Regional Seminars on University Governance in the Tempus Partner Countries (2010 – 2011)

Conclusions
REGIONAL SEMINARS ON UNIVERSITY GOVERNANCE

IN THE TEMPUS PARTNER COUNTRIES

(2010 – 2011)

CONCLUSIONS

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Nowadays universities are facing important challenges in terms of internal organisation, responsibility towards society and relationships with governments. In a context of major economic and societal challenges, the role of higher education institutions in society is evolving and adapting the governance of higher education institutions is becoming a key issue, not only in the European countries but also in the rest of the world.

This is particularly true for the Tempus countries, whose higher education systems are also facing new developments, linked to the transition process and the associated policy and legislative reforms. University governance is a complex and very sensitive concept, which opens the way to many lively debates in academia. As the Tempus study "Changing Rules – A review of Tempus support to university governance" by J. Reilly and A. Jongsma, published in 2010 confirms, no single framework or model for governance exists, but only general recommendations about policy orientations and reforms.

The four regional seminars organised in 2010 and 2011 in the Tempus countries by the Education, Audiovisual and Culture Executive Agency, in collaboration with the National Tempus Offices and the EU Delegations concerned, aimed to disseminate the results of the above-mentioned study. Indeed they proved to be a good forum for discussion amongst academics and experts about current developments and future challenges. Fruitful debates and the proactive participation of local stakeholders presenting different perspectives and opinions confirmed the importance of this topic and in particular, contributed to raising awareness amongst the participants about the issues at stake.

The following report provides a comprehensive overview of the main topics that were discussed during the workshops and provides an interesting picture of current reflections in the countries concerned. I am convinced that the recommendations and conclusions presented in the report draw attention to important issues that deserve more reflection and it will stimulate further analysis at national and regional level.

In this context, the Tempus programme, especially Structural Measures projects, will continue to support the development and the modernisation of appropriate governance mechanisms and structures in the Partners Countries.

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INTRODUCTION

Following the publication of the Tempus study *Changing Rules – a Review of Tempus Support to University Governance* \(^1\) the European Commission and the Education, Audiovisual and Culture Executive Agency held a series of four regional seminars to present its results and to provide an opportunity for reflection and discussion on challenges and trends in higher education governance in the partner countries of the Tempus programme.

Further to a survey of developments in governance in the European Union, the above mentioned Tempus study analyses the governance situation in the Tempus countries. It draws on the insights from six Tempus project case studies and concludes with recommendations for institutions, Tempus countries and the European Union.

Four seminars were held:

- for the countries from Eastern Europe in Kiev, Ukraine, 1-2 March 2010;
- for the countries from the Western Balkans in Podgorica, Montenegro, 26-27 April 2010;
- for the Central Asian countries in Almaty, Kazakhstan, 20-21 September 2010;
- for the countries from the Southern Mediterranean in Catania, Italy, 7-8 March 2011.

More than 270 academics, students, representatives of national authorities, representatives of the European Commission and other stakeholders attended the four seminars.

Seminar organisation

Each seminar followed the same format. The results of the study undertaken by Ard Jongsma and John Reilly were presented, followed by three contrasting approaches to governance in different EU countries\(^2\). The remainder of the seminars addressed three thematic areas, each of which was divided into two specific topics covered by parallel working groups.

The topics were:

- the new emerging mission, functions and roles for the ministries
- governance and governing structures
- finance and human resources management in the context of autonomous integrated universities

Before each seminar, a report outlining the themes and topics for the working groups was circulated. Each country delegation was invited to present a review of the governance situation in its country, addressing the areas indicated in the seminar brief. These reports were circulated and formed important background information for the workshops.

In a final plenary session, the rapporteurs presented the main outcomes from the working groups. Their subsequent reports provided the basis for this review of the four seminars.

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\(^2\) Depending on the seminar, the following countries were taken as example: Austria, France, Italy and Sweden.
The four regional seminars and the thematic workshops received a high appreciation rating in the evaluation survey. They provided an opportunity to share information on topics at the heart of the governance and management debate, to establish new networks and to identify at a regional, national and institutional level, an agenda for further action. The format of the seminars was appreciated and gave a unique opportunity for discussion in smaller groups and exchange of experience. The organisation did not perhaps sufficiently allow for a progressive approach recognising that the topics are interrelated and that participants could and should have built on the discussions in the different groups.
GOVERNANCE IN HIGHER EDUCATION

Good governance in higher education is essential if higher education is to respond effectively to the challenges of reform, modernisation, expansion, financing and above all, if it is to play an effective role in the social, economic and political life of a country. It is therefore not surprising that governments and higher education institutions increasingly focus on detailed governance issues. These include the structure and organisation of the relationship between government (ministries) and higher education institutions, the spheres within which it is appropriate or necessary for governments to prescribe, regulate, recommend and guide higher education institutions, and the mechanisms for monitoring, evaluating and ensuring that the desired results are achieved.

A challenging feature of the discussion of governance is its relationship with management. As the Tempus study *Changing Rules – a Review of Tempus Support to University Governance* stresses, there is a close inter-relationship between governance and management but it is important to distinguish clearly between the roles and responsibilities of the governing bodies and those of the managers of the institution who are implementing policy agreed and approved by the governing body. It is evident from the seminars that the distinction is not always fully appreciated. Unless it is, universities will not be able to develop a respected and effective relationship with society. Exactly what the governance structure – external and internal – should be is a matter for each country and each institution to determine, given its particular historical, social, political and economic context, as well as its specific mission. Nevertheless, there are general principles for good governance. It could be argued that these apply universally. They might be encapsulated in three words: legitimacy, transparency and accountability.

