

FIRST SYSTEMIC GOVERNANCE THEORETICAL SESSION



CONTENTS

- Introduction to the theoretical session
- Systemic Governance (Ph.D. Monica Penco)
- Benchmarking of University's governance systems. Drivers of change for Libyan universities (Prof. Andrea Mignone)
- Changing University Governance. The case of Italy (Ph.D. Monica Penco)
- Libyan Universities' Network: which model of governance? (Prof. Andrea Mignone)
- Exercise

1° Theoretical Session

Systemic Governance

Benchmarking of University's
governance systems.

Drivers of change for Libyan
universities



An overview

Higher education systems have been experiencing profound transformations across the world since the second half of the 20th century. The emergence of the knowledge society and knowledge-based economy, the crisis of public finances, increasing internationalization and globalization processes, and the introduction of market forces and market logic into the HE sector are just a few of the dynamics confronting HE systems. In many countries, and particularly in Continental Europe, New Public Management (NPM) reforms have considerably undermined the traditional modes of HE governance as well as the organizational structures of HE institutions.

.....

The governance of HE systems and the institutional governance of universities are two interrelated domains which have been affected by these changes and subjected to an array of novel arrangements. This has forced scholars of HE to rethink and develop new understandings to comprehend the diversity and complexity of governance dynamics in this particular field. This session will provide a systematic discussion of HE governance by examining the major analytical models and heuristic frameworks developed.

Systemic and Institutional Governance

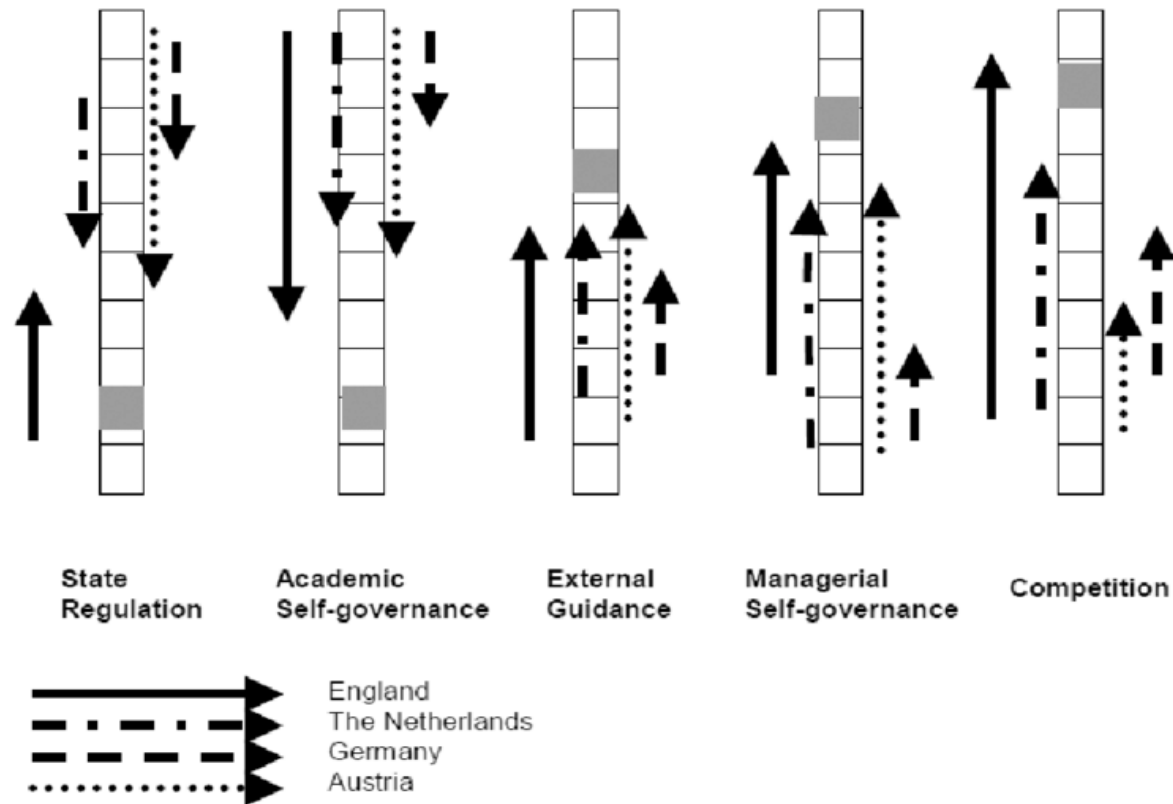
In order to maintain conceptual homogeneity in a highly heterogeneous research area, it would be useful to define the concept of governance in an operational sense. By governance, we here mean “the process and structure” through which decisions are made and implemented as a consequence of the interplay between relevant actors. This definition is applicable to both the institutional and systemic levels in HE. The *systemic level* refers to the relationship between the state and individual HE institutions, while the *institutional level* indicates the pattern of governance within universities.

