"RISK MANAGEMENT"

Review Of Gert J.J. Biesta, *The Beautiful Risk Of Education*  
Wiley

The Risk Management In Higher Education Institutions  
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The Impeding Drivers of Risks at Private Higher Education Institutions in Jordan: An Analytical Approach  
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Review Of Gert J.J. Biesta, *The Beautiful Risk Of Education*
In *The Beautiful Risk of Education*, Gert Biesta displays his gift for engaging generously with the thought of others to illuminate what makes education *educational*, that is, the value in maintaining the complexity and risk involved in a dialogic approach to education. As Biesta puts it, “[education] is therefore, again, a dialogical process. This makes the educational way the slow way, the difficult way, the frustrating way, and so we might say, the weak way” (p. 3). Such a view of education promises no “results”, in fact the outcomes of education can never be guaranteed. Embracing the risk inherent in this weak notion of education entails welcoming the risk involved in teaching. In this review, we focus on Biesta’s attention to the meaning of teaching and his call for a kind of teacher education that learns from and develops virtuosity. We find Biesta’s use of the term “virtuosity”—rather than the more typical usage for the exercise of wisdom found in educational theory, “virtue”—productive in thinking about teaching as a community of practice rather than a purely individual endeavor, but also, appropriately, see some risks involved.

In response to “progressive” approaches that reduce teachers’ roles to facilitators and “accountability”/“performativity” measures that attempt to cast teachers as instructional delivery functionaries, Biesta “give[s] teaching back to education” (p. 44). He argues that “we should understand the teacher as someone who, in the most general sense, brings something new to the educational situation, something that was not already there” (ibid.). It is far from controversial to assert that teaching is not simply what happens when someone inhabits a job title. However Biesta’s characterization of the teacher offers a much more radical possibility: teachers need not be human. Although he uses the pronoun...
“who” in his definition of the teacher, a non-human entity has the potential to bring something new to the educational situation—indeed one implication may be to think of a “what” as a “who”. For instance, if teaching requires the insertion of what is new or other into a situation, a poem, a canyon, an insect, a piece of lumber or a computer could satisfy this criterion, and thus presents the implication we also find in many indigenous accounts of education where the external world can be understood educationally as a subject. This also interfaces with recent claims within the “posthuman turn” led by contemporary theorists like Rosi Braidotti, that take into account non-human subjects.

Furthermore, when we look at Biesta’s account of creativity in the first chapter, i.e., bringing something new into the world, teaching as an activity that might exceed the human actor and may be achieved through the product of divine, natural, or human creation (see pp. 13–19) opens a naturalist conception to something even more radically cosmological. Therefore, while Dewey (1916) claims that we only educate through the environment, Biesta’s depiction of teacher as the “new” in a situation presents the more radical possibility that the environment itself may educate without the mediation of a necessarily human teacher. When this environment is expanded in scope to a more expansive degree we find glimpses of transcendence in teaching. These insights about weak education and a form of teaching that is not tethered to a strictly temporal and anthropocentric worldview, are argued through a theoretical engagement not common in philosophy of education, through the Derridian philosopher, John Caputo. Biesta enacts his own call to “make some room for transcendence” in this book through a serious consideration of overtly theological insights. This consideration is called into question in Claudia Ruitenberg’s recent book, Unlocking the World (2015), where she directly refers to Biesta’s “vertical” theorizing of transcendence, favoring a more horizontal version that remains agnostic. This contrast is important to note, because it outlines by contradistinction the theological circuitry of Biesta’s argument.

This theological account certainly does bring in the ontogenetic questions concerning God, however the principal sources for these claims, Caputo and also Emmanuel Levinas and Merold Westphal, measure against what Biesta calls a “strong metaphysical approach” favoring a “weak existential approach”. In this sense the theological is used, perplexingly for some (but, as we have seen with Ruitenberg, not perplexing enough for others), as tool to weaken metaphysics. The following passage sums it up and ties it back to teaching:

While it is clear that educators cannot produce this event [the event of subjectivity] in the strong metaphysical sense of the word, taking the risk, keeping things open so that the event of subjectivity may arise, is nonetheless the a creative gesture and a gesture of creation, albeit in the weak, existential sense in which being is brought into life—a life shared with others in responsiveness and responsibility. (24)

This move is significant for reasons beyond the theological. Although the “theological turn” of the 1990’s in phenomenology is still nascent in cultural and educational studies, Biesta’s weak metaphysics are perhaps more radical because, unlike his more postmodern linguistic stance in Beyond Learning and elsewhere, he is engaging with teaching through a metaphysical route that shows no skepticism about the external reality of the teacher. Although his metaphysics is done in a weak mode, it is nonetheless proposed in given way—in other words, Biesta’s shows a deeply constructive stage of deconstruction, where the teacher serves as the sine qua non of the risk of education. This move from deconstructions of the language of learning and the age of measurement, to a more constructive (but not constructivist) effort to radically theorize the presence of a teacher that may, by
implication, seem to not be a teacher. And in this elastic paradox, the deconstruction remains.

Taken alone, Biesta’s expansive notion of what or who might engage in teaching, expanding to the non-human and non-sentient, may not be problematic. The challenge arises when he applies the concept of wisdom to teacher education. One way this incongruity can be handled is to divide Biesta’s existential concerns from his institutional ones that weave in and out of the book, sometimes intersecting, other times handled separately. The existential focus offers the widest possible understanding of who or what may engage in teaching and elucidates the meaning of teaching broadly. The institutional concern addresses the fact that societies do prepare individuals to fulfill roles as teachers. This institutional perspective enables Biesta to limit his discussion to the human persons who bring otherness into educational situations. Having raised this potential wrinkle in Biesta’s characterization of teaching, we will limit the remainder of this discussion to the development of wisdom in human teachers. Here, Biesta’s engagement with the existential and the institutional dimensions converge and offer valuable conceptual resources for those who study and practice teaching and teacher education.

A publicly-engaged philosophical thinker, Biesta is well-aware of popular and policy discourses that limit and resign teaching to content-delivery and skill development. Throughout Beautiful Risk, he refers to reform programs and documents in the U.K. that winnow the complex purposes of education to the oversimplified goal of student learning. Biesta’s criticism of subsuming all education to the task and goal of what he calls “learnification” derives, as we have seen, from his discussion in Good Education in an Age of Measurement (2010), which follows from his previous critique of the “language of learning” in Beyond Learning (2008). (In relation to the other two books, this book might be read, as we suggested earlier, as the final weak metaphysical entry in a trilogy.) “Learnification” distorts the three main functions for schooling: socialization, qualification, and what he calls subjectification—the risky work of becoming a subject.

Like school reform, teacher education is also threatened to devolve into a vehicle for “learnification”. Teacher education provides practitioners with particular skills or competencies, but that is not all. It also socializes them by sharing the collective expectations and traditions of the profession. Likewise, teacher education sets the stage for subjectification qua teacher to take place—that is, it offers space to become a unique, irreplaceable teacher. The philosophical questions taken up by Biesta about the meaning of teaching and the weakness of education provide resources to understand the challenges teachers face in a schooling environment saturated with the limited goals of “learnification”.

In the first author’s work on the moral sources of teacher dissatisfaction in the United States, some experienced teachers she interviewed responded to prescriptive pedagogical policies with the phrase “This is not teaching” (see Santoro 2013). If teaching is a moral profession (Carr 2003), then it is necessary to interpret teachers’ behaviors and claims on a moral register and not simply a technical one. A teacher might claim “This is not teaching” to circumscribe her teaching duties and to refuse, say, to supervise students during a lunch period or to interpret her work narrowly to include only the academic transfer of information. However, the first author has found that teachers who view teaching as moral in its means and ends make this claim when they perceive that teaching becomes un-educational. We might say that “This is not teaching” is precisely what it sounds like: an apophatic metaphysical claim. The claim “This is not teaching” appears in interview transcripts when risk is “eliminated” through the devaluation and deep suspicion of teacher

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1 I believe that risk can never be eliminated in the human and relational practice of teaching, but I see prescriptive pedagogical policies as aiming toward this dubious goal.
judgment; it appears when teaching is reduced to information transfer and becomes merely a step in the process of “learnification”. One of several incisive remarks Biesta makes is regarding constructivism, where he quotes and agrees with Virginia Richardson’s remark that “Constructivism is a theory of learning and not a theory of teaching” (p. 45). Biesta also calls philosophy of education to avoid a “collapse into a philosophy of learning in which teaching has no place” (p. 52). We should at this point note the passion in Biesta’s project to address “the disappearance of teaching and the demise of the role of the teacher as someone who has something to say and something to bring” (p. 56)—Biesta here speaks as a teacher in solidarity with these teachers who recognize that, increasingly, what is called “teaching” is not teaching.

One outcome of interpreting “This is not teaching” from a moral perspective is to view teaching as a practice. As a practice, teaching offers a set of internal goods that are accessible if one exercises the virtues of this practice (MacIntyre 1984). “This is not teaching” is a statement that reflects a concern for the integrity of the profession. It is insufficient to merely possess a virtue; it must be performed. To hold a belief and to consistently fail to enact it in practice is to act without integrity (see Walker 1997, p. 64). If there is integrity to teaching, why not identify the activities or competencies that constitute teaching and ensure that practitioners adhere to these activities or competencies?

