ROMANIAN UNIVERSITY GOVERNANCE IN THE KNOWLEDGE SOCIETY

Mircea Constantin DUICĂ, Anişoara DUICĂ Bogdan Cătălin SAVU

"Valahia" University, Târgovişte, Romania
mircea_duica@yaoo.com

Abstract: The European strategies and policies on education aim to reform and increase the flexibility of the higher education systems, to better answer the society's needs, in the context of the challenges raised by the knowledge society. In this context, the quality of higher education has become a matter of public responsibility, and universities, based on their autonomy, should institute efficient university governance mechanisms that would permit an efficient use of their resources. University governance, as a process, relies on a realistic evaluation of the available resources and on the taking on - based on the university autonomy - of a future development direction, in conditions of efficacy and efficiency. The specific demands of the internal managerial control systems make it necessary for the university management to asset - by means of the control function - the results' deviations from the objectives, to analyze the causes that triggered them and to issue the necessary corrective or preventive measures. In this context, risk management represents an efficient instrument, specific for university governance, in the knowledge society, which contributes to the efficient use of the resources available to the universities.

Keywords: university governance, tertiary education, internal control, risk management

1. Introduction

The education and research goals established by the European Union, via the Lisbon Strategy, the Bologna process and Europe 2020 Strategy, aim to reform and increase the flexibility of the higher education systems, to better answer the needs of our society, in the context of the challenges created by the globalization of the flows of information, goods, services, human resources and capitals. In this context, the quality of higher education has become an issue of public responsibility, and the universities, based on their academic autonomy, need to institute efficient governance mechanisms, able to allow them to efficiently use their resources.

According to the strategy Europe 2020, the European Union has set itself the goal to increase to over 40% the ratio of higher education graduates for the age group 30-34 [1]. In this context, Romania needs to increase the efficiency of its process of resource allotment for higher education, in a context in which the level of this indicator is under the European average level, but also under the one recorded in Central and Eastern Europe (Figure 1)[2].
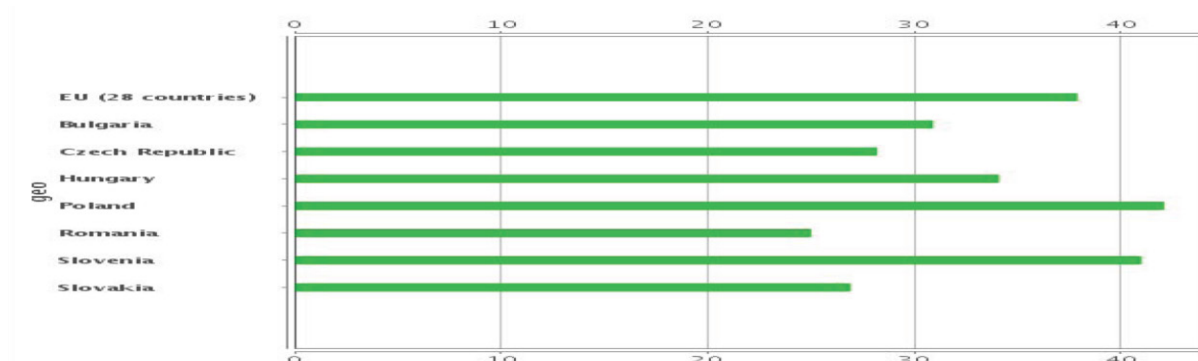
Figure no. 1: Tertiary educational attainment, age group 30-34 (%).

2. University governance, quality assurance and risk management

According to Magna Charta Universitatum, "*the university is an autonomous institution operating within a society*". In this context, the university autonomy allows the university community to establish its own mission, the institutional strategy, the structure, the activities, research themes, the choice of methods, procedures and ways to exploit the results, own rules of organization and operation, managing human and material resources, other rights stipulated in legislation designed to support and achieve university governance.

The term "governance" is used to describe *all those structures, processes and activities that are involved in the planning and direction of the institutions and people working in tertiary education"* [3].

The public higher education system of Romania can get out of the crisis it is experiencing at present only by means of good university governance supported by coherent public policies.

After the adhesion of Romania to the European Union, on the background of the global economic crisis, the Romanian higher education has recorded a dramatic decrease in the number of students for all three cycles of study (Table 1)[4].

Table no. 1:- Number of students enrolled in university study programmes in Romania (2007-2013)

Academic year	Total (public and private)	of which			Private
		Public	State-sponsored	Tuition-paying	
2013/2014	540.560	461.314	287.032	174.282	79.246
2012/2013	572.415	472.739	285.652	187.087	99.676
2011/2012	661.241	520.853	289.087	231.766	140.388
2010/2011	816.228	576.290	288.580	287.710	239.938
2009/2010	938.843	616.506	282.237	334.269	322.337
2008/2009	1.035.513	624.654	284.616	340.038	410.859
2007/2008	1.029.855	650.247	289.132	361.115	379.608

The decrease of the number of tuition-paying students, in public education, has led to an increase of the ratio of the state-sponsored students among the total number of students, during the period 2007-2013 (Figure 2)[5].

