



*Abstract*

*Governance in university education has become an issue of concern globally as it applies to other public and private sector organizations mainly due to increasing pressure from the needs and expectations of key stakeholders. The paper raises theoretical and practical issues as well as areas of interdependencies and linkages that influence the mode of governance in modern universities based on stakeholder theory.*

*It is observed that although there are many challenges facing governance relationships in higher education and availability of different options for improvement, effective stakeholder involvement in decision making process, communication, transparency and accountability in areas of common needs and expectations will have the highest impact on education access, quality and relevance.*

**1. Introduction**

The concept “governance” has emerged in the mainstream literature during the paradigm shift from well rooted Max Weber principles of public administration to new public Management in the late 1970s and more robustly in the 1990s (Box, 1999). Neo liberal architects from the academia and their associates from international institutions who were behind the transformation believed that business models were seed beds for adoption of creativity, innovation, customer focus, efficiency, transparency, accountability and hence creation of more rational markets. Therefore, the transformation strategy was to deploy the concept of “good governance” through massive reforms in both public and private sector organisations. Reforms include deregulation, adoption of flatter management structures, and establishment of semi autonomous agencies to replace public service departments, performance based accountability and adoption of market based leadership and management strategies, principles and techniques (Aucoin, 1990).

Universities like other organizations were not immune from these challenges and forces for reforms. Universities had to have space in the new paradigm by redefining their roles

and responsibilities because the traditional role of universities, governance structures, and relationships with wider institutional frameworks as well as their legitimacy had lost some taste. The repositioning encompassed a review of governance structures, relationships and processes at institutional, national and international levels (OECD; 2008: 68)

The main driving force change is increased demand for more accountability and responsiveness to the needs and expectations key internal and external stakeholders who affect or are affected by the existence and functioning of universities. The more stakeholders are aware of their rights, duties and responsibilities in fostering access, quality and relevance of higher education, also the more the need for mutual dependence on matters of governance of higher education. Bjorkquist (2008) has noted that in the past universities existed as ivory towers with limited touch with the general political and socio economic environment which constitute a myriad of stakeholders but today more interdependencies and linkages unfold new challenges. As pointed fairly well by Burrows (1999), universities are increasingly challenged to be more responsible and accountable in the utilization of resources, provision of quality education and adherence to good practices of value for money.

The paper raises theoretical and practical issues as well as areas of interdependencies and linkages that influence the mode of governance in modern universities based on stakeholder theory.

## **2. Theoretical framework of governance in university education**

The understanding of governance interdependencies and linkages in university education can be tackled from different angles depending on the philosophical base used to justify certain governance structures and disperse of powers and authority. De Boer et al (2007) has developed university governance which was later modified by Braun and Merrien (1999) using by systems view of governance in tertiary education which is useful for analytical purposes of university governance in the country. The model has five components which are; state regulations and directives, the role of key stakeholders, self governance through the academics within the universities, managerial internal self governance and the influence of the market forces.

The five components of the model are interrelated and interdependent as a collective and any solid review and discussion of governance and interdependencies in higher cannot afford to lose site. However as a matter of principle the model has embraced dual philosophical view of the meaning and the role of a university. For those who believe that a university is a republic of scholars with institutional autonomy and academic freedom as two sides of the same coin would consider university governance as a collegial enterprise of scholars and management. On the other hand, for those who believe that a university is an institution with various stakeholders who have different interests would just consider university management, staff and students as just some of the key stakeholders amongst many whose interests have to be met (Bleiklie and Kogan, 2007). Therefore, policies, laws, regulations, guidelines and structures which are key governance instruments will determine roles, relationships and expectations of key stakeholders in a wide spectrum of university education system.

Therefore, without underrating the value of De Boer et al, (2007) model, the paper focuses on stakeholder theory in analysing governance interdependencies and linkages in university education simply because the issue at hand is all about working with and through key stakeholders in higher education. Freeman (1984) seems to form the basis of today's arguments regarding stakeholders and stakeholder theory which was developed purely for private sector organisations (Scholl, 2001, Murdock, 2004). The results of debates for 30 years now have culminated in fairly narrow and wide stakeholder definitions. The narrowest sense considers a stakeholder as "any group or individual who can affect or is affected by the achievement of the organisation's "objectives" (Freeman, 1984). From this perspective, stakeholders in an organisation would include stockholders, employees, the management, customers, suppliers, the government, and partners.

Since the stakeholders have different stakes in the organisation, the way they affect or are affected by the organisation will differ. This has led to classifying key from non-key stakeholders, depending on the magnitude of risk shared by the individual or group (Reed, 1999, Clarkson, 1994, and Cohen, 1995, 2001). A wider definition takes the term stakeholder to embrace "all those who have legal, moral, or presumed claims or who have

the capacity to affect an organisation's behaviour, direction, processes or outcomes" (Mitchell *et al.*, 1997).

