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## Customer Focus in European Higher Education Systems

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**Abstract:** This article looks at the idea and practice of “customer focus” in higher education. As a global trend with origins in the business and corporate world, customer focus has come to increasingly shape public services worldwide. Influenced by business thinking, terminology, and practices, governmental organizations across policy areas have used customer focus to reform public services in order to bring them closer to the demands and expectations of their users. The paper particularly analyzes changes in customer focus understanding and its implications for the European higher education policies. The aim of the article is to contribute to a better conceptualization and policy understanding of this growing approach to higher education reform.

**Keywords:** *Higher education reform, customer focus, European Union*

## **Introduction**

This article looks at the idea and practice of “customer focus” in higher education. The European continent constitutes a region that has undergone ongoing experimentation with “turning the student into customer” following the fall of communism, democratization and Europeanization processes.

The importance of this subject is given by the changes that the educational systems in Europe have experienced over the past decades. These changes have included a gradual and sometimes slow change of focus from policies regarding the organization and administration of the university sector – internal change – to policies supporting student learning and customer-oriented initiatives – change that may have a direct influence on the end users of educational services. Particularly in the new member states of the European Union (EU) in Central and Eastern Europe (CEE) this has involved a gradual shift from a limited orientation towards the student in the communist regime to a growing interest in placing the student at the center (Dobbins and Knill, 2009; Pădure, 2009; Scott, 2007). According to this view, students and graduates are seen as a key dimension of measuring university performance and educational outcomes (for example Ek et. al., 2011; Elen et al., 2007; Mark, 2013). Moreover, the customer focus in higher education sector implies a demand for quality educational services regarding teaching activities, administrative processes, infrastructure, and research activities.

While some practitioners have favored customer orientation, some academics have stressed that it may undermine traditional public service values. Furthermore, the idea itself of conceptualizing students as customers has been contested (Eagle and Brennan, 2007; Svensson and Wood, 2007). These traditional public service values include public service ethos, political accountability, and equity concerning access to services (e.g. Fountain, 2001). Some researchers have argued that the customer model and the underlying practices have led to a “commodification” of educational services and labor (Henkel, 1997; Lawrence and Sharma, 2001). Functional and instrumental practices, they argue, have taken over traditional understandings. Formalized measures of managerial performance and evaluation may have replaced informal means of professional, informal discretion aimed at “soft” values such as motivation and attaining knowledge and academic values for the sake of knowledge and

academic values. Quality improvement schemes however, were praised by others, especially practitioners and policy makers, for being “revolutionary” – what public services needed to enhance user satisfaction, savings, efficiency, effectiveness and user accountability (Scott, 1999; Mark, 2013; Woodall, Hiller and Resnick, 2014).

Furthermore, over the recent years a governance perspective to public services, including higher education, has become increasingly relevant in that it encouraged a more active participation of citizens and service users in policy making and service delivery through co-production and co-creation of services. This was not necessarily new, but what was new was a gradual shift in paradigms from an emphasis on internal management, which was more prevalent in the 1980s and 1990s as part of the reinventing government and the New Public Management (NPM) movements to a more significant acknowledgement of the potential contribution of the end users in the policy making and service delivery process (Pollitt and Bouckaert, 2011; Pollitt and Dan, 2013).

This article begins with a discussion of the notion of customer focus as applied to higher education reform followed by an analysis of customer focus policies in European higher education systems. We then look at examples of reforms in higher education in certain new EU member states that have included a customer orientation and discuss possible implications of these reforms while considering the challenges to reform higher education across this region.

### **Defining customer focus in higher education**

In what follows we provide an overview of how the literature has conceptualized the notion of customer focus in higher education and distinguish its main directions thus far. Customer value has been explored across a wide range of service contexts, including online retailing, mobile telephony, hospitality, tourism, finance and airlines – almost anywhere where competitive pressures apply. However, whether students can be considered customers is open to debate in the theory and practice of higher education, but reforms in higher education over the past two decades suggest that higher education institutions now represent an increasingly relevant context in which to evaluate customer issues (for example Eagle and Brennan, 2007; Woodall, Hiller and Resnick, 2014).