The debate about the appropriate relationship between governments and higher education institutions, in situations where the bulk of an institution’s income is derived from the public purse, has tended to centre on the extent to which institutions should become more autonomous. The debate has also centred on precisely what the implications of this autonomy should be for the governance of the institutions themselves.
Because the debate on governance embraces (and has ramifications for) all spheres of the work and life of higher education institutions as well as their relationships with their national authorities (the ministry or sometimes ministries), it was decided to address three broad thematic areas and within each of these topics, two discrete and limited aspects. The objective was not to provide models or absolute answers but to stimulate discussion and debate and in so doing, to try to clarify areas which need to be addressed on a national, regional and inter-regional basis.

The following three sections provide a broad overview of the discussions on these thematic areas. These are summarised from all four seminars, generally without specific reference to any of them. Due to the fact that governance is an issue that touches on so many interdependent issues, there is some repetition across the three sections.

Throughout the document, we have used the term "rector" for the head of institutions, simply because in the majority of the Tempus partner countries, this is their title (but not in all).

**Topic 1: The new emerging mission, functions and roles for the ministries**

The theme addressed the changing relationship between institutions and ministries and the consequent need for change within the ministry itself, in order to address the changing structural relationships with institutions which are becoming more autonomous and accountable. The two topics chosen for discussion raised questions on the professionalisation of the relationship between the ministry and the university.

Two main aspects were discussed:

1. **The professionalisation of public management and administration of higher education**

The main discussion headings were:

- strategic planning and policy development – structures, data, actors
- funding – the basis for allocating funds, the extent to which universities should be autonomous
- diversification of funding
- research – the role of the ministry
- quality assurance – the role of the ministry
There were a wide range of discussions in the workshops and these revealed the inevitable tension between ministries and higher education institutions, in their perception of the nature and extent of control and regulation.

Although the necessity for strategic planning is not in dispute, it would appear that in a number of countries there are problems with it. There is insufficient focus on the development of appropriate planning mechanisms and poor monitoring of the plans and reforms identified in the strategy. In order to improve this situation, it is suggested that higher education institutions, social partners, non-governmental organisations, sponsors, employers, staff and students should be more actively involved in the process of consultation and the development of strategic plans. Moreover, since the problems and challenges faced are quite similar internationally, every effort should be made to draw on the experience and achievements of higher education institutions in other countries.

For both the ministry and the university, finance is at the heart of their relationship. The financial relationship revolves around the amount of funding, the basis for the allocation to an institution and the degree of control of the way in which the funding can be used that the government exercises over the institution. The manner in which this is managed and the extent of control or freedom permeates the governance and management structure of the institution. In general, in the Tempus countries, virtually all funding comes from the public purse and institutions are highly restricted in the way in which they may use these funds, although, at the same time, many countries are seeking to give institutions greater freedom in the management of the funds which they receive.

Higher education systems in the Tempus countries tend to be characterised by a high degree of centralised regulation and control by the ministry. As a consequence, ministries can find it difficult to change and adjust to a system of new relationships in which institutions exercise more autonomy. In such circumstances, it may help if new funding approaches are adopted to enhance and encourage the autonomy of the institutions. Respecting accountability requirements, institutions should have more flexibility in the way in which they allocate the funds internally, provided that they deliver the outputs required, as measured by a new range of performance indicators. For this to work, universities would need to develop more effective financial management systems and at the same time be encouraged to generate income from a variety of sources.

Transparent criteria for the allocation of funding to institutions are needed to establish a more equitable basis for funding, making the policy objectives clear and helping institutions in their internal management.

One other area of concern is that a change in government or of a minister or senior civil servants, often produces a change in the direction of reform or a hiatus in policy, which can be damaging and means that institutional governing bodies are hampered in their reforms and the development of a medium to long-term strategic approach.

The relationships between ministries and institutions are often compromised because there is a lack of reliable performance criteria and performance indicators. This is not surprising because data collection and analysis are not consistent or comprehensive. Consistent, coherent and comprehensive data collection and analysis should be at the forefront of constructive and mutually supportive relations between ministries and higher education institutions. It will help to structure relations on the basis of reliable evidence of performance and facilitate monitoring and benchmarking.

In all countries governments are actively engaged in national research and development policy and its funding. However, because research is expensive, it has become a highly competitive and at times, controversial domain. As a result governments have recognised the requirement for objective, high-level expert evaluation of research proposals and their associated budgets. This can take place in a separate department within the ministry of education or even a separate ministry for research. Again, in a
number of countries the establishment of an independent agency at "arm’s length" from the government is considered to be essential. It would review budgets and potential outputs and recommend projects for funding. The national research strategy and the method of funding have to be reflected in the governance and management arrangements in universities.

**Quality assurance** is high on the agenda of ministries and higher education institutions but, as with other areas of external governance, the views of institutions and of ministries do not necessarily coincide. What is the appropriate role for the ministry to play in quality assurance? No simple answer presents itself but increasingly the perception is that the ministry should establish policy and strategic quality assurance goals but that it is inappropriate for it to be actively and directly engaged in the process of external quality assurance. This generally requires the establishment of an independent agency that has the authority and the respect of both the ministry and the institutions.

Finally, if effective working relations and mutual understanding are to be established between universities and ministries, the latter must be prepared for this new role. Moving the role of the ministry away from strict governance and towards a partnership role may require internal restructuring and a shift in staff profile. EU experience has shown that in practice, the ministry will require fewer staff, fewer legal professionals and less administrative capacity. As a result new qualifications are required. Key roles in strategic development, the assessment of development plans and macro-financial control mean that the ministry will require proportionally more people with higher qualifications than previously. **Training** programmes for staff in the ministries and senior staff in universities should be implemented without delay.

2. **Role for ministries in curricula and degrees – freedom, guidance, control**

Discussions concentrated on the role of the government in the design, definition, accreditation and recognition of curricula and degrees.

Governments and universities have a shared responsibility to prepare graduates for employment with the relevant skills and competences. This shared commitment to outcomes must permeate curriculum planning and development. In Tempus countries, undergraduate studies in particular are often circumscribed with state standards and curriculum requirements established by the ministry. However, there are signs of change. Universities and governments should collaborate in extending this change, so that universities are given more freedom and flexibility to respond rapidly to the needs of the labour market.