Since stakeholder theory is primarily a private sector firm theory, it challenges the neo-classical economic theory of the firm and maintains that the firms that are managed for the good of stakeholder satisfaction thrive better than those firms that only pursue purely profit motives (Scholl, 2001 and Marcoux, 2000). Stakeholder theory asks three critical questions. "Who are the stakeholders, what do they want, and how they are going to try to get it" (Freeman, 1999).

### **3. Stakeholders' expectations as the basis for interdependencies and linkages**

*'People who share a common direction and sense of community can get there more quickly and easily because they are travelling on the trust of one another'.*

*...Terry Orlik... Embracing Your Potentials.*

Although each university will have its own key stakeholders depending on whether it is public, private for profit or faith based, the fact that all universities exist in order to generate and disseminate knowledge, there is some kind of a common pattern on who appears on the list of key stakeholders and areas of interdependencies and linkages.

A study by Mainardes *et al.*; (2012) shows that when university key stakeholders were ranked in the order of importance, out of 20 stakeholders, students appeared ten times higher than other stakeholders followed by teaching and research staff, employers, research institutions, development partners, governments and regulatory bodies. In a different study conducted by Jorge *et al.* (2012) in 17 universities disaggregates five critical categories of key university stakeholders and their expectations although the list was longer including the central and local government, partner universities, funding institutions and alumni who are not covered here.

### 3.1 Students

Students were ranked as number one stakeholder expected universities to provide quality and relevant education, participation in university activities and more voice. Table 1 indicates the key areas of interest.

**Table 1: Student expectations from university education**

S/N	Expectations
1	<i>Better quality and more practical teaching adapted to social reality</i>
2	<i>Career orientation and access to future labor market</i>
3	<i>Greater cooperation between universities and more exchanges</i>
4	<i>Improved communication with students. Publication of university initiatives.</i>
5	<i>Greater participation of students in university life and in decision-making</i>
6	Education in human values: open-mindedness, freedom, critical spirit, motivation...
7	Effective allocation of resources according to real needs and improvement of infrastructures
8	Promotion of ethical awareness both in teaching and in research
9	<i>Practical research responding to the needs of society</i>
10	<i>Permanent link between current and former students. Post-graduate education adapted to the needs of former students</i>

Reading from the spectrum of students' expectations it appears that their concerns cut across the expectations of even key stakeholders outside the university and therefore in a way suggesting that perhaps a major indicator of university good governance is the extent to which students expectations are met.

### 3.2 Teaching and research staff

Teaching and research staff have expectations which cut across academic role of the university which is teaching research and community service as well as general welfare. Concerns for good governance are reflected through the value attached to academic freedom and good governance. Table 2 presents the summary.

**Table2: The expectations from teaching and research staff**

S/N	Expectations
1	<i>A University model in terms of respect for workers' rights: stability, assessment, promotion, salaries, collective agreements, professional development, balance between work and family life, working environment</i>
2	Improvement in material resources and their distribution between different areas. Rational allocation of resources in teaching and research
3	Improvement in environmental management
4	Improvement in the recognition of the activity of teaching and research
5	Health and safety at work
6	<i>Fulfillment of the social function of universities (independence, opinion forming)</i>
7	Encouraging of ethical values, good behavior, respect, good manners among students
8	<i>Transfer of research to society</i>
9	Measures to promote equality
10	Continuous in-service training for teaching staff

Observations from Table 2 equally confirm the common notion that teaching and research staff are a college of scholars who are mostly interested in meeting their own job related needs and therefore strategies that will focus on change of mindset may make a difference in improving interdependencies and linkages amongst stakeholders.

### **3.3 Administrative staff**

Administrative staff in universities had expectations which reflected more of the values of general organizations which are basically about general management as indicated in Table 3.

**Table 3: University administrative staff expectations**

S/N	Expectations
1	Plan for equality and family Life
2	Long-term human resources planning
3	<i>Transparency in management and publication of information</i>
4	Definition of a catalogue of university services
5	Plan for professional development
6	Improvement of human resources management processes

7	<i>Greater recognition and involvement in decision-making</i>
8	Plan for in-service training
9	Fair and rational distribution of material resources
10	<i>Creation of a greater university social awareness and a closer relationship with society</i>

From the list of 10 areas identified, aspects of good governance featured clearly on code of good practice and more participation in decision making which extend beyond the university boundaries.

### 3.4 Companies

Companies are consumers of university products and services. Professional competencies, more information, more affordable fees, and linkage with industry were amongst the important expectations.