Systemic governance changes

Systemic governance in higher education – that is, the way in which higher education policy is coordinated through institutionalized arrangements and practices – has received particular attention from scholars in recent decades, the period during which the inherited characteristics of HEIs have been significantly changed by the effects of new managerialism tools, welfare state financial crises, and globalization/internationalization.

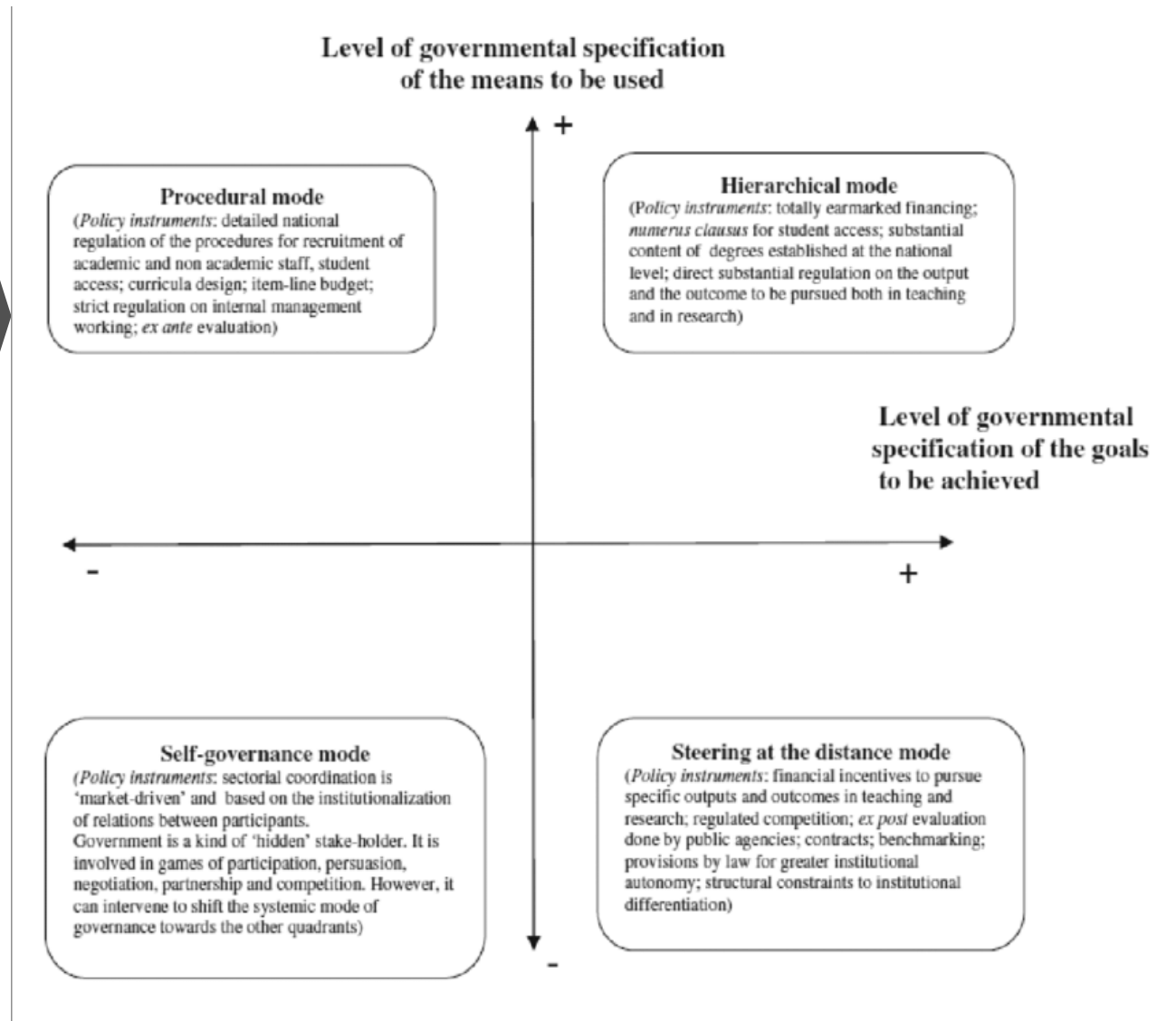
Universities therefore need to transform their operating models, structures, processes, estates and facilities, and invent new technology solutions, new forms of people management and new partnerships, while retaining their focus on academic excellence.