Governments should establish benchmarks, performance indicators and encourage competition. This can be done through relevant agencies. For many institutions, **external evaluation** may be viewed as a demonstration of power, rather than as a system to enhance the quality of education. This sort of expression of concern about the role and practice of accreditation agencies suggests that a process of dialogue to develop a better mutual understanding of government objectives and the concerns of universities would be beneficial.
It was suggested that relations could be improved if there was more **engagement of professional (sector) associations** in the process of qualification approval, which would convince academic staff that the process was "reliable" and quality driven.

**Relations with national accreditation agencies** might, paradoxically, be further improved and strengthened if institutions used international accreditation agencies in parallel with their national agency, thus helping to ensure wider international recognition of their qualifications and at the same time, helping to develop an international benchmarking approach from the national accreditation agency.

Ministries must appoint and retain highly qualified and professional **administrative staff to establish a credible strategic agenda**. To assist their analysis and to help them inform and advise universities they, in turn, must have access to comprehensive current data about the economy, the labour market, scientific and technological developments and the capacity of institutions to respond. Universities, too, need a similar calibre of staff to support governing bodies and academic staff in identifying areas for development and in managing major curriculum change and reform in a quality-assured fashion.

All of this requires that the governing bodies of the institutions are receptive to the strategic direction indicated by the ministry and are able to establish institutional policy to implement curriculum development and change and to assure that quality processes are in place which will enable the institution to realise the policy objectives.

The scale of curriculum and qualification change envisaged creates an urgent demand for capacity building and a **professionalisation of the management** structure and management team, both at the universities and the ministries, with a programme of high-level staff development and training. As one report stated: “If sufficient staff are highly trained and motivated, change will happen!”

An area of concern relating to the authority and powers of institutions to initiate and implement curriculum development and new qualifications is the process, in some countries, of **licensing** institutions – particularly new private institutions. There is anxiety that, with a reliance on private higher education institutions to provide for an expanding student market, the requirements for licensing and the separation of the process of licensing of institutions from accreditation of programmes may mean a lowering of standards. We should underline that private higher education institutions should meet the same quality standards and benchmarks as public institutions.

**Topic 2: Towards autonomous and socially accountable universities: governance and governing structures**

To what extent does increased autonomy and accountability pose challenges to the organisation and operation of universities and require critical review, adaptation and development of governance structures?
Two main aspects were discussed:

1. **The role of students, academics and external stakeholders in university governance structure**

   Too often universities do not appear to have a well-articulated, strategic development plan or even a proper planning process. Consequently they do not distinguish between governance and management in practice.³

   What governance structures should there be? Should these *structures* be determined by the institution itself or should they be set out in national legislation, so that all institutions have the same structures? Is it appropriate to have a dual governing structure with an overarching decision-making body and an academic governing body, an academic board or council or senate? What are the terms of reference and responsibilities of the governing bodies? How and where are they to be developed? Who should chair the overall governing body of the institution – the rector or someone from outside the university?

   As with other questions on governance in higher education, there is no single correct answer. However, if there is to be diversity in type, scale and location of institutions, the governance structures should reflect this diversity, nature and type of institution, which suggests that legislation should provide a general framework and not a prescribed, detailed structure for all institutions.

   Structures only operate successfully if they have able, active and committed members. This refers not simply to the quality of the individuals but also to their collective strengths, such as the range of complementary perspectives and experience which they bring. The objective is to try to ensure good representation of stakeholders: primarily students, academics, administrative staff and external partners. Often the desire for a democratic, representative cross-section of stakeholders leads to large unwieldy bodies and has to be tempered with the equally powerful imperative that the total number of members and size of the governing body or any of its sub-committees, is compatible with a decision-making process in which all the members can feel engaged and as a result, to whose decisions they feel bound.

   Theoretical discussion on membership, however, must grapple with the realities of encouraging the best students, academic staff, administrative staff and external members to take their responsibilities seriously and to serve in an active way. This means that they recognise that, beyond the interest group which they ‘represent’ on the governing body, they must try to make, take and support decisions in the broader interests of the whole institution.

   There is a broad consensus that governing structures should be composed of academics, students and external members. Although the importance of student membership is acknowledged, there is concern about how students will be selected, for how long they will sit on bodies and above all, how the best students can be motivated to participate and take an active part. It should be noted that the students who participated in the seminars demonstrated the value of a student perspective with contributions and comments which showed a genuine insight into the problems and not a limited “interest-group” approach.

   Although the presence of *students on governing bodies* is not in dispute there is more reticence about their potential contribution at other levels and in other contexts within the university, particularly in relation to curriculum planning and development. However, if universities are genuinely to address the employability imperative and to adopt an “outcomes approach” to teaching and learning, more active engagement of students in all aspects of the process of curriculum planning and development will be essential.

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³ It was suggested that this lack of clarity may have a particular resonance for Russian speakers because there is no separate word in Russian for “governance”, which means that there is a serious conceptual gap and a need for a vocabulary which will facilitate understanding and meaningful discussion.
Unsurprisingly, there is virtually no debate over representation of academic staff and it is taken as a matter which is self-evident. However, there is a concern that academic staff tends to see matters more through the prism of their faculty or their departmental interest and that they feel less committed to supporting decisions with which they did not agree, even if they were taken in a transparent and correct way. Again, this is particularly true if the decision-making body is very large and there is less sense of personal engagement.

As with students, there is a consensus about the value of external members on governing bodies but the challenge is how to encourage high-quality external members to give up time and be active members of governing bodies. In this context, the value of developing alumni networks is considered to be an effective way of finding committed external members with a genuine interest in the institution.

