

A framework of reform in Governance and Management of Higher Education in Serbia

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1. Introduction

Governance captures policy making procedures, which regulate the contribution and role of stakeholders in any public / social activity. Governance links to constitution and formal legislative action. The purpose of an explicit governance system is to enable a Higher Education Institution (or HEI for short) to implement an effective management system that will support advancement and attainment of stated objectives¹.

The preceding paragraph portrays the distinction between governance and management and the fact that management should be seen in context of governance or as a subset of governance. Therefore, an ideal structure should ascertain both effective governance and management for a HEI. In other words, governance defines the context within which a HEI strives to achieve stated objectives in a consistent and well-orchestrated way². Governance can be decomposed to internal and external. Internal embraces policy and procedures, which guide management and external addresses the interface at the macro-level between a HEI and social stakeholders.

This report attempts to delineate governance and management principles in Higher Education. Report addresses GOMES Project and attempts to provide the principles for reform in Serbia.

Report is structured in sections. Section 2 presents a global model of HEI governance, which serves as the master for the remaining sections. Section 3 focuses on internal HEI governance and Section 4 integrates the report by focusing on the principles, which should guide reform in Governance and

¹ 1. W.Z. Hirsch, L. E. Weber (eds), *Governance in Higher Education: The University in a State of Flux*, 2001.

² 2. J. Fried, "Higher Education Governance in Europe: Autonomy, Ownership and Accountability – A review of the literature", in *Higher education governance between democratic culture, academic aspirations and market forces*, Council of Europe, 2006.

Management. Sections and subsections are complemented with the relevant GOMES reform agenda. Section 4.2 concludes the report by providing an explicit plan of action.

2. HEI Governance and Management

A global depiction of HEI governance is delineated in Figure 1.

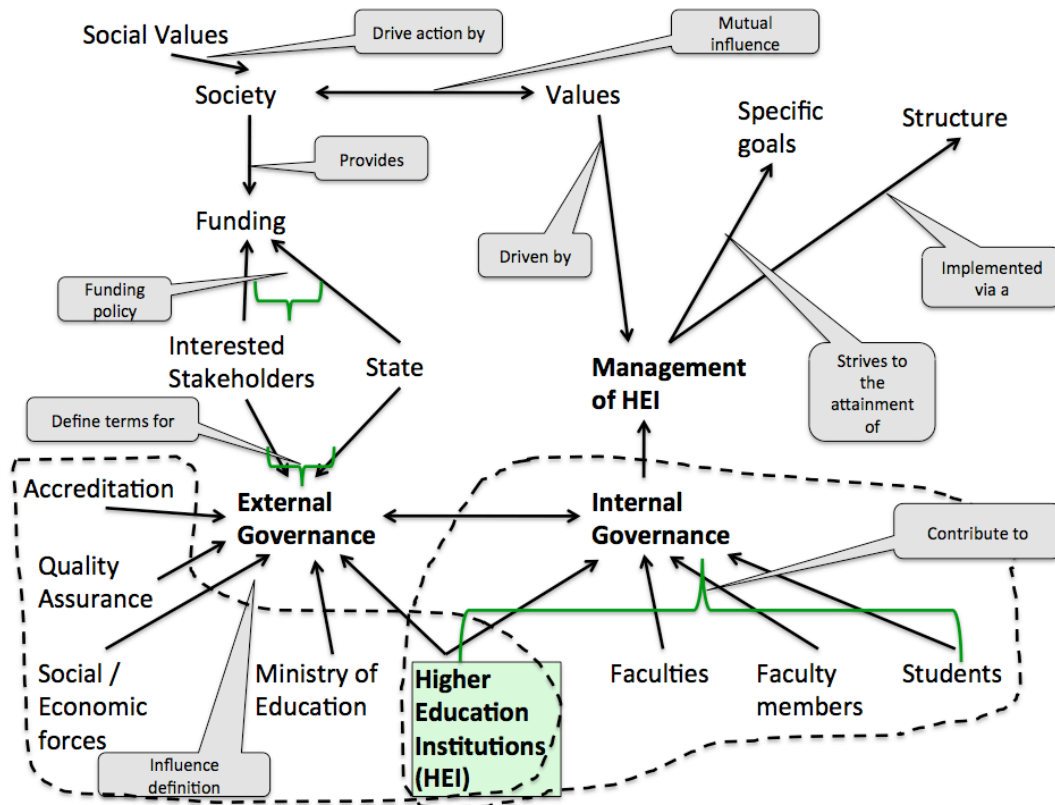


Figure 1. A global view of HEI governance and management. External governance is driven by external with respect to HEI forces. HEI internal forces drive internal governance and place an impact on external governance. Arrows indicate the flow of contribution and captions spell out the type of contribution.