Competency-based teacher education presents several problems that Biesta highlights. Biesta’s focus on the problems of the competencies approach is not aimed so much at the idea of competency in toto. As with learning, Biesta’s worry is about how the language and rhetoric of competency has come to acquire a certain common sense that is limiting to education and teaching. One of Biesta’s strongest arguments is that lists of competencies are always competencies for past situations. He raises another concern that, although less thoroughly developed, is quite significant. Competencies demand adherence; not only do they offer a diminished sense of qualification and an oversimplified perspective on socialization, but subjectification is thwarted. Process completely subsumes person. This issue, we believe, highlights the problem of the “learnification” of teacher education. The “learnification” of teacher education threatens to eliminate education all together. If education depends on teachers bringing something new to the educational situation/moment, the fascination with standardizing teacher competencies threatens plurality upon which dialogic education depends. Attempts to eliminate risk diminish the moral dimensions of teaching can lead to the demoralization of teachers which we define as an inability to access the moral goods of a practice (see Santoro 2011). These attempts to eliminate risk, of course, have not shown to do anything of the sort. All the psychometrics and psychologisms of education has been widely understood as dead on arrival since at least William James’ Talk to Teachers, which Biesta makes reference to (pp. 131–132).

Biesta claims that the development of virtuosity is an educational alternative to the competency-based approach. A virtue-based approach to teaching and teacher education—understood with attention to the aesthetics of virtue on display in artistic virtuosity—shifts the acquisition of pre-determined competencies to the development of educational wisdom (p. 135). Teachers’ judgment replaces teachers’ demonstration of competencies. With an aesthetically-inflected virtue-based approach, risk is introduced into teacher education in contrast to the false assurances of teacher training where competencies are “acquired” and “demonstrated”. Rather than calling for the development of virtuous and wise individuals, Biesta invokes a community of practitioners in his use of the term “virtuosity”. He says we learn virtuosity by practicing it and by studying the virtuosity of others (p. 135). With this move, Biesta reinforces what has long been known by Aristotelians: We learn to be good by learning from others who are good and by doing good.
A quick scholarly aside: Before Biesta turns to Aristotle, he begins by citing James’ preface in his *Talks to Teachers*, where James make a clear distinction between the science of psychology and the art of teaching. Biesta claims that James offers no descriptive sense of what sort of art teaching is, a void that for him Aristotle fills. While there is no question that Aristotle provides a reasonable framework from which Biesta supplements James, it is questionable that Biesta’s claim about James is exegetically thorough. James, after all, ends his *Talk to Teachers* with a departing salvo where he describes his own descriptive set of conditions for becoming great teachers.

Within an Aristotelian framework, Biesta claims that the development of *phronesis* is a better way to conceptualize teacher education than the increasingly dominant competency-based approach. Nonetheless, we are concerned about the ways in which wisdom may appear or be recognized only in particular contexts, for reasons that have nothing to do with virtuosity, or perhaps that virtuosity itself is context dependent. How many classical violinists would sound like virtuosos playing in bluegrass group or an acid jazz jam session? What if “situated judgments” may not be able to be acted upon because of the situation in which teaching takes place? For instance, scripted lessons, curriculum pacing and demands for “fidelity” to a curriculum that require compliance rather than judgment may leave no room to exercise wisdom.

Feminist ethics call for a contextualized consideration of the situation in which moral judgment takes place (Jaggar 1991; Walker 2007). Context involves examining practices that result in the unequal distribution of power and, potentially, differential abilities to exercise moral agency in particular situations. One of the ways in which Biesta suggests that we study virtuosity is through interviews with experienced teachers. The first author has done this, and has been surprised to see the degree to which teachers considered their inability to act upon their best educational judgments as personal failures and failures of individual virtue. The second author’s practice of the performance arts shares a great deal of solidarity and sympathy for this result: So much of the “success” of art is finding a place, a context, where it can be appreciated.

Who is recognized as exhibiting virtuosity may have more to do with context than with wisdom. This is a philosophical problem because it begs the question of how we recognize virtuosity. We worry that those who have the moral luck to work in schools where they are permitted to practice educational wisdom occupy a moral high ground because they can demonstrate their virtuosity. Those who may possess the capacity for wisdom, but who are institutionally hamstrung in exercising judgment, may feel morally diminished or demoralized. The result of differential access to “performance” spaces where virtuosity can be displayed may lead to teachers’ shame and isolation when wisdom is conceived as cultivated and demonstrated by individuals regardless of context.

Shame and isolation diminish teachers’ ability to exercise collective action and judgment regarding challenges to the practice of teaching. We are trying to find a way to bridge moral, but apolitical, individualism with a practice-based political and moral orientation for individuals engaged and committed to a collective, but non-identical, practice. Is there a way to insert the risk of a teaching context into virtuosity in order to appreciate fully the beautiful risk of teaching?

This final question shows where the practical and existential concerns converge, again, and demand for the sort of entanglement that might be called too risky by some, but essentially so for those who insist on teaching.
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The Risk Management In Higher Education Institutions

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The risk management in higher education institutions

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Abstract

The risk management at higher education institutions issue is considered in this paper. The significance of the risk management in all systems is pointed out, with a special review of the risk management at higher education institutions. The authors tried to connect and apply their knowledge in risk management in other areas, as well as the knowledge gained by their experience in managing the higher education institution. The example of one higher education institution is used in analyzing the risk, and initial model was developed further with corrections in accordance to specifics and conditions is made.

Keywords: Risk, Management, Higher education institutions

Introduction

The risk management in each process allows for greater possibilities for its successful implementation. A company which incorporates the risk management into a management system can achieve better results and make more rational strategic decisions. This paper was created as a result of increasing awareness of employees to the importance of the risk management in the company they work for. By developing a risk management system in the occupational health and safety area (OHS), the Higher Education Technical School of Professional Studies in Novi Sad (HETS) created a team of experts consisting of teachers from different vocations. The school created a document about the risk assessment in the OHS area from hundreds of companies. Risk management in the workplace, and in the work environment in relation to people’s health and safety was considered by all of the companies. The companies varied, as well as the workplaces and environments, so various vocational education teachers were involved. By observing and analysing work conditions in various companies, the teachers obtained experience and routine in their risk assessment for certain workplaces. They gained a deeper understanding and greater confidence in decision-making -- thanks to the exchange of their experiences and method of assessment. Besides the OHS area, the risk assessment of this team expanded to other areas as well, for example, fire protection, environmental protection, protection of the information technology system, etc.

Risk assessment is an extremely sensitive and responsible job that requires real expertise in the area where it is conducted. Since there are so many vocational programs in HETS, there are expert teachers in different areas that have applied their knowledge and gained new experiences in this area. Thus, the idea for the project: risk assessment in business systems was created. Risk management should incorporate entire organization, all its parts and levels, as well as specific activities. An example of a risk analysis for one of the higher education institution and its activities are provided in this paper. This example can be considered as a starting point for other
institutions of this type, but the specifics of the particular institution must be considered. With the HETS example, dividing the system into specific parts by considering the working processes was done first. Next, identification of possible dangers of each of these parts and the following consequences was done. In other words, damages that may occur as a result of dangerous events were identified. During this analysis, it is very important to notice the relationship between processes and interaction with dangers and consequences.

Risk management implies risk assessment by allocating certain numerical or descriptive values, as well as, deciding on the value where the risk is unacceptable (appetite risk). It means that precautionary measures have to be done for risk minimization, avoidance, or prevention. Risk assessment, itself, was left for future research. Thus, for each recognized work process of the school, the series of measures for risk prevention, avoidance or minimization were anticipated and were based on identified dangers and harmful consequences.

Future risk assessors will be able to use this model for the risk assessment in their own institutions. Most higher education institutions will probably have similar work processes and sources of dangers. The assessors can use to recognize dangers from this case, along with their own experience and the level of the assessed damage or risk to adopt one of the suggested measures. The model in the addendum about risk assessment in OHS area was used in this study. An in-house expert can create a model with a list of possible dangers and damages for their workplace, as well as, recommends damage-reducing measures for each of them. In this way, the person responsible for company’s OHS can use the given model, apply adequate measures for their workplaces, identify its specifics, and use the provided model to find solutions.

**Risk Management**

Today, it is impossible to imagine company management without risk management, that is to say, the risks to which the company is exposed. Successful risk management allows for safer business operations in terms of assets, activities and finance protection, as well as improvement of the services it offers. Thus, a company acquires a greater reputation and trust of its clients.

Every organization is exposed to many types of risk; and organizations should develop a risk management culture. All types of risks have to be identified, assessed and managed. This approach gives the organization the ability to understand the sum of risks and their interdependence (Berg, 2010). “Thus, integrated risk management is defined as a continuous, proactive and systematic process to understand, manage and communicate risk from an organization-wide perspective. It is about making strategic decisions that contribute to the achievement of an organization's overall corporate objectives” (Berg, 2010, p. 81). Risk management is a key activity. It is associated with all decisions, from strategic management of basic processes, and has as its purpose the continuous improvement of quality/performance. Figure 1 illustrates this association.
Risk management becomes an important element of the general management for any process. The business of a company takes place through multiple processes, and under various circumstances. There are many risks that can be classified in different ways, depending on their complexity and the business processes that are observed in the system. In any case, the risks have to be analysed in all parts of the system and all of them should be included. External and internal risk should be considered specifically. In order to manage risk and to be able to identify possible risks, each company has to be acquainted with all the ongoing activities, as well as, the influences of the external environment.

Risk management enables organizations to increase goal-achieving probability, by identifying dangers, and coordinating internal norms and requirements with reality. Organizations need to set goals and define external and internal parameters which are important for risk management. The external parameter can be social, cultural, political, legal, technological, economical, natural, and competitive surroundings. The internal parameters include organizational structure, policies, culture of the organization, information system, data flow and process of decision making, standards, regulations adopted in the organization, form and level of communication, as well as, goals and strategy by which it is possible to realize capacities (in terms of resources and knowledge), etc. (Association of Insurance and Risk Managers, 2010). The standard ISO 31000:2009 (ISO, 2009) contains principles and general instructions for risk management. It can be applied by any organization and its activities, by considering the specifics of organization, activities and surroundings.

