

A BALANCING ACT: ACHIEVING ACCOUNTABILITY WHILE ENSURING AUTONOMY

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Changing nature of demands on Higher Education

Twenty first century universities are responding to an ever-increasing number of demands from policy makers and from society. These may be summarized under four headings: (i) universities must meet a growth in student demand without reducing their quality of teaching and learning; (ii) degrees must somehow respond to the demands of a labor market where future employment opportunities are unknown, perhaps not even yet imagined; (iii) universities must develop strategies for innovative research and technology transfer to respond to the needs of national economies; and (iv) universities face pressure to increase their own global competitiveness in a world where students and academics are internationally mobile.

Higher education systems are also becoming more complex due to the growth in the number and diversity of public and private institutions, so that the task of managing and monitoring the sector is becoming more specialised and demanding. As a result the old model of total administration and control from a central Ministry of Education is being replaced throughout the world.

Moreover because, increasingly, post-secondary education will consist of communities of Learners, freed of temporal and cultural constraints, linked to institutions and to each other by technology and engaged in cross-disciplinary education and research with a global reach, more open, flexible and less hierarchical higher education systems will result in more porous institutional boundaries.

More Effective Institutions in an increasingly competitive environment

International experience shows that for universities to respond to the multiple demands of policy makers, of students and of society outlined above, it is essential that they are free to make their own decisions about academic course content, staff appointments and institutional financing. Without such autonomy, neither boards of governors nor university Presidents can be empowered to take the decisions necessary for the creation of appropriate Learning environments or innovative research and technology transfer.

However, it is also increasingly apparent that such academic freedom must be balanced with developed systems of accountability for how taxpayers' money is expended and that transparent information systems must be developed so that funders and philanthropists can be assured of the integrity and quality of the education and research services provided in each institution.

In all developed economies, this fine balance between autonomy and accountability is perceived as the key challenge for policy makers. And this challenge calls for a redefinition of the roles and responsibilities of different levels of the higher education system and, above all, for sophisticated, wise and nimble leadership both at central and institutional level.

In many countries, the role of elected representatives and central Ministries is to articulate a vision and goals and to create frameworks to ensure that universities can be diverse, flexible and responsive to regional and national needs. Some countries, especially the USA, require less articulation partly because of the major role of private universities but also partly because of the size of the economy and the diversity of education provision.

But in many European countries, and also in Kazakhstan, policy makers, central administrators and funding agencies at national level need to develop appropriate governance frameworks to assure institutional autonomy while, at the same time, building the necessary accountability framework which will not interfere with the decision making powers of Presidents or Boards.

This paper argues that in order to build a new governance model clarification to the following key issues should be developed: (i) where the responsibility for the development and leadership of a national strategy for higher education lies; (ii) the legal status of HE institutions as compared to other state-owned entities; (iii) the appropriate governance models for universities with specific reference to the role and composition of Boards and of Institutional Leaders. Also of central importance but outside the scope of this paper is the process by which public funds are allocated to universities and the means by which institutions are accountable for their expenditures.

Strategic Leadership at National Level

Ministries of Education all over the world are grappling with the difficulties of steering and managing rapidly expanding systems of higher education which need to allow providers to develop as autonomous, flexible and responsive institutions.

Typically, higher education policy is the responsibility of the State through its Ministry of Education which has a key role in promoting the best possible outcomes in tertiary education, in defining national goals, in developing a national strategy for the sector and in steering the system. A leadership challenge for Ministries is to look for creative ways of ensuring that the strategy, once formulated, is effectively implemented taking into account the diversity and numbers of higher education stakeholders. Another important role for the State is to develop a regulatory environment that defines lines of authority and accountability together with the institutional responsibilities and accountability.

International experiences indicate that the development of strategies for the successful implementation of higher education reform may include: (i) the creation of new mechanisms whereby functions performed by the Ministry of Education for the higher education system are delegated to other bodies (sometimes called "*buffer*" bodies) ; and (ii) the delegation to universities of greater powers to manage their own affairs together with the legal status that allows them to operate as independent autonomous bodies (but still within the public sector). Both of these strategies are briefly discussed in this paper.

Buffer Bodies

A buffer body is the term used to refer to an institution, owned by the State but not formally part of a Ministry. Usually, it is semi-independent and has its own governance and management bodies, regulated by the Ministry. Its Board, which typically has an independent Chair, is free to adapt and interpret Government policy while remaining broadly faithful to the national strategy for higher education as developed by Government. Countries where

buffer bodies play an important role in the governance of higher education include England (the Higher Education Funding Council, the Quality Assurance Agency, the Higher Education Statistics Agency and the Higher Education Policy Institute) and Ireland (the Higher Education Authority, the Quality and Qualifications Board).

The key advantage of having a buffer body is that it removes all the detailed operational issues from the Ministry of Education (thus protecting it from charges of political lobbying). However, there remains the challenge of coordinating and managing the national higher education system, especially where a number of agencies or bodies exist for allocating financing and ensuring quality. A formal system of regular coordination at Ministerial level overcomes that issue as does recognition among all bodies of the importance of operating within the national strategic goals for education.

