4. RENEWED THINKING ON STRATEGIC GOVERNANCE OF UNIVERSITY : A REVIEW

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Abstract

Universities are in the knowledge business, and are involved in knowledge creation, dissemination, and learning. Universities do perform multiple roles, like creating new knowledge, acquiring new capabilities and producing an intelligent human resource pool. The University's mission should endeavour towards providing education of the highest quality coupled with a leading contribution to the advancement of knowledge, thereby developing in students the imagination, talents, creativity and skills necessary for the varied and rapidly changing requirements of modern life. The pace and growth of Modern Science and Technology is so rapid that the Technical Know-how and its applications are vital for the nation's economic advancement. Engineering is one such profession that affects all aspects of modern life. The education of an engineer is demanding; it not only benefits humanity but also provides great rewards for the future and personal satisfaction from pursuing such a career. Five significant contributions of the university to the nation are: educating the citizens and leaders who think critically and independently; to model freedom of expression and freedom of inquiry; to serve as an engine of economic growth and prosperity; to foster the development of the community that surrounds; and to promote greater understanding among the peoples and nations of the world

How does the perspectives of university, its functions, role differ across the countries based on the need, is it feasible to have an integrated cross cultural analysis to arrive at an integrated approach, this needs a perspective study across the countries. The paper provides a birds eye view of these differing perspectives as a precursor need for setting up of Technical University and its effective governance.

1.0 Introduction

The pace and growth of Modern Science and Technology is so rapid that the Technical Know-how and its applications are vital for the nation's economic advancement. Peter Drucker aptly reflected in his book "The Age of Discontinuity", that Knowledge Economy, reflects a transition from an Industrial Era to Post Capital Society where knowledge is prime source and intangibles such as ideas and innovations create value. It reflected a transition from an economy based on land, labour and capital to one in which the main components of production are information and knowledge. Engineering is one such

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profession that affects all aspects of modern life. The education of an engineer is demanding; it not only benefits humanity but also provides great rewards for the future and personal satisfaction from pursuing such a career.

Universities are in the knowledge business, and are involved in knowledge creation, dissemination, and learning. Universities do perform multiple roles, like creating new knowledge, acquiring new capabilities and producing an intelligent human resource pool. Also, OECD studies showed that money spent on obtaining university qualifications, pays dividends higher than real interest rates. Five significant contributions of the university to the nation are: educating the citizens and leaders who think critically and independently; to model freedom of expression and freedom of inquiry; to serve as an engine of economic growth and prosperity; to foster the development of the community that surrounds; and to promote greater understanding among the peoples and nations of the world (Richard Levin, 2003)[1]. Senge [2] also emphasized that, many organizations are unable to function as knowledge based organizations, because they suffer from learning disabilities. Universities must innovate or die, and their ability to learn, adapt and change becomes a core competency for survival. The forces of technology, globalization and the emerging knowledge economy are creating a revolution that is forcing Universities to seek new ways to reinvent themselves. 'Systems thinking' is a shift of mind from seeing parts to seeing whole, from seeing people as helpless reactors to seeing them as active participants in shaping their reality, from reacting to the present to creating the future. Senge sees systems thinking as the cornerstone for the healthy, proactive problem – solving and 'learning Organization'.

Thus, the economic competitiveness which depends more on knowledge generation and technological innovations, with new expectations makes it necessary to have newly-defined role for Technical Universities with transparency into the system. It has a greater impetus on India, as it is emerging as most competitive and dynamic economy in the world.

2. Global Scenario of University Education

As a part of the transformation to the global knowledge economy, global higher education market is characterised by intense competition among traditional institutions as well as new types of providers, primarily made possible by advanced educational technologies based on new information and communication technologies. The intense competition in the market is not only among institutions, but also among countries, and not only for revenues, but more importantly for creative young minds as future employees. (Lazar, 2004)

Presently, there are over 2 million students attending institutions of higher education outside their own countries. The United States of America is the major host country having over half a million foreign students, China and India are the two major source countries with more than 1,80,000 and 88,000 students abroad, respectively. Thus, these three countries have emerged as the top three key players in the global knowledge economy (Demirel, 2006).

