

Accountability and Transparency in University Governance¹

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Expansion Trends

Higher education is critical to India's aspirations of strengthening its reputation as a major competitive player in the global knowledge economy. The system is huge and complex, and there is a consensus that reforms are imperative. Issues of fair access and affordable participation in higher education are critical if India is to empower its people with educational opportunities that will allow individual potential to be fulfilled, and provide more Indian graduates with opportunities for employment and abilities to compete in an international arena.

India's robust economic growth has been driven mainly by higher productivity of educated and trained human capital in the face of greater competitiveness of the global economy. Future growth is increasingly contingent on ushering in a knowledge-based economy that would require increased enrolment and improved quality of the higher education system. The Gross enrolment Ratio has to be substantially increased from about 11% to higher than global average of about 25% within a decade. At least 10 to 20 percent institutions should be rated among the premier institutions in teaching, research, publications, patents, innovations, social recognition, and international reputation and so on. Another 20 to 30 percent of the institutions should have standards benchmarked against the better quality institutions around the world. The credibility of the degrees and diplomas offered by any recognized higher education institution should meet minimum standards of quality and credibility.

India's higher education sector has undergone a phenomenal expansion – with even more envisaged. Further expansion of the higher education sector without essential pre-requisites in place, especially in relation to good governance, would not serve the nation's best interests, and could undermine the sector's long-term development. A good governance system, ensures that educational institutions are run by an independent and fully empowered board with representation from key constituents such as government, faculty, alumni, donors/industry and students. A good governance system helps to create a stimulating ecosystem to attract talented faculty and motivate them through a performance-based reward structure. An enlightened governance system encourages faculty to engage in external research and consulting to stay abreast of new developments and to bring external knowledge into the classroom. It motivates alumni to contribute generously and willingly funds and facilities for the development of the institution. It stimulates a culture of innovation, encourages large-scale faculty development programmes and improves productivity. The role of the governing body is vital in developing global collaborations and partnerships with academic, research and productive organizations.

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It is not easy to create an ideal governance system since its constitution as also its powers and functions have to be adjusted to cater to several special circumstances. Even so it is possible to establish a governance system that is functionally autonomous and accountable so as to fulfil the mission of the institution effectively. The expansion of the higher education system has brought to the fore several critical issues relating to governance of the higher educational institutions. Historically the educational institutions in India enjoyed considerable degree of autonomy vested in the heads of the institutions and the academic community guided by enlightened peers. This advantage has now been eroded substantially in the government funded as well as the private institutions.

Typology of Institutions

In general the central and state governments in India have established multi-faculty universities; some of which are unitary and others are of affiliating type. Affiliating state universities are more common than affiliating central universities. Many of them often affiliate several hundred colleges. The enrolment of students in affiliated colleges alone account for roughly 90% of the total in the higher education system. In addition, there are professional universities serving technical, medical, law and agricultural fields established by state governments. The professional universities are either unitary or affiliating.

A third category consists of open universities established by central and state governments. These offer open and flexible education, through distance mode, using correspondence courses and modern education technologies. A fourth category is a set of institutions, not established by central or state acts but chartered by the University Grants Commission (UGC) as “deemed to be universities” in a variety of disciplines, governed either by the government funded managements or by non-governmental organizations or by private families. These are established through registered trusts or societies and run in accordance with the UGC Guidelines or Regulations. (UGC 2010). More recently many private universities established by the Acts of the legislatures of some States have come into existence.

Apart from Universities and Deemed to be Universities, there are also several institutions such as Indian Institutes of Technology (IITs), National Institutes of Technology (NITs), Indian Institutes of Management (IIMs), and Indian Institutes of Science, Education and Research (IISERs) etc., offering professional undergraduate, postgraduate and research programmes, established as Institutions of National Importance, through Acts of Parliament. Technical education is offered in all of the above categories of institutions. However, nearly 85 percent of enrolment in technical education is in the engineering colleges affiliated to general or technical universities. Nearly 90 percent such colleges are privately owned.

The need for adequate stress on improving governance arises out of the national and international experiences on the failures of higher educational institutions. Such failures relate to improper accountability and abuse of the governor’s role, at one extreme; and non-participation of governors at the other, creating a lack of confidence, or worse, a lack of integrity, in governance, and with a danger of undermining the sector as a whole. Good

governance ensures that stakeholders, including students, faculty, institutional management, as well as those from the wider society, have full confidence and trust in our institutions – and that those who have governance responsibilities and accountabilities carry these out effectively.