**Table 4: Expectations from companies**

S/N	Expectations
1	<i>Educating students in terms of abilities and skills. Graduates who are more employable</i>
2	Selection and hiring of suppliers following socially responsible criteria
3	<i>Speeding up administrative procedures</i>
4	<i>More information and transparency about procedures</i>
5	<i>Continuous education</i>
6	<i>Transfer of knowledge generated by university research to companies</i>
7	<i>Stronger relationship between universities and local companies</i>
8	<i>Educating students in business ethics and social responsibility</i>
9	<i>Information about the costs associated with education</i>
10	<i>Better planning of teacher and student placements in companies</i>

Data from companies echo the very pressing need for universities to establish strong links with industry through curriculum review, internships, students' supervision, joint teaching and research and product development.



### 3.5 The community

The community had expectations which were mostly on producing responsible citizens in their working places and in the general community.

**Table 5: Wider Community expectations**

S/N	Expectations
1	<b>Transparent, efficient, and effective management of universities. Exemplary conduct in terms of responsibility</b>
3	<i>Respect for social responsibility shown by clients and suppliers</i>
4	<i>Responsible research in line with social agreements</i>
5	<i>Education of students to integrate them in modern society</i>
6	<i>Knowledge of business management and social skills. Creation of companies and self-employment</i>
7	<i>Overall education in values: a sense of ethics and social commitment</i>
8	<i>Fulfillment of role as a dynamic force for change in society</i>
9	<i>Codes of ethical behavior to be accepted by all of the university</i>
10	<i>Social dimension of universities: access, equity and respect for minorities</i>

From Table 5, it is observed that of all the five stakeholders the community wishes to have almost everything that links university education and the wider society which covers a myriad of stakeholders. This is an area which will affect the extent to which universities can adopt market models of governance in the provision of education which is more of a public than private good and hence under the influence of state bureaucracy.

### 4. Making governance interdependencies and linkages work well

An extensive research conducted by Jorge et al (2012) concludes that when it comes to university governance, what matters most is the extent to which there is effective involvement of stakeholders in decision-making, the state of information and

communication; and transparency and accountability for roles and positions for each stakeholder as indicated in Table 6.

**Table 6: University- stakeholder governance barometer**

<b>Good governance barometer</b>	<b>Administrative staff</b>	<b>Academic staff</b>	<b>Students</b>	<b>Societies</b>	<b>Companies</b>
Encouraging the involvement of stakeholders in decision-making at universities	X		X	X	X
Improvement in the means of information and with different stakeholders	X	X	X	X	X
Transparency in university management (actions, investments, liquidation of budgets, costs associated with education)	X	X	X	X	X

One very important observation from the study is that although there are different stakeholders with different expectations on governance, the similarities across the three elements of governance are overwhelming. The only exception which is quite unusual and difficult to explain is on the part of academic staff who did not give significant value on involvement in decision making. This is an area of research interest. However, the three key areas of governance will be used to generate implications and challenges in the Tanzanian environment.

## **5. Interdependencies and linkages in higher education in Tanzania**

The same stakeholder theoretical framework and lessons from these experiences can be used to analyse university governance in Tanzania. The starting point would be the identification of key stakeholders and the areas of interdependencies and linkages in university education in relation to governance.

**Table 7: Governance interdependencies linkages in higher education in Tanzania**

<b>Governance indicator</b>	<b>CVCPT</b>	<b>MoEVT</b>	<b>PoPSM</b>	<b>MoF</b>	<b>TCU</b>	<b>HELB</b>	<b>CAG</b>
<b>Stakeholder involvement</b>	-Students government -Academic staff association -Trade unions -External stakeholders representatives	-Key higher education stakeholders	-Key higher education stakeholders	-Key higher education stakeholders	-Key higher education stakeholders	-Key higher education stakeholders	-Key higher education stakeholders
<b>Information dissemination</b>	-Curricula -Capacity - Research - Resources - Services - Partnerships	-Policy -Funding -Research - Scholarships -Status of higher education	-Human resource management	-Budget guidelines - Disbursement of funds	-Best practices -Quality assurance	-Criteria for awards of loans - Disbursements -Loans recovery	-Best practices - Compliance - Rewards - Sanctions
<b>Transparency and accountability in university management</b>	-Academic management -Resource management - Budget management -Relationship management	- Policy Monitoring -Budget allocation process -Capacity building opportunities	-Scheme of service - Employee entitlements - Employment permits	-Funding arrangements	-Quality Admissions - Monitoring - Registration - Accreditation -Awards -Sanctions	-Means testing -Loans disbursement -Loans recovery	-Audit guidelines -Audit process -Audit feedback

