

Sub-Theme: Quality Assurance for enhancement

**Title: Good Governance guidelines and Quality Assurance:
two drivers on one wheel?**

*Fabrice Hénard, Analyst, OECD-Directorate for Education Fabrice.henard@oecd.org -
+33 1 45 24 93 23*

*Alexander Mitterle, Magister student of Political Science at Leipzig University
mitterle@rz.uni-leipzig.de*

Summary

Arising out of the balance act between „autonomy“ and „trust“ towards higher education institution, it seems that higher education governance becomes „a key policy of the 21st century“ (Kennedy 2003) As a response a study undertaken by the OECD/IMHE has reviewed approaches in OECD-countries and adhesion states, which foster good governance within higher education institutions. It hereby concentrated on two major trends:

- the drafting of Good Governance guidelines
- and the embracing of governance issues within quality accreditation and audits.

While the former have often been drafted as a non-compulsory response to problems of mismanagement or during transformation processes in higher education systems, the latter concentrate more on improvement and the creation of a „quality culture“ within institutions. After giving a short introduction to the identified key points of the reviewed guidelines, the differences between approaches to institutional governance from quality assurance and through Good Governance guidelines are evaluated. It is argued that even though Good Governance guidelines may not be the sole solution to higher education governance it should kept in mind that institutions and individuals perform most effectively when they voluntarily embrace accountability mechanisms they have mutually agreed on

Introduction

During recent years higher education institutions (HEI) around the world have faced a mayor trust problem. As higher education becomes more and more crucial for the further development of economy and society, higher education institutions, especially in Europe, are confronted with claims of “ivory towerism” and a lack of responsiveness to the needs of society. Hence European universities have been granted more autonomy, enabling them to respond more effective and more quickly to a rapidly changing environment of innovation. Likewise in countries with a traditionally

strong executive body, such as the US, the governing boards are encouraged to take a greater interest in academic affairs as quality is recognized as a “fiduciary responsibility” (Hartle, 2008). Even though governing boards now play a central role in ensuring that “autonomy” and “trust” work harmoniously together, it is recognized that only the participation and willingness of several actors in higher education can tackle these problems together. The research interest therefore shifted from top-down analytical approaches to an analysis of higher education governance (HEG). Higher education governance hereby encompasses the structures and the interplay of actors and processes through which, at both, national and institutional levels, policies and strategies for tertiary education are developed, implemented and reviewed. Governance can be understood as “a complex web” of legislative framework, characteristics of the institutions, financial regulation and fund-raising as well as formal and informal structures and relationships of actors which steer and influence behavior. (Santiago et al., 2008: 68). Its growing importance in research as well as in the strive to secure the quality of higher education, has made governance a “key policy issue of the 21st century” (Kennedy 2003).

For analytical reasons governance in the following will be partitioned into the three levels of HEG proposed by Pavel Zgaga (2006: 39) the institutional HEG (governance of institutions), the national HEG (governance of higher education systems) and the international HEG (governance of higher education systems within an international perspective).

A study recently undertaken by the OECD/IMHE has raised the question of how OECD-countries and possible accession states (national HEG) address issues of “good” institutional HEG. While traditional approaches such as legislation and financial frameworks have been covered elsewhere, two rather new major trends have been identified: First, in several higher education systems Good Governance guidelines have been drafted recommending instruments and structures to avoid mismanagement and ensure effectivity. Secondly, quality assurance agencies take governance issues through system audits and accreditation more and more into account. These trends may arise out of the need within national HEG to on the one hand encourage Good Governance within institutions without on the other hand decreasing institutional autonomy.

The study hereby concentrates on two questions: which issues do the guidelines see as important for good institutional governance and which differences exist between Good Governance and quality assurance guidelines.