Historically, external governance was confined in the relation between a HEI and the State, the latter often represented via the Ministry of Education. However, in the last 20 or so years European HEI is experiencing addition of stakeholders in the scene. Social, economic and industrial groups or committees set-up by parliamentary decisions are involved and provide impact to HEI evolution and assessment. In view of this shift of external involvement, the State is expected to assume an executive role giving autonomy to a HEI³.

³ H. de Boer and J. File, *Higher Education Governance Reforms across Europe*, MODERN project report, 2009.

Executive implies that the state intervenes as an Enabler by means of providing the necessary function to support HEI operation and development. Autonomy on the other hand, implies that the HEI is given sufficient degrees of freedom to manage itself. The latter translates to direct election of Rector and Vice Rectors, Senate members and Chairpersons for Faculties, Departments or Schools. Under this model the external governance stakeholder community overviews HEI operation and, if necessary, provides guidance to steer effort on course. Guidance can be provided in terms of accreditation, quality assurance, and excellence assessment. In addition, the community proposes to the State action with due regard to performance results.

Thus external governance has stayed the same except for the fact that in recent years the State has shifted gears in the role it plays and the community of external stakeholders has expanded.

GOMES agenda

1. Recognition of external HEI governance community members in Serbia
 - Who are they?
 - How they are formed? (Ministry, Parliament, Regional governing bodies)
 - What procedures are they using?
 - Is there any synergy between them?
 - What is the legislation supporting their role and operation?
 - How are they expected to evolve in few years from now (say 3 to 5 years)
2. What kind of influence does external governance exert on HEI state policy?
 - Funding of HEI?
 - Creation of new Faculties / Departments?
 - Closing down Faculties / Departments?
3. Should the external governance community be:
 - Expanded to include other groups? (or, who should they be?)
 - Reduced?
 - A combination of the two?

The questions raised in the preceding lines provide an orientation with respect to external governance forces in Serbia.

3. Internal Governance

HEI autonomy means that at most European countries each University has the freedom to run itself given a specific legislation framework. In some cases the framework is versatile (which means it provides sufficient freedom to the institution) while in other cases legislation is tight (which means that degrees of freedom are limited⁴). The main model is that each HEI (University) has a Rector whose work is complemented by two (or more) Vice Rectors. In addition, the University has a Senate whose members are selected from the academic community of the HEI at hand. The Rector, Vice Rectors and Senate members are elected for a given term (3-4 years for the Rector and Vice Rectors and 1 – 2 years for the senate members). We can refer to the Rector, Vice Rector, senate members and Faculty (or School / Departmental) Heads as internal management group members.

Internal governance regulates the way internal HEI members contribute to the election and appointment of the internal management group members. An emerging practice is to “open up” the Rector’s position to external candidates.

Current practice leads to the indicative partial⁵ organization chart depicted in Figure 1. We notice that the Rector stands between the Senate and the Faculty Heads. A more loose structure would be to link Faculties directly with the State and external governance groups.

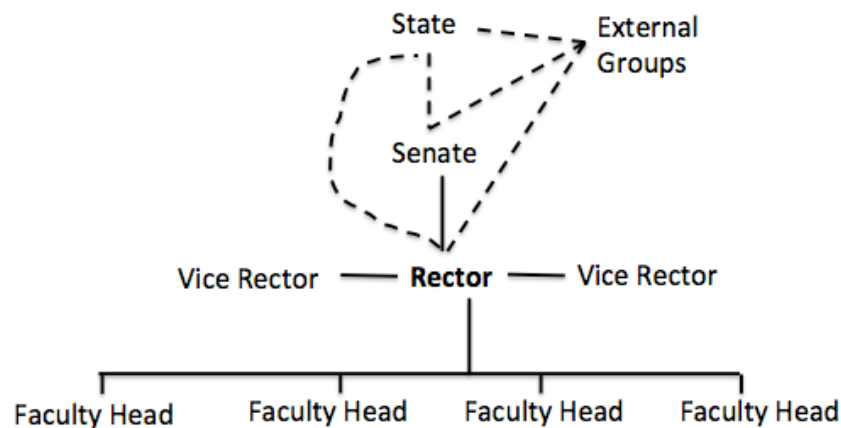


Figure 2. A typical HEI internal governance structure.