In a reforming and modernising system, a critical question is how the rector of the university is nominated and appointed and to what extent the procedure takes into account the opinions of the university’s constituents. The process of appointment cannot be divorced from the definition of the roles and responsibilities of a rector in a contemporary university and should be articulated in a clearly defined and publicly available job description. The definition of the role and job description inevitably leads to a focus on the profile and qualities needed to meet the requirements of the post in a modern, reforming institution.

In many Tempus countries, rectors are appointed formally by the minister. Their positions are generally viewed as senior political appointments. While there are advantages in such an arrangement, which guarantees the status and authority of the rector and his or her direct access to the national authorities, it may not sit so comfortably if universities are to develop more autonomy. Moreover, it may compromise the effective role of the rector as the leader and senior manager of the university implementing the governing body policy and strategy if he or she is ultimately seen to be responsible to and reporting to a body outside the university.

Questions of authority and responsibility also arise in the relationship of the rector to the governing body and whether it is appropriate that the person who, as head of the institution, is charged by the governing body with implementing its policy and strategy should at the same time be the chair of that body, as is often the case. Such questions are not easily resolved because there are strong cultural traditions and perceptions but they need to be addressed, if the governance of the institution is to be genuine and not cosmetic, with a governance role which is transparently separated from the management of the institution.

Two other key messages emerge from this discussion. The first is that if governing bodies are to be effective, they must be well serviced. This means, above all, that they are provided with the detailed, up-to-date, accurate and relevant data relating to all aspects of the institution's activities. This requires more comprehensive development of ICT and management systems which capture data in a consistent and timely way throughout the institution and which all parts of the institution are required to respect.

The second message is that if governing bodies, consisting of a diverse range of members with differing backgrounds and experience, from students to employers, are to develop a corporate and shared identity, there is an urgent need for a training and development programme for all aspects of their responsibilities. This should be accompanied by a code of practice for all members of the governing body, reinforcing a commitment to shared values and collective responsibility.
2. Modernising governance and structures – faculties, departments and institutes – within integrated universities

Stimulating objective, critical debate on structures proved difficult. There is a natural tendency to value what is known and experienced. This in turn is often embedded in legislation and hence cumbersome to change. There is a sense that the wider university community will strongly resist changes to structures and its organisation. They may perceive such changes as a threat – either to themselves or to their area of study or research. Nevertheless, the questions on the purpose, nature and fitness for purpose of structures remain and the workshop helped to initiate more open reflection on the topic.

Universities are large, complex organisations. Most expand quickly and need to respond in a dynamic way to increasingly rapid changes in science, technology, the economy and society. This raises questions about the fitness for purpose of their traditional academic and administrative structures.

Until relatively recently, universities in several Tempus countries were loose associations of strong, independent faculties. Increasingly, pressure from governments, quality assurance and accreditation agencies and a society that needs new multi-disciplinary qualifications, has exposed the need for integrated institutions with a clearer sense of institutional identity and mission. This raises questions about the nature, suitability and purpose of established structures.

In the seminars, these debates went as far as discussions on the relevance of the traditional faculty/department structure, particularly in the light of the extremely large numbers of departments that can be found at universities in the partner countries.

It also raises questions about the extent to which different university sections and structures should be regarded as part of the governance structure or as management units within an integrated institution.

Moreover, if universities are to develop as more autonomous institutions, the role and profile not only of the rector but also of all other senior managers (vice-rectors, deans, heads of departments, directors of institutes, heads of administrative units) need to be reviewed. Such a review will examine their relationship with and responsibilities to the governing body, to the head of the institution, to one another and to the support structures that they need in order to carry out their work.

There is no single model or correct answer to any of the questions and the rich diversity of the Tempus "family" reinforces this understanding. However, reflection helps to identify problems and expectations and helps in the process of formulating answers in the individual contexts of countries and institutions.

In reviewing appropriate and effective structures, it was suggested that within the private sector, there were good examples of different approaches which seemed to be more flexible and responsive to changing needs. The public sector might well learn from these best-practice private sector examples.

The scrutiny of organisational structures and the role, profile and responsibilities of senior managers reinforces the need to distinguish and retain the distinction between governance and management – difficult though this may be.

The distinction can only be maintained if there is clarity of purpose and transparency in all aspects of the running of universities. Questions need to be asked about the decision-making process, its legitimacy and where authority and responsibility lie. This will include the proper use of and extent of delegation, so that even in an integrated institution, considerable power may be delegated but always with a clear sense of where the ultimate authority and responsibility rest. The critical examination of existing structures suggests that there may often be duplication, particularly at the departmental level. An often quoted example of this is in the field of mathematics. There may be persuasive arguments for having separate departments (units) of one subject – in this case mathematics – located in a wide-range of
other subject areas (departments/faculties) but the question should be asked whether this is efficient and professionally satisfactory and whether it does reflect the overall policy and strategy of the institution.

Similarly, the tradition of autonomous faculties raises a number of governance and management questions. These become acute when an institution is genuinely responsible for its overall financial management and for institution-wide coherent quality assurance and when an institution has to respond to demands for new, interdisciplinary, multi-disciplinary programmes of study within each cycle. The success of autonomous institutions operating in an increasingly competitive environment depends on their ability to establish and implement a coordinated institutional strategic policy on programmes of study, staff recruitment, promotion, the selection of students, research policy and income generation. All bodies within an institution should be accountable to the governing body for the accomplishment of their responsibilities and achievements. The structures (old or new) have to demonstrate that they remain fit for purpose and that they are able to respond to the needs of the institution, students and society. In order to have good coordination in an institution, the use of ICT for management purposes needs to be pervasive and consistent and no part of the institution should be allowed to opt out in favour of its own system.