Even though the guidelines vary considerably from each other, especially in form, in detailedness and in aim, the results show that the overall direction is the same. A tendency towards the development of corporate governance structures in institutions is clearly visible. However, while the

Good governance guidelines try to clarify institutional structures and procedures especially for the governing board, the quality guidelines focus stronger on the planning processes themselves and the nurturing of a “quality culture” (ENQA, 2005). This difference of focus hereby can be understood as a difference in perspective. While the good governance guidelines try to clarify the *status quo* and mostly have a subsidiary non-compulsory character, quality guidelines are in the last instance an external decision on how the assessed university should work. The question of “what” decides in institutional HEG shifts to the question of “who” decides within national HEG.

Methodology

For the analysis of (good) governance guidelines we drew, with the help of higher education experts in the OECD-countries and future adhesion-states and states identified for enhanced engagement, from a basis of twelve guidelines out of eleven different countries (Australia, United States of America, Israel, Denmark, Israel, Netherlands, Russia, Ireland, United Kingdom, Scotland, Quebec (Canada)). We did not value the influence of the guidelines, whether they still are compulsory or not. Qualitative research on this question in any case has been rather scarce, taking the UK and Australia as an exception.

For the analysis of governance issues within quality assurance processes, we reviewed quality assurance guidelines from the above mentioned group of countries. Hereby we concentrated the analysis on the US-accreditation issued by the six regional agencies, the Indian (accreditation), the Japanese (accreditation), the South African (accreditation), the Hong Kong quality guidelines (accreditation) as well as the British, and the French quality guidelines (Audit). From Finland, Sweden, Denmark, Russia, Ireland audit and from Germany, Norway, Switzerland accreditation, guidelines were analysed as well but apart from key issues (e.g. mission statements) didn't address governance structures or procedures on a supra-program level or were unspecific in the recommendations. Audit reports and guidelines from the Netherlands, Flemish Belgium and Estonia were only available in their home language and spared due to translation problems. Turkey, the Slovak Republic, the Czech Republic, Hungary, Brazil and Luxembourg only had guidelines concerning program accreditation available. In Portugal, New Zealand and Germany a transition process is visible, which will have agencies provide guidelines probably rather soon. While however the analysis for Germany was to a certain degree possible, as on supra-agency level regulation was already available and one accreditation agency had already published guidelines, New Zealand's Quality Agency had only so far published discussion papers. We couldn't receive and find explanatory guidelines in South Korea, Mexico, Italy, Greece, China (apart from Hong

Kong) and Indonesia. This however doesn't necessarily mean they, or further guidelines in the reviewed countries, do not exist.

Measures to improve higher education governance

There have been several approaches to improve governance in higher education institutions or to avoid mismanagement and fraud. In some countries the law was just expanded to more detailed role-descriptions or punishment-schemes in order to avoid corruption or as in the case of the US "sunshine laws" to increase transparency (Hearn and McLendon, 2006). As pointed out before some of these measures decrease the semi-autonomous character of HEI and hereby risk to make them even less adaptable to a constantly changing environment. Institutions like the German "Stifterverband der deutschen Wissenschaft" explicitly try to decrease such tendencies through benchmarking higher education laws on the degree of institutional liberty (Stifterverband, 2002). Yet several of the identified approaches move away from implementing changes through legislation and try to find new ways of securing good governance while maintaining the institutional autonomy. For example the Australian Universities Quality Agency (AUQA) has created a best-practice data-base and institutional Benchmarking approaches have been undertaken on other level. In Canada the University of Alberta voluntarily engaged in a benchmarking approach with other corporate bodies and won the best practice award. However the most commonly identified measures have been the drafting of good governance guidelines or the reference to HEG in quality assurance guidelines.

Good Governance guidelines – where do they come from?