De Boer et al. (2007): NPM and governance



The "grey boxes" refer to the NPM standard.

- Capano (2011):
Types of systemic governance



Dobbins and Knill (2014): Comparative analysis of HE Governance

	State-centered model	Market-oriented model	Academic self-governance
Institutional structure of universities			
Dominant decision-making actors	State	University management	Community of scholars
Organizational structure	State agency	Enterprise	Professional chairs; Corporatist, state–university partnership
Dominant management approach	Bureaucratic	Entrepreneurial	Collegial, federation of chairs
Patterns of control and quality evaluation			
Who controls/evaluates?	Ministry	Accreditation/evaluation bodies	Self-evaluation by university, academic peers
What is controlled?	Academic process	Quality of academic products	Quality of research output, publications
When does evaluation take place?	<i>Ex ante</i>	<i>Ex post</i>	Not systematized, university-dependent
Relations to the state and society			
State control instruments	Manpower planning, System design	Incentives for competition, quality improvements	Financial, legal framework
Orientation and utility of teaching and research	State-defined	Market demand	Scientific advancement
Economic and employer stakeholders:			
Function	Control	Co-agenda setting	Limited
Appointed by	State	University management	Academia



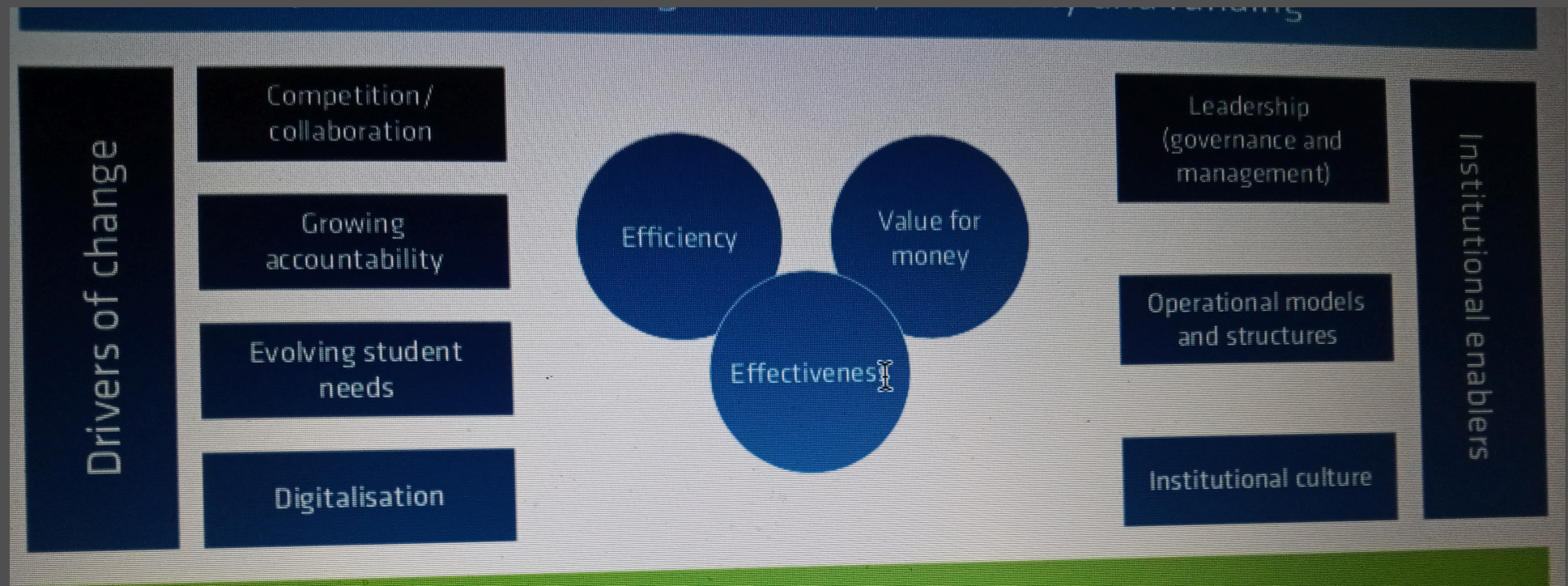
WHY GOVERNANCE?

