

## **Governing Higher Education: Current Themes and Issues**

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## **Governing Higher Education: Current Themes and Issues**

**Glen A. Jones**

It is both a pleasure and an honour to be asked to participate in this very stimulating and important conference on educational reform in Colombia. I would like to particularly thank the Government of Colombia and the Minister of Education for inviting me to participate in this conference, and I would also like to thank the conference organizers for their skillful management and their very kind hospitality.

I have been asked to speak on the reforms to higher education governance that have been taking place internationally. This is a very big topic and I can only provide you with a broad overview of key issues, but I believe that the starting point for reforms to higher education governance is the increasing recognition that **universities, and other institutions of higher education, are essential to the social and economic development of nations**. They are no longer nice but elite institutions on the margins of the political agenda. Leaders of industry recognize the importance of a highly educated workforce to economic development. Education is directly linked to personal opportunity, and increasing the level of education within a society can serve to decrease social inequities. As creators of new knowledge, university researchers play a central role in knowledge economies. We also know that increasing levels of education are linked the quality of life, to increasing levels of health of the population, to lower levels of criminal activity, and to greater participation in civil society.

However, as the importance of higher education within society increases, the challenges of governing higher education, both at the system and institutional levels, become increasingly complex. As higher education becomes more important to society, larger numbers of

stakeholders want to influence what takes place in university boards rooms, laboratories, and classrooms. “Who decides what?” is a key question in higher education reforms. While there have certainly been different answers to this question in different countries, my objective in this paper is to discuss the key themes and trends that have emerged in higher education governance reforms in many jurisdictions over the last few decades.

*The first key theme is the importance of university autonomy.* The importance of university autonomy has emerged as a key theme in higher education reforms in many countries, but especially in continental Europe and Southeast Asia. Many countries had a long tradition of strong government administrative control of universities, but these bureaucratic government management structures left institutions with little flexibility to address the needs of local populations or industries. The clear trend in higher education system governance is to provide universities with enough autonomy so that they can fulfill their mission in innovative, creative, and efficient ways. They need the freedom to make their own decisions on how to accomplish their goals, including decisions on employment, curriculum, pedagogy, partnerships with industry, and research.

University autonomy is necessary because institutions are frequently in a better position to make decisions about academic programs and research activities than individuals working in the central government. But autonomy is also necessary because different universities should have the flexibility to make different decisions. A university located in a large urban area surrounded by large manufacturing companies should be able to make very different decisions about its programs and activities than a university located in a sparsely populated agricultural region. If universities are to play an active role in contributing to the communities in which they function, then these institutions need to have the flexibility to develop relationships and

partnerships with community organizations, labour groups, and industry. Their academic decisions will be informed by local needs and by these local community relationships.

*Redesigning institutional governance has emerged as a second theme in higher education reforms.* The desire to increase university autonomy has led both governments and institutions to review, and frequently reform, the structures and mechanisms in place for institutional decision making. Governance reforms in quite a number of institutions have led to the creation of governing boards based on the American and Canadian model of university governance. The central assumption of these arrangements is that institutional autonomy is protected by a strong self-governance mechanism where the overall responsibility for oversight is assigned to a governing board. In the United States, these governing boards are usually dominated by community leaders, often drawn from business. In Canada, all public universities have governing boards that include both faculty and student members as well as external members either appointed by government, or selected by the governing board itself.

Reforms to institutional governance have also sometimes shifted the role and authority of internal academic decision making structures, such as senates and academic councils. Reforms in the Netherlands created what Harry de Boer has referred to as “managed universities” where considerable authority has been assigned to the rector, operating under the supervision of a board. Under these reforms, academic councils operating at the level of the academic unit (faculty councils) or the university (the senate) have become advisory bodies without executive authority. Some Dutch professors believe that their role in academic decision making has diminished in the transition to a more corporate governance structure. In other systems the reforms have led to the creation of university boards and traditional academic senates have been retained, and the objective has been to find a balance between traditional, collegial academic

structures and new, corporate governance arrangements. The desire to strengthen institutional autonomy has led to major reforms in institutional governance, but different jurisdictions have gone in quite different directions in attempting to find a solution; there is clearly no single best institutional governance model. Most jurisdictions have retained academic senates and traditional academic structures, and reasserted the importance of faculty and student participation in institutional decision-making, while also attempting to ensure that institutions have the capacity to make wise, timely choices,