From these two trends the drafting of Good Governance guidelines is the less developed. While the number of reviewed guidelines is only marginally smaller from the quality assurance guidelines, the practice of audit and system accreditation surpasses the use of Good Governance guidelines on national level substantially. Furthermore the intentions and the character within these guidelines differ considerably. Some have been published by state or semi-state authorities (Israel, Australia and Ireland), others address only the governing boards or/and are published by individual associations [Committee of University Chairmen (CUC) in Britain and Association of Governing Boards (AGB) in the US] while again others have been drafted by independent commissions (such as Denmark and Canada). Evidently the range of names for the guidelines differs from "recommendations" over "code" to "principles". For clarity reasons the term "good governance guidelines" will be used as an overall notion for the documents reviewed.

The reasons for their publishing have been manifold. One of the most common cases is the proof or the belief of the disfunctionality of the institutions existing so far. Several of the reviewed guidelines have been issued after scandals, frauds and mismanagement took place within the individual higher education system (e.g. Flawed medical research results in Britain or double enrollment of students in the Dutch hogeschool-sector). Especially in Europe authorities and the public were not convinced that the “old” institutions would be directly capable of using the new won autonomy effectively and tried to support the transformation through guidelines (eg. Denmark). Other institutions which have long mastered adaptation-processes saw a chance of increasing their autonomy if they proofed the effectiveness of their governance system. In the words of David E. Fletcher it could be reduced to the simple formula “better governance= More trust= less regulation” (Fletcher, 2007: 103). Governments supported this understanding by suggesting that good governance principles within institutions could help reduce the reporting liabilities towards governments and indirect steering (e.g. for Australia see: DEST 2002: IX). The drafting of good governance guidelines in the public service and the growing implementation of new public management systems into HEI supported the idea of having corporate Good Governance Guidelines especially in the Anglo-Saxon world.

Governance issues in good governance guidelines

As pointed out Good Governance Guidelines mostly are a response, either to tackle or avoid problems. The way in which it is primarily done is through the delineation of clear responsibilities. Especially the governing boards seem to be the primary addressee for the guidelines, first because their supervisory function is often one of the weaker points in institutional governance and second, because they – except for the Dutch case – are the bodies in charge of clarifying the institutions’ roles out of the perspective of national HEG. In this sense the British and Irish guidelines are the easiest to access, because they give the impression of a first reference point for users. They provide an introduction into the legal framework, regulation and supply useful sources for the understanding of the individual higher education systems. Overall the following points have been identified as key issues in the reviewed guidelines:

- role and responsibilities of the governing board and the C.E.O
- risk management and control/internal quality procedures
- values and code of ethics
- delegation of power (especially to committees)
- transparency

All guidelines insist on the difference between the day-to-day management and the strategic direction making. Apart from the Dutch hogeschool-guidelines the executive officer/president is responsible for the former, the governing board for the latter.

The task of the chief executive officer/president remains rather undefined within the reviewed guidelines, which may be due to the concentration on the governing board. Therefore if his/her role is addressed it concerns her/his relationship to the governing board [e.g. the AGB-Trustee-guidelines ask the governors to support her/him (Ingram, 2004: 6)].

The governing board however is widely mentioned as the one responsible for the long-term development of the institution. It should make sure that sound risk management, financial accountability and control/internal quality assurance systems (also for the own performance) are properly in place. A clear direction towards a “corporate and business strategy” however can only be found in the Australian governance guidelines (DEST, 2008b: 14). Nevertheless some guidelines demand a financial background of at least one of the board members and the recommendations for the number of governors range between 11 in Denmark and 25 in Israel and Scotland, which is similar to corporate governance boards. References to the institutional procedures, such as planning, are rather scarce and do not exceed the demand for broad strategic frame-setting and the drafting of guidelines. Indirectly though, behavioral demands for those processes can be found in the demands for a codes of ethics addressing members of the institution. This moralization-tendency may be necessary as, even though remuneration policies are covered in the guidelines, board members are not well paid. The understanding of the wellbeing of the institution as a greater good is therefore important to raise and visible in the appeals to values such as “selflessness”, “integrity”, “objectivity”, “loyalty” and “honesty”.

“Independence” of the governors is especially important to those countries where most of the members are external. The American guidelines for example explicitly name and warn of forms of external influence.