If the dashed lines are made explicit in terms of the role they convey to global governance then one may argue that the system can find itself in a stable operating condition. Often the dashed lines are ruled by a strategic plan, which is

⁴ A good example of a tight legislative framework is Greece. Legislation coupled with a tight financial system confines the degrees of freedom made available to internal governance forces.

⁵ Partial because other organizational units with the HEI are not shown.

formulated by the HEI and agreed upon with the State and the involved external governance groups.

However, the above scheme has been modified in an effort to make the role of external governance forces explicit and to allow them to intervene in a *proactive* way to the process. This is achieved by inserting a semi internal / external organizational body in between the Rector and the Senate and the external governance forces – see Figure 3.

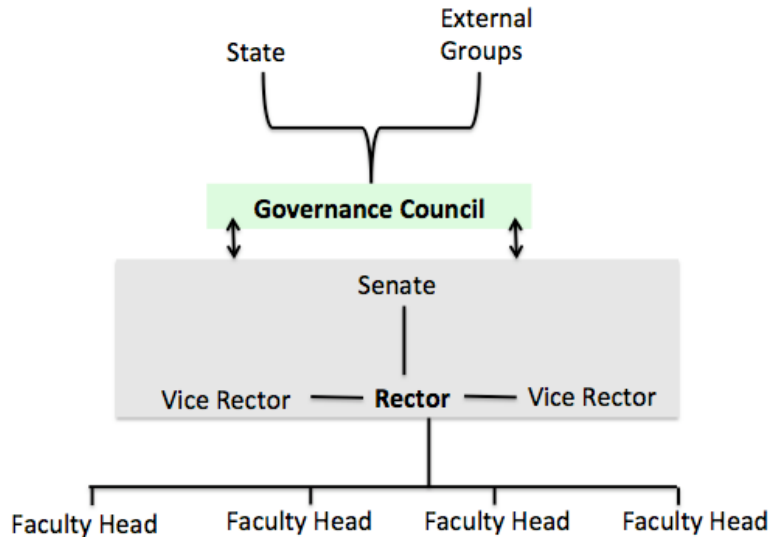


Figure 3. In between internal and external governance a Governance Council (GC) intervenes.

The rationale underlying the transition from the formation of Figure 2 to the structure of Figure 3 is to enhance extroversion in the orientation of a HEI. It has been found that a Senate being elected (or appointed) by internal HEI members developed over the years a tendency to consume itself with internal matters rather than attending to social needs and values. Thus HEI have been made prisoners to an introverted attitude and the addition of the Governance Council has been seen as a solution.

The Governance Council (or GC for short) is composed by internal HEI members complemented by external authorities, often selected by the HEI itself and appointed with the consent of the State⁶. The GC can have a range of roles. An indicative role that balances between internal and external forces is to give the GC sufficient authority to (indicative list):

1. Approve the strategic plan for the HEI.
2. Monitor progress in education, research and HEI administration.

⁶ This process tests the intelligence of the HEI. The seniority of the external GC members selected reflects on the HEI's responsiveness to emerging trends and dynamics in education and research.

3. To monitor Rector's progress on the selected strategic plan.
4. To monitor Faculty progress based on Rector's report.
5. To approve the annual budget of the HEI.
6. To approve new programs of study based on Faculty / Rector proposal.

The role of the GC is important since it intervenes as the representative of Society into the HEI administration and operation. In addition, by being an explicit body placed in-between external governance forces and the HEI it can provide useful guidance. The GC is HEI specific while external governance forces and groups are not HEI specific.

GOMES agenda

A deep investigation on internal governance procedures and forces.

1. Role of Senate?
2. Role of Rector and Vice Rectors?
3. Role of Faculty Heads?
4. Interface between Faculty Heads and Senate / Rector / Vice Rectors?
5. How external governance intervenes into day-to-day decisions and practice?
6. Is the existing structure corresponding in a sufficient way to demands placed by external governance stakeholders?
7. What is the level of introversion and / or of extroversion of HEI internal governance? (This can be studied by looking into specific decisions made in the last, say, 3 years).

Of course, the above can be modified and fine tuned with due regard to specifics.