The office of rector has always been one of high status and although it is often a political appointment, the person nominated has normally had high academic standing and in many countries is selected from among senior academics within an institution. The process of modernisation and the growing autonomy of institutions raise questions about the nature and method of appointment, the detailed responsibilities of the post and the personal profile of the person to be appointed. Moreover, the transparency required to ensure legitimacy and authority mean that ambiguous relationships between governance and management roles need to be clarified and this is particularly true in terms of the relationship between the rector and the governing body.
If the rector is to be regarded as, in effect, the chief executive of a university, with an important leadership as well as management role, it is vital that he or she should have high-level professional support, not simply from the senior management team but from the operational units within the institution. Rectors not only need to be respected academics but also to have wide-ranging leadership and management skills. While the rector may expect to be supported by professionals in various fields – finance, human resources, estates, management information systems, legislation, public relations, and investment – he or she must have a good grasp of the key elements in these fields. Similarly, other senior managers need a broad portfolio of skills in addition to the specific expertise in their own field. All of this points in the direction of the need for **high level training and development for senior managers and leaders**. There was a consensus, reinforced particularly by students, of the need for training and continuing professional development for all those undertaking or aspiring to undertake senior posts in universities.

There was considerable debate on the process of appointing rectors, whether the appointment should be political or institutional, whether the rector should or should not chair the governing body, whether rectors should be chosen solely from within the institution or more widely in the country or internationally and whether it might be appropriate to appoint a rector from outside the academic world with relevant senior management experience and academic credibility (although not necessarily an academic).

The question which was posed but not fully discussed was the extent to which the **senior management team** (referred to frequently as the rectorate) should include not only the pro-rectors and deans but also the heads of key administrative units, in addition to the overall head of the administration. There is no single correct answer and as with other bodies, representation has to be tempered to limit the size of the rectorate to one that is workable. Solutions would depend on the detailed management structure, but the question itself implies that the quality and commitment of the administrative units and their senior managers merits consideration of how they interact and the role they play in the management of the institution, in addition to their unit’s management responsibilities.

**Topic 3: Towards autonomous and socially accountable universities: finance and human resources management in the context of autonomous integrated universities**

As universities acquire more autonomy, two areas in which they must develop operational and management structures are financial management and human resources management.

Two main aspects were discussed:

1. **Governance: implications of new budgetary responsibilities – consequences for organisation, procedures, staffing**

This theme prompted four key areas of discussion:

- The way in which funding is allocated to institutions by the ministry (or the funding body designated by the ministry) and the extent to which it is earmarked for specific purposes, restricting the freedom of the institution in its internal allocation;
- The process for establishing the university budget and the associated consultation;
- The financial management of the university: the relationship between professional staff and the governing body, the relationship between professional staff and senior managers, the need for accountability, transparency and efficiency and the extent to which budgetary responsibility should be devolved or centralised;
- External, private fundraising – management and incentives to stimulate income generation.
In many countries, institutions have only restricted freedom in the way in which they may allocate and manage public funding. This is reinforced in those countries where faculties either receive direct funding from the ministry or the funding allocated to the institutions is earmarked in a restricted way which means that the university simply has to allocate the designated funds to the faculties. The situation is even more complicated in those countries where two (or more) ministries have direct relations with the university – the finance ministry and the education ministry (and sometimes the ministries of health and agriculture) – which means that there is a real ambiguity inherent in the whole external governance relationship.

From a university perspective, the logic of more autonomy is more freedom and flexibility in the way in which the funding from the government is managed within the institution. This is always subject to the delivery of the required outcomes and full accountability.

Assuming that the process of liberalisation proceeds with increased institutional autonomy, then institutions are faced with a new challenge of how to allocate their overall budget to the operational units within the institution, in a way which reflects the policy objectives of the institution and is, at the same time, perceived to be transparent and equitable. This involves having a good understanding of the sources of income and expenditure. The revenue for the university as a whole must be identified: public block grant, tuition fees, research grants, consultancy contracts and other income. The data must be gathered and presented in a way which gives confidence throughout the institution. There should be a process of consultation involving not only the expenditure units but also staff and students and possibly involving some form of budget requests and bidding from the constituent parts of the university. In conjunction with this there has to be a detailed knowledge of the expenditure of the institution as a whole. All of this work has to be accomplished in a structured, transparent way but ultimately the approval of the annual budget will be the responsibility of the governing body, which will subsequently have to ensure that expenditure is monitored against the budget.

Depending on the approach adopted by the institution, once it has established the overall budget and the broad allocations, budgetary responsibility may then be devolved to the relevant units which, if they are to exercise responsibility, may also expect flexibility and freedom in the way in which they utilise their budget. In this context the question arises as to whether units which generate revenue should be entitled to sole use of any surplus generated from the revenue. Increasingly, institutions are establishing the practice that a percentage of revenue generated should be allocated to the institution, although the greater part may be retained by the unit which retains the incentive to generate additional income. If responsibility is devolved, it must be clear that all parts of the institution have to conform to standard procedures and regulations which will need to be developed on a university-wide basis.

The process of establishing the budget and allocating funds requires increased professional skills and enhanced financial management. If substantial funds are allocated in a devolved way, the budget units too will require skilled staff and their senior managers will need a good understanding of financial management. In general senior university managers, with the exception of the professional staff, have a lack of experience in financial management. This applies at all levels and relates not only to the process of preparing budgets but also to managing them effectively.
All of this poses considerable challenges for universities and ministries which in many cases need to change the legislative base for funding institutions, if they are to liberate their financial management. Apart from the legal staffing implications of a more autonomous approach to managing university finance, more fundamental changes in attitude are also needed. Staff at all levels have to accept new responsibilities and acquiesce in the budgeting process which will no longer be a remote activity largely, controlled within a ministry. It may be more transparent but it will, inevitably, involve difficult choices and decisions, no longer made outside the institution but within in it.

**Staff attitudes** are particularly significant in external income generation. Some parts of the university will be experienced and already generate external funds, others will not and may even feel that it is inappropriate to do so. If all parts of the university recognise that they have a stake in external fundraising so that the university as well as the units benefit, then attitudes may change.

The governing body will need to establish clear institutional policy and procedures which will safeguard the overall integrity of the university in the receipt, management and use of external funding.

