

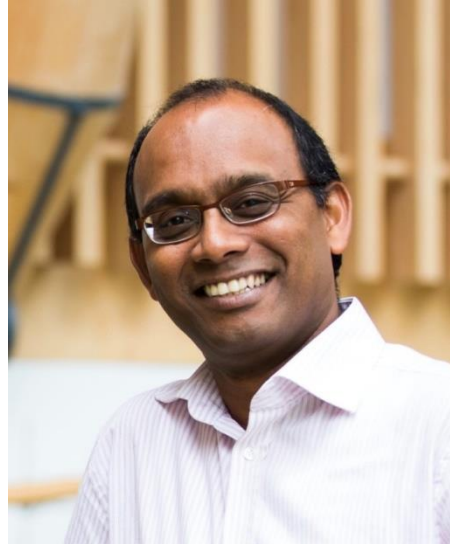
A comparative study of governing boards in Vietnam and UK Higher Education Institutions

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Research team



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Objectives

To develop a comprehensive understanding of current governance practices in a selection of Vietnamese HEIs and compare this to current practices of UK governing structures of HEIs.

Research Summary

- ▶ Managerial and administrative aspects of the higher education institution (HEI) e.g. Council or more generally Governing Board
- ▶ The role of the 'modern' board and of the **interaction between 'executive' and 'non-executive' members**. But are such models effective?
- ▶ Substantial change in the HE landscape internationally
- ▶ What lessons can be learnt from UK and used in Vietnam?

What did we try to find out?

- ▶ How do members of the HE governing board perceive the role of the governing board as a whole?
- ▶ How do members of the HE governing board construct their individual role and responsibilities, particularly in their interaction with HE executives such as the Vice-Chancellor or equally in terms of the executive's perceptions when dealing with non-executive board members?
- ▶ What factors (organisational, individual, legal/regulatory, and any other) do HE governing board members consider to be relevant (and/or important) in enabling or disabling their governance role within the institution.

UK Research Approach

- Focus on UK (24 Russell Group Universities)
- Survey of laws and regulations in relation to the governing boards of HEIs.
- Our initial research is a quantitative exercise based on secondary data.
- Sources of data collected from annual reports, financial statements, university websites, interviews (University Council Members)

UK Framework

- ▣ HE Code of Governance 2014 includes Core Values (Principles):
selflessness, integrity, objectivity, accountability, openness, honesty and leadership.
- ▣ **Autonomy** as the best guarantee of quality and international reputation.
- ▣ Seven Primary Elements that support the core values (1) **fully accountable** for their decisions, (2) **adhere to legislative and regulatory requirements** to protect institutional reputation, (3) **effective systems of control and risk management** to ensure institutional sustainability, (4) **working effectively** with their identified governing instruments, (5) **work with the Executive** to ensure effective control and due diligence take place, (6) **promote equality and diversity** in its operation, (7) able to **provide evidence that governance structures and processes are fit for purpose** and uphold standards of good practice.

1.

**UK HR Code
2014**

Key aspects of UK HE Code 2014

Board Composition & Role

- The governing body must have a majority of external members, who are independent of the institution. All members should question intelligently, debate constructively, challenge rigorously, decide dispassionately and be sensitive to the views of others both inside and outside governing body meetings. (Par. 7.1, 2014)
- The Chair and Secretary will want to ensure all members receive an appropriate induction to their role and the institution as necessary. (Par 7.5)
- There is an expectation, often enshrined within the constitutional documents of HEIs, that governing bodies will contain staff and student members and encourage their full and active participation. (Par 7.6)

2.

Global view

A more global view...



- ▣ US, UK, Australia and Europe
- In Europe, there are different level of powers and authority (as per the rules) assigned to the governing board by central or regional state (Kretek et al. 2013) or 'buffer bodies' (Saint, 2009) due to funding arrangements. There is more leeway in the case of the UK and US.
- The degree of external representation on the governing board varies very widely in Europe but this is generally well entrenched in UK & US universities e.g. the UK university corporation reform.
- Dragsic et al. (2011) study the actual level of authority of European governing boards and find their influence to be very low in the case of academic aspects (staff appointment, student admission, teaching programmes) - (but this is not so surprising)

A more global view...