4. HEI Governance and Management: integration

A HEI is a complex organization. It is involved in three distinct yet interrelated activities, namely:

1. Education
2. Research
3. Management of resources

Education is interrelated with research and both research and education influence and are influenced by management of resources.

Governance (both external and internal) orients management and altogether should respect the specifics of education and research. Top priority of a HEI should be the contribution to the well-being of society and in that sense the top priority of a HEI is the student⁷. Schematically, the concept of governance and management are depicted in Figure 5, which emerges as a turn of the traditional management pyramid up-side-down to emphasize the role of society and students.

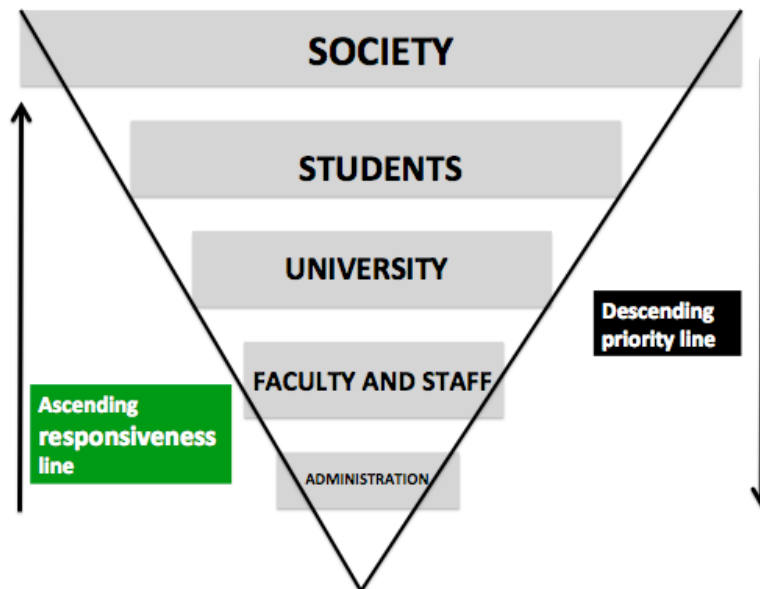


Figure 5. The reversal of the management pyramid to emphasize priority (right arrow) and HEI governance / management responsiveness (left side arrow).

The schematic of Figure 5 emphasizes that governance and management should tune in to society goals and aspirations and that Administration should view itself as a Facilitator of these goals and aspirations. However, implementation of the inverted pyramid structure can not be accomplished without the understanding of key governance and management principles. To clarify presentation a set of *gold ten* principles is summarized in the subsection that follows. Each principle is accompanied with GOMES agenda item(s)⁸.

4.1 Principles for HEI Governance and Management

4.1.1 Definition of roles and balance of authority between main governance bodies

1. It implies existence of a Council, responsible for strategic planning and control based on selected strategic action.

⁷ In as much as for an enterprise the most important element is the consumer.

⁸ Principles listed and discussed in the sequel draw from a multitude of international references in Management and Governance.

2. It implies existence of an individual executive who is responsible for the implementation of the selected strategic plan through structure and procedures well known to all.

The above mean that in Governance strategic planning, control and implementation should be separated. Planning and control should stay in the realm of a Council (such as the GC for example) and implementation be delegated to an Executive.

GOMES agenda:

1. Does such a Council exist?
2. Are planning, control (on the one hand) and implementation (on the other hand) separated?
3. What steps should be taken to take existing structure to a structure, which is based on the listed principle?

4.1.2 Unity of command

Unity of command implies that there exists one person who is responsible for action implementation and that every subordinate has one (and only one) person in charge⁹.

GOMES agenda:

The principle implies that reform should contribute to the formation of an explicit and formal organization structure and management procedures. Structure and procedures should respect HEI specifics and profile of internal and external stake holders.

4.1.3 Individual accountability

This principle implies that for any decision or action there is always one person who is responsible. The person who is responsible can delegate power and work to another work; However, he (or she) cannot delegate responsibility.

⁹ At first sight the statement may give the impression of autocratic behavior and management. However, it is not. Existence of a single person, who is responsible for management, does not exclude participation and democracy. The named person should understand that the academic / research environment is full of bright minds and all opinions should be heard and assessed before final decisions are made. However, proposed structure helps to identify responsibility behind any decision made.