The US is the undisputed leader in scientific knowledge production; 34% of scientific articles published since the year 2000 have originated from the USA. Japan, UK and Germany each with 9% share are far behind the US, followed by France with 8%, China with 5%, Canada and Italy with 4% each; Russia, Australia, Spain and Netherlands with 3% each, and the rest of the world with 8% (Friedman, 2006) . The share of the US in terms of most frequently cited articles is greater than 44%. Furthermore, 70% of the Nobel laureates are presently employed in American universities. It is also relevant to note that about half of the scientific articles are being produced in English-speaking countries, and that China is fast catching up, having already surpassed Russia, a former scientific giant, by a considerable margin.

In the past decade China and India have also made enormous progress in developing and expanding their national higher education systems. In 1950, there were only 132,900 students in the Chinese higher system and the gross enrolment ratio was a meagre 0.26%; the numbers today are 22,525,000 students with a gross enrolment ratio of 21.89%, and China has overtaken the US as the largest national higher education system in the world. Most of this development occurred in the last decade. During that period the number of students in India increased from 6.2 million to 9.3 million, and her gross enrolment ratio now stands at 11 %. According to a recent survey by the Financial Times, the world is faced with a "youth bulge". Presently, 2.8 billion people are under 25 years old, and 1.1 billion people are between 25-24 years of age. By 2015, the global youth population will reach 3 billion, with 2.5 billion of them living in developing countries. Educating the youth to be productive citizens employable in the knowledge-driven global economy is now a major global challenge.

Professor Kjeld Erik Brødsgaard, Director of the Asia Research Centre (ARC) opined that "presently, Asia is the most dynamic part of the world and the centre for world economy, with respect to trade, investment and outsourcing and is moving towards the east".

3. Changing Perspectives of University

The global trends of Higher Education are massification, bureaucratization, marketisation, diversification and internationalization (Shaeffer, 2005). Higher Education systems responding to an industrial society should shift to systems responding to a knowledge-based society (Figure 1). This is a transition from 'knowledge based society-1', where university and society were clearly separated from each other, to 'knowledge based society-2', where university and society have become borderless (Gibbons et al. 1994; cf. Arimoto 2002, 2005). There is a need to look at the university from a broader perspective, which has been accounted in the study.

Nurmi, Kontkanen, LehtimaÈ ki and Viitanen (1992) noted that a university is both, a