2. **Roles and responsibilities of universities in recruitment, retention, rewarding, developing and evaluating academic, technical and administrative staff**

If universities become more autonomous and responsible for all aspects of their governance and management, they will require a professional approach to human resources management. This will entail the establishment of a professional human resources unit and a change of institutional culture affecting all university staff – academic, professional, technical and support staff.

Good relations with and management of staff are integral features of high quality leadership in all organisations and this applies equally to universities. Tempus partner countries face a number of challenges in the development of a more professional approach to human resource management. In many cases in the past, institutions have had little autonomy in relation to staff: their appointment, their terms and conditions of employment, their salaries, evaluation and discipline.

Consequently taking on increased responsibility not only poses considerable organisational and operational challenges but may also encounter profound cultural reservations or even hostility.

Institutions are faced with other personnel problems. The growth in student numbers has not always been matched by a sufficient increase of qualified staff. For academic staff, low pay has meant that many seek additional remuneration from part-time work, often in several institutions. Regrettably, low pay can also be the source of, and an incentive for, corruption. In many countries the demographic structure of staff poses a further challenge, as large numbers approach retirement age while ambitious, young, qualified staff are attracted to posts in the business world or seek employment in other countries.
All of this contributes to a concern that morale among academic staff in many countries and institutions may suffer. However, these challenges can present opportunities for the governing bodies of universities as they assume responsibility for recruitment, staff development, promotion and pay. Universities can develop a quality-driven approach to staff appraisal (evaluation), inaugurate programmes for continuing professional development and develop a system for staff reward, recognition and promotion. Such initiatives can help to motivate and encourage staff to innovate and to identify, not only with their own department or unit, but also with the institution as a whole. Institutions might also be able to develop more flexible contracts which would help to encourage female staff in particular to remain in or return to work. As in other spheres, the public sector might look to private institutions which have developed effective, human resource management strategies which motivate staff.

An important aspect of best practice in human resource management is a concern for the career development of staff at all levels. This requires institutional commitment and a proactive policy on the part of the individual, as well as their managers. As one report expresses it: staff development is an “everlasting marathon [and] takes much more time than other investment in university capacity. University staff is the main pillar of the university and a priority in good governance and management.” Governing bodies have to acknowledge this priority as one of the goals in establishing the university budget by making provisions not simply for a human resources unit but for investment in recruiting, retaining and developing staff throughout the university.

The continuing professional development of staff is also integral to the process of quality assurance, revenue generation and research excellence. It extends to general working conditions and the environment for staff, which in turn relates to the management of the university estate (its buildings, infrastructure and facilities). If universities are to go beyond the rhetoric of proclaiming staff as the central resource, the focus on all aspects of human resource management needs to be a priority and one which engages all levels of managers and staff.
REGIONAL PERSPECTIVE

Given the diversity and geographic spread of the four regions, it is surprising how many aspects of the debate on university governance and management they share. These debates were described in detail in the previous sections and therefore won’t be repeated in this chapter. In trying to distinguish specific aspects pertaining to a region, it must be stressed that these are not necessarily unique to that region but perhaps have a greater significance than in other regions.

Eastern Europe

Eastern Europe is strongly marked by its historical Soviet influences, models and experience which themselves had their roots in Humboldtian German traditions. These have considerable strength and give coherence to the region. However, there is a sense that the continued dominance of government management and regulation is restricting the ability of the university to develop a governance structure suited to the particular mission and location of the institution. This is particularly true in the case of curriculum where, in spite of changes, the majority of programmes and courses have to conform to standards set by the State. While this is perceived as a means to safeguard standards (and does so to some extent), it does not encourage flexibility. It militates against innovative and rapid change and makes it more difficult for institutions, departments and subject areas to adjust and to develop new interdisciplinary or multidisciplinary programmes in response to more local needs. It also means that a key area of governance responsibility continues to be restricted.

The Western Balkans

Higher education institutions from the region enjoy relative independence and autonomy in deciding about their internal governance and management structures. However, mechanisms which would ensure accountability and performance indicators are not fully developed yet.

The key specific issue continuing to affect higher education governance in the Western Balkans is the integration of institutions and the continuing independence of faculties. In many cases faculties still retain a legal identity. The broad thrust of government policy is to integrate institutions but this is resisted within strong sections of institutions with entrenched special interests. Moreover governments, while willing integration on the one hand, continue on the other hand to support the status quo by earmarking budgets so that faculties continue in practice to be treated as separate entities. This undermines the authority of the governing body and the rector of the institution and makes it impossible for the institution to develop an overall strategic policy with a coherence which will ultimately benefit students and wider society. Particular problems arise for new, innovative, multidisciplinary and interdisciplinary programmes, and for the adoption of a coherent institutional policy in relation to external income generation and the management and remuneration of staff.

Posts for governing structures in institutions remain awarded largely on the basis of academic merit. Although it is widely recognised that all types of social partners should be involved in the decision making process in institutions, in practice such involvement is still limited. The opinions of academic staff still weigh much stronger than those of labour market representatives.
Moreover a diversification of managing structures, new staff profiles and training of people in leading positions are needed in the ministry and higher education institutions if longer-term strategic planning needs are to be addressed.

We would mention here that the perspective to enter in EU is a key driver to change in this region.

**Southern Mediterranean**

The region as a whole has experienced a dramatic growth in student numbers and this growth will continue inexorably because of the demographic structure. However, in most countries there is substantial graduate unemployment and a consequent challenge to reorient the curriculum and learning and teaching in higher education towards an outcomes approach, with an emphasis on skills and competences for employment. Although this is a widely accepted goal, institutions in most of these countries feel that they are hampered by the continuing central control over their governance, management and curriculum content. Moreover, the dramatic increase in student numbers has not been matched by a similar increase in academic and support staff and there are concerns about the ability to recruit and retain high quality staff in all sections of the university. In many countries governments have set in train a reform process but it is perhaps not matched by a commitment of resources for appointing new highly qualified staff and staff training and development on the scale required to initiate and sustain the change and reform agenda. In addition to the inhibitions arising from central control, institutions are further hampered by the lack of detailed consistent, coherent data and management information systems at national and institutional level.