- ▶ Kretek et al. (2013) argue that the potential roles of university board members can be classified as follows:
 - State's agents/supervisors;
 - Societal/private stakeholders;
 - Stewards/partners;
 - Rubber stamps/legitimisers

3.

Comparision

Similarities and Differences between Vietnam & UK

- Both countries adopted **top down approach** (government lead legislation and set the legal framework)
- Both countries have **laws and legislation in place to provide main direction and principles**
- Both countries have positive attitude to further advance the HEI governance
- Both countries mention **diversity of categories** within the board

Challenges for Vietnam

- Is the current legislation and legal framework in Vietnam adequate to allow HEI to exercise good governance?
- Do HEIs have adequate autonomy to shape their governance direction and compliance with regulations?

Opportunities for Vietnam

- Would developing a similar Code in Vietnam help to provide a clearer governance framework and practical guidance to exercise better governance?
- If this framework and guidance is developed, would the socio-political environment adapt to allow autonomy within the HE sector?

Differences between Vietnam & UK

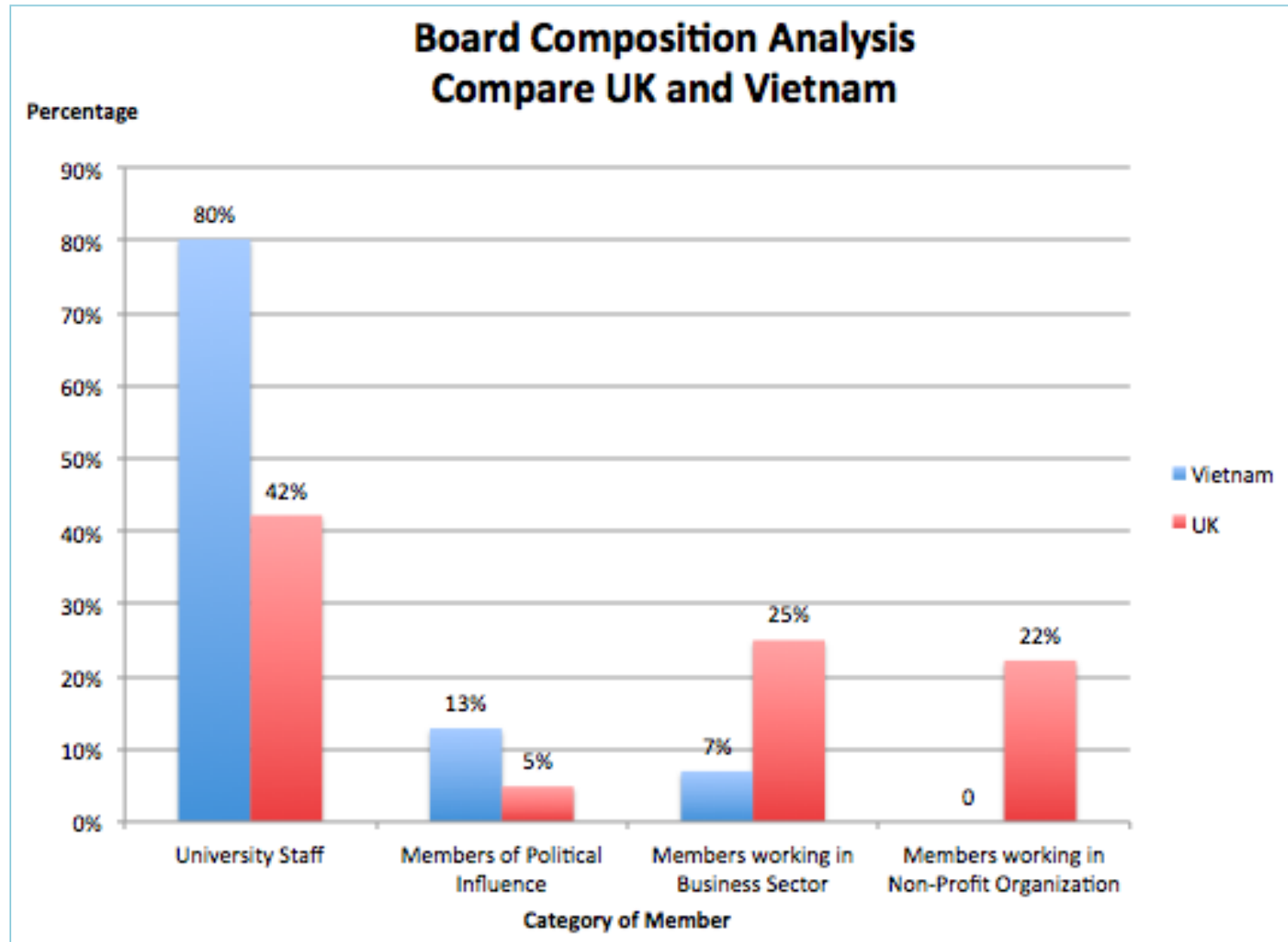
- The UK HE Code of Governance 2014 provide clear approach, core value, key elements and guidance on how to implement these elements.
- The UK encourage self monitoring and self reporting mechanism to ensure compliance.
- The UK HE Code provides autonomy for the HEI to decide and explain how they adhere to the regulations and provide evidence on how they implement the key elements.