Under these circumstances, on the background of a decreased competition from the private universities, the state needs to create a favorable framework for a good university governance.
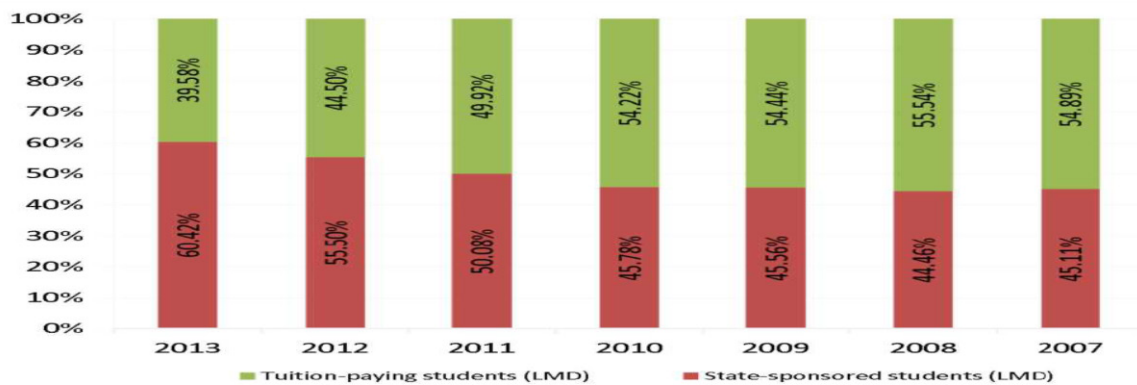
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Figure no. 2: Evolution of tuition-paying students shares, summed up for the three cycles of study.

According to the National Higher Education Funding Council from Romania, "*the uncertainties and the overall insufficient level of funding have a negative impact on the higher education quality and on the competitiveness of Romanian universities on medium and long term, undermining the sustainable development opportunities of the Romanian society in the 21st century. Therefore, strengthening and improvement of mechanisms to ensure fair and efficient use of existing resources should be accompanied by a coherent national strategy and set of priorities for the long term development of the Romanian higher education system*"[6].

It is unusual for the state to take a direct interest in the detailed way that universities are managed, except for the retention of the power to audit the way funds are disbursed. However, two other forms of intervention are as follows [7]:

- A requirement to conform to codes of governance "good practice".
- Regular provision of advice and guidance on good management, backed sometimes by extra funds encouraging universities to comply.

Governments seek to influence the manner in which universities are governed and managed trough funding improvements on systems (such as the development of management information systems and e-learning), and by issuing good practice guidance (on issues like risk management or estates management).

Concrete strategies for HEIs in Europe comprise [8]:

- Achieving focus and mass by rationalizing research activity (selectivity, critical mass, profiling).
- The creation of "centers of excellence" as a result of university rationalization and profiling policies. Such centers often function as inter-disciplinary institutes.
- Using financial / budgetary instruments as a means of attaining research goals and enhancing quality.
- Strengthening the steering capacity of the university's central management (e.g., by adjusting the internal planning, budgeting and control cycle).
- The setting up of a support facility (or office) to help researchers apply for funds or commercialize their research findings.
- Decentralization (devolving response-bility and making departments more autonomous when it comes to their management and resourcing) as a means to increasing research performance and research income.
- Employing human resource management (HRM) as an instrument in helping institutions achieve the right compo-sition of academic staff. For instance, vocational HEIs may encourage staff to engage more in research as this also helps improve teaching.
- Improving research training.

- Engaging in linkages with the outside world (region, industry, small and medium enterprises).

Given the fact that the university autonomy is exercised only if assuming public responsibility, it increases the importance of university governance, conducted in a professional manner and using computer solutions which provide updated information, in due time, to base decision-making processes. At the same time, the specific requirements of internal management control systems, developed in public institutions, according to Order no. 946/2005 of the Ministry of Public Finance for the approval of the Internal Control Code, including management / internal control standards to public entities and for the development of the management control systems require university management, through the control function, to find result deviations from targets, analyze the reasons that determined them and to have the necessary corrective or preventive action.

Internal control systems also integrate elements specific to the internal assurance of education quality which helps increase confidence among the public that the processes undertaken in universities meet expectations and allocated resources are used efficiently and effectively.

The reasons which determine the management of higher education institutions to be preoccupied by internal quality assurance are:

- the requirements of the European Higher Education Area on the responsibility of educational institutions to provide quality educational and research processes, while increasing costs associated with these processes;
- increase of the competitiveness of universities on the educational services market;
- European market recognition of qualifications of degrees and diplomas offered by universities;
- development of a genuine quality culture which implies the total involvement of

the staff in obtaining performance;
- increase of the competitiveness of graduates on the labor market.