Governance is a key factor in the efficient achievement of institutions' missions. And this is all the more important in a period of transformation and change. To deliver on their missions, universities must develop an internal governance model that includes the diverse university community, and leads to structures and processes that support efficient decision-making and flexible, sustainable management.

Why new governance models?

Shortcomings with respect to:

- Quality performance
- Regulations of decision-making processes
- Administrative, financial and scientific autonomy
- Information and transparency
- Third mission
- Accountability and efficiency



Key change management drivers and targets

Drivers of change

- It is important to record the forces driving universities desire to improve how their institutions are aligned with the demands of the external environment. There are many ways of defining these change drivers, but the following are commonly accepted as some of the most important:
- Policy and regulatory turbulence usually resulting from pressure on public higher education funding and increasing demands for efficiency, effectiveness and value for money
- The globalisation of higher education, particularly in terms of research talent and international student mobility
- Digitalisation and new technology
- Increased government, business and industry expectations that higher education should play a greater role in driving cultural, economic and social growth
- Shifts in student expectations of their higher education experience
- Shifts in the nature of the employment market, which is in turn challenging the nature and contents of university degrees.

TYPES OF GOVERNANCE HYBRIDS

As we have seen, the development of governmental effort to change the governance arrangements of Higher Education systems has been characterised by the adoption of a variety of policy instruments; although many of them have recognised opportunities, most of them have also introduced constraints. Thus, it is clear that governments continue to maintain leadership of Higher Education systems and have interpreted the common template, the steering at a distance/supermarket/supervisory mode, in very different and in some cases very creative ways. The empirical evidence proposes a detailed picture of the content of the national hybrids based on the policy instruments adopted as well as the constraining or permissive nature of these instruments.

Type	Main/leading instruments <i>different mixes of Reg, Exp, Tax and Info + public funding + tuition fees</i>
Performance-oriented mode	<p>Significant percentage of public funding; based on the results of research assessment</p> <p>Use of information tools</p> <p>Many regulations of administrative procedures</p> <p>Significant percentage of public funding based on evaluation of teaching performance</p> <p>Students' support based on loans</p> <p>Relative high tuition fees</p>
Examples	England, Italy

Type	Main/leading instruments <i>different mixes of Reg, Exp, Tax and Info + public funding + tuition fees</i>
Re-regulated mode	<p>Many procedural constraints on the main activities (recruitment, promotion, postdoc, teaching content and organisation of degrees; student admissions)</p> <p>Proceduralisation of quality assurance</p> <p>Target funding/performance funding</p> <p>Average/low public funding</p> <p>Low tuition fees</p>
Examples	Austria, France, The Netherlands, Portugal, Greece, (Italy)

Type	Main/leading instruments <i>different mixes of Reg, Exp, Tax and Info + public funding + tuition fees</i>
Systemic goal-oriented mode	<p>Clear systemic goals stated by governments</p> <p>Many opportunities in admission, curricula and institutional autonomy</p> <p>High public funding</p> <p>Information instruments (monitoring reporting)</p> <p>Strategic use of target/performance funding</p> <p>Students' support based mostly on grants</p> <p>High performance and target funding</p> <p>No/low tuition fees</p>
Examples	Norway, Sweden, Finland, Denmark



Types of hybrid systemic governance modes in Higher Education

- As we have seen, the development of governmental effort to change the governance arrangements of Higher Education systems has been characterised by the adoption of a variety of policy instruments; although many of them have recognised opportunities, most of them have also introduced constraints.
- If the empirical evidence is analysed and examined for the more market-oriented, it is quite clear that where tuition fees are high, public funding should be allocated based primarily on performance funding, and constraints are mostly represented by administrative regulations and by the demand for a high level of transparency, monitoring and reporting
- The majority of cases are characterised, on the one hand, by a clear governmental focus on reaching some systemic goals that are predetermined by the government itself (in the presence of high funding as well as high institutional autonomy); on the other hand, there is the re-emergence of a more constraining way to govern Higher Education.