Composition of UK HE governing boards

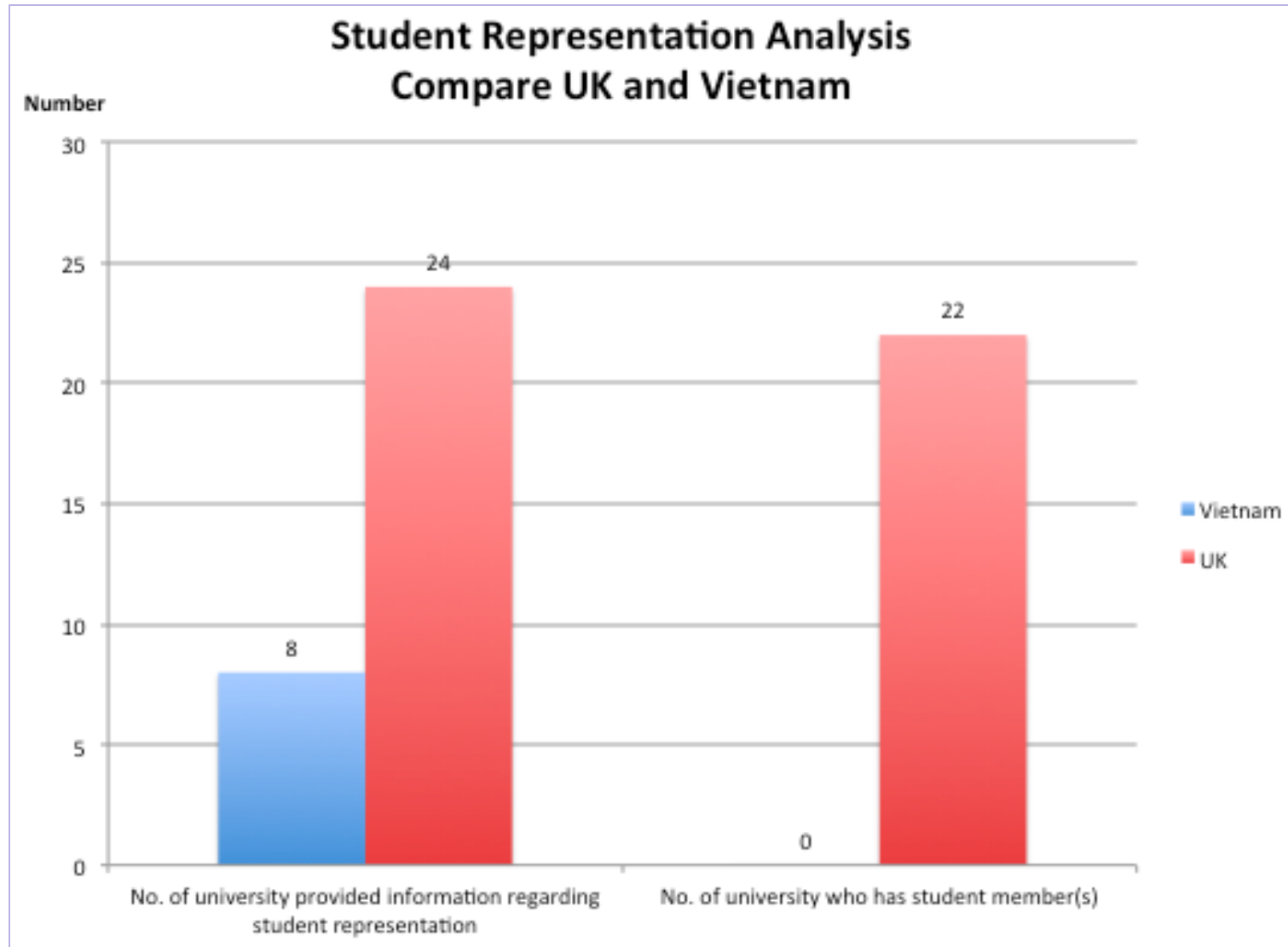
	No. Gov.	No. BAME	No. Females	No. Lay Members	No. Non Academic	No. of Meetings
ALL (Mean)	24.19	1.63	6.19	12.80	15.80	4.97
Minimum	14.00	0.00	1.00	4.00	6.00	3.00
Maximum	40.00	10.00	13.00	21.00	24.00	9.00
Post-92 (Mean)	22.47	1.55	6.13	12.95	15.80	4.95
Minimum	14.00	0.00	2.00	4.00	6.00	3.00
Maximum	34.00	10.00	13.00	21.00	24.00	9.00
Pre-92 (Mean)	26.17	1.71	6.24	12.66	15.83	5.00
Minimum	15.00	0.00	1.00	6.00	6.00	3.00
Maximum	40.00	7.00	13.00	18.00	24.00	9.00