The internal dimension of academic quality is built on the legislation in force, depending on the specifics of each university, tradition and cultural heritage of higher education in our country. In this approach, quality assurance becomes a process adapted to the specific institutional framework and it is established as a mechanism through which the results or academic performance are continually improved.

Ensuring quality education expresses an organization's ability to provide educational programs in line with the announced standards and is part of quality management, which is a whole set of measures aimed at getting universities to plan obtaining quality, to determine its parameters, to measure it and prove the result obtained.

University governance, as a process, is based on a realistic assessment of the resources (human, material, financial, informational) and on assuming, based on academic autonomy, a direction for future development, education quality assurance policies having a fundamental role in this approach.

According to Order no. 946/2005, of the Minister of Public Finances, for the approval of the Internal Control Code, comprising the internal management/control standards for the public entities and for the development of the managerial control systems, the academic objectives can be grouped into three categories [9]:

1) Operation efficacy and effectiveness. This category includes the objectives related to the academic goals and to the efficient use of the resources. At the same time, it is also here that the goals concerning the protection of the academic resources are included, along with the objectives related to: inadequate resource use or losses, and assets identification and management.

2) *Reliability of internal and external information.* This category includes objectives related to the realization of an adequate accounting, and to the reliability of the information used in the public entity or distributed to third parties. At the same time, in this category are also included objectives concerning the protection of documents against two categories of frauds: fraud dissimulation and results distortions.

3) *Agreement to the laws, the regulations and the internal policy.* This category includes objectives aiming to make sure that the academic activities take place in agreement to the obligations imposed by the law and by the regulations, and to the respect of the internal policy.

The Romanian public universities need to develop risk management systems permitting an efficient resource use. The risk registers associated to such systems will permit a periodical monitoring of the risks specific of the processes and activities developed, an efficient allotment of the resources and a dynamic risk management.

3. University governance, performance measurement and IT solution

Governance structures have changed from "democratic" and shared governance structures (in which staff and students are well-presented) towards a more managerial approach, with external stakeholders increasingly playing an important role [10].

In the knowledge society, involving the stakeholders in the university governance gives dynamism to the communication processes and allows the exchange of knowledge, adding value and finding innovative solutions to the universities' acute problems.

In this context, the prospective dashboards, used in business, could be used successfully to measure university performance.

In universities, the general objectives split into derived objectives on the level of the faculties and departments, which, in their turn, get decomposed into specific (individual) objectives, forming a coherent whole. Goal formulation can be qualitative or quantitative, yet it supposes the definition of result indicators, in a quantifiable manner - inasmuch as possible.

In the framework of this process, an important role goes to communication. The American Association of University Professors (AAUP) considers that "effective faculty - board communication is a critical component of shared governance. Its absence can result in serious misunderstanding between campus constituents and in significant governance failures leading to flawed decision making"[11].

The periodical analysis of the performance indicators levels, of the degree of satisfaction of the internal clients (students) and of the external clients of the university (employers), the monitoring of the graduates' insertion on the labor market are activities specific for the academic quality management systems, which require important human and time resources but offer representative information on the performance of the higher education institutions.

The use of IT software for these activities will reduce the data processing duration for the collected data and will improve the quality of the decisions concerning the policies of education quality assurance.

At the same time, the use of IT decision support systems in universities will allow an increase of the quality of the decisions on all the management levels, while permitting at the same time the monitoring of a set of performance indicators through the use of specific prospective dashboards.

4. Conclusion

In the knowledge society, it is only within a coherent strategic framework that the Romanian universities will be able to become entrepreneurial universities and develop competitive governance mechanisms, allowing them to develop useful projects for the society.

Current changes in higher education governance regimes (the renegotiation of the contract between universities and society) are often described as a passage

from the traditional type of academic self-governing to a new model of managerial self-governing attempting to restructure the internal organization of universities everywhere [12].

The use of IT decision support systems in universities will allow an increase in the quality of decisions at all levels of management, but will also allow monitoring of a set of performance indicators through the use of dashboards designed for the various levels of university management (rector, vice-rectors, deans, heads of departments).

The measurement of the university management performances and the evaluation of the quality of the services provided by the universities through the systematic use of the performance indicators is a stage towards the reform of the university management that brings with it an extra rigor and transparency in the activity of these structures.

The assistance of the decisions concerning the quality assurance policies in universities will lead to the improvement of the quality of life, through the informatization of the routine administrative activities, which are the task of the teaching personnel with monitoring, evaluation, reporting attributions. Turning the evaluation and quality assurance processes into procedures and informatizing them will contribute to the increase of the institutional transparency, to the diminution of the communication barriers and to the consolidation of a true quality culture in universities.

According to the programmatic documents of the EU, the EHEA Universities, by means of good governance, will have an essential contribution, until 2020, to the realization of a Europe of knowledge, which shall be extremely creative and innovative.

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