GOMES agenda:

Mapping of decision-making processes within a HEI (in academic, research and management of resources areas). Is the principle in application? If not, in which cases it is not and what can it be done to bring it to bear? Mapping can be supported via business process modeling tools.

4.1.4 Correspondence between accountability and decision-making authority

Delegation of power and accountability should be in tune. This implies that a person can be held accountable for a range of decisions; however, the person should also be given sufficient power and freedom to assume necessary initiative.

GOMES agenda:

This principle should be carefully reviewed regarding applicability or violation in practice. Often legislation is one-sided; It spells role responsibility and misses granting sufficient power authority. Mapping of existing practice is necessary to support identification of gaps and to provide stimuli for reform.

4.1.5 Meritocratic management of human resources

Possibility for success and excellence is maximized when personnel is subject to meritocratic policy and procedures. Practice confirms that violation of this rule results to mediocre results and to worsening of working conditions. It is unjust (or even immoral) to treat people with unequal skills and knowledge on an equal basis. Management should be responsive to personnel needs and aspirations and selective to treatment of personnel.

GOMES agenda:

The principle although significant can be considered as an outcome of the application of principles already discussed. For instance, strong commitment toward principles 4.1.1 to 4.1.4 creates conditions conducive to the application of principle 4.1.5. Thus it is proposed to focus on principles 4.1.1 to 4.1.4 and depending on the outcome form these to form a plan of action for 4.1.5.

4.1.6 Participation of personnel in decision-making

Participation creates conditions that enhance exchange of information, development of alternative viewpoints and leads to increased quality of decisions made. Effective participation is necessary during assessment, discussion, planning and reviewing. It contributes to the collective formation of arguments. However, final decision should be made by one person, who holds responsibility for it (see also 4.1.2 and 4.1.3).

GOMES agenda:

Mapping of decision-making processes (as suggested in 4.1.3) will support identification of participation opportunities and gaps.

4.1.7 Free flow of information

All individuals should have access to the information they need to perform their work better. Information about strategic planning and orientation should be diffused within the HEI. It goes without saying that diffusion and access to information should be done with due regard to private (personal) information rights.

GOMES agenda:

What is the status of information flow and diffusion? Do people within a HEI know about HEI Administration plans and actions? Is information provided in a succinct manner, easily comprehended by all? In what ways is information made available (bulleting, web site, etc.). Are all formal decisions and actions published over the web?

4.1.8 Decentralization of tactical decisions

Nobody knows better the details of his / her work environment. Decisions, which relate to a specific unit should be left to the unit itself, and of course be guided by central policy and procedures.

GOMES agenda:

As mentioned in 4.1.4 legislation zeal often oversees critical management or even governance details leading to violation of this principle. Mapping as suggested in 4.1.3 will support identification of gaps and opportunity.

4.1.9 Post-action reviewing and control

It is necessary to establish well-defined assessment and quality assurance procedures, which will be used to assess performance. Cornerstone of the process is social accountability.

GOMES agenda:

Implementation of this principle should follow implementation of principles 4.1.1 through 4.1.4 and of 4.1.8.

4.1.10 Trust on personnel

None of previously mentioned principles can be effectively implemented without trust to personnel. HEI Administration should cultivate a climate of trust.

4.2 Placing principles in practice

Principles discussed in the previous section (and accompanying) subsections constitute an essential element of reform for HEI governance and management. Legislative action or management planning decisions left alone are not sufficient. Effort should be expended toward identification of current status and the design of a plan for change (or reform).

Preference of stake holders involved (internal and external) can be captured and assessed via systematic tools such as, for instance Conjoint Analysis¹⁰ or use of Unfolding statistical models¹¹ of data collected via structured questionnaires or indicative scenarios.

Proposed plan of action for GOMES encompasses two elements. The first element concerns the sequence via which the pillar principles listed in subsections 4.1.1 through 4.1.10 will be assessed and decisions regarding level of application across Serbian HEI's will be made. The second element concerns the method of analysis via which investigation with respect to selected principles will be performed.

Based on the GOMES agenda notes listed in the preceding subsections (4.1.1 to 4.1.10) it is proposed to form the sequence model, which is depicted in Figure 6.