Institutional Autonomy and Accountability

The principle of academic freedom and the development of institutional autonomy are key drivers for many of the reforms required for the development of mass higher education systems. This paper does not seek to elaborate on the various forms of university autonomy as this is a complex issue which varies from country to country depending on local legal requirements. It is sufficient to note that autonomous universities bring significant benefits to a country and that, by almost any measure, the most prestigious universities in the world, operate in a regulatory environment where their Boards and Officers are enabled to manage their affairs fully for the benefit of their students, staff and wider communities.

Although international experience shows a varied picture, the trend in all recent reform legislation is towards granting universities considerable powers in using the autonomy provided to them. Financial freedoms are the first to be granted, followed by powers over staffing and the right to decide on new academic programmes. These changes make institutions more responsive to regional and community needs..

Key features of systems with greater institutional autonomy are the extent to which central restrictions over property are removed. The State may also want to encourage universities to build up their own financial reserves from endowments and gifts from wealthy individuals or corporations and a favourable fiscal and taxation environment should be encouraged for these activities. Appropriate procedures to enable transparent management of technology transfer and community involvement functions will also be required. In former centrally planned economies, a systemic reform element is the strengthening of universities as autonomous corporate entities with specific obligations as to accountability and reporting. Many models have been developed since 1992, including institutions which are not for profit, for profit and, in Kazakhstan, the joint stock company model which is a partnership between the State and the private sector.

Universities in more traditional systems with their detailed prescribed standards, teaching and training procedures, salary rates are no longer appropriate for a system featuring increased institutional autonomy. The international trend is to replace this regulatory framework with a policy framework, defining the goals, performance indicators and qualitative measures of a "sound" organization of a university within the parameters of the strategy and the policy priorities that government wishes the sector to work towards.

While recognising the importance of the principles of autonomy and of academic freedom, it must be recognised that there are risks inherent in high levels of institutional autonomy. For example, "*mission drift*" may occur when institutions attempt to raise their academic status, neglecting the students they were designed to serve, and ignoring national priorities or cost considerations. In order to avoid these risks, all institutions which are in receipt of public funds, should be open to public control and should have well developed accountability mechanisms, including a system of performance based financial incentives to steer and drive required institutional behaviours.

In order to monitor and assess institutional performance, a transparent and efficient information system is also required. This should not be interpreted to mean that the former system of inspections should be continued. Rather, by reporting on a series of agreed indicators in a public and open process, institutions are enabled to assure stakeholders of the quality and relevance of their teaching and research activities. At institutional level, Boards must hold the President and his senior team accountable for achieving institutional goals.

Boards of Governors

The requirement for enhanced accountability in return for the award of greater financial autonomy discussed above has implications for the way in which institutions are governed and for the skills of those involved in governance. Modern governance models for autonomous entities suggest quite a clear-cut segregation of governance functions into executive (administrative) and regulatory (prescriptive and controlling) with their assignment to appropriate governance and management bodies of the institution. Typically, internal governance structures include a governing board, the university President and a team of administrative vice presidents, academic deans, department chairs and student representatives.

The Board of Governors is the supreme body of the university and is usually held accountable in legislation for its overall performance, its functioning and development in compliance with its mission and objectives, its accountability to its funders and founders, its openness, efficiency and the high performance of internal administration processes. The thrust of recent international structural reforms is that the Board and the President are gaining extra powers and are being urged by governments to adapt managerial models from business to running their operations.

The size, composition and the process for appointment of Board members are elements that vary according to each country. However, with the reduction of direct State control, the size and composition of university Boards becomes increasingly important. There has been a general trend in favour increased participation on governing bodies by external individuals. In countries where the Board can choose its members the aim is to have people from the obvious stakeholders such as the regional government or municipality, local employers and industries as well as the core professionals such as lawyers, accountants and ICT specialists. Boards are also becoming smaller and, since the position of Board member is usually unpaid (only a Board member's direct outlays, related to his/her official duties are covered) and the duties (and legal obligations) are becoming more onerous, some countries are advertising in order to obtain candidates of the right quality and professional skills. Denmark's Arhus University is a very interesting example of this approach to university governance.

Institutional Leadership

The granting of increased Legal independence and the development of new governance mechanisms in universities, places a greater burden on their Presidents who are increasingly required to demonstrate not just academic leadership and but advanced management skills. Not only must an excellent institutional Leader be able to nurture relations with key stakeholders at national and international levels but s/he must have powerful financial management skills, be capable of strategic management in a time of significant change while promoting a vision of the University's role in the future national economic, social and cultural development needs.

International best practice shows that successful university Presidents are appointed by Boards without external or political interference. There are various models for how these appointments are made with the most independent and transparent being to seek highly competent university leaders through a dual process of a Search Committee which makes recommendations for a long list of suitable candidates to a separate Selection Committee. Membership of each of these Committees would include two or three (at most) members of the academic community and at least an equal number of external and independent individuals under a Chair who is not a staff member of the university and is not linked either personally or professionally to any part of its operation.

Conclusion

As higher education moves increasingly towards mass provision, the role of the State is changing. Increasingly, governments provide leadership in the creation of national goals and strategies as well as in the establishment of quality assurance systems. Rather than interfering in academic processes, a combination of standard setting and financing systems designed to ensure high quality outcomes is the role of the State. The provision of good public higher education is left to higher education institutions, autonomous but accountable in their governance arrangements.