Rethinking Governance

New challenges have called for a radical rethinking of governance models at the institutional and systemic levels, not only in Europe; this, in turn, has called for the need to redesign not only the formal rules at both the institutional and systemic levels by changing the distribution of powers and responsibilities but also the governance arrangements (the way in which decisions and policies are made, implemented and coordinated). Hence, this is also a case for policy change.

All in all, European Higher Education systems have undergone significant changes in the characteristics of their systemic governance arrangements, and most of the traditional inherited elements seem to have been transformed. All countries have adopted similar policy reforms by fishing solutions and policy instruments out of the same basket.

Institutional autonomy does not mean independence or academic freedom; instead, it refers to the capability and right of a Higher Education institution to determine its own course of action without undue interference from the State, although within a context that is strongly influenced by the same State. In this sense, the common interpretation of institutional autonomy is that of a policy instrument designed to increase the effectiveness of Higher Education policies.

A policy of funding traditionally earmarked for the functioning of universities was initially abandoned in favour of lump-sum grants, although this policy was reversed by introducing performance and target funding; Public funds assigned to universities are based on output-oriented criteria and performance-based contracting systems; National agencies or committees for the evaluation and assessment of the quality and performance of teaching and research in Higher Education institutions have been established in all western countries.

SWOT ANALYSIS (Source: UNIMED, Libya Restart)

<p>STRENGTHS</p> <ul style="list-style-type: none"> Some Universities have unique locations in terms of geographic coverage, bridging position towards other countries and other universities, reaching out capacities. For example, Sebha University in the South covers around 38% of the whole country; Bani Waleed University can be a connecting point between different parts of the country. Willingness for further upscaling of their capacities (i.e by establishing incubators). Science diplomacy activities in place between Universities, continuous cooperation between HEIs in the East and the West despite political divisions. IROs Directors regular meetings and cooperation. Presence at the institutional level of QA offices, International Relations Offices, research centers. Willingness to reform governance model in cooperation with the Ministry of Education. English as teaching language already introduced in several programmes and Master courses. Students used to study in English. HEIs considered as most reliable sector in the country. Public Higher Education in Libya is mostly free for Libyan students, or (affordable) fees are requested. Partial autonomy in defining university mission/strategy. Thanks to TEMPUS and KA2 Capacity Building projects, involved Universities have improved their skills and internationalization performances. 	<p>WEAKNESSES</p> <ul style="list-style-type: none"> Low and inadequate QA standards and insufficient capacities of university human resources. Partial academic and financial autonomy, with a consequent need to improve institutional governance by defining a clear mission and a strategic plan. Centralization by the Ministry of Education has generated (up-to-date) more boundaries to advancement than benefits. Underdeveloped teaching skills and old capacities in terms of teaching practices, tools and assessment methods and research skills and management. Evident lack of suitable equipment and resources for scientific research. Generally speaking, infrastructures and equipment, especially communication and ICT infrastructure, are very poor and inadequate. A set of discouraging written and non-written rules determining complex administrative procedures for teaching updating, accreditation of new degrees, Inter-University Agreements, etc. Limited participation of smaller and more peripheral universities in international projects. Scarce University social responsibility (for example employability is not perceived as an issue by HEIs). Rare international exposure of teaching staff, constraints to mobility opportunities for academics and students. Frequent changes in the University leadership (Rectors, Vice-Rectors and IROs Directors) affects the possibility of creating long lasting cooperation and institutional daily life.
<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> University is considered as a starting point for social and economic reconstruction, as an innovation hub and an employment opportunity. The ongoing crisis is perceived by local Universities as an opportunity rather than a limitation (increased autonomy perception). Universities explicitly ask for the introduction of pedagogical innovation and innovative contents. Universities explicitly ask for the design of a research agenda and research management training path at the national level. There is the opportunity in the upcoming future to expand the geographical scope of international cooperation and engage the less involved universities. Thanks to the cooperation put in place among national universities (despite formal agreements) there is the opportunity to transfer capacities from central and urban Universities to peripheral Universities, from peripheral universities to other countries and expand regionally. Universities will to engage in training programs in order to improve institutional management, financial management, academic and administrative capacities, quality performance, and overall their capacity of to define their own mission and strategy supported by a clear vision at the national level. The process of improvement and expansion of the capacity of the Libyan universities includes having a well-functioning quality assurance system. Exploit the opportunities opened by international initiatives and European-funded projects. 	<p>THREATS</p> <ul style="list-style-type: none"> Current political instability, conflicts and war-like situation in recent years, deeply affecting University performance and the society at large. Financial restrictions affecting the possibility of transferring money to/from the country. Security restrictions affecting the mobility to/from/within the country. The absence of several international diplomatic missions is affecting Visa procedures preventing staff / students mobility. Furthermore the mobility of staff could be, as it may be the case of female staff, affected by some laws/societal rules preventing their participation. Massification of HE system. Uncontrolled proliferation of private Universities. Economic growth driven more by profit than sustainability.