Some authors argue that the primary customer of the organisation is “the end user of the product or service, despite who actually pays the bill” (Brennan and Bennington, 1999; Mark, 2013). According to this perspective, there may be other important stakeholders, but the individuals most directly serviced by the organisation are its primary customers. In this view, it is students who are most directly serviced by the educational sector and its mission and considering them as customers can help universities develop and implement policies that recognise the value of the end user, which may channel resources in such a way that improves student satisfaction and educational outcomes (Motwani and Kumar, 1997; Mark, 2013).

The focus on the end user in practice has been supported by a change of focus in the literature over the years, and increasingly commentators have made use of language derived from governance theory to analyse changes in higher education reform. This has included terms such as accountability, transparency and user participation in policy making and service delivery

through co-creation, co-production and co-delivery processes (e.g. Mark, 2013). As Mark (2013, p. 3) notes “the supplier - customer relationship in higher education institutions is more collaborative now than it was in the past and customers are no longer viewed as passive recipients, but as active participants in service delivery and co-producers of the service they receive”.

Furthermore, the literature has distinguished between a “being orientation” and a “having mode” in higher education institutions. A “being orientation” within education involves the emphasis on the sovereignty of the educational act and institution while a “having mode” resonates more closely with the customer orientation in that ultimate goal is to satisfy the expectations and interests of students through the adoption of values that closely resonate with a marketing/business mindset (Moleswoth, Nixon and Scullion, 2009). The first orientation is also known in the literature under the banner of “academization” while the second is sometimes referred to as “marketization” (for example Ek et al., 2013; Newman and Jahdi, 2009).

Demands to meet market requirements and to make education more scientific and better anchored in the realities of the labor market have created tensions between and within these institutional cultures (Ek et al., 2013). Academization and marketization are often seen as opposites in the literature, but in reality they might be two sides of the same coin and in the current educational environment with increasing interdependencies between universities, industry and government, none can be entirely viewed apart from the other. Ways in which higher education institutions have become more focused on the customer include i) viewing students as consumers of educational services while emphasizing student expectations; ii) introducing techniques of measuring student satisfaction and the quality of education more broadly; iii) organization change in the relationship between ministries of education and universities with a greater emphasis on the decision-making autonomy of university management iv) giving marketing a higher profile in the management of higher education institutions.

In order to better conceptualize customer focus in higher education, it is important to distinguish it from related concepts that resonate with the idea of customer focus but originate from a different epistemic perspective. A closely related concept is that of student-centred learning (e.g. Elen et al., 2007; European Students Union, 2010; Lea, Stephenson and Troy, 2003). Student centred learning, however, follows the academization rather than the marketization perspective in that while emphasising the need to better understand student interests, as opposed to a teacher-centred approach, it views this within the “traditional” academic perspective.

Student-centred learning does not have one universally-agreed definition, despite it being a commonly used term (e.g. European Students Union, 2010). Jonassen and Land (2000) include a list of 30 aspects on which student-centred environments differ from what they call “traditional instruction.” While instruction is characterized by adjectives like objective, stable, fixed, well-structured, decontextualized and compliant, for student-centred learning environments other adjectives are used such as subjective, contextualized, fluid, ill-structured, embedded in experience, and self-regulated. Lea, Stephenson and Troy (2003) notes that the student-centred approach embodies the imperative that institutions should move from an “inside out” approach, where those on the inside know what is best to an “outside in” approach where students’ expectations are researched and serviced.

As a more concrete framework for the management and governance of the university, there are three models proposed: the state-control (or Napoleonic/French) model, the academic self-rule (or Humboldtian) model and the market-oriented model. With regard to the CEE countries, the general assumption from which Dobbins (2011a) starts is that HE system in these countries tend to converge to the market-oriented model, even if they have roots in either the state-control model, or in the Humboldtian model. Therefore, at present, the HE models applied in the CEE countries are a conglomerate between the old models' features and the market-oriented model.

The three models are assessed under the following criteria: the regulatory framework (to whom belongs the responsibility of the university decision-making), the control and quality evaluation, the funding policy, the personnel governance and the relations to society (Dobbins, 2011a, 2011b, 2015).