In case of centrally funded government institutions such as IITs, IIMs, Central Universities, IISERs, NITs etc., it is reasonably certain that the interference and control of the government is minimal. Usually the Boards and the Heads of these institutions have the freedom to evolve their academic policies and strategies except in areas where it concerns the fundamental national policies (for example reservations; pay commission norms etc.). The governing boards of these institutions include just one or two officials of the Central Government.

At the same time there are also several centrally funded institutions, especially those in the category of Deemed-to-be-Universities and some which are under different Ministries, which have a large proportion of government officials in their governing bodies where the interference effect is high and troublesome. This is particularly worrisome in the case of state-funded institutions, where there is an unduly large proportion of government official in the governing boards interfering in all aspects of the university functions. In case of college level institutions run by the States the official control from the directorates is nearly total in all respects.

Drawing attention to the interlinks between quality, autonomy, accountability, and freedom from undesirable interferences, Prime Minister Manmohan Singh stated that :”*The quality of governance of many state educational institutions is a cause for concern. I am concerned that in many States, university appointments, including that of Vice-Chancellors, have been politicized and have become subject to caste and communal considerations. There are complaints of favoritism and corruption. This is not as it should be. We should free university appointments from unnecessary interventions on the part of governments and must promote autonomy and accountability. I urge states to pay greater attention to this aspect. After all, a dysfunctional education system can only produce dysfunctional .* (Man Mohan Singh, 2007).

Concerns on Governance Systems

With the rapid growth of privately funded institutions, the nature of their governance system has become an area of major concern. The extent to which the members of the trust or society consisting of close family members or their relatives engage in micro-managing all aspects of the institutions including appointment of the heads of the institution and the faculty, their remuneration, investment in academic facilities, the admission policies, fee collection and so on, has caused considerable damage to the credibility of the Higher Education system in India.

The issue of internal governance of the institution in terms of the processes connected with admissions, registration, examinations, evaluations, scheduling and a host of other functions are also matters that need closer attention in ensuring quality. Excepting a few institutions set up by religious and charitable trusts of repute for philanthropic purpose, most

institutions in post-1980 period have been set up by individuals or family group. In such institutions, the family members remain directly involved in the administration, governance, financial control and direct and / or indirect ownership of the institution. Ostensibly these are charitable (not-for-profit) institutions; however, most of such institutions in India exhibit the characteristics of the commercial (private-for-profit) institutions elsewhere in the world.

Everyone agrees that the expansion of the higher education to cope up with the escalating demand is possible only if substantial participation of the private sector is encouraged. In such a case the private investor has the right and responsibility to ensure that the investment is properly managed. However the degree of control sought to be exercised, in most cases, is degenerating towards securing positions of power and prestige for the family members (howsoever they be unqualified) and more regrettably engaging in profiteering through all sorts of unacceptable financial manipulations. There seem to be a high degree of national consensus that such systems of governance will not be acceptable as legitimate practices when exposed to global assessment of quality.

Recent Reform Initiatives

Recent initiatives in India on reforms in higher education have been focussed on unlocking the full potential of India's higher education sector. A number of recent important committees led by eminent scholars are related to strengthening the autonomy and accountability aspects of higher educational institutions. The **Yash Pal Committee Report** on the renovation and rejuvenation of higher education in India advocated major reforms in the higher education sector primarily making the universities autonomous through suitable legislative measures. The newly established **Kakodkar Committee** is looking at how to strengthen the Indian Institutes of Technology and their research base to make them comparable to world-class standards. The **Madhava Menon Committee** is looking at the development of a comprehensive policy on autonomy and accountability for all centrally funded institutions. The **draft Act (2010) for the proposed Innovation Universities** contains special provisions for ensuring autonomy and accountability and to serve as leading edge universities.

The reforms share a common concern regarding the importance of strengthening autonomy with accountability in order to best serve India's future. Higher education plays a unique role in the development of a civil society. In the short, medium and long term this can also benefit the social and economic ambitions for India, and assist the nation's vision to create a more equal society. This requires measures that emphasise increased academic, financial, and managerial autonomy with accountability as fundamental to the development of strong institutions delivering quality services to its students and communities. Institutions should establish, governing bodies (Board of Governors) that ensures academic autonomy. In addition, it is necessary to include specific provisions of increased financial autonomy to undertake activities according to their own academic and research priorities. Improving the effectiveness of governing bodies can only be achieved when the governing bodies are themselves both autonomous and accountable. Unless, and until this concept is embraced in the legal acts and statutes it is clear that empowering and energising institutions will progress

slowly and India's needs for the future will not be well served. At present, in reality, few acts and statutes stress the importance of developing autonomy and accountability except the new **Universities for Innovation Act, (2010)** currently in draft form. The success of the reforms hinges upon the presence of good governance in institutions. Effective governance will underpin these systemic and institutional developments.