*A third common theme has been to reform the role of government in higher education governance.* In many systems governments had considerable direct control of universities. Universities were regarded as state institutions, and this meant that government ministries had considerable authority over key university decisions. In order to increase institutional autonomy and provide universities with more freedom, governments in many jurisdictions have taken a step back from direct control of the university sector to pursue a policy of what Frans van Vught has referred to as “remote government control.” In this approach, the government establishes the broad legal and regulatory framework within which institutions of higher education must function, but institutions are given the freedom to decide how to pursue their objectives within this broad framework.

The level of state control of higher education was a key distinction between universities which followed the continental European traditions, and those which followed the Anglo-Saxon traditions. Under the English system, universities were regarded as too important to be left in the hands of politicians. University autonomy was highly valued because there were tremendous fears that state control would mean that universities would be subject to the shifting tides of partisan politics. Separating universities from direct government control meant that institutions

could make decisions in the best interests of higher education without being afraid that a sudden change of government would lead to radical changes in policy.

The continental European approach, in contrast, was based on the assumption that higher education was simply too important to be left in the hands of anyone other than the state. The nineteenth century reforms of higher education in Europe, especially in France and Prussia, positioned the university as an institution that would play a key role in the development of the nation state through the development of national culture, history, and ideas. Universities were viewed as essential state institutions, and they frequently became subject to bureaucratic state control. Universities became part of national plans, and a component of state infrastructure.

Reforms in the state governance of higher education in many nations within continental Europe have involved a renegotiation of the relationships between universities and governments. Governments continue to play the major role in funding higher education and in establishing the key goals and the framework within which universities must work. Universities have been given increased freedom to determine how best to achieve those goals and serve the needs of their society. These reforms have meant that governments have a very different kind of influence over higher education policy – they establish the direction of the higher education system, just as air traffic controllers approve flight plans, but they leave the operational decisions to the pilots. In many jurisdictions this has meant that government department no longer directly control the financial and enrolment planning functions of the institution; governments have taken a step back away from direct control in order to provide institutions with the autonomy to decide the best way to accomplish national goals and objectives. The institutions are no longer part of central bureaucratic steering mechanisms, so they have greater flexibility to address the needs of local students, regional needs, and local industries.

*A fourth theme has been the development of new mechanisms for funding higher education.* University autonomy is rather meaningless if institutions do not have any resources. It is also very difficult for institutions to make longer range decisions if they are forced to renegotiate their financial grants from government every year. On the other hand, it is unrealistic to expect governments to continue to provide large annual grants to universities without some assurance that the needs of society are being fulfilled. In order to address these issues, governance reforms in many jurisdictions have included changes to the way that institutions have received government funding, and quite a number of different mechanisms have emerged.

In some jurisdictions government funding is determined by a funding formula so that the process is transparent and relatively stable. The most common approach is to fund institutions according to the number of students they enroll (or students that graduate). Governments can influence university enrolment by limiting growth within the formula or providing incentives for expansion.

Another approach has been to fund institutions according to their performance. Several provinces in Canada use performance indicators to determine a component of government funding, and in some countries performance funding has become the major mechanism for supporting institutions of higher education. Performance indicators might include the percentage of students who complete their degrees, the number of research papers that are published in major academic journals, the percentage of students who graduate and then move directly into jobs relating to their education; or the percentage of students who report that they are satisfied with the quality of their education.

Performance funding is controversial since there are major differences of opinion on the best indicators of performance or whether indicators actually measure what we think they

measure. For example, indicators that focus on the number of graduates that are employed in the labour market may be measuring the quality and relevance of a university's academic program, but the employment level of graduates may have much more to do with the state of the national economy, or the decline or growth of local industry. If universities are allowed to make different decisions, then is it appropriate to fund institutions on a common set of performance indicators that may not address important differences in the goals and roles of different institutions?