Under these coordinates, the market-oriented model is structured under the principles of entrepreneurial organization, where the universities are acting as economic enterprises of academic services, which enhances a competition for students, financial resources and research funding while increasing the quality of the pedagogical act and of the research, the students' options and the strategic design of study programmes (Dobbins and Khachatryan, 2015). The role of the state is to ensure the environment for promoting competition and transparency, while restricting its regulatory activities. Its function is rather oriented to the evaluation of the HE system, through the state accreditation and evaluation bodies. The university management is responsible for setting the strategic goals of the university; it intervenes in the recruitment of the high-ranking academic staff and engages more easily in entrepreneurial activities. Strategic decisions (such as the establishment of the curriculum) are taken in collaboration with academic and external stakeholders. Still, such an approach was critically assessed by some for orienting the focus of the university and academic research towards the need of particular industries (Dobbins, 2011b).

The funding base is dependent on the external stakeholders and is rather diversified. The tuition fees are an important source of financing, to which are added the funds of private and business donors, the capacity of attracting grants and the contribution of the state in the form of subsidies or taxation incentives for investments in education (Dobbins, 2011b).

In comparison, in the other two models, universities are either state-operated or governed by the academia. In the state-authority model, all the processes – starting with the decision-making related to the university goals and curricula or the admission requirements until the personnel nomination, are under the auspices of the state. Moreover, it is the only system where the academic staff is appointed, not elected. In addition, the control and quality evaluation of the academic process is the responsibility of the ministry.

The Humboldtian model is seen rather as a state-university partnership, which puts at the centre of its governance the professoriate; this time, university is regarded as “a higher manifestation of the state as a cultural entity for advanced learning” (Dobbins, 2011b, p. 37), which acts independently in the legislative framework provided by the state. Similar with the state in the previous model, academia is involved in the university management and decision-making, and in the evaluation process, usually through the enhanced roles of the academic senates and self-regulation.

While in the state-authority models, universities are instruments for meeting national priorities, oriented towards increasing competitiveness in industry and technology (Dobbins, 2011b) and,

as a consequence, the relations with the external stakeholders is mediated by the state, the academic self-rule model is guided by freedom in the scientific and research activity, being disconnected by the industrial or political goals. The limits of the Humboldtian model are achieved under the system of funding, which is mainly driven by the state. Still, as universities have the freedom of establishing their own norms and regulations, there is high budgetary discretion in using the allocated funds. Therefore, in this model, the state-university partnership is endorsed.

Several reasons are considered responsible for the convergence of the HE towards this model:

- The increased Europeanization and internationalization of HE (Dobbins and Khachatryan, 2015);
- The transnational environment promoted by international organizations, such as OECD, World Bank and EU;
- For the EU countries, the Bologna process (Dobbins and Khachatryan, 2015; Leisyte and Kizniene 2006);
- The massification of HE and the changes brought by the knowledge society (Dobbins, 2011a).

All these factors lead to transnational communication and exchange of good practices, which is seen as one of the main tools for promoting policy convergence (Dobbins, 2011a).

## **Customer focus initiatives in European higher education systems**

The process of Europeanization has led to some degree of convergence in higher education policy, but this has been limited considering that responsibilities over education policy rest with the member states (European Commission, 2011). Nevertheless, global trends in higher education policy and EU policy have had an impact on national policies across the EU and the OECD more generally (Dobbins and Knill, 2009; OECD, 2016). Significant socio-economic differences between EU countries are coupled with different traditions in the higher education sector, which makes it difficult to make sweeping claims that are relevant to all countries. For this reason in this section we look at specific initiatives in customer focus across a variety of EU countries, with a focus on new EU member states in Central and Eastern Europe. In the first part, we will summarize the restoration of the HE systems in these countries after the communist period, highlighting the major model in which they were rooted. In the second part, we will assess the efforts of these countries in implementing customer focus measures.

### **A. The restoration of the HE systems and the impact of the EU accession**

The countries in this region had much in common. They shared a communist heritage, similar economic agendas and common problems with regard to political and economic challenges. The overall trajectory of the Central and Eastern European countries after 1990s was marked by massive transformation. These countries embarked on a journey of seeking to “catch up with the

West” – a process that continues today. In the transition period of the 1990s, there was generally very limited interest in reform in the higher education sector (Kwiek, 2014). Universities in countries such as the Czech Republic, Hungary and Poland were influenced by Humboldtian ideals such as the importance of academic freedom in search of knowledge, while those in Romania, for example, were driven by the Napoleonic concept of state-serving elite university with an emphasis on professional training (Pădure, 2009).