A special role is assigned to the Chair of the governing board in the majority of the guidelines. Even though he/her is *primus inter pares* and the governing board as a whole is responsible for the institution the Dutch and the British allow delegations of authority for the periods between sessions. However the “heavier weight on his shoulders” can be seen in the Scottish guidelines which see him/her responsible for the role-understanding of the other governors and in the Irish case even for a “business like leadership” (HEA, 2007: 48). Delegation of the governing boards’ responsibilities is also raised when it comes to the creation of committees. While in most countries the audit committee is obligatory by law, remuneration and nomination committees are recommended in several of the reviewed countries. Further committees are recommended in several due to the fact

that governing boards meet up rather seldom. Only the Danish guidelines are rather critical with this development.

The responsibilities of other actors in institutional HEG are less addressed. Only in the UK and Ireland the importance of the secretary as the guardian of information between the governing board and the chief executive officer is stressed. Students as important actors in higher education governance are barely existent and only addressed in financial issues or as “ombudsmen” and members of governing boards if demanded by law. However the rights of institutional members are supported in recommending the setting up of well functioning whistle-blowing procedures (Australian, Dutch, Danish and Irish guidelines).

Transparency is a further important issue raised, as well in institutional HEG, towards institutional members, as in national HEG towards the public. The former ensures the possibilities of participation in institutional governance and the latter is the major incentive for the process Fletcher outlined above: the increase of trust in institutional autonomy and the well-functioning of the institution. The proposed measures range from publishing of key performance indicators (KPI) in Ireland to camera-supervision of board meetings in Denmark.

The question of whether the implementation of Good Governance guidelines is a success story is difficult to answer. On the one hand they are normally not the only measure undertaken to transform HEI and on the other hand due to their non-compulsory character, mismanagement on the highest level is still possible. However the results from the UK and Australia are rather positive. The majority of the UK institutions saw the guidelines as “a source of exemplars of good practice” (CUC, 2006: 2). Due to the quasi-compulsory character, Australian institutions were rather critical of the guidelines but several acknowledged the fact that the awareness for certain issues in institutional governance were raised.

Quality assurance and institutional governance

External quality Assurance processes are an ideal form of “steering from a distance”. In the face of massification, increasing cross-border education by unrecognized providers and rising doubts of whether HEI are defining their knowledge transmission in a for society benefiting way, quality assurance is a way to control HEI institutions externally without direct government interference. Different to the Good Governance guidelines however, these external agencies not only concentrate on the avoidance of mismanagement but try to foster a “quality culture” (ENQA) within the institution ensuring continuous improvement from all actors within higher education governance. While in countries such as the US quality accreditation has been well established for a long time, most of the European OECD countries introduced external quality assurance procedures only

recently. After several countries started with program accreditation, cost considerations and the necessity to include procedures in the review process, a move towards system audits and system accreditation is visible. That governance issues will be addressed in this process is evident, even though as Mala Singh (2007: 99) points out “the analytical literature on governance issues *within* (...) quality assurance is minimal.”

Governance Issues in Quality assurance guidelines

Singh' comment hereby points to the fact that the indirect influence of external quality assurance through national HEG on institutional governance has been widely and critically discussed, yet the governance issues touched in the quality procedures themselves are rather unreviewed in a comparative perspective. The fact that governance is such a “complex web” makes it difficult to extract the major points in quality assurance guidelines. Even though the institutional governance structures are addressed as a separate topic within the guidelines, the evaluation of procedures in the sense of “fitness for purpose” touch governance issues on several levels. For our review we have tried to address both levels and have identified the following key issues:

- mission
- institutional structure
- planning
- participation
- transparency
- actors
- values

Most of the quality assurance guidelines ask for the formulation of an institutional mission statement or of pre-formulated goals. They differ however in the degree of compliance demanded from the actors within higher education institutions. While for example in South Africa “effective strategies” for the monitoring of the mission should be in place, several guidelines leave it with the normative demand for a “clear vision and mission to the institution” (CHE (RSA), 2007: 13; NAAC, 2007: 13) Opposite to the Good Governance Guidelines only a few of the agencies give detailed propositions for institutional structures. However if this is the case, they touch similar issues as in the Good Governance guidelines: the composition of the governing board, role-clarification on leading positions in institutional governance, risk management etc.