Institutional autonomy

Benchmarking is analyzed under the lens of institutional autonomy. Few higher education systems allow universities to freely decide on their governance model. The types of bodies, their responsibilities, size and membership may be subject to different degrees of regulation. In exploring these elements, the focus is placed on the links between governance models, representation and inclusiveness in governing bodies and university organisational autonomy.

University autonomy

University autonomy is regarding to:

- **Organizational** matters (structures, leadership and governance)
- **Financial** matters (ability to raise funds, own building, set tuition fees)
- **Staffing** matters (ability to promote and develop academic and administrative staff)
- **Academic** matters (study fields, student numbers and selection, structure and content of degrees)

Benchmarking is analyzed under the lens of institutional autonomy. There are HE systems that do not allow universities to freely decide on their governance model.

Governance Models

While significant diversity in the specifics of governance modalities exists across universities in Europe, general observations can be made about the types of internal bodies governing university activities.

When comparing the information collected in the characteristics of these bodies as stated in law (holding formal decision-making powers), the distribution of responsibilities and the dynamics between them (in the cases where there is no single governing structure), it is possible to establish a typology of governance models and thus cluster higher education systems accordingly.

Typology

Our analysis, therefore, distinguishes:

Unitary governance models and

Dual governance models

With the latter sub-divided based on power distribution, between:

“traditional” model

“asymmetric” model



Unitary model

- “Unitary model” refers to the governing structures where one governing body exerts decision-making powers at the given university. This body can have the characteristics of either “senate-type” bodies or “board-type” bodies.
- Senate and Board-type bodies are defined in relation to each other. Senate-type bodies tend to be primarily competent for academic matters and are characterised by their comparatively larger size and academic-oriented membership. Board-type bodies are usually responsible for strategic institutional decisions, often including financial aspects, and are often of smaller size than senate-type bodies. They are also characterised by a more diverse membership.

Dual models

- “Dual models” are characterised by governance structures including both a **senate-type** body and a **board-type** body that share decision-making powers. This particular model is more frequently found across Europe.
- Based on the distribution of power among the two bodies, two types of dual model can be distinguished.
- Both types are almost equally present.

Dual traditional model

The “dual traditional” model is based on power division where generally each body has a distinct, but equally important portfolio of responsibilities; the senate-type body is usually in charge of academic affairs while the board-type body is generally tasked with strategic oversight and budget allocation. Both bodies may, nevertheless, also partake in the decision-making process on the same issues.

Dual asymmetric model

“Dual asymmetric” models comprise senate-type and board-type bodies, but with a different type of power dynamics leading to one body occupying a distinctly more central position in the decision-making process. The model can be found in the Czech Republic, Croatia, Finland, Hungary, Netherlands and Luxembourg. Board-type bodies tend to dominate in this model, while senates are the foci of power in exceptional cases. This model is distinct from unitary governance structures where the governing body may be “assisted” by advisory bodies which do not have formal decision-making capacities.

Composition of governing bodies – Size regulation

The capacity of universities to populate strategically their governing bodies may be limited in different ways, which can be cumulative: the type of governing body/ bodies may be prescribed—still a common feature in most higher education systems of Europe; regulation may apply to the size of the body/bodies; and regulations may apply to the composition of governing bodies.

With regard to the size of the governing bodies, the intervention modalities of public authorities may be of three types:

- “no regulation”: universities are free to decide on the size of their governing bodies;
- “moderate regulation”: public authorities specify either a minimum and/or maximum number of numbers in one or both governing bodies; or stipulate ratios between given groups to be represented in the governing bodies;
- “full regulation”: public authorities specify the exact number of members pertaining to the university governing body.

Size regulations of governing bodies

Where universities may freely decide on the size of their governing bodies, as in England (for the senate-type body), they generally reflect the size of the institution itself. The systems characterised by “moderate regulation” include systems where the ratio between certain member types is specified and systems that have maximum and/or minimum size provisions. On average composed of about 30 members, the senate-type bodies nevertheless show diverse characteristics across Europe.