The Czech Republic rebuilt its HE system on the Humboldtian principles after the communist era and remained attached to it in the following period. The emergence of strong academic governance in university was more effective in rejecting external intervention, therefore the convergence towards the market-oriented model was enhanced at a slower pace and it rather envisaged superficial issues, such as the quantitative and structural requirements, at least until the implementation of the Bologna objectives. After that, the marketization of the HE was generally run by an enhanced collaboration between universities and the private sector and the diversification of the funding system. More than being led by the state, the Europeanization of the HE seems to be carried out by the independent strategies of each academic community (Dobbins, 2011).

The university system in Hungary was under the coordination and supervision of the Government (of five different ministries, until 1993, according to Vasilache et al., 2012), with two state institutions involved in either the recognition of the HE institution and courses (the Hungarian Accreditation Committee), either in the policies related to HE, such as establishing the priorities in the field of academics and research, budget allocations, the extension of student admissions, the evolution of institution and courses (the Higher Education and Scientific Council) (Csepes et al., 2003). Hungary HE saw a first process of integration in 1996 in order to increase the standards of education and prepare Hungary’s accession to the EU; the result was a merger of universities and reduced number of qualifications, better adapted to the requirements of the labor market (Vasilache et al., 2012). The Humboldtian features of the Hungarian HE could be tracked in the resemblance of the reforms with the German system. Vasilache et al. (2012) point that the reform in 1996, related to the HE levels, has several similarities with the practice of short and long-term duration of studies in German universities. Also, the dual system of education recently applied in Hungary has the German model of Baden-Württemberg as reference (Beracs et al., 2017). As a particularity of the Humboldtian model, Hungarian HE institutions also kept a strong influence on the admission requirements (Csepes et al., 2003).

Poland’s path towards market-orientation in HE is seen as rather fragmented, as compared with the Czech Republic and Romania (Dobbins, 2011b). Although Poland reassumed its inheritance of Humboldtian governance in universities immediately after the end of communism, it manifests several unique issues as compared with similar countries in CEE. Poland passed very quickly to the liberalization of the HE market in the 1990s, as a result of the increasing number of students and underfunding of the HE system – a measure which could be assumed as a market-oriented feature. This led to a sharp competition with private HE providers, which adhered to the Anglo-American management methods, and which required a more entrepreneurial type of behavior from Polish public universities. Still, contrary to expectations, this had limited consequences towards generating a more market-oriented funding system. On one side, as the tuition fees were prohibited for the full-time students (but allowed for the part-

time students according to Dobbins, 2011b and Dziawgo et al., 2017), the part-time curricula and programs saw an important development, for covering the increase in the number of the part-time students and answering the economic demands by emphasizing the importance of the business and economic fields. Furthermore, the funding system remained focused on the state resources, which are disbursed rather on input quantitative criteria than on the performance of institutions, with the sole exception of the research area (where output-driven issues are considered in funds allotment). However, this type of system generated more responsibility for individual academic staff in attracting external funding.

Romania individualizes itself since the HE system is the inheritance from the Napoleonic model of state-control in the academic institutions, while all the already mentioned countries and, to a certain extent, Bulgaria (Dobbins and Knill, 2009), has predominantly followed the Humboldtian model. Following the communist period, the HE system in Romania rested under the control of the state, who was the main provider of not only funding, but also of the curricula framework, as a result of weak reaction and mobilization of the academic community (Dobbins, 2011a). This type of model allowed Romanian HE to easily switch to the Western (especially British and American) practices based on competitiveness and entrepreneurialism, promoted when the HE reform was launched in 1997. The major pillars of reform geared towards market-oriented decision-making in universities, performance-based criteria, new teaching methods, and changes to the funding system through the introduction of the lump-sum funding. For example, the public financing to universities was granted based on the number of students (a per capita allocation); starting with 2002, the distribution of the public money also took into account qualitative criteria, which gained in importance yearly, reaching 30% of the university financing in 2010 (Curaj et al., 2015).