Risk management should anticipate:

- Defining goals to be achieved
- Delegating responsibility
- Determining the area and the level on which risk management should be conducted
- Defining the activity, in terms of time and space
- Determining the connection between certain activities
- Defining the risk management methodology
- Determining the procedures in risk management
- Making decisions
- Identifying an area in which revisions should be applied, and its purposes and sources necessary for such revisions

It is very important to adopt criteria that can be used in assessing the significance of the risk. It can depend on the value of the organization’s resource; and the criteria can be established based on various circumstances and requirements. Most important are the criteria that must be unique in the policies of organizational risk management, and must be defined in the beginning of the process, as well as, watched over at all the time.

The risk assessment methodology is the same in all areas, and it should include the following steps:

1. Introduction to the system (company and activity), work process, organization, technology, etc.,
2. Identifying and determining danger and damages for all parts of the system,
3. Assessing risk in relation to the danger and damage,
4. Determining the way and measures for the risk elimination, minimization and prevention,
5. Reassessing risk, with respect to the remaining dangers and damages (after measurements are conducted), and
6. Measures for maintaining the remaining level of risk

Risk analysis is a job for the experts, because it must be identified and assessed, while at the same time, anticipating actions for its avoidance, elimination or minimization. In addition, to get an insight into dependence of various risks and their sources, the individual elements and whole picture must be seen. It is important to make a decision, in accordance with the risk management policies, about the proper way of dealing with the risk and the acceptability. Measures of dealing with the risk should be considered in relation to their costs and their effect. In certain areas, these costs shouldn’t question the use of the measures because the value of the jeopardized resource, the people, is priceless. The adopted measures should be implemented, as well as, continuous monitoring and re-assessment. As such, it is possible to control the implementation of the anticipated protection measures to get information that will improve risk assessment, to detect changes, and to identify future potential risks. Figure 2 shows an example of the risk identification and consequences prepared by the Federal Emergency Management Agency (FEMA) (FEMA, 2012).
At the higher education institution (HEI), The Risk Management Process should incorporate the following steps:

1. Understand your risks, e.g. in the context of HEI
2. Identify risks in relation to your local context and area
3. Describe risks, e.g. through producing an internal risk register
4. Score your risk, e.g. using a matrix approach
5. Decide how you will manage your risks

(Planning for and Managing Emergencies, 2008).

It is of crucial importance to identify all risks. They should be classified in a certain way. The work of Huber (2011) with English universities showed it was possible to find a wide variety of ways of grouping and ranging. Frequently, the risks are ordered by the severity of impact on the university. Financial and reputational risks ranked at the top of those lists. Some university group risks, according to areas of responsibility or functionality; some risks were seen as layers of an onion, distinguishing core risks, organizational risks, and external risks. The core risks were concerned with teaching and research. Organizational or delivery risks emerge when managing the provision of teaching and research. External risks are beyond the influence of universities.

The Higher Education Funding Council for England (HEFCE) published a first guide to “Good Practice in Risk Management” for higher education institutions (HEFCE, 2001). A survey of HEIs established the categories of risk they covered in their most recent review of risks, see Figure 3.
Instead of individual risks, consolidation of academic risk management can be carried out through differentiation in the following three layers or three areas of the risk, while also considering their interaction (Huber, 2010):

1. Provision of academic excellence: not recruiting adequate staff and students, deficient infrastructures for research, or poor RAE ranking
2. Overall quality of the higher education sector: poor leadership, insufficient unambiguous objectives, or inadequate evidence of the performance of higher education institutions
3. Performance of higher education for society in general and the economy in particular: inadequate demand structure, insufficient representation of socioeconomic groups, or unsuitable demands on the national capacity

According to a leading global provider of risk management services AON in their 2011 Global Risk Management Survey (AON, 2013), the top three risks for higher education are ranked as follows:

1. Regulatory and legislative changes
2. Economic slowdown
3. Damage to brand or reputation

**The Case - HETS**

In order to carry out the risk management in any system, all elements and processes of the system have to be well known. Identification and classification of all risks are the key in the risk management. It was our idea to group risks not according their type, nor according to the areas of their expression, but according to the processes that take place in the operations of the institution. The risks, dangers, and possible consequences must be identified for each process. Most processes have internal and external sources of the risk, and all of them should be considered. At
the same time, certain processes are of greater or lesser significance for the company. So, the significance should be added to the risks to which they are exposed. It was determined that the same risks occur in many processes, which is reasonable because all processes and activities of the institution are interconnected and interdependent.

The primary activities at HEI are teaching activities, and everything in relation to these activities. HETS is a school of professional studies; there is no scientific activity within the institution. Teachers all have the same obligation to deal with scientific work and acquire a higher professional degree, in order to be competent in the teaching process. Because of this requirement, they participate in certain research at other higher education schools or universities.

The secondary activities, which take place in the school, involve the cooperation with the economy and holding conferences. Without the conferences, the school does the only basic activity, but they influence the general operations, as well as teaching. For example, through cooperation with the economy and performing professional, scientific projects, teachers engage themselves and improve the practical and scientific experience, which contributes to the improvement of teaching (Nikolic & Ruzic-Dimitrijevic, 2013a). Also, it is possible to win partners from the economy. These partners are very important for the practice of our students and feedback information about the program quality and contemporary, as well as for the evaluation of student competence.

The conferences organized by the school allow for the exchange of experience, development of cooperation with the economy and other HEIs, motivating teachers to write their works and visit other conferences; thus, improving their competencies. Organizing the conferences increases reputation of the school and develops the scientific sphere of the institution. The processes are necessary to support the basic processes are financial, legal, commercial, and informational. Furthermore, the process from which all other processes emanates and represents the precondition for the operation of HEI is the enrollment of students, and a successful enrollment is a result of performing of all other school processes, see Figure 4.

**Figure 4:** Student enrollment is a precondition for the operation of the HEI and a result of successful performance of all the other school processes.
Student Enrollment

Academic year of HEI in Serbia starts their teaching program in October. Of course, there is an assumption that an appropriate number of students has been enrolled. The activities that need to be done before the enrollment process are very important and represent real skill. Education became market space in Serbia, as well (unfortunately or luckily?) with an offer and demand, and great competition. Besides the state universities, many private universities have opened in the last ten years in Serbia. They offer an education from the field that doesn’t require great expenses for studying, and have program contents and teaching criteria of a rather questionable quality. Certain groups of young people make the decision to acquire higher education requiring less effort and enroll in these facilities.

The worst case scenario for an HEI is a small number of enrolled new students. It is a danger without countermeasure for the risk minimization. The only good countermeasures for this danger are the preventive ones. The school has to be recognized as respectful institution that offers quality education, and which creates the graduates that are in demand on the work market. Achievement of this goal requires great long term effort. Students need to be enticed by the offer of attractive programs, but also by the cooperation with other HEIs. This opens the possibility for them to acquire experience from these institutions as well. For example, by offering block teaching during the weekend for the employee; distance learning for the sportsmen, or student from nearby countries; organizing sport teams; supporting participation in the open competition with students; offering training for special skills, etc. (Nikolic & Ruzic-Dimitrijevic, 2013b).

Important parts of direct activities are promotions at high schools through media generated propaganda by following certain successful activities of the school. There is a need to prepare propaganda material with appropriate content.

- **Dangers:** competition, unpopular programs, expensive scholarship, bad advertisement, anonymity of institution, bad information about school
- **Consequences:** lower enrollment rate, lower income, enrollment of lesser quality students
- **Measures:** preventive – market research in order to introduce new and update existing study programs, quality work of the staff, the instalment payment plan, possibilities for the employed and distant students to study, the possibility to go to quality practice (internship), developed cooperation with other HEIs, additional activities offered to students, continuous promotions and propaganda.

Teaching Process

Teaching takes place in the school with students attending regular class program during the working week, with students who are employed and listen block class program on the weekend, as well as with students who study by distance learning system (DLS). All three teaching formats should offer to the students the same content quality and the same conditions.

- **Awareness.** The first important thing is student’s awareness, that is to say, the communication system. It is of great importance for the students to get insight about
study regulations and their rights and obligations for each subject from the very beginning. There is a dangerous situation when students, due to their ignorance and incomprehension, fail to achieve appropriate success or find themselves in conflict with the staff of the school. The consequences are student’s dissatisfaction and further spreading of bad experience. In order to avoid this risk, it is necessary to anticipate periodical meetings between directors of study groups and students, regular advertising and informing of students through the notice-boards and school website, as well as, via the student services within the school information system.

- **Dangers**: low awareness of students, bad communication,
- **Consequences**: dissatisfaction, bad experience of students, school reputation
- **Measures**: periodical meetings with students, information via written material and the Internet

- **The quality** of the teaching program depends on the teaching staff. It can be disorganized because of absence of a good communication, low quality of lectures, and imbalanced criteria on exams (too strong or too weak). This is especially important for the students who attend classes during weekend or via distance learning system (DLS). The DLS teaching program is delivered to all of them in a different way and the teacher has to use three working methods for the same subject, as well as, it requires a larger effort (Nikolic & Ruzic-Dimitrijevic, 2010b; Ruzic-Dimitrijevic & Nikolic, 2011).

- **Dangers**: low quality of the teaching because of the teaching staff
- **Consequences**: dissatisfaction, bad experience of the students, loss of school reputation, low enrollment rate
- **Measures**: hiring the highest quality teaching staff, assessment of the teacher’s work and corrections with reference to that issue

- **Technical support** and environment are very important in the teaching process. A dangerous situation develops when the school doesn’t have the appropriate technical equipment or support. This can create difficulties and problems in performing the lectures and decrease their quality, or the teachers can simply have low awareness of technical possibilities and don’t use them appropriately, such as Internet material for e-learning system, etc.