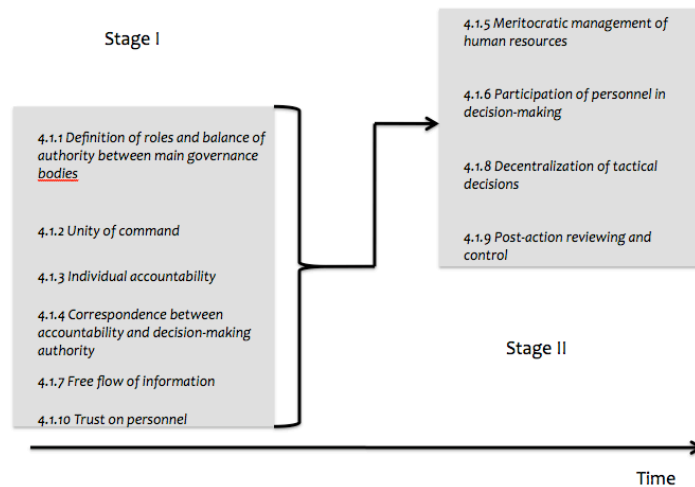


Figure 6. Proposed two stage plan with respect to investigation, assessment and planning for the selected principles.

¹⁰ Green, P.E. and Srivivasan, V. (1978), "Conjoint analysis in consumer research. Issues and outlook", *Journal of Marketing*, Vol. 55, pp. 103-23 and Zampetakis, L.A. and V. Moustakis. (2010). An exploratory research on the factors stimulating corporate entrepreneurship in the Greek public sector. *International Journal of Manpower*. Vol. 31, No. 8, pp. 871-887.

¹¹ Melas, CD, Zampetakis, LA, Dimopoulou A, and Moustakis V. (In press). Modeling the acceptance of clinical information systems among hospital medical staff: An extended TAM model. *Journal of Biomedical Informatics*. (doi:10.1016/j.jbi.2011.01.009)

Figure 6 proposes a two Stages procedure. In Stage I investigation is confined across 6 principles and is followed by Stage II, which spreads across four principles. Methods should be targeted to assessment of practice and attitude of internal and external governance / management stake holders.

Figure 7 focuses on the methodological procedure of analysis. It takes the form of a cone, whereby in early stages structured questionnaires are used to capture practice and attitudes. Results then are fed to a sequel questionnaire based analysis and the process integrates in the final step, which is based on case scenarios and qualitative analysis. The three steps approach has been proven to work very well in analysis of complex systems¹².

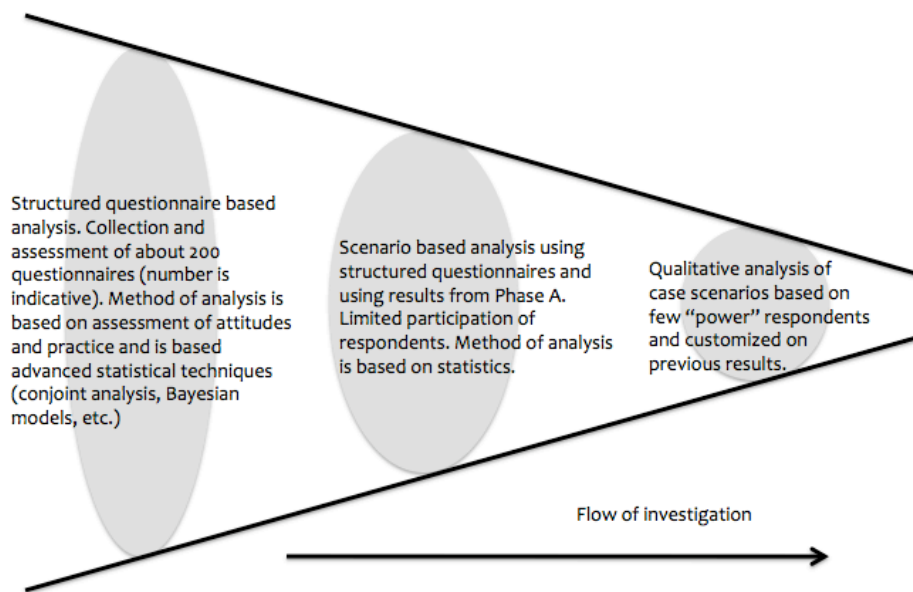


Figure 7. The three stages model of analysis.

¹² See for instance: Sagi J, Carayannis E, Dasgupta S and Thomas G. ICT and Business in the New Economy: Globalization and Attitudes Towards Ecommerce. *Journal of Global Information Managemen*. Jul-Sep 2004; 12, 3, pp. 44-64.