## **B. Recent customer focus and market-oriented initiatives in the new EU member states**

### *a) Promoting greater student input and increased accessibility of faculty*

Available data suggest that the highest net entry rates were observed in two of the largest states in the region, Romania and Poland (Education, Audiovisual and Culture Executive Agency, 2012). These countries recorded a net entry rate of more than 80% while the Czech Republic, Slovakia and Hungary recorded a lower rate. Romania and Poland are also amongst those countries with the largest differences between the net entry rate and the net graduation rate, which denotes a high degree of policy change in the sector.

Poland stands out in the region because it has a more developed private higher education system than other countries, which emulates the Western entrepreneurial model of management and funding (Dobbins and Knill, 2009). The pattern of growth of private higher education was different in Hungary in comparison to other countries. By the end of the 1990s, 13% of the total student population was enrolled in private universities and the proportion remained the same until the early 2000s (Vasilache, Temesei and Dima, 2012). Although state funding has been predominant in Hungarian universities, after 2000 it started to decline, providing room for

tuition-based financing which led to higher access to university education. Poland is among the few CEE countries that introduced the student ombudsman, in 2011, at the University of Warsaw (Behrens, 2017), with the aim of increasing autonomy of the HE system; similar institutions or legislative efforts for the creation of such offices in ex-communist countries are also present in Croatia and Lithuania. While the institution was created in order to identify the obstacles in the university to working life (Polish Ministry of Science and Higher Education, 2011), it also has the role of settling conflicts in the academic environment and promotion of the regulations and rules of operation (Behrens, 2017). In addition, the introduction of the National Qualifications Framework also provides more flexibility for the universities in developing programs suitable for the demands of the labour market.

The same general pattern has been recorded in Romania, which has undergone a major change regarding the number of universities over the past 20 years. The total number of universities grew sharply from 56 universities (with 186 faculties) in 1990 to 107 universities (with 629 faculties) by 2010. After 1990, with the creation of private universities, Romanian students were gradually given the option to choose for a private university – an alternative to public higher education. It is important to note that the number of students was relatively constant during 1971-1989 (approximately 200.000 students), but it dramatically increased to circa 1 million (a five-time increase) between 1990 and 2010. Significant increases have been registered for the economic and law studies while technical education decreased in popularity reflecting the change in the society and economy and the diversification of faculties, study programs and specializations. The sharp increase in the number of students, however, put pressure on the university infrastructure and resources, which also increased but at a lower rate (Drăgonescu, 2013). The Romanian laws also integrated the Bologna approach of the Student Centered Learning (SCL), by tackling the quality and methods of teaching, focused more on the participation of the student as an equal partner in its education process. Matei et al. (2015) notes that the concept is not operationalized. The barriers start emerging from a lack of understanding of the concept, therefore 41% of the HE institutions still do not apply any measure for implementing SCL, while the learning outcomes used in the description of the study programs are rather formal.

It is remarkable that the Czech Republic has made decreasing the inequality in the education system one of the three key priorities in the Education Policy Strategy of the Czech Republic for 2020. Czech authorities and policy members aim to focus on equal access to education as well as to ensure that students' personal and social circumstances do not affect their educational achievement (OECD, 2015). Austria, for example, launched a reform of university funding to increase the number of degrees and decrease dropout. The university structural funds (University Structural Ordinance, 2012) were implemented in 2012/2013 and the capacity-based discipline specific university funding will be implemented in the course of the decade, depending on budget allocation (OECD, 2015).

Reform in Hungary seeks to implement a functional personal mentoring system to center learning on student needs. In order to achieve this goal, policy makers intend to introduce competence tests at the beginning and at the end of the study periods. The aim is dual: on the one hand to test the efficiency of the study programs, and on the other hand, to be able to provide

support for the low performing students and to improve graduation rates (Hungarian Government, 2014).