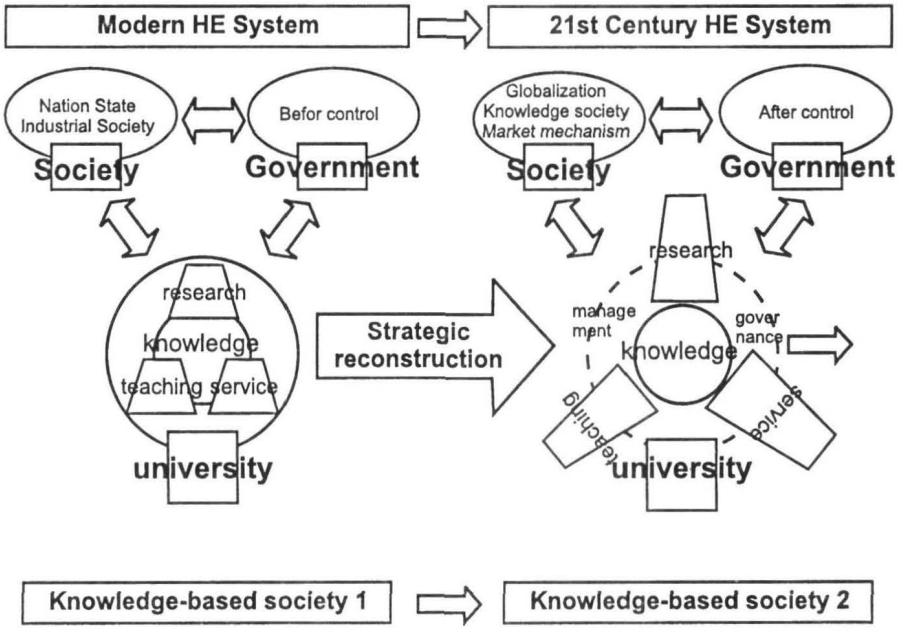

Figure 1 Knowledge, Society and University

knowledge-intensive and an expert organisation. Instead of goods or concrete services, the products of a university are knowledge services. A typical quality of knowledge is that whilst it can be duplicated, it remains with the seller (teacher, researcher) even though transferred to the buyer (student, client). In an optimal situation both parties increase their amount of knowledge during the exchange. A knowledge product is difficult to standardise. Its consumption requires a cognitive and comprehending input from the consumer. Nor does the consumption of a knowledge product necessarily take place simultaneously with its production (Tapio Reponen, 1999).

The growing concern for 'value for money' and 'public accountability' has altered the way higher education is governed. Changes to control, ways of monitoring, assuring and assessing the quality of education, are universal. Many scholars point out the importance of effective governance systems for managing this era of change and innovation in the academic world (Amacher, Meiners, 2002).

3.0 Idea of the University

The University's mission should endeavour towards providing education of the highest quality coupled with a leading contribution to the advancement of knowledge, thereby developing in students the imagination, talents, creativity and skills necessary for the varied and rapidly changing requirements of modern life. Cardinal Newman's 'Idea of the University' (1873), laid the philosophical foundation for British Universities, which stress very much on intellectual atmosphere and the tutorial system through which students' character and intellect are developed.

Pursuit of education improvement requires a strong future orientation and a willingness to make long-term commitments to students and to all stakeholders – communities, employers, faculty and staff. Universities need to demonstrate accountability to all the stakeholder and customers.

Some of the perspectives that emerge from the literature review are:

- **Structural Perspective:** The universities vary dramatically in terms of their structure, function and form. The universities are unique only to the extent they possess a certain combination of common characteristics such as complexity of purpose, limited measurability of outputs, both autonomy and dependency from wider society, diffuse structure of authority and internal fragmentation (Lockwood, 1985).

- **Planning Perspective**: Planning needs to anticipate many types of changes; including changes in education requirements, instructional approaches, resource availability, technology, and demographics. A major long-term investment associated with improvement is the investment in creating and sustaining a mission-oriented assessment system focused on learning. This entails strategic management of the entire University activities. There is a need to engineer the working system of the universities.

- **Quality Perspective**: Interpreting quality components and concepts in universities, like what constitutes customer driven approach, excellence in universities, measurable attributes, and what constitutes value for money for stakeholders etc. The most obvious and distinguishing factor between products and services is the intangibility of services, service quality dimensions, reliability, credibility, understanding tangibles. How these intangible parameters could be brought to fore into operational facet and be used as a benchmark in the sustained development of University.

Academicians, (in the educational field) have asked everyone to change (in particular industry), innovate but that hardly applies to them. Here in this research work modalities of strategic management of Technical Universities will be dealt by applying system's thinking. This

gives a holistic dimension which necessitates the universities to rethinking of existing educational, administrative, and support processes.

3.1 Major Issues Affecting Universities

The major issues affecting the Universities are:

- Growth in the number of students leading to University overcrowding
- Reduction in state funding
- The emergence of new economy consisting of the combination of knowledge and information and communication technology
- The internationalization of science and technology which needs a growing cooperation network between different agents (research groups, universities, technology firms, etc.), and international mobility of researchers and students.
- Globalisation of Higher Education present new requirements for universities

Universities must innovate or else will perish. Venturing into new territory by inculcating diversity, risk acceptance and desire to experiment are crucial today. Their ability to learn, adapt and change becomes a core competency for survival. Universities need to keep abreast with the political, environmental and technological changes occurring around the globe and evolve a renewed strategy of management to adapt, meet the competition, attain sustainable growth and remain dynamic. Universities need to respond to demand and be accountable for the outcomes they produce. From the classic role of developer and communicator of new knowledge through research and education, the future role of the university is one that develops partnerships and produces results in cooperation with businesses. In other words, there is a need to turn interaction into intervention. This presents the importance of effective governance systems for managing this era of change and innovation in the academic world (Amacher, Meiners 2002).