Need for Guidelines

As India's high education moves towards a much more autonomous and accountable system, it will be necessary to evolve a set of guidelines that can provide a basis for initiating concrete reform measures. This is an enormous challenge for a country the size and complexity of India, but current reforms make it clear that there is commitment and motivation from the highest levels of central and state government. It is necessary to recognize that not all state, or central governments or private managements will be in a position to undertake governance reforms at the same time. However, existence of model guidelines is important for all institutions to be aware of the need and benefits of **good governance**. (World Bank, 2010)

The message to be conveyed by the guidelines is that good governance underpins and supports the mission and purpose of the institution. Without such shared intent in purpose and delivery a Board of Governors will be weak. Good governance creates a sound, ethical and sustainable strategy, acceptable to the institution as whole and other key stakeholders. Good governance oversees the implementation of such strategy through well-considered processes and procedures in an open, transparent and honest manner. Good governance is essential to the grant or assertion of autonomy. Boards of Governors, by embracing good governance approaches, accept unequivocally their own collective and individual responsibilities. Policymakers may also be urged to consider that greater institutional autonomy can also benefit those who create public policy and want to see tangible improvements and high quality outcomes as a result. Institutional autonomy allows government and their bureaucracies an opportunity to re-assess their role; allowing a greater focus on policy and evidence of accountability rather than executive functions. Good governance is not optional. Good governance is vital both to gaining, and maintaining, public trust. Third parties should not dictate to governing bodies, either in the composition of that body, or as to how it should act. At the same time, as emphasized by the World Bank (2010) *“this does not, of course, mean that institutions, through their governing bodies, should not be most responsive and accountable to the legitimate demands of stakeholders be they government, staff, students, sponsors, etc. These demands will relate both to learning expectations and outcomes as well as outcomes from funding imperatives.”*

A more challenging problem is to ensure the academic, financial and administrative autonomy not only of public institutions but also of privately funded institutions. It is relatively less cumbersome to create good governance systems at the university level than at the level of colleges that have multiple levels of controls from the Government or private investors, the regulatory bodies, and the affiliating universities.

Institutional failure is less likely if clear responsibilities and accountabilities are shouldered by those who have accepted the responsibility to carry out governance functions, at whatever level in the institution – including, for example, through boards of studies, academic councils, deans councils, internal planning and monitoring committees and executive, management and governing boards. The composition of the management and governing boards need special attention to ensure the involvements of eminent and experienced persons of high caliber and integrity to withstand any unhealthy external interferences.

International Practices

The diverse nature of institutions is evident throughout the world. Visionary institutional leaders provide effective and efficient management and nurture continuous innovation and opportunity. Effective governing bodies ensure basic systems are in place to create the positive environment needed for achievement, supporting institutions as they establish and enhance their position regionally, nationally and internationally appropriate to their mission and objectives. Internationally, the benefits of good governance are reflected in high achieving institutions that demonstrate:

- Integrity in appointments at all levels, both external and internal
- Strong leadership and management skills in all of the places where they are needed
- Processes in place for monitoring the quality of teaching and learning, and within institutions for improving that quality with appropriate student involvement
- Processes in place to deliver improvements in research quality (assuming that there is significant research activity)
- Lean and competent administration
- Robust and transparent financial systems, not least on procurement, and strong internal and external audit
- Effective and transparent mechanisms to determine remuneration at all levels
- Strong human resources processes, for example on appraisal, development and dealing with poor performance
- Effective student support arrangements
- Student participation in management and governance at all levels.

Good governance also benefits and contributes to effective partnerships that are crucial to the success of high achieving institutions. Strengthening links with industry and local communities can also support a range of development opportunities for courses, faculty and most importantly the student experience and education and research outcomes. Good governance arrangements play an important part in the way that institutions are held accountable to the government and the public interest. They can also help institutions to ensure a coherent strategy and a sustainable development path.

Governing bodies ensure compliance with the statutes, ordinances and provisions regulating the institution, and, subject to these, takes all final decisions on matters of fundamental concern to the institution. From experience in India and elsewhere effective governance is most likely to be prevalent when it is an integral part of the acts and statutes that considers autonomy and accountability - mandated by the very foundations of these acts and statutes.