Most guidelines just prefer to insist on effective organisational structures and decision-making

procedures. Hereby key concepts are “leadership” and “planning”. While “leadership” is understood as a behavioral concept in the Anglo-Saxon world, others use it rather as an equivalent for a group of people at the top of the institutions. “Planning” on the other hand is recommended in especially those guidelines insisting on a strong university mission. Yet the proposed terms in the context of planning are sometimes difficult to distinguish from each other (e.g. “plan”, “goal”, “objective”, “strategy”).

Concerning participation, a clear integration of internal and external stakeholders is visible throughout all the guidelines. They range from community bodies to alumni depending on the country and the cultural background of the higher education system. The degree and the field of involvement vary widely and are seldom explicitly defined. An advising (deliberate) function however is much more common than a democratic voting participation. In fact it is only the Japanese guidelines which explicitly propose a “democratic” decision-making structure (JUAA, 2004: 3). A change in the position within institutional governance is visible for faculty and students, especially in Europe. While in the “old” structures they were often key decision-makers they now are only mentioned if it comes to decisions which address them directly. Only the French guidelines propose the opening up of vice-chancellor positions for students.

In any case the participation of various stakeholders, especially external ones has to be ensured. Hence strong transparency measures are demanded by nearly all quality guidelines. The Australian guidelines propose similar to the Good Governance Guidelines the publishing of KPI.

Another similarity for all quality assurance guidelines is that the recognition of the involvement of several stakeholders and actors supports an institutional moralization: ethical guidelines for institutional members are commonly advised and especially members of governing boards are expected to perform on high standards like “honesty”, “good faith”, “truthfulness”.

Good Governance Guidelines vs. good governance in quality assurance – which to take?

The review shows that good governance guidelines concentrate stronger on an institutional frame-setting, while the quality assurance guidelines focus more on procedural aspects. Yet a clear division is not possible as several aspects of governance covered in the Good Governance guidelines are likewise covered in the quality assurance guidelines. Hereby the recommendations have several similarities and show a tendency towards corporate governance in the most guidelines. Even if this direction is similar, for several issues of governance it looks like two drivers try to turn the same wheel, making one of the two obsolete.

Quality is a rather binding concept. Through the involvement of an external agency of some kind, performance is monitored in rather broad terms – as in audits – or stricter in the sense of

accreditation. The key words arising from the reviewed texts are “effectiveness” and “appropriateness”. Both open up the realm for interpretation and policy influence and can diminish autonomy (Witte, 2008: 51).

A similar problem arises from the fact, that many of the quality guidelines do address governance issues but do not explain what they expect to find. This on the one hand is necessary, as a strong conceptualization of the *right* Good Governance endangers diversification and cultural heritage necessary for an innovative environment. On the other hand it strengthens the influence of the agency on governance structures. It therefore is difficult to see what exactly the agency expects from an institution and how strict this understanding may be. After all only two of the reviewed guidelines actually stress the importance of cultural values. Including governance even stronger into the quality-guidelines would mean producing another regulatory instrument next to funding, planning and steering (Singh 2007: 101).

Governance guidelines however are – in most of the reviewed cases – a rather unbinding approach giving advice to institutions and they themselves can decide in which way they implement the proposed structures. This may not be the sole solution to the trust problem. Yet by evaluating the quality of institutions agencies should always keep in mind, that institutional diversity is necessary for the institution to remain flexible. After all institutions and individuals perform most effectively when they voluntarily embrace accountability mechanisms they have mutually agreed on. It “ensures a greater sense of responsibility with respect to the feedback process and fuller ownership of the agreed instruments.” (Salmi, 2008: 14).