*b) Developing a curriculum geared towards student needs*

In terms of the customer focus dimension that pertains to a curriculum that properly serves the needs of students, employability data help shed light on this specific dimension. In Romania, for instance, there is a larger employability gap between recent graduates and those with more experience, 13.8% and 2.6% respectively in comparison with other countries such as the Czech Republic, Hungary and Poland. These data show that while obtaining a tertiary qualification improves the employability of young people in some new EU member countries, recent graduates face difficulties in integrating on the labor market. This can be explained by the fact that employers value factors such as work experience, but these factors are outside higher education institutions' direct control. Creating work opportunities in higher education programmes and intensifying the relationship with the "real world" holds the promise to change these unemployment patterns.

Answering the requirements of the labour market and thus providing better equipped students drew large scale-interventions on the organization of the HE institutions in Hungary. The Government acted on three directions: the reconfiguration of HE institutions; the introduction of the universities of applied sciences as a new type of institution; and the restructuring of the academic programs. In the first case, the idea was to standardize the profile of the universities and create specialized institutions, even if this meant the relocation of faculties, integration of several institutions or faculty take overs. In the second case, as compared to the traditional universities, whose mission is the academic research, the new institutions are prone to the application of the knowledge; here, practice is oriented towards research and industrial development (European Commission, 2016). Finally, the reason for the reorganization of the academic programs was to "prepare specialists for the labor market" (Hungarian Government, 2014, p. 18). To this end an enhanced cooperation with employers was put in place. This led to the creation of the community colleges (or "community-based higher education centers") as a way of aligning HE training with the needs of the regions. Beracs et al. (2017) consider that, two years after the reform, the results are hard to be assessed. On the one hand, some measures produced the expected results in terms of reducing regional competition, but on the other hand, it increased the complexity of the institutions. This is why, on the long term, incentives for consolidating the new organizations are needed, in the form of resources and clear standards of efficiency and quality, which are not yet provided.

Since the adoption of new legislation in 2011, universities in Romania have been charged with the establishment of their own curricula, development strategy and the management of personnel and funding. In addition, the state shaped the framework for allowing the functioning of the entrepreneurial societies in the HE system in 2017 (the Ministry of Education Ordinance no. 3262/2016). These societies allow students to develop their entrepreneurial skills by benefiting from materials specially designed for informing and guiding them in developing business plans or financing projects, taking advantage of mentoring activities for building a start-up or participating in competitions to attract funding for the best projects.

### *c) Regulatory framework and university autonomy*

Important changes were also made to the regulatory framework of universities and their autonomy. Hungary launched a complex reform of the HE system in 2014, with focused on efficiency and performance, in order to gain international success and established a plan of actions until 2030. Significant measures affected the management system of the HE institutions, as the introduction of the chancellor in 2014 and of the consistories with supervisory role in 2016 were meant to balance the influence of the rector and of the Senate, as the main actors in the organization of the university. In this way, a separation between the academic and economic-strategic competencies was made (Hungarian Government, 2014). The stakeholders, including the maintainer, the major actors on the market and the student councils' representatives are, in this way, included in the management of the HE institutions. This action managed to be carried out through specific governmental measures, such as the preparation of the budget for the universities based on the new structure, the facilitation of best practices through meetings on a regular basis and the requirements for monthly providing reports for the Ministry with the progresses in the main areas of interest and in the spending of resources (Beracs et al., 2017).

In Romania, based on the evolutions after the fall of the communism, the changes envisaged by the Bologna Process, starting with 1999, found a fertile field in the HE system, by further enhancing the already developed trends. The control of universities increased in areas related to the research domains, accession criteria, the organization and structure of the personnel, the internal distributions of funds, the empowerment of the rector and the increased role of external stakeholders.

Starting with the six laws related to the research field in 2010 and the HE law in 2011, the HE reform in Poland had the aim of establishing coherence (Kwiek, 2012). One of the major objectives is to re-establish the visibility of Polish research at the international level, supported by a competitive funding mechanism. But, instead of being the attributes of market-oriented measure, the laws are rather state-guided, as the "universities are increasingly becoming instruments for national political agendas" (Kwiek, 2012, p. 650), research being centred towards governmental priorities. The research funding system was based on two national research councils managed by academics and independent of the state, which were meant to provide grants on an individual and group-research basis. Kwiek (2012) observes a tendency towards a state-oriented model in HE while other public sector areas are converging towards the market-oriented model. The author attributes this evolution on the failure of the Humboldtian model to provide satisfactory international visibility of research outputs.