University board-type bodies are almost equally often to “full” and “moderate” regulation when considering size: either the exact number is specified or both lower and upper limits are imposed. Systems that allow universities to decide freely on the size of their board-type bodies remain the exception

Size regulation

The benchmarking reveals further correlations between size regulation of governance models. In “dual asymmetric” models, the same degree of regulation applies to both bodies. In “dual traditional” models, however, the sample splits almost equally among those where the degree of size regulation is similar for both bodies (Italy, UK) and those where different degrees of regulation apply (Austria, Slovenia and Slovakia). Unitary governance models consisting of a single senate-type body are always subject to full-size regulation. Unitary models organised around board-type bodies regulate their size either fully or moderately.

Composition rules of Senate-type bodies

Regulations regarding the composition rules for governing bodies of the European universities are characterised by significant heterogeneity. Certain systems are quite explicit about profiles of members for senate-type and/or board-type bodies; others impose certain restrictions while some provide significant freedom to the universities. Following the typology used for size regulation, we distinguish between “full”, “moderate” and “no regulation”.

Composition rules of board-type bodies

External stakeholders form a dominant group, present on all board-type bodies covered by the sample. Apart from the UK and two “free” universities in Flanders,⁵ all systems specify which types of representatives should be included in the board-type bodies, with little leeway provided to individual institutions. Universities may, in some cases, have the capacity to decide on the extent to which they include external members (which sometimes can, in turn, result in the exclusion of other groups). An example of this can be found in the German state of North Rhine-Westphalia where the law specifies that universities need to have at least 50% of external members while the maximum can be as high as 100%. Students, academic staff and non-academic staff may or may not be included. In some systems, the board-type bodies may include external members only, which can be observed in Austria, the Czech Republic, Netherlands (in the case of the “supervisory” body) and Slovakia. On the opposite end of the spectrum, external members remain a small minority in the university boards of other countries (less than 1/5 in Serbia for instance).

Profile of external members 1

The inclusion of external members in university governance is an important element for accountability purposes, outreach to society and enhanced linkages with other parts of the economy. It plays a role in the ability of universities to develop a strategic profile in an increasingly competitive environment.

Profile of external members 2

On average, external members account for around 50% of board-type bodies membership. Few systems allow universities to fully decide on the type of external members to include—industry/business representatives, NGO representatives, alumni, local/national authorities, academic staff from other universities or representatives of art & culture. The majority either restrict the universities' ability to determine profiles (6 systems) or give full control to public authorities (9 systems). Some systems that regulate external member participation more closely also sometimes stipulate the requirements/competencies that these members need to possess to qualify for inclusion to the governing bodies. Some of these requirements include previous experience with management, specific knowledge, recognised merit, etc.

Profile of external members 3

- The most frequently represented group among external members comes from industry and businesses. Out of 19 systems that have board-type bodies, 17 of them include industry/business representatives.
- National and local authorities are the second most represented group in the boards. This might not be a legal requirement but rather a tradition to include a representative of the Ministry of Education (Czech Republic). In Luxembourg, a “government commissioner” is present on the board, without voting rights. Some systems specify what type of public authority is to be present in the governing body (local, regional, national authorities).
- The third most represented group of external members includes the academic staff from other universities.

Governance models and inclusiveness

- We can analyze a simplified assessment of the “inclusiveness” of university governance structures across Europe. It does so by exposing the number of different groups included in each governing body, differentiating between: 1) academic staff; 2) non-academic staff; 3) students and 4) external members.
- The benchmarking shows that unitary systems are on average rather inclusive, with some including 3 groups and some including all four groups.
- Dual governance models generally have at least three groups represented in each body.

Governance trends 1

- It can be argued that governing modes across European university systems are evolving in the direction of granting board-type bodies more power through different avenues.
- Further governance changes relate to alterations in number and composition of certain governing bodies. In Italy, the number of governing body members has been capped and requirements of certain members have become more regulated
- There is particular evidence of developments in relation to gender equality
- Multiple governance reforms have affected universities' organisational autonomy. Out of 22 systems covered in the benchmarking, 12 have undergone (significant) governance changes in the last five years.
- The need to increase the efficiency, save resources and minimise the administrative burden seems to have been one of the drivers for governance changes, including the growing number of mergers in several systems.