Source: Annual Reports of 130 institutions (Report to LFHE, 2014, Table 4)

University Board Composition



Student representation



University Board Composition

Summary:

- UK and Vietnam have a similar size Councils (on average over 22 members).
- UK has a higher female representation on average.
- Vietnam has a high representation of university staff, ministry and members working for government.
- UK has a high representation of university staff, business sector and non-profit organization.
- While UK has a small student representation, Vietnam has no student representation.

4.

**Draft 2018
Higher
Education Law**

New regulations

■ Responsibilities of governing body

- More roles and responsibilities in human and finance issue
- Approve many important aspects of the university (recruitment, investment, payment,...)
- More responsibilities in evaluation of the rector

■ Board composition

- 30% of outsiders
- Obvious members: Secretary of Communist Committee, Chairman of Union, President of Youth Union, Rector
- 25% are university staffs

■ Chairman of governing board

- Independence of the chairman (not the rector or the member assigned by the rector)

5.

**Round Table
Discussion**



▣ Suggestions...

- ▣ What is an effective Governing Board?
- ▣ Do you agree or disagree that Governing Board membership needs to change?
- ▣ What should a Governing Board be comprised of? Do you agree with the system from the UK?
- ▣ **How should members of the Governing Board be recruited?**
- ▣ What are your views of the Governing Board comprising of **Business people, independent members, students?**
- ▣ What are the top 3 barriers to change that need to be identified and how would you remove these barriers?