It is worth noting that in this region, while Lebanon has a diverse range of higher education institutions, the Francophone countries – Algeria, Tunisia and Morocco – tend to have distinctive characteristics resulting from their historic and continuing relationship with France.

In the region, Israel represents a particular case where higher education institutions benefit from a large academic, financial and administrative autonomy, under the supervision of the Council for Higher Education.

Current political changes in the countries of North Africa and the Middle East have a tremendous impact on their societies. The role of government will likely be the subject of increased scrutiny in the years ahead. This may benefit changes in the relationship between higher education and the authorities and offer an opportunity for reforms that the world of learning would do good to seize. Moreover university students and graduates have expressed their will to be more involved in university governance. Further investigations (studies) about these issues may be worthwhile.

**Central Asia**

A concern in Central Asia is the growth in the number of private higher education institutions developing in niche areas, particularly economic, legal and business studies. Some of these institutions are among the best in the region and represent examples of best practice in their governance and management and their relations with the student body and the employment world. But as a whole, they are not always subject to the same quality and accreditation requirements that the public universities have and therefore the quality among private institutions remains an issue of concern. Equally, these institutions tend to rely on staff from the public universities and teachers who work on a part-time basis. The regional workshop suggested that, because of the disparities in wealth and development between the Central Asian countries, there is potential for forging active
collaborative projects to address a range of issues relating to governance and in particular staff development, training and quality assurance.

A recommendation from the Central Asian seminar is that a regional association of universities should be established to promote a coherent approach to quality assurance and education development in the region. Other regions might also consider such an approach.
CONCLUSIONS

The four regional workshops indicated that the study "Changing rules – A review of Tempus support to University Governance" was timely, relevant and a helpful contribution to the growing engagement with issues relating to governance and management in higher education in the Tempus countries, identifying key issues and principles as an aid to the development of appropriate governance and management structures in the four Tempus regions.

In all four seminars, one topic recurred: the urgent need for staff training and continuing professional development. This applies equally to ministries and universities and within universities to all sections of the university: senior management, middle management, members of governing bodies, students, academics, administrative units and external members. Coupled with this (and echoing the findings of the study) is the demand for more highly qualified administrative and support staff throughout the university, able to work in partnership and on equal terms with academic staff.

Ministries are responsible for strategic planning and policy development but changes of government or minister tend to disrupt the process and can lead to long periods of inaction and often a change of direction, both of which are serious impediments to the implementation of good governance and management within universities. Legislation supporting a more autonomous university sector tends to lag behind the rhetoric of autonomy. Where such legislation has been passed, there does not always appear to be a strong will to ensure its effective implementation, in the face of institutional reluctance, often expressed at the faculty or departmental level and also in the attitudes of staff.

Institutions wish to have a more transparent process of budget allocation at the national level, with a serious review of the basis for allocating funds. At the same time, universities wish to decrease the amount of earmarking in their budget allocation, so that they have freedom to allocate within the institution, on the basis of their institutional strategic development plan.

Although quality assurance has become a central topic, not all countries have established independent quality assurance agencies. Equally, if not more important, is that institutions have not yet embedded a quality assurance culture. Central (national) management of the approval of qualifications and the content of curricula still remains prevalent, although the trend is towards granting institutions more autonomy.

In the seminars, possibly because institutional governance and management structures are incorporated in national legislation, there was often a reluctance to go beyond the descriptive mode and to engage in active, analytical and critical debate. It was recognised that the best private institutions might provide potential models for good governance and a challenge to public institutions.

Almaty (Kazakhstan), 20-21 September 2010
On the other hand, although there are examples of best practice in the private sector, there are serious concerns about quality and standards in many private institutions.

Students and external members are perceived to have the potential to make a considerable contribution to the governance structures of institutions but attracting and retaining high quality external members is an ongoing challenge. This may be a cultural issue but it may also be rooted in a perception that governing bodies do not have sufficient power to make a difference. Consequently external members, with high profiles and success in their field of business, may be reluctant to dedicate time and energy which they may feel will ultimately make little real difference.

In most countries students are formal members of governing bodies but students are often members for only one or two years. The students at the workshops illustrated the value of student engagement and their view was that student engagement would be enhanced if students recognised that the governing bodies exercised real authority and if there was a programme of education about governance with specific training for members of governing bodies.

The detailed structure of university governance is a sensitive, cultural and political issue and consequently in depth debate and analysis of the nature, purpose and suitability of different structures often prove challenging. On the other hand, students were willing to express thoughtful, if critical, comments on existing structures and the way in which they are perceived to inhibit the rapid development of new programmes of study, which address economic, social and political needs and which can straddle current disciplinary, departmental and faculty boundaries with ease.

The role of the rector, his or her selection and appointment process and his or her relationship with the governing bodies, are all related to how autonomy is understood and implemented by governments and institutions. There is no consensus on this topic. Paradoxically, there seems to be consensus on the central leadership role required from the rector in making autonomy a reality. Equally, the leadership and management qualities of other members of the senior management team and middle managers are recognised prerequisites. The support for senior managers provided by professional units responsible for the financial management and human resources management is not questioned. On the other hand, there is a concern about the scarcity of high level professional staff in both these areas and the difficulties adapting the culture and structures of the university to ensure professional financial management and effective human resources management.
RECOMMENDATIONS

The nature of the workshops meant that detailed, coherent recommendations were not formulated. Nevertheless, from the discussion and the reports, it is possible to identify areas of shared concern and from these, recommendations can be made for consideration by institutions, governments, the European Commission and the Tempus programme.

It was manifest that the regional grouping of the seminars and their subsequent organisation into small focus/working groups was a success. In the light of this:

- The European Commission and the Executive Agency should consider sponsoring further regional and inter-regional workshops, incorporating small group discussions on targeted areas of concern in university governance and management.