- **Dangers**: poor teaching quality due to non-existence or non-use of contemporary devices and electronic means
- **Consequences**: bad experiences of students, school reputation, low enrollment rate
- **Measures**: Acquisition of the equipment and continual training of teachers

- **Internship** during the last semester at our school it is anticipated the student practices (internship) at various companies with activities from the student’s field of study. This activity should allow students to get quality practice, which is important because it is a vocational school (Nikolic & Ruzic-Dimitrijevic, 2012).
– **Dangers**: Bad choice of companies in terms of the activity and process, the teacher, which follows the practice and the co-mentor from the company (person who guide student during the practice) exhibit bad cooperation, student expressed himself as irresponsible with respect to his obligation during practice or failed to express expected knowledge that should be applied

– **Consequences**: bad experience of students, bad experience of associates from the economy, which jeopardize school reputation

– **Measures**: students’ awareness about the significance of practice and the possibilities it offers (acquiring precious experience, accumulating data for the final work, steady job upon graduating), engagement of all teachers and students in searching for an appropriate company (in relation to its activity and its connection to a field of study), serious attitude of a teacher who follows the work of a student and quality communication of co-mentor

**Information System**

Information system (IS) of the school provides support to all ongoing processes, especially in the teaching process. This system should follow the teaching process and the students from their enrollment to graduation, for instance: students’ enrollment, teaching, students’ assessment, tuition fee charges, as well as, issuance of certificates, degrees and students' records (Ruzic-Dimitrijevic & Nikolic, 2008).

IS has to be safe. The dangers can be numerous, including technical, human, etc. It is important to note that the sources of dangers can be internal and external since the system can be approached via the Internet, as well. So, the consequences can range from student’s dissatisfaction, to the school reputation issue, or to financial loss. The authors created two works in this field with concrete examples of the risk assessment for the school’s IS where the following measures are specified. These measures have to get additional safety precautions from the server due to expanding services offered by IS to the students, as well as to the teachers (Nikolic & Ruzic-Dimitrijevic, 2009; Nikolic & Ruzic-Dimitrijevic, 2010a).

– **Measures**: obey the rules on the access to data, software and hardware; train staff periodically; test the equipment periodically; perform a weekly backup, as well as after every large data processing; physical protection of workstation; saving and frequent changing of passwords; frequent updating of antivirus software; avoid using unverified external data media; comprehensive testing and fixing of program flaws.

**Financial Processes of the School**

The school is financed from two sources. Budgetary funds are one source. These are obtained from the state for the study expenses of students who have right to that fund. In our case, the budgetary funds represent one third of the school income. The structure of these resources is such that all resources are assigned to the salaries; only a negligible part goes for material expenses. The second source of funding comes from our own resources which are realized by students’ enrollment, which are self-financed, and resources gained through cooperation with the
economy. This cooperation includes professional projects and participation in certain international or domestic projects. The allocation of these resources is of that kind that they are primarily assigned to material expenses and expenses for the school development, while a small part of the resources are extracted for salaries of the employees (Nikolic & Ruzic-Dimitrijevic, 2013a).

- **Dangers**: economic crisis, which reduces the inflow from the government and the possibility for the student scholarship payment, lower enrollment rate, unfeasible charge for professional projects, unsuitable work of engaged projects, guided projects and penalty points

- **Consequences**: reduced inflow of funds, lower salaries, lack of motivation, lower investment in development of the school, and jeopardizing school reputation

- **Measures**: intensive activities on enrollment and teaching; finding other sources of finance by introducing alternative short programs or courses which are in demand; work with verified clients; gain control of and improve organization for the project management.

**Management of HEI**

In this process, there is a need to have right development strategy which should anticipate the development of the school in accordance to previous experience and started activities that have both been shown to be successful and in accordance with the economy and social conditions. The management of HEI should include all activities and processes we mentioned before in relation to possible dangers and consequences. What we have to point out here are the external sources of danger which can appear and can’t be easily anticipated, as well as, internal sources related to managers’ functions regarding their strategic directions choice. We will enumerate the list of dangers we have noticed through our experience managing HEI. The following elements must be included in the strategy:

- Development of study programs, updating of its contents, introducing new programs, anticipating the rationalisation of existing contents if interest appears to decrease.

- Development of information system of the school and student service

- Support of out-of-school student activities, participation in open competition, sports and the like.

- Personnel management within school politics must be high-quality and consider the terms of the new hire, along with the improvement and motivation of already hired teaching staff. It must be planned in accordance with the needs in teaching development and activities of the institution. It is very important to have high-quality teaching staff with appropriate competencies, which must be maintained and improved. Experienced teachers with scientific and pedagogical experience who acquired certain vocations present the most significant portion of the teaching staff. However, it is also good to have younger teaching staff at the very beginning of their career because of their ability to introduce new contents in teaching program. HEI periodically participate in the accreditation and re-accreditation of new and existing
programs, and during that process they have to fulfill many standards set by the Commission for Accreditation and Quality Control. These standards are especially strict for certain members of the teaching staff with titles of Ph.D., as well as for younger teaching staff who work as assistants and their competences.

- Anticipate activities of teaching staff for each year, in relation to travel expenses for the conferences and researches.
- Organize conferences with international participation, as well as other gatherings in the field of the school program activity.
- Anticipate student and teacher exchange within cooperation with other institutions.
- Cooperate with economy by offering professional projects and participate in them.

All the above mentioned elements of a strategy are incorporated with processes that take place in the school and the possible dangers and consequences are described in the Appendix. Next, we will describe the external sources of dangers which can jeopardize conducting the strategy or realizing the envisioned goals, as well as the internal dangers that can arise as a result of a bad management.

- **Dangers:**
  - Legal circumstances which affect the possibility of open new study, or changed social and economic circumstances that lead to lower enrollment rate or payment;
  - Bad assessment of the management in relation to type and content of the study programs;
  - High-quality teaching staff leave the school, bad results of scientific research work and the improvement of teachers because of the poor quality of the teaching staff or bad support due to lack of funds;
  - Bad documentation used in carrying out the school activities, a set of regulations that applies to the teaching process and other out-of-school processes (e.g., they are not in accordance with the statute, all circumstances are not anticipated, subjective elements incorporated in content which are suitable for the actual management);
  - IS is almost impossible to be used and frequent interruptions in functioning because of bad choice of hardware/software or poor security;
  - Lack of finance for out-of-the school student activities or disinterest of the school directors for conducting these activities;
  - Weakened or interrupted cooperation with other HEI due to disinterest of teachers or directors;
  - Bad organization of conferences with low participation and quality of work because of poor circumstances for arrival, or bad propaganda;
Failed cooperation with economy, in terms of the client dissatisfaction (unprofessional work by the school staff) or due to impossibility for the payment (bad assessment in relation to choice of client or financial problems)

- **Consequences:** bad experience of students, lower inflow, jeopardized school reputation, lower enrollment rate;
- **Measures:** introducing or improving (if it is already introduced) a quality system in order to improve organizational elements in all processes and intensify the conditions for their successful implementation;
- **Consequences:** deteriorating process or impossibility of accreditation, that is to say, re-accreditation of study program, which in turn reduces student enrollment, as well as jeopardizes the school reputation;
- **Measures:** plan for hiring the teaching staff in accordance to the development of the school, motivate teachers towards further improvement by supporting them to visit conferences, write articles and books, participate in projects, and by awarding them according to an assessment of their work by students and colleagues;
- **Global measures:** periodical review and update of documents for conducting the school activities in accordance to practice and anticipating eventual changes in the environment; reconsideration and correction of goals if they turned out to be unreachable; continual search for new sources of the funds by offering services within school activities which are in demand on the market.

**Conclusion**

While writing this paper, the authors understood that they encompassed a very broad subject they were dealing with narrow fields. Since this is the first paper dealing with HEI risk, only the identified questions have been considered, and the analysis of the HEI risk used only one concrete example. The risk was classified based on the process and activity noticed by the authors within their own institution. They described an entire spectrum of the measures for preventing or minimizing all the risks they noticed. The table in Appendix will probably be corrected in the future researches.

Thus, a frame of reference or model of the risk management of HEI was created. This model should be refined further in future research. Items for future research include: to define the significance of certain processes and level of acceptance the risk in them; to choose a method for the risk management and to carry out the measuring of the risk. The significance of other processes, as well as other risks not identified here should be considered during the next analysis. This paper is important because it can be applied as a starting point for further research, which should be more complex and incorporate knowledge from more fields.


**Biographies**

**Ljiljana Ružić-Dimitrijević** is a professor at the Higher Education Technical School of Professional Studies, Novi Sad, Serbia. She teaches courses in Computers, Introduction to Web Design, and Development of the Internet. She got her MSc degree in mathematics at the Centre of Multidisciplinary Studies, Belgrade in 1991. Her field of expertise is web design and IS risk assessment.