Polish policy makers are considering new legislative changes regarding HE governance and institutional autonomy. The main provisions emphasize an increased autonomy of university management and a series of focused measures for enhancing research capacities and outputs. In the first case, public universities will be endowed with councils selected by the university senate, having the role of proposing candidates and selecting the rector, establishing the strategy of the university and approving its implementation. Their responsibilities are extended at monitoring the activity of the university, including the spending of the money. A major measure for ensuring the collaboration with the stakeholders is the obligation that half of the council's members are

not employees of the HE institution. The autonomy of the university is also increased related to the self-establishment of the statues and mission, through the collaborative triangle between the rector, senate and the university council.

In the second case, the focus is on the creation of a world level research system in Poland. The proposed legislation called the “Constitution for Science,” is meant to distinguish between top-level research institutions, through which more funds will be channelled, and universities focused on teaching, which will pursue their educational aims. While a similar distinction of universities failed to be introduced in Romania, the legislative proposal in Poland is already criticized for the negative impact on the smaller regional universities. In the context of the reform, doctoral students are granted a higher importance as younger scientists; while their activity will be better funded through special government scholarships and will have the possibility of taking part in interdisciplinary doctoral colleges. They will also be subjected to more rigorous academic requirements. Through the same legislative bill, the Lukasiewicz Research Network is put in place with the aim of coordinating research among 36 national research institutes. Public funds will be provided for research on national interest themes, the results of which are intended to be commercialized.

*d) Evaluation of the quality of education and funding policy*

In terms of changes in the evaluation of the quality of education, in Romania, one of the major achievements of the reform was the implementation of the Romanian Agency for Quality Assurance in Higher Education (ARACIS) in 2006, as an independent public institution meant to guarantee the quality in HE through establishing principles for accreditation of HE institutions, reviewing the procedures, institutional arrangements and curricula in order to comply with reference standards (Curaj et al., 2015).

Although it was state-governed, this reform was meant to drive the whole system to achieve some of the features of the market-oriented model. While in mid-1990, the start of reform was initiated within the Government, the programmatic documents of the HE reform in mid-2000 were established due to the Presidential Commission who launched a National Pact for Education, which led to the reform strategy in 2008, named “Education and Research for the Knowledge Society” (Curaj et al., 2015). Among others, the strategy aimed at enhancing full university autonomy, improving HE institutions’ management and restating the role of the students as partners in the education process, mainly through the adoption of student charters until 2013. The initiatives of reform found their legal roots in the National Education Law adopted in 2011, but the implementation of the legislation was subsequently altered by further amendments. For example, a university and study programs classification mechanisms were put in place and provided the first results of the Romanian HE ranking in 2012. The basic assumption was to stimulate universities to build and implement their mission and to act accordingly (therefore to orient them towards entrepreneurship) and to enhance their quality. Romanian universities have been ranked for the first time in history by European criteria, by the European University Association as the international assessment body. There were three main categories envisaged: universities focused on advanced research and education, universities oriented towards scientific education and research and universities focused only on teaching/education. While the process was intended to take place annually, it failed after the

publication of the first results. The classification of the universities was correlated with the tuition figures for the master and PhD levels and therefore with the allotment of public funding. The first classification was, therefore, disputed in the court by the universities ranked in the third category, which would have experienced a cut in the tuition figures and funding, accusing the lack of involvement of ARACIS, the involvement of the Association of European Universities only for the technical criteria, the lack of transparency and of a clear methodology. As a result, a similar further process was suspended even if in 2014, the activity of the Ministry of Education was finally declared in accordance with the law.

In 2016 that a university meta-ranking was firstly launched at the initiative of the Ministry of Education, for establishing the international visibility of the Romanian universities in international rankings based on academic indicators. This type of exercise was meant to be the promoter of further public measures for supporting the universities with real potential. The authors of the report recommended, besides the classical financing of universities, the creation of a competitiveness and excellence fund amounting at least to 20% of the public budget allocated annually to HE for supporting both the internationally visible universities, and the universities with potential for excellence and international impact (Romanian Ministry of National Education and Scientific Research, 2016).

