universities and other institutions in the PRC.

### 4 Relevance

ŠAVŠ has achieved a long-term zero unemployment rate of its graduates. This is a result of the systematic emphasis on the relevance of offered study programmes with content and profile in line with the mission for which ŠAVŠ was founded: to train exceptionally qualified business economists and managers for industrial companies, with a corresponding background in technical subjects and also equipped with language and intercultural skills allowing them to work successfully in multinational corporations with a global presence.

Fulfilment of this mission was also the preparation of two new study programmes, for which ŠAVŠ submitted accreditation applications at the end of the academic year 2014/2015: the Bachelor's degree programme *Business Administration and Human Resources Management* and the follow-on Master's degree programme *Business Administration and Information System Management* (which was prepared in cooperation with Unicorn College). Both fields of study fill the until now empty gap in study programmes of ŠAVŠ in terms of the needs of university qualified graduates in ŠKODA AUTO company, while also covering the widely perceived gaps in the staffing needs of Czech industry and the Czech labour market. Teaching in the two new fields is scheduled to commence in 2016. The field of study *Business Administration and Information System Management* will be taught on the premises of Unicorn College in Prague.

The same applies to the preparation of the Bachelor's degree technical/economic field of study (programme) *Industrial Engineering*, which will commence in the academic year 2015/2016.

As mentioned in section 1, an important role in ensuring the relevance of offered degree programmes and fields of study is played by the field councils and the experts

from the business world in these councils. In the academic year 2015/2016, field councils will meet to evaluate all fields of study at ŠAVŠ.

In 2016, ŠAVŠ also wants to focus more on diversification of additional educational activities within lifelong learning and further education, including the preparation of a MBA programme.

A characteristic feature and integral part of study programmes offered by ŠAVŠ are the compulsory internships in ŠKODA AUTO company or in partner companies in the Czech Republic and abroad. When preparing internships in 2016, the component of academic supervision of internships will be reinforced so that the educational and training objective of internships is maintained consistently. At the same time, analysis will be conducted on the possibilities of credit assessment of internships and their full integration in the credit system of ŠAVŠ.

A new measure planned by ŠAVŠ for 2016 is a survey of the salary level of ŠAVŠ graduates. The salary of graduates and its comparison with the market is an important indicator of the relevance of the education offered. In subsequent years, ŠAVŠ intends to conduct the survey of graduate salaries and market comparison systematically every year.

## **5 Quality and Relevant Research, Development and Innovation**

The research efforts of ŠAVŠ has three areas of focus. These are involvement in international research projects (especially under the Horizon 2020 programme, the Central European Initiative and the International Visegrad Fund), national research projects (under grant schemes offered by the Czech Science Foundation, or the Technology Agency) and implementation of specific projects of applied research, development and innovation for ŠKODA AUTO a.s. as well as other industrial partners (currently for example Siemens).

The most important projects implemented by ŠAVŠ currently include an extensive international project in the field of logistics and a large national project in the field of labour economics (in cooperation with a major public university and the Czech Academy of Sciences). In both cases, the anticipated project start date is in 2016. Work is underway on the already implemented project of the Czech Science Foundation in the field of law and economics *Possibilities and powers of the EU and the goal of highly competitive social market economy under Art. 3 par. 3 of the TEU* and on internal projects under the student grant competition, which have good outlooks in terms of future expansion into the form of national research projects.

Continuous work is underway on projects of specific applied research, development and innovation for industrial partners. (Typically these are short-term projects that take up to a year to implement.)

In connection with the anticipated changes in the regulation of evaluation of scientific, research, innovation and other creative activities in the Czech Republic (outcomes of the IPN Methodology project, the legislative intention of the act on support of research,

development and innovation), ŠKODA AUTO University is preparing a modification of the system of management and performance evaluation in the field of science and research so that the university is able to meet the criteria that will allow it to receive institutional support as a research organisation by 2020 (the research unit concept as per the IPN Methodology). This project will start in January 2016.

## 6 Data-based Decision Making

ŠAVŠ has access to large data files stored in the Academic Information System and uses the data intensively for analyses, which form the basis for strategic decisions. In the academic year 2015/2016, ŠAVŠ has focused primarily on the expansion and deepening of analysis of failure rates so that the support measures adopted in 2015 (see Section 2) are properly targeted to increase their efficiency.

In 2016, the survey of graduate salaries (see Section 4) will also be conducted and a new structure will be introduced for the course survey in order to increase the utilization rate of feedback data generated by the survey.

The university is going to participate in the EUROSTUDENT VI poll. The university is going to work intensively with the results of the international survey Trendence Graduate Barometer 2015, in which it participated in the academic year 2014/2015, focusing on the implementation of measures directed at the removal of weak areas identified in the survey.