Code of Conduct

All educational establishments, whether publicly or privately established, contribute to the public good. Individual members, and governing bodies themselves, should at all times conduct themselves in accordance with the following standards of behaviour that the public should rightfully expect: *selflessness, honesty, integrity, objectivity, accountability, openness and leadership.*

Governing bodies, and individual governors, must exercise their responsibilities in the interests of the institution as a whole, rather than as representatives of any constituency, company or organisation. Institutions should maintain and publicly disclose a register of interests of members of its governing body.

The proceedings of governing bodies should be conducted in as open a manner as possible, and information and papers restricted only when the wider interest of the institution or the public interest demands, including the observance of contractual obligations.

Good practice requires that a member of a governing body who has a pecuniary, family or other personal interest in any matter under discussion at any meeting of the governing body or one of its committees at which he/she is present shall, as soon as practicable, disclose the fact of his/her interest to the meeting and shall withdraw from that part of the meeting.

Governing bodies must meet sufficiently regularly in order to discharge their duties effectively. Members of governing bodies must attend regularly and actively participate.

PRIMARY ACCOUNTABILITIES

The primary accountabilities of institutional governing bodies are:

- To approve the mission and strategic vision of the institution, long-term business plans and annual budgets, ensuring that these meet the interests of stakeholders
- To put in place suitable arrangements for monitoring the head of the institution's performance
- To ensure the establishment and monitoring of proper, effective and efficient systems of control and accountability (including financial and operational controls and risk assessment, clear procedures for handling internal grievances and for managing conflicts of interest.)
- To monitor institutional performance arrangements, which should be, where possible and appropriate benchmarked against other institutions nationally and internationally (including any concerns for accreditation and alignment with international quality assurance systems.)

An annual report on institutional performance should be published widely. It should include identification of key individuals and a broad summary of the responsibilities and accountabilities that the governing body delegates to management, or those which are derived directly from the instruments of governance.

There should be a balance of skills, experience and competence among governors - sufficient to enable a governing body to meet its primary accountabilities and to ensure stakeholder confidence. Normally, governing bodies have a majority of independent members, defined as both external and independent of the institution. Autonomous institutions would be free from direct political interference in order to ensure academic freedom.

Principles of transparency

The general principle applies that students and staff of the institution should have appropriate access to information about the proceedings of a governing body. Agendas, draft minutes, if cleared by the chair, and the signed minutes of governing body meetings, together with the papers considered at meetings, should generally be available for inspection by staff and students. There may, however, be matters covered in standing orders where it is necessary to observe confidentiality. Such matters are likely to concern individuals or have commercial sensitivity. Good practice for all institutions might include placing copies of the governing body's minutes on the institution's intranet and in its library, reporting on decisions in a newsletter, and ensuring that the annual report and accounts are circulated to academic departments and any student representatives.

The institution's annual report and audited financial statements should be made widely available outside the institution, and ways should be found for the public, or the local community, to comment on institutional matters that concern them. Institutions should ensure that the machinery exists whereby they maintain a dialogue with appropriate organisations in their communities. Institutions should also consider publishing their annual reports on the Internet.

Review of Effectiveness

In reviewing its performance, a governing body would reflect on the performance of the institution as a whole in meeting its long-term strategic objectives and short-term indicators of performance/success. Governing bodies should, wherever possible, benchmark institutional performance against indicators of performance of other comparable institutions in India or abroad. The results of effectiveness reviews, as well as of an institution's annual performance against clearly identified performance indicators, should be published widely, including on the Internet and in the institution's annual report.

Conclusions

It is universally recognized that a good governance system helps to create a stimulating ecosystem in the development and performance of universities and colleges, though its effective adoption in the Indian context has been somewhat slow. However recent initiatives by the government as well as other organizations of the civil society to induce major reforms in the higher education sector indicate the high importance given to governance issues especially the autonomy and accountability of the institutions.

In order to assist the process of incorporating good governance practices, a set of guidelines will be highly helpful. These guidelines outlined in this paper are a generic set of principles. They can be applied to all institutions. However, the implementation of these principles may vary according to the size, mission and type of institution and the level of control by the government, especially during times of reform and transition.

It is possible that new laws will emerge identifying the need for greater autonomy and accountability. If this is the case an explicit process of transition may need to be identified for the various different types of institutions. The rules governing governance issues may be specified in the statutes of universities, institutes and colleges. However, the core principles should be the same for any institution wishing to demonstrate that it is practicing good governance.

References

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