## **5. Emerging challenges**

### **5.1. Stakeholder involvement**

Instruments which establish each of the key stakeholders in University education specify their powers and authority in higher education. For example University Act 2005 and respective University Charters establish administrative machinery with specified powers and authority, the role of key stakeholders and how each should be involved in decision making. The challenge may not be much on who is involved, how and for what purpose but who has real power and authority to create significant impact on what is decided and happens on the ground. Some of the questions would be; at the end who defines strategy? Who is mostly heard? Do universities define their destiny or the destiny is defined by the outsider? Aghion (2007) has found that best performing government universities in Europe have more autonomy in terms of budget utilization, hiring and rewarding staff by clearly separating powers amongst their governing bodies.

It is a common phenomenon in Africa as it applies in Tanzania that if we really want to leap frog in terms of access, quality and relevance of university education, there is no short cut to heavy human and physical investment. In the process, each stakeholder has a role to play. Stakeholder theory would task the CEOs under the guidance of Corporate Boards and Shareholders to sit behind the governance wheel. In this case the success will depend on the extent to which CEOs are visionary, confident, ready to take risks are trusted and strongly supported particularly during the times of uncertainties. In this regard, in terms of governance, how CEOs and their associates climb into power, how governing board members get access to the boardroom, their mandate, and the ratio between internal and external members are critical not only for effective leadership and management of higher education institutions but also effective external stakeholder management.

### **5.2. Dealing with information and dissemination**

Governance structures dealing with higher education need adequate, correct, relevant and timely information in order to effectively participate in governance matters. Although each stakeholder has independent systems of information dissemination and mostly

through websites, policy documents, strategic plans, brochures, and exhibitions, systems of sharing strategic information among key stakeholders may require review so that each stakeholder gets only relevant, correct and timely information to facilitate particular stakeholders involvement in decision making. In this case the establishment of a collective strategy for sharing information may be necessary. Perhaps Tanzania Education and Research Network (TERNET) as one of the stakeholders in higher education may have a potential role to play in creating a common platform which will bring together updated critical information of common interest for all key stakeholders in higher education.

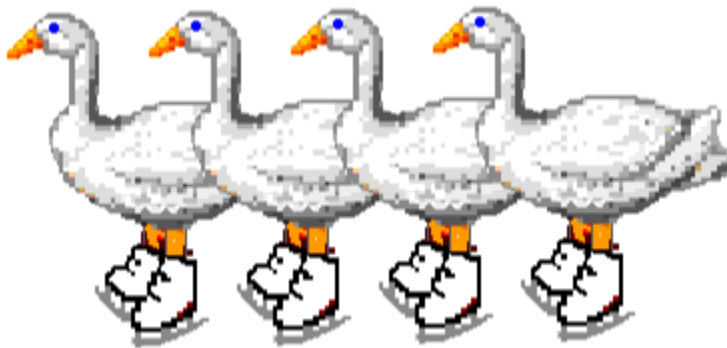
### **5.3. Transparency and accountability**

The observation from issues raised in Table 7 is that each stakeholder creates synergy and enjoys better performance through interdependencies in each of the roles played if everyone is transparent and accountable for actions and inactions. However, although universities and other stakeholders may have very solid instruments of governance including policies, laws, structures, circulars and guidelines, at the end of the day performance in this area would also depend on the extent to which information is timely available, adequate, relevant and trustworthy. While most governance instruments in American and European Universities would require institutions to publish what is done and decided by institutional organs, the main area of controversy would be “how much transparency is transparent”. Best practices would suggest that confidentiality is also important for institutional and national interests (CUC, 2006). Accountability includes but not limited to responsiveness to stakeholders needs and expectations. Each stakeholder has to be able to account for not only what is entrusted towards achieving internal organizational vision and mission but also those of other key external stakeholders. An area of discussion would be the extent to which institutions dealing with higher education adhere to the principles of disclosure and degree of responsiveness which are critical in reducing transaction costs arising from information vacuum.

## **6. Conclusion**

Since universities and their key stakeholders coexist as interdependent system such that organizational performance and growth depends on one another, there is a need for harmonised institutional framework and a platform for sharing strategic plans, achievements and challenges where issues of dealing with internal and external stakeholders expectations will be addressed systematically. As it is pointed out quite well by Terry Orlik when he refers to “learning from geese”, the process of success of all stakeholders who are interdependent is more complex than what it takes for an individual institution to succeed. Therefore, although there are many challenges facing governance relationships in higher education as there are different options for improvement, effective stakeholder involvement in decision making process, communication, transparency and accountability in areas of common needs and expectations will have the highest impact on education access, quality and relevance.

### **Lessons from Geese**



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