In 2016, extensive market research will be conducted among applicants, secondary education students and their parents, focusing on the awareness, perception and evaluation of ŠAVŠ and its study programmes and fields of study. This research will follow on from similar research conducted for ŠAVŠ by an external contractor in 2014.

## 7 Efficient Financing

The basic budget sources are incomes from the contributions of students to study costs (tuition fees) and funding from the founder of the university. The contributions of students to study costs in 2015 amounted to less than 60% of university revenue, the funding from the founder; ŠKODA AUTO company, was more than 30% of the revenue. The existence of the university would not be possible without consistent support from the founder, currently as well as in the previous 15 years of its existence.

However, since the transformation into a public service company at the end of 2013, ŠAVŠ has made continuous efforts to reduce the dependence of ŠAVŠ management on the funds of the founder. In addition to strict cost management, it has, in particular, endeavoured to increase its own incomes from educational activities and contractual research and systematic efforts to obtain additional external resources. During the winter semester of the academic year 2015/2016, the university will begin work on preparing the founding of an endowment fund intended primarily to support talented students (increasing the resources for the excellence programme for the best applicants and the scholarship programme).



ŠAVŠ has also attempted to obtain donations from the partner companies where students do their internships. However, this effort has been unsuccessful so far. Given the fact that the Ministry states in the Update of the Strategic Plan for Higher Education for 2016 that in 2016 it is going to “*evaluate the ability of the existing system of financing to support the quality of activities at different types of higher education institutions*”, and considering the fact that the scholarly activities of ŠAVŠ are demonstrably of high quality, even without any financial support from the Ministry except for accommodation and social scholarships, ŠAVŠ assumes that based on the said evaluation, the approach of the Ministry to ŠAVŠ may change in the future. It is quality and relevance focused on non-profit private higher education institution – a public service company, and that the fifteen years of successful operation with proven quality education will bring support from the Ministry, as is after all allowed by Section 40 paragraphs 2 and 3 of the Higher Education Act, their content outlined as follows:

(2) the Ministry may provide to a private higher education institution operating as a public service company<sup>12)</sup> a subsidy for the implementation of accredited study programmes and lifelong learning programmes and the associated research, scientific, development and innovation, artistic or other creative activity. The Ministry may provide a subsidy to a higher education institution for scholarships according to Section 91 (2) e), according to Section 91 (3) Conditions of subsidies, with their use and accounting governed by general regulations on the use of state budget resources.

(3) The amount of subsidies as per paragraph 2 is determined based on the long-term plan of the private higher education institution and its annual updates, the long-term plan of the Ministry, types and financial demands of the accredited study programmes, number of students and achieved results in education, scientific, research, development and innovation, artistic or other creative activities and their complexity.

<sup>12)</sup>Act no. 248/1995 Coll., on public service companies and amending other acts.

In 2015, ŠAVŠ has also been preparing intensively for submitting a project under the Operational Programme Research, Development and Education 2014 – 2020 (OP RDE). Funding of projects is currently only possible within the limits set by the *de minimis* rule because the Ministry of Education Youth and Sports as the provider of public resources for education treats the educational and creative activities of ŠAVŠ as economic activities, while relying on one possible interpretation of the European competition law in the field of state aid. However, ŠAVŠ and its founder, ŠKODA AUTO a.s., believe that the educational and research and other creative activities of ŠAVŠ do not constitute an economic activity, as defined in the European competition law, and that the support of ŠAVŠ from public resources, therefore, cannot result in distortion of competition. Based on the analysis of previous decisions made by the European Commission, ŠAVŠ will prepare an analysis to verify the validity of alternative interpretations of these rules. In the event that the analysis confirms the opinion of the university and its founder, ŠAVŠ management, together with the founder, will make efforts in order for the Ministry to provide this legal opinion for the notification of the European Commission and subsequently – in the event of successful notification – allow ŠAVŠ to become a beneficiary of European subsidy programmes not limited by the *de minimis* rule.

## Conclusion

The period of preparation and approval of this Update is very specific. On one hand there is a fundamental change of the institutional and regulatory framework of the Czech higher education (extensive amendment to the Higher Education Act), on the other hand there are the quickly changing needs of the society, from the point of view of ŠAVŠ, particularly due to rapid and deep changes in industrial production and associated areas caused by digitisation, collectively referred to as Industry 4.0 (the fourth industrial revolution).

The Long-term Plan for Educational, Research, Scientific, Development and Innovative and Other Creative Activities of ŠKODA AUTO University for the period 2016 – 2020 is, therefore, an open document, allowing a flexible response to anticipated as well as unforeseen changes. The same applies to its Update for 2016.

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