

Governing Higher Education: Current Themes and Issues

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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

stakeholders want to influence what takes place in university boards rooms, laboratories, and classrooms. 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

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

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 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

Introducing new management and planning processes inside universities can be quite controversial. Some professors believe that increasing the number of professional managers is

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.