**Jelena Dakić** is secretary at the Higher Education Technical School of Professional Studies, Novi Sad, Serbia. She finished the Faculty of Law in Novi Sad in 2004. After two years of practice in a law office, she passed the bar exam and worked as a lawyer in Novi Sad. She completed a Master’s degree from the Faculty of Law in Novi Sad, in 2012, and she received a specialist degree in 2013 at the Faculty of Organizational Sciences in Belgrade, Department of Management.
# Appendix

<table>
<thead>
<tr>
<th>Process</th>
<th>Dangers</th>
<th>Consequences</th>
<th>Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Students’ enrollment</td>
<td>competition, unpopular programs, expensive scholarship, bad advertisement, anonymity of institution, bad information about school</td>
<td>low enrollment rate, lower income, enrollment of less good students</td>
<td>market research, quality of work, the instalment payment plan, potential for the employed and distant students quality internship, cooperation with other HEI, additional students’ activities, promotion and propaganda</td>
</tr>
<tr>
<td>Communication</td>
<td>low awareness of students, bad communication</td>
<td>dissatisfaction, bad students’ experience, school reputation</td>
<td>periodical meetings with students, information via written material and internet</td>
</tr>
<tr>
<td>Quality of the teaching process</td>
<td>low quality of the teaching</td>
<td>dissatisfaction, bad students’ experience, school reputation, low enrollment rate</td>
<td>hiring the high quality teaching staff, assessment of the teacher’s work and corrections with reference to that issue</td>
</tr>
<tr>
<td>Technology</td>
<td>non-existence or non-use of contemporary technology</td>
<td>bad students’ experience, school reputation, low enrollment rate</td>
<td>acquisition of the equipment, continual training of teachers</td>
</tr>
<tr>
<td>Internship</td>
<td>bad choice of company, bad cooperation, student’s irresponsibility, students’ poor knowledge</td>
<td>bad students’ experience, bad experience of associates, school reputation</td>
<td>students’ awareness, engagement in searching appropriate company, communication</td>
</tr>
<tr>
<td>Information system</td>
<td>electrical supply interruption, switch or router, card malfunction, deleting network installation, workstation failure, server disk failure, unauthorized admission and data changing, virus in network, bugs (program flaws)</td>
<td>Loss of data, data inconsistency, loss of confidence, incorrect data, internal network, interruption – delay</td>
<td>obey the access rules, train staff periodically, test the equipment periodically, weekly backup, physical protection of workstation, saving passwords, updating of antivirus software, avoiding use of unverified data media, testing and fixing of program flaws</td>
</tr>
<tr>
<td>Finance</td>
<td>economic crisis, lower enrollment rate, impossibility to charge professional projects, poor engagement in projects</td>
<td>reduced inflow of funds, lower salaries, lack of motivation, lower investment, school reputation</td>
<td>intensive activities on enrollment and teaching, finding sources of finance, work with verified clients, improve organization for the project management</td>
</tr>
<tr>
<td>Management</td>
<td>legal social and economic circumstances, wrong choice of strategic directions</td>
<td>worsened process of accreditation, reducing student enrollment, school reputation; bad students’ experience</td>
<td>introducing or improvement of a quality system, supporting improvement of staff quality, reconsidering and corrections of goals; offering services within school activities which are in demand on the market</td>
</tr>
</tbody>
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The Impeding Drivers of Risks at Private Higher Education Institutions in Jordan: An Analytical Approach
The Impeding Drivers of Risks at Private Higher Education Institutions in Jordan: An Analytical Approach

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Abstract: This study provides an in-depth assessment of the main drivers of risk impeding private higher education institutions in Jordan. The study adopts an analytical approach that incorporates reviewing available literature and conducting interviews and discussions with some shareholders and board of trustees' members in addition to faculty members and students of private universities. The analysis revealed that although private universities in Jordan are making progress and provide important contributions to the economy, however, they face important strategic and operational risks in addition to other compliance, financial and reputational risks. These risks include educational delivery systems, quality of academic programs, executive management, competition, and utilization of new technologies, compliance with accrediting agencies, financial issues, societal perception, students' violence, and demographic challenges. The study concludes that private universities need to place risk management plans to effectively deal with the all risk indicators analyzed in the study. Recommendations on how to implement a risk management plan are also presented and highlighted.

Keywords: Risk, Private, Higher Education Institutions, Jordan.

1. Introduction

The trend towards privatization of higher education is increasing in many Arab countries and private higher education sector is gradually complementing the public higher education sector in countries such as Jordan, Egypt, Qatar and the United Arab Emirates. However, although many Arab countries opened their academic systems to foreign and private competition in order to improve these systems, the results have been complicated. Over the last five years, the GCC countries, for instance, have expended at least $50 billion on higher education reflecting the rapid growth in this sector over the last decade. Despite that, many believe that higher education institutions in the Arab countries continue to wrestle with risks brought about by inadequate responses to pre-existing and unresolved challenges.

A case in point is Jordan where private, for profit, higher education institutions have emerged in the early 1990s because of the rapid growth of higher education, which called for private investment in this sector. Private universities in Jordan are heavyweight academic actors that provide an important contribution in supporting the Jordanian economy and serve the large number of students who are willing to pursue their academic education. However, although there has been rapid quantitative expansion of private higher education institutions, many believe that this expansion has not yet been accompanied by a sufficient qualitative shift. This with other challenging strategic and operational factors, constitute significant risks for private higher education in Jordan. Therefore, in order to understand the scope of these challenges and risks, this study aims to assess the impending risks that private universities face, or most likely to, in the future. Understanding the factors that are most likely associated with risk in private higher education in Jordan is also required and timely, to keep them up with the rapidly growing internal, regional and international competition that put them in front of tough challenges and risks. Hence, to achieve its aim the study poses the following questions: what are the potential risk factors that private universities in Jordan face? In addition, what strategies could be taken to manage them?

2. Research Methodology

Myers (2000) argues that one of the greatest strengths of the qualitative approach is the depth of explorations and descriptions. Therefore, to gain a better understanding of the most important risks impeding private higher education institutions in Jordan, the researcher believes adopting a qualitative content analysis, that includes reviewing available literature, is the most appropriate to use. Moreover, Temple (1997) argues that the researcher's interest and experience are critical to the success of the research. Hence, the choice of the private academic institutions in Jordan as a research area was shaped
by a combination of personal interest, experience and opportunity. Being a private university faculty member herself, the researcher had the chance to conduct interviews with some private universities' representatives and carry out discussions with other faculty members and students who provided insights concerning present teaching methods and practices and their views regarding opportunities for employment. Finally, in analyzing the risks that are currently occurring, or have the potential of occurring, in private academic institutions in Jordan, the author adopted Cassidy et al., (2001) classification of the strategic, operational, compliance, financial and reputational risks facing academic institutions as reviewed in the literature. It should be noted, however, that these risks are associated and overlap with each other. Risk and Risk Management: Webster's Dictionary defines risk as "the possibility of suffering loss, injury, disadvantage, or destruction" (Webster's Dictionary 1981: 1961). Whitfield (2004) argues that risk and risk management are at the forefront of the organization's strategic planning agenda but before risk management solutions can be developed, the current drivers of risk must be identified first then evaluated.

Risk management is applied in a number of diverse disciplines. It often focuses on matters of insurance when assessing areas of risk in business. In the best-run organizations, risk management is synonymous with good management and good governance. People in the fields of statistics, economics, psychology, social sciences, biology, engineering, systems analysis, operations research, and decision theory, among other disciplines, have been addressing the field of risk management. Kloman (1992: 299) asserts, "risk management is an art that properly should be concerned with the anticipation of future events rather than reaction to past events". Social analysts, politicians, and academics believe, on the other hand, argue that it is the management of environmental and nuclear risks that appear to threaten people's existence. To bankers and financial officers it means technical use of currency distortion and interest rate exchange. Insurance specialists consider it a mode of coordination of challenging risks and the reduction of insurance costs. Meanwhile hospital administrators look at it as a quality assurance, safety professionals look at it as reducing accidents and injuries (Kloman, 1992).

**Risk Management in Higher Education:** The Higher Education Funding Council for England (HEFCE, 2005) indicates that risks can exist at a number of different levels in higher education institutions: corporate or strategic, faculty, departmental and personal level. The HEFCE (2005) cautions, however, that risk management should not be seen as a process for avoiding risk. In the best-run organizations, risk management is synonymous with good management and good governance. As such when used well it can actively allow an institution to take on activities that have a higher level of risk because the risks have been identified, well managed, and the continuing risk is thereby lower. Helsloot and Jong (2006, September) believe that a risk that results of external causes is less amenable to control than a risk that arises from internal causes. They add also that risks may have an internal impact or external impact. In the case of an internal impact, the institution is the primary owner of the problem and thus has primary responsibility for tackling it. In the case of an external impact, tackling the problem entails consultation with external bodies. Ethics Point (2004) identified financial, research, human resources, athletic & safety as main risk factors facing universities. On the other hand, Whitfield (2004) asserts that most academic institutions now are challenged by fierce competition, increased external inquiry, and powerful new technologies. Cassidy et al., (2001) state that some academic institutions equate risk management with crisis management, compliance risk or with means of minimizing dangers resulting from violations of university policies or of governmental laws and regulations.

Cassidy et al., (2001) pertain that one of the first steps in any risk management assessment is to consider the drivers, or factors, of risk that introduce risk into an environment. They identified strategic, operational, compliance, financial and reputational risks as mostly susceptible issues to risk that directly affect the institution’s revenues and asserted their need for effective dealing by academic institutions. **Strategic risk** affects an organization’s ability to achieve its goals. It includes, among other things, educational delivery systems comprising: students, faculty, executive management, staff, and accrediting agencies; quality of academic programs comprising students, faculty and executive management and increasing customers’ expectations. **Operational risk** affects an ongoing management process. It includes: new technologies, financial issues, research, intellectual property, human resource management, increased competition and the students. **Compliance risk** affects conformity with externally imposed laws and regulations as well as with internally obligatory policies and procedures concerning safety, conflict of interest, and the like. **Financial risk** results in a loss of assets. **Reputational risk** affects an organization’s reputation, brand, or both, and may result from an organization’s failure to effectively manage any or all of the other risk types; it involves external perception of the university.
Overview of Higher Education in Jordan: Education has played a transformative role in the development of Jordan from an agrarian economy to an urban, promising nation. Jordan’s population has a very high literacy rate of 91.1 percent and therefore, it is ranked 92 in the world according to literacy rate as included in the United Nations Development Program (UNDP, 2009), and the fourth in the Arab world after Kuwait (94.5), the Palestinian Authority (93.3) and Qatar (93.1). The Jordanian higher education system offers options of a differentiated system of higher education institutions (universities and community colleges) and patterns of ownership (public and private). Access to higher education in Jordan is open to holders of the General Secondary Education Certificate (Tawjihi) and the credit-hour system has been adopted at all universities in Jordan. During the last decades different strategies were presented on higher education in Jordan, the last of which is the "National Strategy for Higher Education 2007-2012.