Key aspects of UK HE Code 2014

Board Composition & Role



- The governing body must have a majority of external members, who are independent of the institution. All members should question intelligently, debate constructively, challenge rigorously, decide dispassionately and be sensitive to the views of others both inside and outside governing body meetings. (Par. 7.1, 2014)
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Governing Body

- Sufficient skills, knowledge and independence, including though the appointment of an independent Chair, to enable it to discharge its responsibilities.

Key aspects of UK HE Code 2014:

The governing body should

Meet this requirement	How?
<p>Ensure that the governing body has sufficient skills, knowledge and independence, including through the appointment of an independent Chair, to enable it to discharge its responsibilities.</p>	<p>Fixed term appointments & manage succession Ensure members have sufficient time to participate</p>
<p>Be of sufficient size that its responsibilities can be undertaken effectively and speedily, without being so large that it becomes neither unwieldy nor too small.</p>	<p>Establishing a size within the range of 12-25 members, although there is no optimal governing body size, and total membership should depend on numerous factors.</p>

Key aspects of UK HE Code 2014: The governing body should

Meet this requirement

Annually reflect on the performance of the institution as a whole in meeting strategic objectives and associated measures of performance, and the contribution of the governing body to that success

How?

Reflecting on the extent to which it and its committees have met their terms of reference and – where they exist – their annual work plans.

Benchmarking its performance and processes against other comparable HEIs, and relevant institutions outside the HE sector.



Towards Autonomy - Challenges facing Vietnam Higher Education Institutions. What do we mean by autonomy?

Concept of HE Autonomy

- From: Fumasoli, Tatiana, Åse Gornitzka, and Peter AM Maassen. *University autonomy and organizational change dynamics*. ARENA, 2014
- The interest in and debates on university autonomy are as old as the institution itself. This reflects the essential issue of finding an effective and mutually acceptable balance between society's need to have a sufficient level of control over the university versus the university's need for an appropriate level of independence in handling its own affairs. Hence this debate relates to core questions of the discretion of public sector organizations, that is, the extent to which these organizations can decide themselves about matters they consider important (Verhoest et al. 2004: 18–19, Roness et al. 2008).

Concept of HE Autonomy

- Different forms and understanding of autonomy:
 - ‘Technical’ delegation (HE activities) but not managerial or financial.
 - Negotiated autonomy (arising from debate between state bodies and HE institutions on various managerial and financial aspects).
 - Managerial & financial autonomy – independent from direct State influence
 - Market-based autonomy – State sets out conditions to operate as an autonomous institution but latter is subject to market and competitive forces.
 - Societal autonomy – beyond technical, managerial & market based aspects (operating autonomously for the common good & society)

Concept of HE Autonomy

- It is generally thought that more autonomy will mean ‘more’ ‘accountability’:
 - Control mechanisms based on contractual arrangements (e.g. use of ‘buffer bodies’ such as the UK Funding Councils (HEFCE), such as financial reports and performance assessments
 - Formal assessments of academic quality (State-based accreditation agencies)
 - Inherently, ‘trust in the institution and in the academic profession’ appears to be given less importance.
 - This is however a familiar pattern of New Public Management (NPM) reforms in the public sector in general (also World Bank HERA)

Concept of HE Autonomy

- This type of accountability has its limits and becomes restricted to traditional stakeholders (e.g. State and related institutions).
- One would argue that a broader form of accountability to multiple stakeholders is required (e.g. partly addressed by the role and composition of governing boards and stakeholder representation).

5.

Round Table Discussion Questions

Suggestions...



- ▣ What does Autonomy mean to you?/ What would be the shape of autonomy in terms of HEI governance in Vietnam?
- ▣ **What changes in the University Council/ Governing Board is necessary to improve autonomy** (list the top 3)
- ▣ What are the **potential forces for change and likely resistances**?
- ▣ What **cultural environment** would be needed to allow more autonomy?
- ▣ What would be an effective approach to move forward in short, medium and long term?
- ▣ **What resources** are required to bring about these changes?



Towards Autonomy - Challenges facing Vietnam Higher Education Institutions. What do we mean by autonomy?

5.

Round Table Discussion Questions