The market-oriented model also manifested itself based on the principles of performance-based financial allocations, reducing the state dependency and increasing the applicability of university outputs in acquiring resources. One of the major aims of the HE reform in Hungary has been to ensure financial institutional autonomy. In this way, it is considered that a wider range of resources could ensure greater competitiveness while high dependence on the state may induce instability (Hungarian Government, 2014). Hungary reforms plan to increase flexibility and transparency and to decrease the dependence on state resources. The practice in the Hungarian HE system was that half of the total funding should be supported by the state, almost one quarter of the funds to be provided from the EU sources and other research and development projects, and over one fifth to originate from tuition fees. The reform document is quite pragmatic and relies on the limited capacity of the national and EU resources for covering the educational needs, therefore it envisages an increased capacity of the university to attract market funding by either commercializing the outcomes of the universities, or by increasing the volume of the sponsorship incomes (Hungarian Government, 2014).

## **Discussion and conclusions**

Over the past years the idea of customer focus has made its way to the policy discourse on higher education. Changing government policy and increased student expectations have put pressure on universities to improve accountability to students and to increase employability while fostering greater access to education and increased quality. The “customer focus” concept is a facet of the market-oriented model and has been adopted by some EU member states to reform higher education. The benefits and concerns regarding customer focus in higher education have been much commented upon. On the one hand, one expected advantage to perceive students as customers is the expectation to see higher quality instruction, greater accessibility of faculty and more efficient processes at every level of the university community (Mark, 2013). On the other

hand, however, there have been significant concerns that the customer-focus logic, although promising in theory, is neither suitable nor beneficial to the higher-education sector in which academic rather than business values ought to predominate. Nevertheless, regardless of these concerns, what this article has shown is that HE education reform in all EU member states analyzed in the article have been adopting some measures of treating students as customers and marketizing higher education systems.

Countries in Central and Eastern Europe, share a tradition of predominance of theory over practice. Teaching has traditionally been heavily dominated by an *ex-cathedra*, university-centered approach, which may offer little support for the development of intrinsic motivation, self-regulated learning and the development of personal skills based on student interests and educational goals. This is the reason why the customer-centered approach has been repeatedly promoted in the region (Totomanova, 2005; Wernisch, 2010). Furthermore, a high drop-out and low graduation rates and insufficient labor market relevance of many curricula pose challenges to actively apply customer focus principles. This is partly due to lack of stakeholder involvement in curriculum design and implementation. Moreover, student involvement and participation are relatively low and this involvement tends to be formal with little impact in reality.

What the article has also documented is the ambiguity of the customer focus concept. One reason for the ambiguity lies in its association to student-centered learning. Student-centered learning is typically defined in the literature as a method of learning or teaching that puts the learner at the center (e.g. MacHemer and Crawford, 2007). This approach has some similarities with the idea of students seen as customers. Both approaches focus on meeting students' needs, as opposed to an emphasis on the provider/teacher. However, the student-centered learning originates from a different academic tradition and is a pedagogical technique rather than an institution-wide policy to use marketing and business tools to reform higher education.

Of the countries analyzed in the article, the Czech Republic has not embarked on the marketization trend and has still remained strongly attached to the Humboldtian model. Hungary decisively enrolled in reforming HE towards a customer paradigm using a top-down approach, which maintains the duality between the owner and the buyer of HE services. Poland and Romania are still in the process of adopting new and market-oriented measures in their HE system having, as all the other countries, the objective of increasing competitiveness and covering the gap in HE as compared to the Western countries. Nevertheless, customer-oriented reforms in the new EU member countries in Central and Eastern Europe, though promising and aligned with international trends, do not always have the expected results. Two main reasons that we have identified are the ambiguity of the concept and its application/implementation in practice. Attempts have been made to meet the requirements of the labor market when designing educational curricula and in this way to increase employability. Universities have taken steps to adapt their curricula to economic and social needs, have developed partnerships with companies and have provided study programs in international languages that are in high demand. In practice, however, there is much to be desired in this area and there is a perception that there are incompatibilities between the demands of today's labor market and the skills developed in formal higher education programs. Therefore, universities need to consider both their graduates and potential employers as the main beneficiaries of the educational services in order to be able to compete successfully and increase the relevance of their undergraduate and graduate programs.

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