Historical Development of Higher Education: Higher education in Jordan started in 1951 with a one-year post-secondary teacher-training institute. The first public university (the Jordan University), was established in 1962 with 167 students, and the first private university (Amman Private University), was established in 1990 with 1324 students. Demand for university education has grown rapidly between the years 2000/2001 and 2006/2007 from 77,841 to 218,900 students. Over the same period, enrollments in private universities grew from 36,642 to 55,744. The Ministry of Higher Education and Scientific Research (MoHESR, 2010) estimates the current enrolled students in both public and private universities at nearly 243,251. Out of this total (29406) comes from Arab or foreign nationalities; 15243 in public universities and 14163 in private universities. Figure 1 illustrates number of enrolled students in public and private universities (1990-2007).

Figure 1: Enrolled Students in Public & Private Jordanian Universities (1990-2007)

Accreditation of Higher Education Institutions: Higher education in Jordan is the responsibility of the MoHESR, which was established in 1985. It comprises the Council of Higher Education (HEC), the Higher Education Accreditation Commission (HEAC) and the Higher Committee for Scientific Research (mohe.org.jo). In 1996, a Council for Higher education was established as a national body for quality assurance and accreditation. The activity of the Council, however, had mainly been restricted to licensing and recognizing programs in private universities, as public universities are self-evaluated through their boards of trustees, but it did not extend to in-depth assessment leading to accreditation as usually practiced at the international level.

In 2007, the Higher Education Accreditation Commission (HEAC) was set up in the Council’s place, administratively and financially independent with a mandate over private and public universities and all foreign institutions of higher education affiliated with Jordanian universities. HEAC objectives are to enhance and guarantee quality in higher education, to encourage universities to interact with international research institutions and accreditation commissions, and to upgrade higher education on the basis of internationally recognized criteria. Moreover, the HEAC is empowered to audit, evaluate, and accredit institutions of higher education, making sure that they comply with all pertinent regulations. The
Commission is also charged with the establishment and management of The National Testing Centre for graduation and admission.

**Private Universities in Perspective:** The emergence of private, for profit, higher education institutions in the early 1990s came as a result of the rapid growth of higher education in Jordan which called for private investment in this sector. Establishing private higher education institutions, however, needs the approval of the Board of Higher Education. Currently, there are (18) private universities illustrated in Table 1. Eleven of the universities listed in Table 1 offer undergraduate and graduate programs. The remaining universities are dedicated mainly for undergraduate teaching.

<table>
<thead>
<tr>
<th>Name</th>
<th>Programs</th>
<th>Website</th>
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<tbody>
<tr>
<td>Private Universities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Amman Arab University</td>
<td>Graduate/Undergraduate</td>
<td><a href="http://www.aau.edu.jo">www.aau.edu.jo</a></td>
</tr>
<tr>
<td>2. Middle East University</td>
<td>Graduate/Undergraduate</td>
<td><a href="http://www.meu.edu.jo">www.meu.edu.jo</a></td>
</tr>
<tr>
<td>3. Jadara University</td>
<td>Graduate/Undergraduate</td>
<td><a href="http://www.jadara.edu.jo">www.jadara.edu.jo</a></td>
</tr>
<tr>
<td>4. Amman Private University</td>
<td>Graduate/Undergraduate</td>
<td><a href="http://www.amman.edu">www.amman.edu</a></td>
</tr>
<tr>
<td>5. Applied Science University</td>
<td>Graduate/Undergraduate</td>
<td><a href="http://www.asu.edu.jo">www.asu.edu.jo</a></td>
</tr>
<tr>
<td>6. Philadelphia University</td>
<td>Graduate/Undergraduate</td>
<td><a href="http://www.philadelphia.edu.jo">www.philadelphia.edu.jo</a></td>
</tr>
<tr>
<td>7. Al-Isra University</td>
<td>Graduate/undergraduate</td>
<td><a href="http://www.isra.edu.jo">www.isra.edu.jo</a></td>
</tr>
<tr>
<td>8. University of Petra</td>
<td>Graduate/Undergraduate</td>
<td><a href="http://www.up.edu.jo">www.up.edu.jo</a></td>
</tr>
<tr>
<td>9. Al-Zaytoonah Private University</td>
<td>Graduate/Undergraduate</td>
<td><a href="http://www.alzaytoonah.edu.jo">www.alzaytoonah.edu.jo</a></td>
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<tr>
<td>10. Jerash Private University</td>
<td>Graduate/Undergraduate</td>
<td><a href="http://www.jerashun.edu.jo">www.jerashun.edu.jo</a></td>
</tr>
<tr>
<td>11. Princess Sumaya University for Technology</td>
<td>Graduate/Undergraduate</td>
<td><a href="http://www.psut.edu.jo">www.psut.edu.jo</a></td>
</tr>
<tr>
<td>12. Zarqa Private University</td>
<td>Undergraduate</td>
<td><a href="http://www.zpu.edu.jo">www.zpu.edu.jo</a></td>
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<tr>
<td>13. Irbid National University</td>
<td>Undergraduate</td>
<td><a href="http://www.inu.edu.jo">www.inu.edu.jo</a></td>
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<tr>
<td>15. Jordan Applied University College of Hospitality and Tourism Education (JAU)</td>
<td>Undergraduate</td>
<td><a href="http://www.jau.edu.jo">www.jau.edu.jo</a></td>
</tr>
<tr>
<td>16. Faculty of Educational Sciences and Arts-UNRWA</td>
<td>Undergraduate</td>
<td><a href="http://www.fesa.edu.jo">www.fesa.edu.jo</a></td>
</tr>
<tr>
<td>17. Red Sea Institute of Cinematic Arts</td>
<td>Undergraduate</td>
<td><a href="http://www.rsica.edu.jo">www.rsica.edu.jo</a></td>
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</table>

<table>
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<tr>
<th>Regional Institutions and Universities</th>
<th>Programs</th>
<th>Website</th>
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<tbody>
<tr>
<td>1. The World Islamic Science &amp; Education University</td>
<td>Graduate/Undergraduate</td>
<td><a href="http://www.wise.edu.jo">www.wise.edu.jo</a></td>
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<tr>
<td>2. The Arab Academy for Banking and Financial Sciences (AABFS)</td>
<td>Graduate/Undergraduate</td>
<td><a href="http://www.aabfs.org">www.aabfs.org</a></td>
</tr>
<tr>
<td>2. Arab Open University</td>
<td>Undergraduate</td>
<td><a href="http://www.aou.edu.jo">www.aou.edu.jo</a></td>
</tr>
</tbody>
</table>

**Source:** Ministry of Higher Education and Scientific Research website (mohe.org.jo)

Private universities are heavyweight academic actors which provide an important contribution in supporting the Jordanian economy and serve the large number of students who are willing to pursue their academic education. These universities have seen a rapid increase in enrollment which grew by about 18 percent annually from 36,642 to 55,744 during the period from 2000 to 2006. The MoHESR (2010) estimates the number of enrolled students in private universities in 2009 at 59,958 thousand students among them 14,163 thousand from Arab and foreign countries.

**Drivers of Risk in Private Higher Education Institutions, Strategic Risk:** Quality of Academic Programs and Educational Delivery System: Universities have a long-term interest in protecting their brand. But quality control is one of the great unsolved problems in education (the Economist, 2005, February 26). Many believe that while there has been rapid quantitative expansion of the higher education system in Jordan, it has not yet been accompanied by a sufficient qualitative shift (Burke and Al-Waked, 1997; Sarayrah, 2003; Mahmoud, 2004; Kamal, 2007; W.B, 2009; Bataeineh, 2008; and Kanaan et al., 2009).
A World Bank report (2009, April 21st) indicates that Jordan's higher education system has evolved over the past five years but not fast enough to meet the needs of a knowledge-based economy. With the exception of a few isolated cases, the vast majority of the higher education institutions lack the necessary quality of instruction, independent leadership and progressive curricula that would train students to complement the needs of potential employers. Kanaan et al., (2009) also believe that private universities have not delivered centers of academic excellence. Instead, the domination of profit making has dominated the scene resulting in little to no incentive to invest in research and development.

Burke and Al-Waked (1997) identified the basic problem of private universities in that they were established as a "quick fix" for the growing access deficit in a system without surplus money, and where the existing money was not effectively spent. They pertain that private universities were expected to deliver a unique and modern methods of teaching and learning, but unfortunately, they have followed the public universities traditional way in curriculum and delivery rather than reaching out for innovation and creativity. Kamal (2007) asserts also that higher education institutions in Jordan are still teaching rather than learning institutions and lack scientific research and the ability to have an impact on the society. Mahmoud (2004, March 15) believes also that the average spending per student in Jordan is still low, estimated at 2500 $ annually, compared to 45000 $ in some developed countries. Therefore, Mahmoud suggests that Jordan's ability to reach its goal of becoming more competitive within the global economy will be largely dependent upon the orientation of its higher education graduates.

Faculty: Theoretically, a university exists so that its members can teach, think and learn, making them into "staff", however, risks losing the ethos which has given universities their character and value (the Economist, 2005, February 26). Faculty members in private universities are appointed through contracts and not on tenure basis. The duration of the contract may be one to three years in most cases, and is subject to renewal with the agreement of both parties. Therefore, many of these faculty members lack job security and feel pressured from losing their jobs or being terminated before the end of their contracts. Despite that, the dramatic increase of private universities in Jordan created a vast competition that resulted in shortage in qualified academic staff. El-Tarawneh (2010, March 13) warned, for instance, that by 2016 Jordanian universities will be in need for 6000 faculty of doctorate degree holders. In addition, faculty increases have not been able to keep up with the growth in students' enrollment, which intensified the problem of inefficiency. Kanaan et al., (2009) believe that despite the fact that the total number of academic staff has been increasing in recent years, the student-teacher ratio has not improved. In 2007, the student-teacher ratio was 25:1 in private universities compared to 32:1 in public universities. Ortmann et al., (1998) indicate also that the shortage in full time academic staff at private universities called for the adaptation of various forms of outsourcing, as close to 50 percent of courses are taught by temporary teaching staff.