Governance trends 2

In a majority of European countries, external members participate now in the most important decisions in university governance. In some cases, they have now gained fully equal rights in the board with internal members (as in France and Italy). Selection and nomination processes have also been revised to the advantage of the university (Italy, Lithuania and Sweden). The “type” of external members involved in university governing bodies remains an issue in some systems. When they come from public authorities, their involvement may be seen as a way for the state to gain greater influence over internal decision-making processes, thus reducing institutional autonomy, or conversely as a practical way to clear potential subsequent hurdles.

Governance trends 3

- The analysis also shows, importantly, that there is not a single linear progress curve with systems inexorably allowing more autonomy to universities
- Governance is a key factor for universities to perform efficiently and carry out their missions. This includes both a productive relationship with public authorities characterised by an enabling regulatory framework and adequate internal governance models. For the latter, it is essential to achieve the right balance between the necessity to include a broad and diverse university community and the development of structures and processes that support efficient decision-making and, therefore, flexible and responsive management

Functions of university boards

Based on our experience with dozens of higher-education institutions, we have defined the core functions of university boards.



Strategy

- Set strategy (ongoing and 3–5 year plans) in collaboration with university leadership
- Monitor strategy execution on an ongoing basis



Governance

- Recruit and hire president, conduct performance assessments, and determine succession and transition
- Conduct governance performance assessments and monitor against agreed objectives



Financial

- Review and approve annual operating budgets and major capital expenditures
- Conduct oversight over university financial management
- Ensure that the university is conducting effective fundraising and investment activities



Performance

- Establish key performance indicators (KPIs) to which university leaders will be held accountable
- Provide oversight over university performance on key success factors (eg, teaching, research, medical-center success, student life)



Risk

- Ensure that the university is in full compliance with all of its legal obligations
- Review audit and investigation plans, monitor outcomes, and provide guidance on course of action
- Develop strategy to respond to crisis situation, set risk-mitigation strategies, communicate risk tolerance, and proactively monitor through risk registry (reputational, financial, legal, operational)



External relations

- Promote and guide partnerships and external engagement (eg, with local community, other higher education stakeholders)
- Serve as a representative of the university in the community and represent the university's interests with integrity and distinction

REFERENCES

- BEVIN F. – LAW J. – SANGHVI S. (2020), *Shaping university boards for 21st century Higher Education in US*, New York, McKinsley and Co.
- CAPANO G. – JARVIS D. L. (eds.) (2020), *Convergence and diversity in the governance of Higher Education*, Cambridge, Cambridge University Press
- CHEPS (Center for HE Policy Studies) (2008), *Progress in HE Reform across Europe. Governance Reform*, Twente, CHEPS
- CUC (Committees of University Chairs) (2016), *The Higher Education Code of Governance*, London
- DOBBINS, M., & KNILL, C. (2014), *Higher education governance and policy change in Western Europe: International challenges to historical institutions*. Basingtoke: Palgrave Macmillan.
- EACEA (2016), *Higher Education in Libya*, Brussels, Eacea
- ESTERMANN T. – BENNETOT PRUVOT E. – STOYANOVA H. (2021), *Evolving models of university governance*, Brussels, EUA
- ETF (European Training Foundation) (2014), *Mapping vocational education and training governance in Libya*, Turin, ETF
- EUA (European University Association) (2017), *University autonomy in Europe. The Scorecard 2017*, Brussels, EUA
- MACHERIDIS N. – PAULSSON A. (2021), Tracing accountability in the Higher Education, *Research in Education*, 110(1), 78-97
- PARADEISE C. – REALE E. – BLEIKLIE I. – FERLIE E. (eds.) (2009), *University Governance*, Berlin, Springer
- SAID GHAMBER J. (2016), The reality of application of university governance in the Libyan governmental university education, *دراسات، العلوم الإدارية، المجلد 34، Administrative Sciences Studies*, 34(2), 787-99
- SHAFTER M. E. A. – RUTH C. (2020), State of Higher Education in Libya. A game change administrative approach, *Shanlax International Journal of Education*, 8(3), 19-23
- UN (United Nations), *An introductory study on the status, challenges and prospects of governance and institutions in Libya*, Washington, 2020
- UNIMED, *Libya restart. A journey analysis*, Rome, Unimed, 2020
- WHEEL Project (2020), *Preliminary draft of the current situation of the Libyan Higher Education sector*, WP1 – T.1.2