“Overregulation is not good governance. Good governance stems from a culture of appropriate core values within the institution. What constitutes good practices in governance will vary according to the goals and objectives of a particular institution” (Australian National University, 2007)

literature:

- CHE (RSA) (2007) *HEQC Institutional Audits Manual 2007*, Higher Education Quality Committee of the Council on Higher Education, Pretoria,
- http://www.che.ac.za/documents/d000150/HEQC_Inst_Audits_Manual_Sept2007.pdf (dwld. 2008-11-26)
- CUC (2006) *Governance Questionnaire, January 2006*, Committee of University Chairs, <http://www.shef.ac.uk/cuc/pubs/A-Governance-Report.doc> (dwld. 2008-10-28)
- DEST (2008b) *Commonwealth Grant Scheme Guidelines No.1 (F2008L04267)*, Department

of Education, Science and Teaching, Canberra, p. 13-21

- ENQA (2007) *Standards and Guidelines for Quality Assurance in the European Higher Education Area*, European Association for Quality Assurance in Higher Education, Helsinki
- FLETCHER, D. E. (2007) “Recent Developments in Governance in the UK Higher Education Sector”, in IAUGB (ed.) *1st Meeting of International Association of University Governing Bodies “Society meets university” (Granada 23-24 October 2007)*, International Association of University Governing Bodies, Madrid, pp.103-108
-
- HARTLE, T. W. (2008), “Coming Soon - Lots More Federal Regulations”, in *Trusteeship*, Vol.6, No. 16
- HEA (2007) *Governance of Irish Universities. A Governance Code of Legislation, Principles, Best Practice and Guidelines*, Higher Education Authority and Irish Universities Association, Dublin
- Ingram, R.T. (2004) *Effective Trusteeship. A Guide for Board Members of Public Colleges and Universities*, Association of Governing Boards of Universities and Colleges, Washington D.C.
- JUAA (2004) *University Standards and Explanation*, Japan University Accreditation Association, http://www.juaa.or.jp/en/images/accreditation/standards_university.pdf (dwld. 2008-11-26)
- KENNEDY, K. J. (2003) “Higher Education Governance as a Key Policy Issue in the 21st Century”, in *Educational Research for Policy and Practice*, Vol.2, No.1, Springer Netherlands, pp.55-70
- NAAC (2007) *Institutional Accreditation. Manual for Self-Study of Universities*, National Assessment and Accreditation Council, Bangalore ,
- <http://naacindia.org/publications/Manual%20for%20Self%20Study%20for%20Universities-final-30-05-07.doc> (dwld. 2008-11-26)
- SALMI, J. (2007) Autonomy from the State vs. Responsiveness to Markets, in *Higher Education Policy*, Vol. 20, No. 3, Palgrave MacMillan, pp. 223-242.
- SANTIAGO, P. et. al. (2008) *Tertiary Education for the Knowledge Society*. Vol. 1, OECD, Paris
- SINGH, M. (2007) “The Governance of Accreditation”, in GUNI (ed.) *Higher Education in the World 2007 – Accreditation for Quality Assurance: What is at Stake?*, Guni Series on the Social Commitment of Universities 2, Global University Network for Innovation, pp.96-108
- Stifterverband für die Deutsche Wissenschaft (2002) *Qualität durch Wettbewerb und Autonomie. Landeshochschulgesetze im Vergleich*, Essen

- WITTE, J. (2008) “The changing political framework of quality assurance in German higher education: National debates in the European context”, in A. Beso et al. (eds.) *Implementing and using Quality Assurance: Strategy and Practice. A Selection of papers from the 2nd. European Quality Assurance Forum*, European University Association, Brussels
- ZGAGA, P. (2006) “Reconsidering higher education governance”, in J. Kohler and J. Huber (eds.) *Higher education governance between democratic culture, academic aspirations and market forces*, Council of Europe Strasbourg, pp.35-50