In addition, foreign and Arab academic expertise, especially Iraqis, has been invested in Jordan, and local higher education institutions were and still in need of their qualifications. Al-Zubaidi and Al-Zubaid (without date) estimate that 700 Iraqi professors work in Jordanian universities, 50% of them in private universities as illustrated in Figure 2 (mop.org.jo). Some fear, however, that the shortage in qualified faculty will proliferate once the Iraqi teachers go back to Iraq.

**Figure 2: Distribution of the Foreign Teaching Staff at Selected Private Universities**

![Distribution of the Foreign Teaching Staff at Selected Private Universities](source: Ministry of Planning, Cluster Studies, Higher Education cluster 2000, www.mop.org.jo)

Moreover, Sarayrah (2003) notes that regional competition, especially from universities at the GCC courtiers, for holders of degrees from Western universities, left Jordanian universities infiltrated with
teaching staff who graduated from universities of the Far East and East Europe who seem to lack required skills, English language competence, attitudes or incentives to meet the creative challenges of an energized system. Moreover, faculty members in many private universities still use outdated teaching methodologies; earn meager salaries and are not responsive to voluntary training in modern teaching methods. In addition, Sarayrah (2003) argues that as the requirements for promotion is mainly based on the number of published articles and evaluated research, most faculty dedicate their time to publishing than teaching and giving little weight to student and colleagues’ evaluation and distinction in teaching or community service.

Students: Al-Maani (2008) and the Ministry of Planning cluster study (2000) found that most Jordanian graduates lack practical and up-to-date knowledge, analytical skills, efficient computer and language skills and hence they were not qualified to enter the labor market. Al-Maani believes that the roots of the problem is in secondary education graduates who lack analytical, computer and language skills which make them ill prepared for higher education. Sarayrah (2003) believes that students’ lack of incentives towards education or to excel in their study is due to the shortage of jobs in the market, in addition to the exiting discrimination between those who are able to get a job through social connections (wasta), and those who are not. The ‘wasta’ phenomenon forms a widespread students’ perception that they do not need sophisticated education or working hard but social connections to get a job, especially in the civil service.

Kanaan et al., (2009) attribute the high unemployment rate among university graduates, estimated at 15 percent, to poor quality of education and outdated educational system that is geared towards preparing students to serve in the public sector, resulting in severe mismatches between the education system and the labor market. Kanaan et al., (2009) argue that the public sector nowadays is shrinking while the private sector is expanding. With the move towards more market based economies in the region, the demand for particular skills is increasing, making much of the material taught in the existing higher education system obsolete.

Governance and Executive Management: In addition to higher education law private universities fall under the regulation of the companies’ law as public or private shareholding companies. Jordanian universities’ Law (20) for 2009 re-institutionalized private universities as educational institutions while guaranteeing the right of investors, denoting that they have their own organizational, administrative, technical and financial structure affiliated to the President directly. The law stipulates also that any private university should obtain two licenses to operate, one from the Ministry of Trade and Industry to oversee the financial components, and another from the Higher Education Council, to oversee the educational ones.

A Board of Trustees (BoT) and two main sub boards govern private universities: the University Council and the Dean’s Council. The higher education law banned any investor from being appointed as university president, specifying that he/she should hold a minimum of a bachelor’s degree to be appointed on the Board of Trustees (BoT). BoT of a private university has fourteen members in addition to the Chairman and is appointed by the Board of Higher Education (TEMPUS, 2010). The BoT usually nominates the president of the university for approval by the Board of Higher Education and is responsible for supervising the general activities of the University. In addition, BoT ensures the implementation of academic policies; boosts ties with local communities; appoints the Vice-President and Dean; recommends to the Board of Higher Education the establishment of faculties, departments, institutes, and centers, as well as academic programs and specializations; and finally it determines the tuition fees, and approves the annual budget and annual report after recommendation from the University Council. The University Council is chaired by the President and comprises representatives from the various categories of stakeholders, including representatives from the local communities. It is responsible, among other things, for the quality of the services offered by the university (teaching, research, training, and community service). The Deans’ Council is chaired by the President and has the Vice-President(s) and Deans as members. Most academic decisions are made by the Council who is commissioned to run the day-to-day activities of various faculties, departments and sections, throughout the university.

The Economist magazine article (2005) indicates, however, that running universities in a way that suits a competitive environment does not mean necessarily adopting a corporate model, with a board of directors and a chief executive. Therefore, many believe that one of the major problems facing private universities in Jordan is the imprecise relation between investment and academia. Al-Maani (2002)
believes, for instance that there is no clear and distinct line between academic and profit making issues in private universities. Al-Maani called, therefore, for setting clear rules that grants a university’s president more autonomy and prevent investors from interfering with academic matters. Abu-Rumman (2008, September 25) argues also that private higher education institutions have transformed into business and thus have missed the opportunity to present themselves as centers of academic excellence. Arabeyat (2008, September 25) believes that although the law specified that owners of the private university should be a not-for-profit group, private investors were able to maneuver the law and established for-profit institutions instead. The resultant risk of this unbalanced situation, as argued by Al-Qaraleh (2007, May) is the negative consequences reflected on the students, faculty members and delivery system of private universities.

Operational Risk: Utilization of Information Technology: Al-Farawati (2001, December 21st) argues that within Jordan’s higher education system, there has been minimal penetration of IT and even less of communication and networking that is so much a factor in both global education and employment. The Arab Human Development Report (2003) also indicates that network services, such as e-mail and web access at Jordanian universities, are not part of the infrastructure that students and faculty routinely use. The report added also that looking into the use of computer based education, faculty members are not trained in integrating technology into teaching, and discipline related software has not been made available. Therefore, the UNDP suggests that to become effective, any IT strategy in Jordan should address the fact that the availability of computers is limited and even aggravated because few students have access to computers once they leave home.

Competition: In addition to competing for students and qualified staff among and between themselves, private universities also face competition from other Jordanian public universities who have special programs targeting students who are not admitted within the regular admission procedure through the Parallel Program. Admission into this program is more relaxed than the regular one, but tuition fees are considerably higher (TEMPUS, 2010). Moreover, the perceivable competition, international mobility of students and offering of higher education courses across national boundaries put private universities in Jordan in front of tough competition and risk.

The Arab world is experiencing a surge in higher education, along with its privatization and its internationalization. While in 1940 there were only ten universities in the MENA countries by 2007 their number had reached 260 (Mazawi, 2004). Last to participate in this academic boom have been the GCC countries. Eight universities were operating in Saudi Arabia in 2003, but at least 100 additional universities and colleges have been created there since (Krieger, 2007, a). The United Arab Emirates and Qatar have established 40 foreign branches of Western universities over the same period. Investment in private higher education in other neighboring countries, especially in the Gulf, is providing alternative opportunities for students in the region and putting private Jordanian universities in front of fierce competition. Added to this, is the competition resulting from the public institutions affiliated with American or European institutions of higher education who are also on the rise in Jordan and other neighboring countries. Among these Sunderland University, New York Institute of Technology, DePaul University, University of Hudersfield, University of Dublin and University of Ohio (mhe.org.jo). Moreover, The American Universities in Dubai, Abu Dhabi and Sharja, Ajman University of Science and Technology and Cornell University in Qatar, among others, are also accessible to students in the GCC countries (Krieger, 2007, b).

The Demographic Challenge: The growing youth population is an important and major risk that the Jordanian educational system is facing now which demands the continued expansion of the educational system. Kanaan et al, (2009) estimate that the demand for higher education is forecast to grow much more rapidly than in the past due to the rapid growth of school-aged population; improvements in secondary enrollment rates and the rising incomes in Jordan. This demographic risk is driven by the fact that higher education has a value of its own in the Jordanian society, irrespective of its functional value. Jordanians give provision of higher education to their children top priority and are willing to sacrifice their scarce resources for this purpose, or lobby the government and other groups to attain a scholarship for their children.

The World Bank (2008) estimates the level of households spending on higher education, relative to the overall household spending, around 4 percent. Badran (1985) contends, in this regard, that despite the unprecedented unemployment of university graduates, universities in Jordan continue to flood the
market with thousands of graduates who are unable to get jobs. The World Bank (2009, April 21\textsuperscript{st}) confirms that the increasing size of cohorts will continue to pressure the higher education system in Jordan until 2016, as the numbers of students entering university is projected to increase to 92,000 per year by 2013 up from 50,469 in 2005. Therefore, given the Government’s budget constraints, higher education in Jordan will need to develop strategies to cope with this demand including relying more on the private sector. The regulatory framework for private universities, however, is highly restrictive, limiting their ability to respond to the influx of students (W.B, 2009, April 21\textsuperscript{st}).

**Escalating Students’ Violence** and carrying of weapons in both public and private universities constitutes another major risk because it involves destruction of the university’s property. Murad (2010, April 12\textsuperscript{th}) finds it unacceptable for university students to use violent acts to resolve a tribal dispute, or otherwise, within the university’s premises. The carrying of weapons, until the present, however, is not seen by most universities as a major risk, and accordingly virtually no steps are taken to detect weapons or to prevent people entering institution premises while carrying a weapon. At the time of writing this study many cases of incidents occurred at private universities involving knives and firearms in the possession of students. However, no statistics are available for the carrying of weapons in private institutions. Although higher education institutions in Jordan have so far been spared any serious problems in this area, there is no guarantee that the problem will escalate in the future. Quite a few institutions indicated that they recognize this risk and are alert to it. Following escalating incidents of student violence, teams of experts and academics have met several times in order to carry out a risk analysis of the situation. Murad (2010, April 12\textsuperscript{th}) stresses the need to addressing this problem at its roots and urges taking action to put a plan in place to ensure that universities become foundations of intellectual, scientific and political exchange.