4.0 Need for Managing an University

The complex, interdependent university system is depicted in the Figure 2. Here students, faculty, staff and industry are engaged in education, research and industrial collaboration utilising the infrastructure under the framework laid down by the university leadership and management which provides vision and strategy. University vision and strategies and

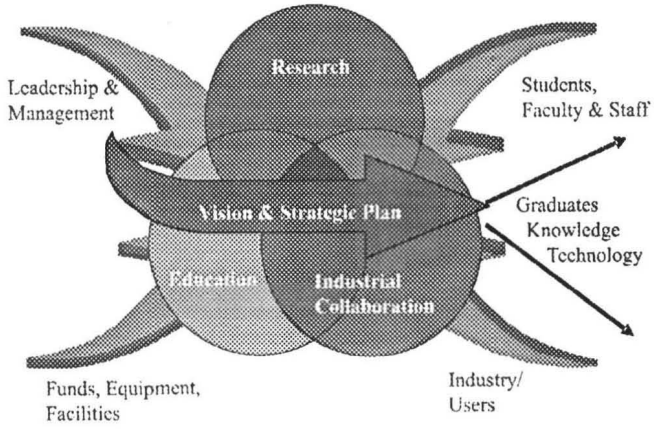

Figure 2 A complex, interdependent university system

their integration in all the processes and functions play a vital role in effective functioning of the system. The interaction among all the actors is complex and dynamic in nature. In order to steer such a system involving complexity requires a systematic and scientific management methodology. The importance of management in university system is also emphasised by the following renowned personalities in the field.

- "The most important area for developing new concepts, methods, and practices will be in the management of society's knowledge resources-specifically, education and health care, both of which are today over administered and under managed." (Drucker, 1997)

- To respond effectively and face the emerging challenges of 21st century, universities should focus on transforming higher education system into a dynamic, flexible and diversified one having better linkages with societal demands.

- In an age of super-complexity, a new epistemology for the Universities awaits one that is open, bold, engaging, accessible, and conscious of its own insecurity. It is an epistemology for living amidst uncertainty (Barnett R, 2000).

- Collegial management by committee has given way to professionalized management by executive. Whereas administrators were formerly answerable to academics on management committees, now academics have increasingly become answerable to professional executive managers (Allen and Newcomb, 1999; Stevens, 2000; Boden, 2001).

- University management by layers of academic committees have traditionally exhibited problematical features such as slow decision-making and prevarication, unclear lines of responsibility and accountability, resistance to change, protection of established power groupings, resourcing inequities and limited uptake of new strategic opportunities (Kay, 2000).

- Education has become increasingly homogenized, research has become increasingly commodified, academics and administrators have suffered frustration, recruitment of new teachers and researchers has been stagnating, and despite pretences of long-term strategic planning, university, faculty, department and individual horizons and decisions have become short-term and resource driven. No one is a winner neither students, academics, universities, governments nor society (Parker Lee D, 2002).

- Old collegiality is a problem, but the new managerialism is not the answer. Good governance from outside the institution is important in order to secure sound guidance and stakeholder support, and no university can do without an efficient internal management to handle routine matters (Dearlove John, 1998).

- Kapur and Mehta (2004), examined the political economy of Indian higher (tertiary) education and observed that higher education in India is being de facto privatized on a massive scale. The privatization is not a result of changing ideological commitments of the key actors-the state, the judiciary or India's propertied classes. Rather, this privatization has resulted from a breakdown of the state system and an exit of Indian elites from public institutions, to both private sector institutions within the country as well as abroad. India's current system of higher education is centralized, politicized and militates against producing general intellectual virtues. The most acute weakness plaguing India's higher education is a crisis of governance; it raises doubts as to its ability to address the huge latent demand for quality higher education in the country.

So amidst the supercomplex environment,

there is a need for flexibility, dynamic adaptability, professional management by executive and the academicians, added with it is the short term and resource driven decisions. All this, calls for a scientifically designed setup in the working of universities, added to it, is some modifications in their governance, organization and management. So, this prelude study gives a holistic perspectives that need to be accounted, before venturing into the setting up of technical university and its effective governance.

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