Another approach has been for governments and universities to enter into multi-year funding contracts that detail the responsibilities of government for funding institutions, and the responsibilities of institutions related to enrolment and other performance factors. This approach allows government to have different contracts with different institutions – but the approach can also become quite complicated and difficult to administer.

In addition to government grants, governance reforms have often encouraged institutions to seek out new sources of revenue. Many universities attempt to obtain donations from alumni, foundations, or private industry to support special projects. Partnership relationships with private industry can lead to new sources of revenue for university research, technology transfer, or scholarship programs.

*A fifth theme emerging from governance reforms has been to increase the capacity of universities to manage themselves.* The work of universities has become increasingly complex. Many universities are now large organizations with many students, programs, and sub-units. For modern universities to operate smoothly and efficiently, they must have a high level of management expertise, and they must have internal management and planning processes that ensure that they are operating appropriately. This does not mean that universities need to completely abandon their traditional academic structures, but it does mean that they require high



levels of administrative and planning support. The University of Toronto, where I work, has an annual operating budget of over one billion Canadian dollars. Ensuring that those funds are used appropriately requires professional staff located throughout the organization who support and advise academic leaders.

It also means that the university must have strategic planning and quality assessment processes that ensure that the institution is moving in a strategic direction and that the quality of programs are being monitored and continuously improved. It is quite common in Canadian universities for a new university president or rector to undertake a major strategic planning process in the first year of the term of office. This process would include a review of the external environment, an assessment of institutional strengths, and collect input and suggestions on the future direction of the institution from faculty, students and staff. The strategic plan becomes an important process for bringing members of the university together to determine a common direction, as well as determining ways of measuring whether the institution is accomplishing its goals.

Quality assessment processes provide a mechanism for academic units to review the quality of what they are doing, and make decisions on how to strengthen their programs and research activities. A common process would begin with an academic unit conducting a self-study in which members of the department would collect information on unit performance and consider strengths and weaknesses. The second component of the process would involve an external review, perhaps with one or two experts from other universities analyzing the self-study report and visiting the department to review its activities. The report of the external reviewers would help the department make decisions on future directions, and help senior university leaders understand the quality and needs of that department.

Introducing new management and planning processes inside universities can be quite controversial. Some professors believe that increasing the number of professional managers is shifting the balance of power and authority within the university away from traditional academic structures and towards more business-like processes. The challenge for universities is to find ways of making good academic management decisions, and this means that the university needs to have good information on institutional performance and quality, and to create processes that allow the university community to participate in determining future directions.

In many jurisdictions this also means that universities need to ensure that academic leaders have access to professional development programs and courses so that they have the necessary knowledge to guide these large, complex organizations. Deans and department chairs need to know something about budgets and planning, as well as being respected scholars in their areas of expertise.

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These five themes illustrate many of the complex changes and reforms to the governance of higher education that have taken place in many countries over the last decade. Some jurisdictions had already valued university autonomy, and so the governance reforms have been more modest, and focused largely on shifting mechanisms for government funding. In many systems, however, these reforms have signaled major transformations of higher education systems with far greater institutional autonomy, remote government control, and a much greater reliance on institutional self-governance, including stronger university management structures.

The central theme running through all of these reforms is that universities have become essential institutions within modern society, and that these institutions need the flexibility and tools necessary to serve society and contribute to economic development. This important role requires a renegotiation of the relationship between universities and government. Governments have a legitimate role to play in funding higher education and establishing the broad framework for higher education. Universities need the autonomy to make wise choices, but they also need the management structures necessary to efficiently and effectively implement these decisions.

There is no single utopian model of university governance. Different countries, with different histories and traditions, have developed quite different higher education governance arrangements, however, as I have argued in this presentation, there are common themes and approaches. I think that the greatest challenge is to find an approach to the governance of higher education that respects national traditions, addresses national goals and objectives, but allows institutions through their internal governance structures, the flexibility to address the needs of society.

I would like to conclude by once again thanking my hosts for their kind invitation to participate in this conference, and for their wonderful hospitality. I wish all of you the very best in this very interesting and important discussion of educational issues.