**Compliance Risk:** During the last two decades several laws/decrees have been issued to govern higher education in Jordan: Higher Education Act number (28) for 1985, Public Jordanian Universities Act number (29) for 1987, Private universities Act number (19) for 1989, Higher Education Provisional Law number (41) for 2001, the "Law of Higher Education (23) for 2009" and finally "The Jordanian Universities Law (20) for 2009" which gave universities more independence in managing their administrative as well as financial matters (MoHESR, 2010). El-Gharaybeh (2004, September 17) warns, however, that the vast number of laws and legislation that have been issued on higher education represents a major risk to universities and concerned bodies.

Establishing private higher education institutions needs the approval of the Board of Higher Education. Moreover, to be able to operate, private universities should be accredited by the HEAC who applies two different standards of accreditation, general and specific. HEAC determines the upper limit of students each university is allowed to admit in each program, in accordance with the number of staff and facilities available in that program. It is left to the universities to admit their own students provided they adhere to the admission policy and criteria as mentioned above, and to the numbers determined by HEAC. Moreover, each university is responsible to conduct a self evaluation process that includes assessment of new courses and units of study; review of courses, units and departments; and student evaluation of teachers. Part of the challenge has been ensuring that private universities do not dilute teaching quality with excess intakes. According to Cochrane (2006, August 25), the HEAC has penalized private universities with fines of 50,000 dinars (£38,000) for enrolling too many students.

Sharaf (2007) and Yaghi (2008) believe that the current general accreditation system in Jordan is more of a licensing process than accreditation according to international standards. In an interview with Sharaf (2007, March), Chairman of Philadelphia University Board of Trustees, she asserted that the current accreditation system focuses more on quantitative than qualitative criteria that considers graduates’ quality, the learning process, faculty's scientific research and the contribution of university's social responsibility contribution, as it is practiced in developed countries. Yaghi (2008, September 25) argues also that the specific accreditation granted to universities, according to the ratio of students to faculty and available facilities, does not ensure that universities are excelling in their performance, which should be the case in any accreditation scheme.

**Financial Risk:** Companies own private universities. Not only do they finance themselves, but they also make a profit that goes back to the owners. Student fees at private universities are, in general, much higher than the fees at public universities (TEMPUS, 2010 and Kanaan, et al, 2009). In addition, they often try to spend as little as possible even in issues related to teaching. Moreover, neither private universities
nor their students receive financial support from the government. The private university must pay a one-time accreditation fee of $15,000 per department and an annual tax of 25 percent of profit to the government (TEMPUS, 2010). However, private universities receive donations from affluent individuals, shareholder investors, and private business corporations in Jordan or abroad (Al-Basheer, 1998). It is noticed, however, that programs offered by private institutions tend to concentrate more in areas of liberal arts, business administration, computer sciences and technology in order to insure a higher profit margin (TEMPUS, 2010). In the early 1990s, private universities were allowed to charge tuition fees, which vary from university to university and field of specialization, high enough to cover their running costs plus commercial profit that rewarded their owners' investment (Ababneh, 2004). Youth activist, the National Campaign for Defending Students' Rights "Thabahtoona" (meaning you slaughtered us) which was established in 2007, has supported student protest against fee hikes in Jordanian universities. Lawmakers also have criticized Private Universities' Law for not allowing the government to interfere with private university fees, calling on the state to protect students studying at private universities (Kheetan, 2008).

Kanaan et al., (2009) realized also that expenditure per student in 2007 was JD 1594, almost unchanged from the average for the period 2003-2007, and that capital outlay per student in 2007 had declined significantly in private universities to only JD 76 relative to the average of JD 139 during the same period. Moreover, Kanaan et al., (2009) observed only a small proportion of expenditure allocated to capital formation in private universities, which they believe, is an indicative of limited improvement. Capital expenditure of private universities, which covers spending on assets that last longer than one year and includes spending on the construction, renovation and major repair of buildings, averaged 9 percent of the total for the recent five year (2003-2007), although private universities are new and believed to be intensifying their facilities. According to Kanaan et al., (2009), capital expenditure by private universities both in absolute terms as well as a proportion of total expenditure has been continuously declining for the last five years (as illustrated in Table 2).

### Table 2: Private Universities' Expenditure by Category (2003-2007)

<table>
<thead>
<tr>
<th>Year</th>
<th>Current Expenditure</th>
<th>Capital Expenditure</th>
<th>Total Expenditure</th>
<th>Tuition Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>JD</td>
<td>%</td>
<td>JD</td>
<td>JD</td>
</tr>
<tr>
<td>2003</td>
<td>60,206,658</td>
<td>81%</td>
<td>14,427,388</td>
<td>19%</td>
</tr>
<tr>
<td>2004</td>
<td>73,409,441</td>
<td>93%</td>
<td>5,876,810</td>
<td>7%</td>
</tr>
<tr>
<td>2005</td>
<td>78,356,817</td>
<td>94%</td>
<td>5,196,436</td>
<td>6%</td>
</tr>
<tr>
<td>2006</td>
<td>83,505,856</td>
<td>94.5%</td>
<td>4,860,129</td>
<td>5.5%</td>
</tr>
<tr>
<td>2007</td>
<td>87,189,121</td>
<td>95%</td>
<td>4,395,339</td>
<td>5%</td>
</tr>
</tbody>
</table>

Source: Financial Statements of Private Universities (adapted from Kanaan, et al., 2009)

The declining trend of capital formation in private universities, Kanaan et al., (2009) believe, could have adverse effects since it suggests that productive capacity (university educational and research facilities) is not catching up with the intensity of capacity utilization required by the rising numbers of students enrolled.

**Reputational Risk and Image of the Private University:** Sarayrah (2003) indicates that image of the private university in Jordan is a product less of the private universities themselves and more of the prejudice expressed by members of the public university community. Resentment arises of the fact that students "pay" for their education, and indications of unfair practices and substandard education proliferate on the one hand, and that private universities pay better salaries on the other, but on a contract basis without the expectation of tenure. Whereas faculty members in the public universities are guaranteed employment for life after two years of service and frequently choose this security rather than taking the risk associated with a private institution's higher salary. However, many faculty members of public universities spend their sabbatical teaching at private universities and although rarely mentioned, a substantial number of public university officials and faculty members own shares in private university companies. Moreover, many interviewed faculty members of private universities expressed their complaint that private universities admissions standards are lower than those of the public universities. This denotes to many of them dealing with less enthusiastic and eager students. University admission is based on the results of the (Tawjihi) the General Secondary School Certificate Examination. The qualifying score is 65 percent for public universities and 60 percent, or sometimes 55, for private universities. In addition, private universities have, in most cases, not developed adequate programs and
projects to serve local communities and participate in their development, which could have helped in constructing a positive image of private universities in Jordan.

3. Conclusion and Recommendations

This study aimed to assess the most susceptible issues to risk facing private higher education institutions in Jordan. Private universities in Jordan have evolved considerably in the past twenty years, but still a lot needs to be achieved to keep them up with a rapidly growing knowledge-based economy. The assessment of the drivers of risk in this study is important and relates to private as well as public universities in Jordan. Previous analysis suggests that the most apparent risk factors inhibiting private universities include, among other things: the quality of academic programs and educational delivery system (comprising students, faculty and executive management; utilization of new technologies, regional and international competition, escalating students’ violence, demographic challenge, compliance with accreditation standards, and reputational risk.

The development, both in number of universities and enrolled students, puts private universities in front of various risks and challenges. Nowadays, quality issues and output of higher education institutions dominate the higher education debate in Jordan. This necessitates laying more efforts to overcome the difficulties and recognize a balance between the spread of higher education from one side, and the level of its quality from the other. The findings suggest that although private universities in Jordan are making some progress in determining and assuring quality in higher education, however, they are still inadequate. Sabri and El-Refae (2006) assert that Jordan needs a more rigorous quality assurance and accreditation system to promote and improve quality processes and outcomes as well as disseminate good practices.

Understanding the factors that are most likely associated with risk in private higher education is required and timely. Private higher education sector is required to reinforce its role of service to society through linking higher education with world of work; constructing cooperation with the government and other official groups; constant revision of curriculum; revising the teaching and learning techniques; guiding research to serve the different segments of the economy; and serving the other levels of the education system. To achieve this, leaders of the private universities in Jordan need to explore and assess the full range of risks that they face and develop risk management plans, which eventually will have an impact on their risk management processes. In addition, the governing body is responsible to ensuring that appropriate risk management activities are functioning effectively. However, the extent to which risks are embedded in the institution and how it is defined vary from one university to another. Setting individual plans is adequate and learning from other international academic institutions on how to manage risk can also be helpful. Many international institutions of higher education are moving from achieving technical compliance with accreditation requirements, and are now looking to realize the benefits of having implemented risk management (HEFCE, 2005). These include the ability to take better-informed decisions about opportunities, and constructively address new patterns of risk. Risk management thus helps maintain and improve the quality of education and research provided by an institution.

Finally, the following suggested key elements can help private universities to become effective at managing risk (Cassidy et al., 2001):

1) Acceptance of risk management framework as the focal point and common language for everyone in the organization
2) Senior management must be committed to embrace the need for an evolution to an integrated risk management framework
3) A chief risk officer, or another member of management, must be designated to implement the program and work with each business unit, leveraging its knowledge and its operating line individuals.
4) An integrated risk management framework must be communicated throughout the organization
5) Staff must be mobilized with effective training
6) Human resource mechanisms must be developed that establish accountability and reward effective behavior
7) There must be a risk management process in place that identifies opportunities for sustainable competitive advantage and permits timely corrective action to mitigate the risk
8) The internal audit department should be viewed and empowered as an agent to assess and improve risk management practices
References


White paper presented to the National Association of College and University Business Officers (NACUBO) and PricewaterhouseCoopers, Online, www.nacubo.org/Business_and_Policy_Areas/Risk_Management.html