A recurring theme in the study, in the site visits and in each of the thematic working groups was a serious lack of staff development throughout the sector (in the ministries and higher education institutions). Consequently:

- Priority should be attached to a comprehensive programme of staff development and training. At national level this should be initiated by the ministry. Staff from the ministry should participate in national programmes of continuing professional development, together with senior staff from universities;
- At the same time, individual institutions should establish programmes for staff development, where possible in collaboration with neighbouring institutions;
- At a regional level, serious consideration should be given to the establishment of a regional college for leadership and senior management;
- At a European level, in order to address the urgent agenda of modernisation and reform in higher education, the European Commission should initiate and seek resources for a European programme of high-level staff development, involving staff from the Commission, Executive Agency, ministries and institutions.

Effective governance and management require appropriate information, tools and personnel to generate and utilise the information.

- Governments, in collaboration with institutions and preferably coordinating on a regional basis, should establish a comprehensive set of data fields with consistent definitions, to be collected in a coherent fashion within institutions and transmitted to ministries;
- Institutions and ministries should work together to establish effective ICT structures and management information systems to provide the collated information essential for good governance and management. This entails commitment by all partners and institutions to work with and through the system and not to establish separate rival systems.

Note: It does not follow that all institutions must be obliged to have the same management information system – simply that common data must be collected in a compatible format from all institutions for national or regional, planning and monitoring purposes.
The seminars showed a general understanding of issues relating to the funding of institutions and financial management. At a more detailed level, however, there are significant gaps in knowledge and understanding.

- Ministries should instigate a programme of information and training workshops on the process of university funding for their higher education sector, involving not only senior managers but all levels of staff and students. These workshops should address various models for funding allocations and the implications of these;
- Institutions should initiate internal workshops on the process of university budgeting and financial procedures;
- Adequate mechanisms should be defined to guarantee the academic independence of higher education institutions from their funding bodies.

The pace of economic, social and technological change suggests that a more flexible approach to new curricula and qualifications is required to ensure that institutions are able to respond rapidly to new demands. This suggests that:

- Institutions and ministries should work together to establish appropriate processes for accrediting and validating qualifications. These processes should allow more flexibility for institutions, while safeguarding standards and quality.

Students are not only the raison d’être of higher education, they are also members of the university community with perhaps the biggest stake in the successful outcomes of (their) higher education. Their engagement and involvement in university governance is recognition of their role and a sign of real confidence that the overall higher education process is preparing graduates for roles of responsibility and leadership.

- Universities, in collaboration with ministries, should institute an education process and training for students, to help them to engage effectively in all levels of university governance. This will include, inter alia, internal and external quality assurance;
- Together with their universities, ministries should instigate a review of current structures and modes of organisation, to ensure that they remain ‘fit for purpose’ and address the mission of each institution;
- Ministries need to review their structures to accommodate the new requirements and relationships inherent in the development of more autonomous institutions;
- Dialogue, within the region, with other countries and with the private sector, should be initiated to identify examples of best practice in governance and management;
- Institutions should establish a policy and strategic framework which recognises that the mission of an individual institution should reflect the nature, type and location of the institution, as well as national, strategic objectives. Such strategies should be encouraged by Ministries.

The debate on governance is still inclined to focus on management issues. For this reason:

- a range of studies – institutional, national, regional and in all Tempus countries – should be initiated on more detailed areas of governance, such as appointment processes and
These recommendations arise directly from the four seminars. They complement and strengthen the recommendations from the study and should be read in conjunction with the conclusions and recommendations from the study.

RECOMMENDATIONS FOR TEMPUS

Priorities for the programme

Some general issues relating to governance could successfully be addressed by the Tempus programme, without actively interfering with issues of national sovereignty.

1. The development of a shared understanding of the meaning of autonomy for higher education in the areas listed below. Due to the fact that this is a sensitive topic it might be best addressed through priorities or regional Structural Measures projects focusing on each of these specific areas:
   - institutional strategy and policy in response to national strategy and policy
   - financial management and revenue generation and encouragement to develop this as a means of reinforcing independence
   - staff, salaries and appointments – academic and administrative
   - curriculum development and management in the context of national qualification frameworks and national quality assurance and accreditation requirements
   - estate ownership and management
   - internal quality assurance.

2. The development of a strategic approach, accompanied with appropriate staff training and development, to foster engagement with processes of change, institutional autonomy and governance among academic and administrative staff at all levels.

3. The development of programmes of management and leadership training for senior and middle management, with the possibility of establishing a Tempus leadership initiative, preferably on a regional basis.

Further studies

Possible further studies could cover:

1. A review of institutional and national infrastructures and processes to provide integrated management information and effective data on all aspects of university activities.

2. A range of studies on the detail of governance, such as the appointment process and the membership structure, size and relationships of governing bodies, including the representation of external stakeholders. This might include consideration of whether a more corporate approach is appropriate – involving a managing board (university council) with overall responsibility and an academic governing body ( senate) with responsibility for academic and curriculum issues and reporting to the managing board.
Other Tempus projects

Other Tempus projects could include:

1. A series of complementary projects – regional, national and institutional – on the process of appointment, the role, powers, responsibilities and reporting lines for heads of institutions, deans and other senior managers.

2. Projects on quality management processes and procedures in each of the discrete areas of university activity to provide the infrastructure necessary for the implementation of good governance.

3. A project or several projects supporting the development of national, regional and international benchmarking and key performance indicators to assist the process of effective governance and management.

ARD JONGSMA and JOHN REILLY

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"A TEMPUS STUDY"

"A Tempus Study" is a series of studies providing an in-depth overview about the management, achievements and impact of the Tempus programme:


These documents are available on the Tempus website:

http://eacea.ec.europa.eu/tempus
Regional Seminars on University Governance in the Tempus Partner Countries (2010 — 2011) Conclusions